

Original Article

Financial Performance and Revenue Generation of Business Compliance: MNC Filing Company

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ABSTRACT: *This study focuses on analyzing the financial performance and revenue generation of MNC India Filings, Chennai, a company providing business compliance and financial consulting services. The research aims to understand how the company generates revenue through services such as GST filing, income tax filing, company registration, auditing, bookkeeping, and legal compliance services. The study evaluates the financial condition of the company by examining financial statements, profitability, revenue sources, expense structure, and growth performance over a period of time. Both primary and secondary data sources are used for the analysis, with a greater focus on financial reports and company records. Various financial tools, such as ratio analysis, comparative statement analysis, trend analysis, and cash flow analysis, are applied to measure the efficiency and financial stability of the company.*

KEYWORDS: *Financial Performance, Revenue Generation, Business Compliance Profitability, Revenue Growth, Regulatory Compliance.*

1. INTRODUCTION

Financial performance and revenue generation stand as the two most critical indicators of organizational success, sustainability, and competitive advantage. Every business company, regardless of its size, industry sector, or geographical location, ultimately measures its viability through the lens of how effectively it generates revenue and translates that revenue into sustainable financial performance. Financial performance encompasses a broad spectrum of metrics, including profitability ratios, return on investment, return on equity, asset turnover, debt-to-equity ratios, cash flow management, and overall economic value added, while revenue generation specifically focuses on the strategies, mechanisms, and operational processes through which a company earns income from its primary business activities. Financial statement analysis is a process conducted on organizations by internal and external parties to gain a better understanding of how a company is performing. The process consists of analyzing four critical financial statements in a business.

2. NEED FOR STUDY

- To understand how well business companies are using their assets and operations to generate revenue and profit.
- To identify the financial strengths and weaknesses of the companies through profitability, liquidity, and efficiency analysis.
- To examine the factors that affect revenue growth and overall business success.
- To support better managerial decision-making in planning, budgeting, and cost control.
- To help investors, stakeholders, and management judge whether the company is financially stable and capable of long-term growth.

3. OBJECTIVE OF STUDY

- To analyze the financial performance of the MNC filing company using financial statements and key ratios.
- To understand the sources of revenue generation from different service segments.
- To identify the most profitable services offered by the company.
- To study the expense structure, including fixed and variable costs.
- To evaluate the overall growth of the company over a period of time.

4. SCOPE OF STUDY

- This study covers the financial activities of business compliance and consulting firms.
- It focuses on revenue generation from services like GST filing, tax filing, audit, and consulting.
- It helps to understand the main sources of income for the company.
- It analyzes the expenses and cost structure of the business.
- It studies the profit and overall financial performance of the firm.

5. REVIEW OF LITERATURE

Eugene F. Brigham & Joel F. Houston (2021). They emphasized that financial ratios such as profitability, liquidity, and solvency ratios are essential tools for evaluating a firm's financial performance. These ratios help in understanding the company's efficiency in generating profits and managing resources effectively.

Stephen A. Ross (2020) explained that corporate finance principles focus on maximizing shareholder wealth and improving revenue generation. Efficient financial decisions lead to better company performance.

Prasanna Chandra (2019) explained that investment decisions and cost control strategies significantly influence the profitability of a company. Efficient allocation of funds ensures higher returns and improved financial performance.

Donald E. Kieso (2019) emphasized that accounting standards improve the reliability and comparability of financial reports.

Charles T. Horngren (2018) emphasized that cost accounting techniques help organizations control expenses and improve profitability. Managing fixed and variable costs effectively contributes to better financial outcomes.

6. RESEARCH METHODOLOGY

Research methodology is the structured plan and systematic process used in a research project to collect, analyze, and interpret financial data in order to evaluate a company's performance over a specific period. It provides the framework for selecting suitable methods, identifying sources of data, and applying appropriate tools for analysis so that the study becomes reliable, accurate, and meaningful.

Research Design:

The research design used in this project is analytical nature the procedure using, which researcher has to use facts or information already available and analyze these to make a critical evaluation of the performance. Secondary data is used in this project.

Analytical Research:

An analytical analysis is used in this study to examine the financial performance and revenue generation of the selected company by analyzing financial statements and related data. It helps identify trends, strengths, weaknesses, and the overall financial position of the company.

Data Collection

Data collection is an important part of the study. It helps the researcher gather the information needed to analyze the financial performance and revenue generation of the selected company. The data used in this study can be classified into two types: primary data and secondary data. The choice of data depends on the nature and purpose of the study.

Primary Data

Primary data is original, first-hand information collected directly by the company. It is gathered directly from the source through methods like surveys, interviews, experiments, or direct observations.

This helped in understanding the company's financial position, revenue generation process, and related business activities.

