

# Financial Performance Analysis at Indo Shell Cast Pvt. Ltd.

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**Abstract--** The study titled “Financial Performance and Capital Structure Analysis of Indo Shell Cast Pvt. Ltd.” aims to evaluate the relationship between capital structure, profitability, and liquidity using key financial ratios and comparative statements for the period 2020–2025. The research highlights how financial management practices impact the firm’s operational efficiency and overall profitability. Data was collected from the company’s financial statements, and analysis was conducted through ratio analysis, comparative analysis, and trend analysis. The findings show that while Indo Shell Cast maintained adequate liquidity, profitability margins experienced fluctuations due to rising costs and increased investments. The study concludes that efficient working capital management and balanced leverage can significantly enhance the firm’s financial stability and growth potential.

## I. INTRODUCTION

In today’s competitive manufacturing environment, financial performance plays a pivotal role in determining a company’s sustainability. Indo Shell Cast Pvt. Ltd. (ISCPL), established in 1987 and headquartered in Coimbatore, Tamil Nadu, is a leading shell moulding foundry in India, known for its expertise in manufacturing precision ferrous and non-ferrous castings. The company operates multi-plant facilities with an annual production capacity of around 25,000 tons and monthly output of over 1,200 tons, supplying more than 250 different part types ranging from 15 grams to 15 kilograms. It serves over 75 global OEMs, including Cummins, Toyota, Bosch, John Deere, and TVS, with around 25% of its output exported to the US and Europe.

ISCPL is IATF 16949, ISO 9001, and PED certified, and its integrated infrastructure includes in-house tool rooms, CNC machining, metrology labs, and advanced inspection facilities. The company places strong emphasis on technology, leveraging IoT, custom ERP systems, and CAD/CAM tools, and has committed to sustainability by targeting 90% green energy usage by 2025. With sister concerns like Unique Shell Mould and Acceedo Automation, ISCPL is also expanding into aluminum castings and IoT solutions. Recognized with multiple industry awards, ISCPL continues to focus on value-added services, R&D, and automation to address challenges like labor shortages, aiming to become a leader in fully finished and assembled casting solutions for the global market.

## II. OBJECTIVES OF THE STUDY

- ❖ To evaluate the financial health of Indo Shell Cast Pvt Ltd.
- ❖ To analyze the company’s profitability, liquidity and trends over past five years.
- ❖ To access the effectiveness of financial management practices adopted by the company.
- ❖ To identify areas of financial strengths and weakness

## III. REVIEW OF LITERATURE

1. Franklin Allen and Elena Carletti (2022): Their paper “The Role of Financial Institutions in the Global Economy” examines how regulatory frameworks ensure financial stability and efficiency across global markets. It highlights the importance of financial institutions in supporting industrial growth and maintaining macroeconomic balance.
2. Dr. K. Prince Paul Antony and D. Bharath (2022): This study on Bajaj FinServ’s financial performance used ratio analysis to assess profitability, solvency, and liquidity. It concluded that effective financial management leads to a strong financial trend and sustainable profitability.
3. Sathya Moorthi, Mapharing, and Dzimiri (2020): Their research analyzed the relationship between liquidity management and profitability in Botswana’s banking sector. The study established that effective liquidity management directly enhances financial performance.
4. Surekha B. and Krishnalak K. Rama (2015): This study evaluated the financial performance of Tata Motors, finding that the company’s inner strength was notable but recommended improving capital gearing and cost efficiency for higher profitability.
5. Mistry Dharmendra S. (2012): The research identified that debt-equity ratio, inventory ratio, and total assets significantly affect profitability. The study suggested improving solvency and managing fixed financial burdens to increase shareholder value.

**IV. RESEARCH DESIGN**

This study is descriptive and analytical in nature. It relies on secondary data collected from the company’s audited balance sheets and income statements for 2020–2025. The main analytical tools used include ratio analysis (liquidity, profitability, and turnover ratios), comparative statements, and trend analysis. Data visualization tools such as Microsoft Excel and Python were used to prepare charts and tables.

