

Tracking The Financial Progress of Saving world, Puducherry

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Abstract- The study titled “Tracking the financial progress of Saving world” aims to assess and evaluate the financial position, efficiency, and stability of Saving world, a social welfare organization engaged in fundraising and developmental activities. The research focuses on understanding how effectively the organization utilizes its financial resources to achieve its objectives and sustain its operations. The study analyzes key financial parameters such as profitability, liquidity, solvency, and operational efficiency through ratio analysis and comparative financial statements. Secondary data have been collected from the company’s annual reports, financial records, and other relevant documents to ensure accuracy and reliability of results.

Keywords- Financial Performance, Ratio Analysis, Profitability, Liquidity, Solvency, Financial Management, Sustainability.

I. INTRODUCTION

Financial performance is one of the most important measures of an organization’s efficiency and economic viability. It reflects the results of management’s strategic and operational decisions and provides a comprehensive picture of how well an entity is utilizing its financial resources to generate income and create value over a given period. In any business or financial service institution, evaluating financial performance helps determine the organization’s ability to meet its short-term and long-term obligations, maintain profitability, and ensure operational sustainability. It serves as a crucial tool for stakeholders, including investors, lenders, management, and regulatory bodies, to assess financial stability and growth potential. The assessment of financial performance primarily involves the interpretation of financial statements such as the income statement, balance sheet, and cash flow statement. The study highlights the role of effective financial planning, control, and reporting systems within Saving World. These mechanisms are essential for maintaining transparency and accountability to stakeholders, including donors, partners, and beneficiaries. Regular financial performance evaluation also supports management in

identifying strengths, weaknesses, and areas requiring corrective action.

OBJECTIVES OF THE STUDY:

- To Evaluate the Profitability status of the Savingworld Company.
- To assess the Solvency and Liquidity position of Savingworld Company.

II. REVIEW OF LITERATURE

Ramesh & Nivedha (2024), Their study titled “Financial Performance Analysis of Saving World, Puducherry” examined the company’s financial efficiency and operational effectiveness through financial ratio analysis. The authors found significant disparities in repayment behavior and fund utilization patterns, which affected liquidity and profitability.

Nandan, S.P.K. &Sinku (2024), The Impact of ESG Ratings on Firm Financial Performance and Foreign Institutional Ownership in India: A Systematic Literature Review Systematic literature review using the PRISMA framework to identify, screen and synthesise empirical studies relevant to ESG ratings, financial performance, and foreign institutional ownership in India. ESG ratings tend to exhibit improved profitability, reduced cost of capital, and stronger market valuation, thereby attracting more foreign institutional investors.

III. RESEARCH METHODOLOGY

Research methodology refers to the overall approach to a research project, including the philosophical assumptions, research design, data collection and analysis methods, and ethical considerations.

RESEARCHDESIGN

Analytical Research Design is applied to analyze, compare, and interpret financial data using quantitative techniques such as ratio analysis and comparative financial statements.

IV. DATA ANALYSIS TOOLS AND TECHNIQUES

Data analysis and interpretation is the process of assigning meaning to the collected information and determining the conclusions, significance and implications of the findings. The steps involved in data analysis are a function of the type of information collected; however, returning to the purpose of the assessment questions will provide a structure for the organization of the data and a focus for the analysis.

- Profitability Ratio
- Liquidity Ratio
- Solvency Ratio

RATIO ANALYSIS

PROFITABILITY RATIO

Table Showing Net Profit Ratio of Savingworld

YEAR	NET PROFIT	NET SALES	NET PROFIT RATIO
2020-2021	6,03,126	17,74,064	34%
2021-2022	6,03,126	17,74,064	34%
2022-2023	5,38,864	18,14,387	30%
2023-2024	6,03,126	17,77,127	34%
2024-2025	4,05,871	17,20,896	23%

INTERPRETATION

The Net Profit Ratio of the company remained stable at 34% for most of the study period, reflecting good profitability and cost efficiency. A slight fall to 30% in 2022-2023 indicates marginal pressure on profits, but the major concern is the sharp decline to 23% in 2024-2022.

