

## Executive Summary

### Summary:

- \* Around 94 - 96% of Total Revenue is consistently recognised from its Business **Operations**. It reflects company is earning most of its income from its core Business. This is a Positive indicator of Business Growth.
- \* The contribution from Other income is very low around 4% - 6% of Total Revenue, it reflects company is mainly focusing on Income from Operations. Any Slight increase in other income can significantly contribute to increase in overall profit Margin. Other income can be maintained between 8% - 11%, as it can increase the Overall Profitability.
- \* Material cost is the Highest cost Driver. It incurs around 48% - 52% of the Total expenses. In July 2025 month, Material cost spent is 47.17% of Total income, **Even if 1% reduction of material cost to 46.17% means, PAT to increase by 12.32%** from current level.
- \* Along with that change in inventory is Negative for Past 4 months. It reflects company sells its product faster than the raw material procurement. To avoid Stock-outs, Material can be purchased in Bulk quantities for production and carry unused material as inventory. Such a way Stock-outs can be avoided and also material cost can be reduced by getting Trade discounts from vendors for Purchasing in Bulk. Reducing the Material cost can significantly contribute in the Total cost Reduction.
- \* The Month on month increase in Reserves and Surplus along with unchanged Equity Share capital has resulted in consecutive increase in Book Value per share from Rs. 64.43 in April to 87.79 in July. It reflects even though profits are reduced, the cash positive cash flow generated helps the company to increase its Reserves and Surplus, as it can be used for future expansion of the Business.
- \* The current Ratio is kept on in increased phase from 3.09 times in April to 3.84 times in July Month. This is due to significant increase in current assets from ₹ 3,71,000 to ₹ 5,57,500 over 4 months period.

### Recommendations:

- \* Recommended to also focus on selling value added products or services. It can increase the income levels and contribute to the increase in Total income of the company.
- \* Recommended to maintain other income between the Range of 8% - 11%, it ensures slight increase in Total income, along with unaffected Revenue coming from its core Operations.
- \* To procure the Material in Bulk quantities for Production and to carry unused material as inventory to avoid Stock-outs, Also thereby reducing the Material cost by getting Trade Discounts from vendors for Bulk purchase.
- \* Recommended to
- \* Though Cash generated from Business is Positive, the continuous increase in Total expenses results in reduced PBT, PAT and Margins. Management needs immediate attention in Reducing the Total cost, and to increase efficiency by following stringent measures to avoid further decline in Profitability.