**V. TOOLS USED FOR ANALYSIS**

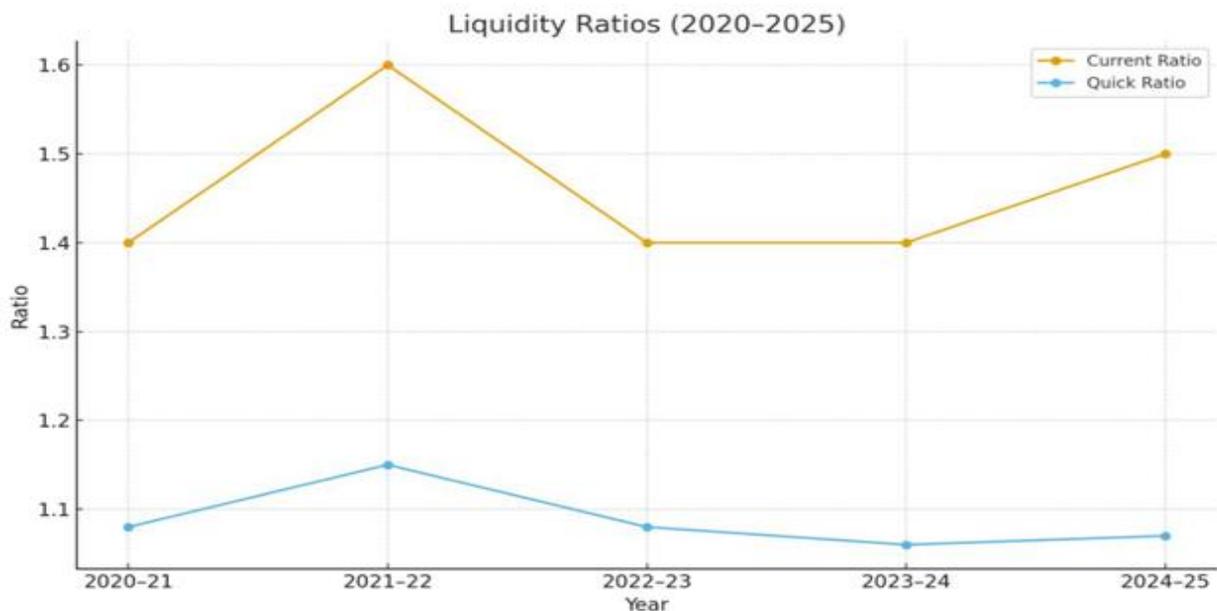
- Ratio analysis
- Comparative Financial Statement
- Common Size financial Statement
- Trend analysis

**VI. DATA ANALYSIS AND INTERPRETATION**

**TABLE 1.1:  
LIQUIDITY RATIOS**

Year	Current Ratio	Quick Ratio
2020–21	1.4	1.08
2021–22	1.6	1.15
2022–23	1.4	1.08
2023–24	1.4	1.06
2024–25	1.5	1.07

