Project 2- Finance Report

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Assignment -Financial Report Analysis

Financial professionals, investors, and decision-makers often struggle to quickly extract relevant insights from lengthy and complex financial documents such as annual reports, balance sheets, and earnings reports. These documents are filled with jargon, dense numerical data, and intricate details, making it challenging to identify key takeaways efficiently. Traditional methods of analyzing financial documents, such as manual review or static summaries, are time-consuming and prone to oversight. While some AI tools exist, they often lack the ability to provide context-aware, actionable insights specific to the user's goals, making them less effective for quick and informed decision-making.

Report

✅ Objective

Develop an AI-powered Financial Image Scan System
 ● Scan and process financial document images to identify and extract relevant content.
 ● Extract and highlight critical information from financial images, including key metrics, trends, and risks.
 ● Summarize financial content into concise, investor-focused insights.
 ● Enable users to focus on actionable data, reducing time spent on document analysis.
 ● Interpret visual charts/graphs (if present) to support performance evaluation.

🖼 Input

A balance sheet image extracted from:
Document Title: *Sample Balance Sheet – AlphaTech Solutions Pvt. Ltd.*
Reporting Period: *As of March 31, 2024*
Source Format: PDF (image-like tabular format)

📊 Output

◆ **Summary of AlphaTech Solutions Pvt. Ltd. – Balance Sheet Analysis (As of March 31, 2024)**

🏷 Key Financial Metrics

- **Total Assets:** ₹9,100 lakh

- **Total Liabilities:** ₹4,700 lakh

- **Total Equity:** ₹4,400 lakh

- **Current Ratio: 2.6** → Healthy liquidity buffer

- **Debt-to-Equity Ratio: 1.07** → Indicates moderate financial leverage

- **Retained Earnings:** ₹2,000 lakh → Suggests accumulated profitability

- **Intangible Assets:** ₹1,000 lakh → Reflects innovation/IP-driven investment

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💰 Income and Expenses *(Indirect inference only — no income statement included)*

- Though not explicitly provided, the **retained earnings of ₹2,000 lakh** indicate sustained profitability in prior periods.

- Additional details on income, expenses, and EPS require the corresponding income statement.

💼 Balance Sheet Highlights

Current Assets: ₹4,800 lakh

- Major components:
  - Cash & Equivalents – ₹1,250 lakh
  - Accounts Receivable – ₹2,100 lakh
  - Inventory – ₹1,300 lakh

Non-Current Assets: ₹4,300 lakh

- Key items:
  - PPE – ₹3,200 lakh
  - Intangibles – ₹1,000 lakh
  - Deferred Tax Assets – ₹100 lakh

Current Liabilities: ₹1,850 lakh

- Accounts Payable – ₹900 lakh

- Short-term Loans – ₹400 lakh

- Accrued Expenses – ₹350 lakh

Non-Current Liabilities: ₹2,850 lakh

- Long-term Debt – ₹2,500 lakh

- Deferred Tax Liabilities – ₹200 lakh

📉 Credit Quality *(Not Applicable / Not Disclosed)*

- Metrics such as NPL ratio, cost of risk, or impairment provisions are **not included** in this document.

🧭 Strategic and Operational Insights

- **₹1,000 lakh in Intangible Assets** reflects a strategic commitment to R&D, patents, or proprietary IP.

- High **retained earnings (₹2,000 lakh)** suggests strong past cash flows and possible reinvestment.

- No mention of specific initiatives, product expansions, or acquisitions.

🌐 Market Conditions and Outlook

- No macroeconomic or market commentary is provided in the balance sheet itself.

- Investors are advised to consult management commentary or MD&A for economic context or regulatory insights.

📈 Charts and Graphs

- No visual charts or trend graphs are embedded in this balance sheet image.

🧠 **Investor-Focused Insight:**

AlphaTech Solutions presents a **strong liquidity profile**, **moderate leverage**, and a **balanced capital structure**. The company's investment in intangible assets and steady retained earnings suggest a focus on **sustainable innovation and profitability**. For a complete performance evaluation, investors should pair this with the **income statement, cash flow statement**, and **forward-looking guidance.**

Balance sheet
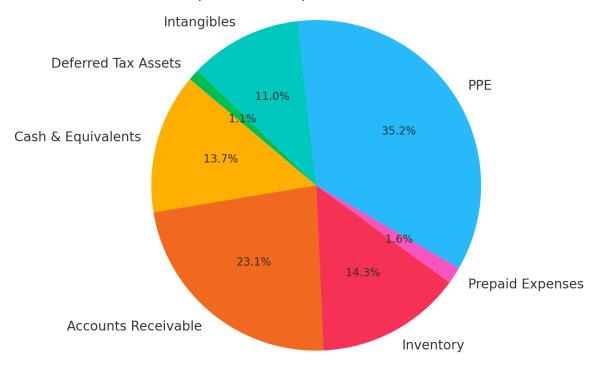
Sample Balance Sheet - AlphaTech Solutions Pvt. Ltd.