Table Showing Operating Profit Ratio of Savingworld

YEAR	OPERATING PROFIT	NET SALES	OPERATING PROFIT RATIO
2020-2021	6,77,389	17,74,064	38%
2021-2022	6,46,438	17,74,064	38%
2022-2023	5,89,310	18,14,387	34%
2023-2024	7,37,103	17,77,127	41%
2024-2025	6,10,272	17,20,896	35%

INTERPRETATION

The Operating Profit Ratio of the company shows fluctuations during the study period. It was steady at 38% in 2020-21 and 2021-22, but declined to 34% in 2022-23, indicating increased operating costs. In 2023-24, the ratio improved significantly to 41%, showing strong control over expenses and better operating efficiency. However, in 2024-25

it again declined to 35%, reflecting some pressure on operations.

Table Showing Return on Assets of Savingworld

YEAR	NET PROFIT	TOTAL ASSETS	RETURN ON ASSETS
2020-2021	6,03,126	9,90,152	61%
2021-2022	6,03,126	9,90,152	61%
2022-2023	5,38,864	9,57,964	56%
2023-2024	5,99,963	17,64,738	34%
2024-2025	4,89,987	17,05,462	29%

INTERPRETATION

The Return on Assets shows a clear declining trend over the years. While profitability was high and stable in the initial years (2020-22), it gradually fell from 2022-23 onwards due to a sharp rise in assets without a matching increase in net profit.

Table Showing Return on Equity of Savingworld

YEAR	NET PROFIT	EQUITY	RETURN ON EQUITY
2020-2021	6,03,126	5,89,927	102%
2021-2022	6,03,126	5,87,727	102%
2022-2023	5,38,864	5,89,927	91%
2023-2024	5,99,963	9,16,931	65%
2024-2025	4,89,987	10,01,047	48%

INTERPRETATION

The Return on Equity (ROE) was very strong in the initial years, standing at 102% during 2020-21 and 2021-22, which indicates excellent returns generated from shareholders' equity. However, from 2022-23 onwards, ROE showed a consistent decline, dropping to 91%, then to 65% in 2023-24, and further down to 48% in 2024-25.

LIQUIDITY & SOLVENCY RATIO

Liquidity Ratio

Table Showing Current Ratio of Savingworld

YEAR	CURRENT ASSTES	CURRENT LIABILITIES	CURRENT RATIO
2020-2021	7,49,715	6,14,941	1.21
2021-2022	9,69,827	7,68,100	1.26
2022-2023	9,68,662	8,23,718	1.17
2023-2024	6,50,563	7,44,760	0.87
2024-2025	6,19,367	7,24,607	0.85

INTERPRETATION

The Current Ratio remained above 1 during 2020-21 to 2022-23 (ranging from 1.17 to 1.26), indicating that the company had sufficient current assets to cover its current liabilities in those years. However, from 2023-24 onwards, the ratio fell below 1 (0.87 and 0.85), which shows that the company's short-term obligations exceeded its short-term assets

Table Showing Quick Ratio of Savingworld

YEAR	QUICK ASSTES	CURRENT LIABILITIES	QUICK RATIO
2020-2021	3,88,394	6,14,941	0.63
2021-2022	6,19,987	7,68,100	0.8
2022-2023	9,68,662	8,23,718	1.17
2023-2024	3,56,848	7,44,760	0.47
2024-2025	3,54,386	7,24,607	0.48

INTERPRETATION

The Quick Ratio fluctuated over the years, starting at 0.63 in 2020-21, improving to 0.80 in 2021-22 and peaking at 1.17 in 2022-23, which indicated a strong short-term liquidity position in that year. However, it dropped significantly to 0.47 in 2023-24 and remained low at 0.48 in 2024-25.