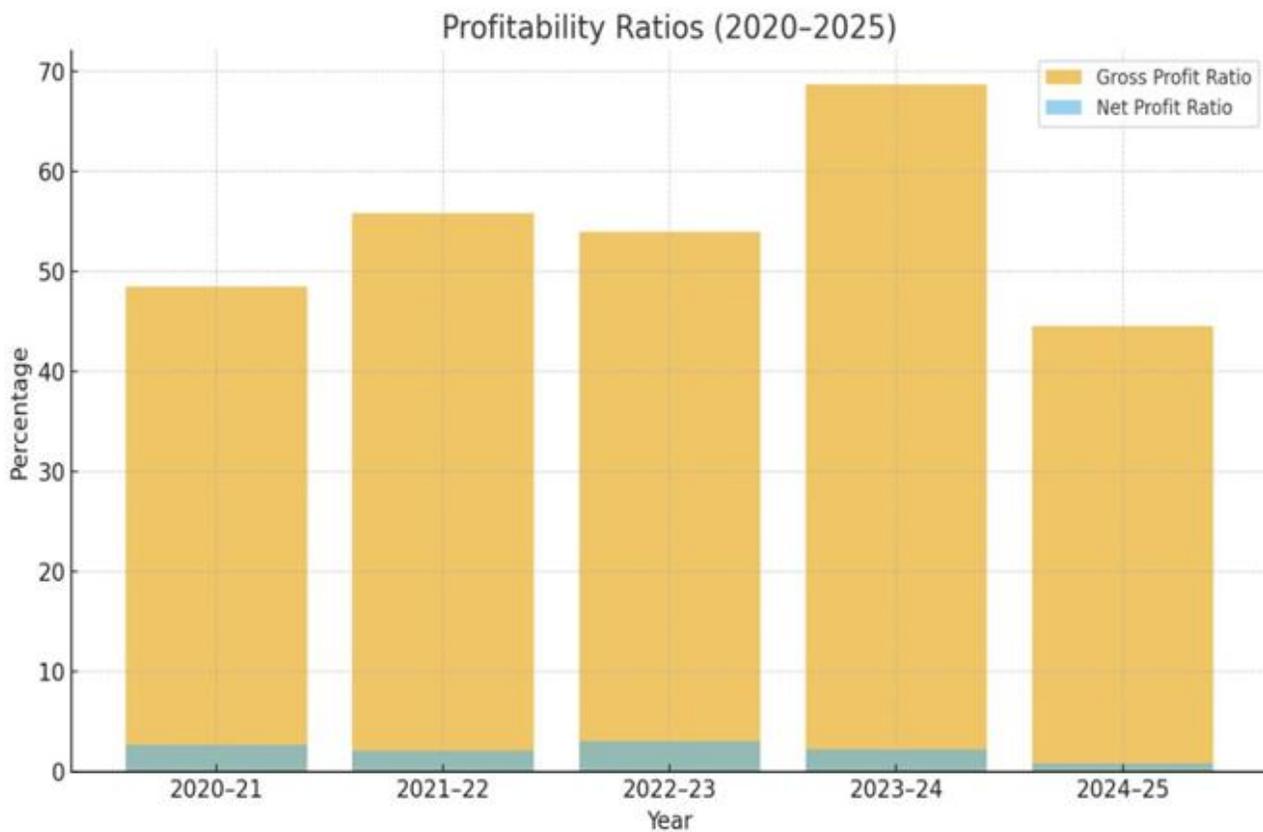
*Interpretation:* The liquidity position remained above 1.0 throughout the study period, indicating a healthy short-term solvency position.



**TABLE 1.2:  
 PROFITABILITY RATIOS**

Year	Gross Profit Ratio (%)	Net Profit Ratio (%)
2020–21	48.48	2.68
2021–22	55.88	2.09
2022–23	53.97	3.04
2023–24	68.70	2.27
2024–25	44.53	0.77

*Interpretation:* Gross profit peaked in 2023–24, but the net profit ratio declined due to higher production costs and capital expansion.