As of: March 31, 2024 (All figures in INR lakhs)

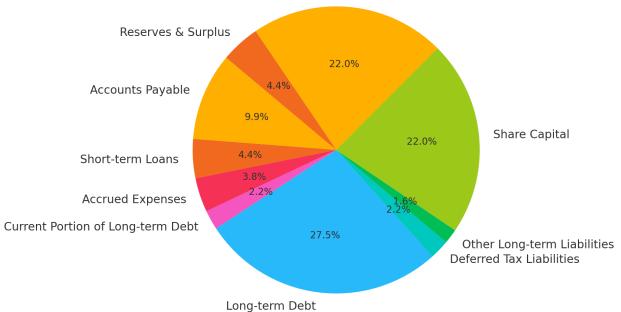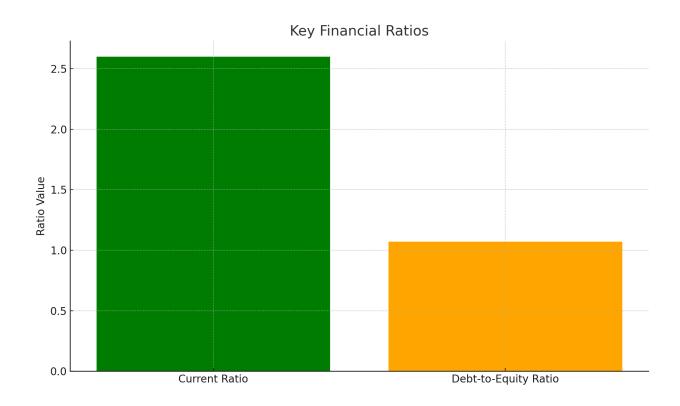| Assets		Liabilities & Equity	
Current Assets		Current Liabilities	
Cash and Cash Equivalents	1,250	Accounts Payable	900
Accounts Receivable	2,100	Short-term Loans	400
Inventory	1,300	Accrued Expenses	350
Prepaid Expenses	150	Current Portion of Long-term Debt	200
Total Current Assets	4,800	Total Current Liabilities	1,850
Non-Current Assets		Non-Current Liabilities	
Property, Plant, and Equipment	3,200	Long-term Debt	2,500
Intangible Assets (Patents, IP)	1,000	Deferred Tax Liabilities	200
Deferred Tax Assets	100	Other Long-term Liabilities	150
Total Non-Current Assets	4,300	Total Non-Current Liabilities	2,850
Total Assets	9,100	Total Liabilities	4,700
Equity			
Share Capital	2,000		
Retained Earnings	2,000		
Reserves and Surplus	400		
Total Equity	4,400		
		Total Liabilities & Equity	9,100

Notes for Analysis:

- Liquidity: Current Ratio = 4,800 / 1,850 ~ 2.6 (healthy liquidity)

- Leverage: Debt to Equity Ratio = 4,700 / 4,400 ~ 1.07 (moderate leverage)

- Profitability trend: Indicated by retained earnings; should compare with income statement

- Investment in Intangibles: Rs. 1,000 lakh, shows strategic focus on innovation/IP

Asset Composition - AlphaTech (March 31, 2024)

- Intangibles: 11.0%
- Deferred Tax Assets: 1.1%
- Cash & Equivalents: 13.7%
- PPE: 35.2%
- Prepaid Expenses: 1.6%
- Inventory: 14.3%
- Accounts Receivable: 23.1%

Liabilities and Equity Composition - AlphaTech (March 31, 2024)

Retained Earnings 22.0%

Reserves & Surplus 4.4%

Accounts Payable 9.9%

Short-term Loans 4.4%

Accrued Expenses 3.8%

Current Portion of Long-term Debt 2.2%

Long-term Debt 27.5%

Deferred Tax Liabilities 2.2%

Other Long-term Liabilities 1.6%

Share Capital 22.0%

Key Financial Ratios

Ratio Value

Current Ratio

Debt-to-Equity Ratio

https://chatgpt.com/share/684a9397-5bc8-8005-a773-2a7ccb257b86