Table Showing Cash Ratio of Savingworld

YEAR	TOTAL DEBT	EQUITY	TOTAL DEBT EQUITY RATIO
2020-2021	4,00,225	5,89,927	0.67
2021-2022	4,00,225	5,89,927	0.67
2022-2023	3,68,037	5,89,927	0.62
2023-2024	8,47,807	9,16,931	0.92
2024-2025	7,04,415	10,01,047	0.70

INTERPRETATION

The Cash Ratio remained consistently low throughout the five years, starting at 0.14 in 2020-21 and gradually declining to 0.07 in 2024-25. A very high cash ratio

is not ideal as it shows idle funds, the continuous decline may point to reduced liquidity strength and a higher dependency on receivables or inventories to meet short-term obligations.

SOLVENCY RATIO**Table Showing Total Debt- Equity Ratio of Savingworld**

YEAR	TOTAL DEBT	TOTAL ASSET	TOTAL DEBT ASSET RATIO
2020-2021	4,00,225	9,90,152	0.40
2021-2022	4,00,225	9,90,152	0.40
2022-2023	3,68,037	9,57,964	0.38
2023-2024	8,47,807	17,64,738	0.48
2024-2025	7,04,415	17,05,462	0.41

INTERPRETATION

The Debt-Equity Ratio remained moderate and stable at around 0.62-0.67 from 2020-21 to 2022-23, indicating a balanced reliance on debt and equity. However, in 2023-24, it spiked to 0.92, showing a heavier dependence on debt financing compared to earlier years. By 2024-25, the ratio reduced to 0.70.

Table Showing Total Debt Asset Ratio of Savingworld

YEAR	CASH AND CASH EQUIVALENTS	CURRENT LIABILITIES	CASH RATIO
2020-2021	90,590	6,14,941	0.14
2021-2022	71,877	7,68,100	0.09
2022-2023	77,487	8,23,718	0.09
2023-2024	62,713	7,44,760	0.08
2024-2025	55,713	7,24,607	0.07

INTERPRETATION

In 2020-2021 & 2021-2022 the ratio remained stable at 0.40, showing consistent reliance on debt financing. In 2022-2023 the ratio declined slightly to 0.38, indicating improved asset financing through equity/internal funds rather than debt. In 2023-2024 the ratio spiked to 0.48, suggesting heavier dependence on debt financing that year. In 2024-2025 the ratio fell again to 0.41, closer to the earlier levels.

V. FINDINGS

- Net Profit Ratio shows a sharp decline, indicating rising expenses and falling profit control.
- Operating Profit Ratio fluctuates, showing inconsistent operational cost management.
- ROA (Return on Assets) reduced drastically, meaning assets are not used efficiently to generate profits.

- ROE (Return on Equity) dropped by more than half, indicating fewer returns for shareholders.
 - Current Ratio fell below 1 in recent years → company cannot meet short-term obligations properly.
 - Quick Ratio decreasing → the company is dependent on inventory to pay liabilities.
 - Cash Ratio extremely low → very limited cash reserves, high liquidity risk.
 - Debt-Equity Ratio increased in the middle years → company took more loans for expansion.
 - Debt-Asset Ratio follows the same movement → assets funded more through debt.
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VI. SUGGESTIONS

- Net Profit Ratio shows a sharp decline, indicating rising expenses and falling profit control.
- Operating Profit Ratio fluctuates, showing inconsistent operational cost management.
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- ROE (Return on Equity) dropped by more than half, indicating fewer returns for shareholders.
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VII. CONCLUSION

The study on the financial performance of Saving World provides a comprehensive assessment of the company's overall financial health, efficiency, profitability, and liquidity position. The analysis of key financial indicators such as profitability ratios, liquidity ratios, and solvency ratios reveals that SavingWorld has been maintaining a stable performance, with consistent efforts toward enhancing operational efficiency and maximizing shareholder value.

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