**TABLE 2:**  
**COMPARATIVE BALANCE SHEET (2020- 2021 & 2021-2022) ('000)**

<b>PARTICULARS</b>	<b>2021</b>	<b>2022</b>	<b>ABSOLUTE INCREASE OR DECREASE</b>	<b>% OF CHANGE</b>
<b>ASSETS</b>				
<b>FIXED ASSETS</b>				
TANGIBLE ASSETS	362000	348000	-14000	-3.86%
CWIP	3000	4000	+1000	+33.33%
<b>TOTAL FIXED ASSETS</b>	<b>365000</b>	<b>352000</b>	<b>-13000</b>	<b>-3.56%</b>
<b>CURRENT ASSETS</b>				
INVENTORIES	133000	136000	+3000	+2.25%
TRADE RECEIVABLES	447000	294000	-153000	-34.22%
CASH AND CASH EQUIVALENT	15000	4000	-11000	-73.33%
SHORT TERM LOANS AND ADVANCES	43000	52000	+9000	+20.93%
OTHER CURRENT ASSETS	3000	4000	+1000	+33.33%
<b>TOTAL CURRENT ASSETS</b>	<b>641000</b>	<b>490000</b>	<b>-151000</b>	<b>-23.55%</b>
<b>OTHER NON-CURRENT ASSETS</b>	<b>72000</b>	<b>86000</b>	<b>+14000</b>	<b>+19.44%</b>
<b>LONG TERM LOANS AND ADVANCES</b>	<b>43000</b>	<b>37000</b>	<b>-6000</b>	<b>-13.95%</b>
<b>TOTAL ASSETS</b>	<b>1121000</b>	<b>965000</b>	<b>-156000</b>	<b>-13.91%</b>
<b>LIABILITY</b>				
<b>CAPITAL RESERVES</b>	<b>7000</b>	<b>7000</b>	<b>---</b>	<b>----</b>
<b>RESERVES</b>	<b>487000</b>	<b>511000</b>	<b>+24000</b>	<b>+4.92%</b>
<b>TOTAL</b>	<b>494000</b>	<b>518000</b>	<b>+24000</b>	<b>+4.85%</b>
<b>CURRENT LIABILITY</b>				
TRADE PAYABLES	222000	133000	-89000	-40.09%
OTHER CURRENT LIABILITY	81000	65000	-16000	-19.75%
SHORT TERM BORROWINGS	165000	109000	-56000	-33.93%

TOTAL LIABILITY	CURRENT	468000	307000	-161000	-34.40%
OTHER LIABILITY	CURRENT	39000	42000	+3000	+7.69%
LONG BORROWINGS	TERM	120000	97000	-23000	-19.16%
TOTAL CURRENT LIABILITY	NON-	159000	139000	-20000	-12.57%
TOTAL LIABILITY		1211000	965000	-156000	-13.91%

*Interpretation:*

*Current Financial Position:*

The current assets of the company are decreased by **23.55%** in the year **2021-22**. The current liability of the company is decreased by **34.40%** in the year **2021-22**. Therefore, the current financial position of the company is good

*Long Term Financial Position:*

The long-term financial position of the company is good. The fixed assets of the company are decreased by **3.56%**.

The equity capital remains the same, reserves has been increased by **4.92%** and the long-term loans and advances of the company is decreased by **13.95%**. Therefore, the long-term financial position of the company is good.

*Profitability:*

The profitability of the company is good because the reserves and surplus is increased by **4.92%**.

**TABLE 3:  
TREND ANALYSIS**

Year	Sales (₹ 000)	PBT (₹ 000)	Net Profit (₹ 000)
2020-21	1,941,000	60,000	51,000
2021-22	1,174,000	25,000	24,000
2022-23	1,347,000	53,000	41,000
2023-24	1,981,000	58,000	45,000
2024-25	2,203,000	47,000	17,000



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*Interpretation:* Sales increased steadily till 2024–25, while net profit exhibited volatility due to fluctuating input costs.

#### VII. FINDINGS

1. The liquidity ratios demonstrate strong short-term solvency.
2. Profitability ratios fluctuate due to changing production and investment levels.
3. Sales growth has been positive, but profit margins narrowed post-2023.
4. Efficient working capital utilization contributed to operational stability.

#### VIII. SUGGESTIONS

1. Maintain a balanced capital structure to optimize debt-equity ratio.
2. Focus on cost control and value engineering to sustain profit margins.
3. Strengthen liquidity by improving receivables management.
4. Adopt digital monitoring tools for real-time financial tracking.

#### IX. CONCLUSION

The financial analysis of Indo Shell Cast Pvt. Ltd. indicates that the company has maintained sound liquidity and capital efficiency. Although profitability ratios have shown fluctuations, strategic cost management and technology adoption can improve future financial health. Overall, the study emphasizes the importance of maintaining financial discipline and leveraging capital structure for sustainable growth.

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