Secondary Data

Secondary data refers to information that has already been collected and published by others. In this study, secondary data were collected from the MNC FILLING company's financial statements, annual reports, records of the organization, textbooks, journals, research articles, and internet sources. These sources were used to support the analysis of the company's financial performance and revenue generation.

The secondary data were also collected from audited financial statement periodicals and other records maintained by MNC FILLING COMPANY.

SELECTION OF SAMPLES:

- **Population:** The population includes all financial records of the company
- **Sampling Size:** Last five-year financial statements
- **Sample Area:** The study is limited to a selected company and its financial performances

Hypothesis framework:

Hypothesis H₀ (Null Hypothesis): There is no significant difference in the financial performance and revenue generation of the company over the years.

H₁ (Alternative Hypothesis): There is a significant difference in the financial performance and revenue generation of the company over the years.

Sampling method: The study uses a non-probability sampling method. The data is selected based on availability.

Sampling Technique: A simple random sampling technique is used by selecting available financial records of the company.

TOOLS FOR DATA COLLECTION: Research Instrument: The study mainly uses financial statements and reports for analysis, including: Balance Sheet, Profit and Loss, Account Cash Flow Statement.

Statistical Tools:

The collected data is examined using the following tools;

- Ratio Analysis (liquidity analysis)
- Comparative Statement Analysis
- Cash and Fund Flow Statement
- Trend Analysis

7. DATA ANALYSIS AND INTERPRETATION

TABLE 1 Current Ratio

Year	Current Assets	Current Liabilities	Current Ratio
2021	6,50,000	1,80,000	3.61%
2022	7,60,000	2,10,000	3.62%
2023	9,20,000	2,60,000	3.54%
2024	11,10,000	3,10,000	3.58%
2025	13,60,000	3,70,000	3.68%

INTERPRETATION: The current ratio of the company remained above the standard ratio throughout the study period. It indicates that the company has sufficient current assets to meet its short-term liabilities. The liquidity position of the company is satisfactory and stable during the period 2021–2025.

TABLE 2 Quick Ratio

Year	Quick Assets	Current Liabilities	Quick Ratio
2021	4,90,000	1,80,000	272%
2022	5,70,000	2,10,000	271%
2023	6,80,000	2,60,000	262%
2024	8,10,000	3,10,000	261%
2025	10,00,000	3,70,000	2.70%

INTERPRETATION: The quick ratio of the company remained above the ideal standard ratio during all the years. This shows that the company can easily meet its immediate obligations without depending on inventory. Hence, the liquidity position of the company is very strong.

TABLE 3 Gross Profit Ratio

Year	Gross Profit	Net Sales	Gross Profit Ratio
2021	4,80,000	12,00,000	40%
2022	5,90,000	14,50,000	40.70%
2023	7,00,000	17,20,000	40.70%
2024	8,80,000	21,00,000	41.90%
2025	11,00,000	25,50,000	43.10%

INTERPRETATION: The gross profit ratio increased steadily during the study period. This indicates efficient control over the cost of goods sold and improved profitability.

TABLE 4 Debt Equity Ratio

Year	Long-term Debt	Shareholders' Fund	Debt Ratio Equity
2021	3,00,000	6,20,000	0.48: 1
2022	2,70,000	7,20,000	0.37: 1
2023	2,30,000	8,50,000	0.27: 1
2024	1,90,000	1010000	0.18: 1
2025	1,40,000	1220000	0.11: 1

INTERPRETATION: The debt equity ratio decreased continuously during the study period. This indicates that the company reduced its dependence on borrowed funds and maintained strong financial stability.

TABLE 5 Revenue Trend Analysis

Year	Revenue	Trend Percentage
2021	1200000	100%
2022	1450000	120.80%
2023	1720000	143.30%
2024	2100000	175%
2025	2550000	212.50%

INTERPRETATION: The revenue increased by 20.8% compared to the previous year. This indicates improvement in sales performance and business growth. Revenue increased by 18.6%, showing continuous operational growth and stable market performance. The company achieved a 22.1% increase in revenue, indicating strong business expansion and higher sales efficiency. Revenue further increased by 21.4%, reflecting continuous growth and strong financial performance.

8. FINDINGS

The current ratio stayed above the standard level from 2021 to 2025, which shows the company had enough current assets to meet short-term liabilities. The liquidity position remained stable and satisfactory throughout the period.

The quick ratio also remained above the ideal level in every year, indicating the company could meet immediate obligations without relying on inventory.

The net profit ratio showed a continuous upward trend across all five years. This indicates stronger operational efficiency and improved earning capacity.

The debt-equity ratio declined every year. This means the company reduced dependence on borrowed funds and became financially more stable.

Revenue increased every year from 2021 to 2025. The rise shows continuous business growth, better sales performance, and improved market strength.

9. SUGGESTIONS

The company should continue maintaining strong liquidity, but it should avoid holding too much idle cash because excess liquidity may reduce efficiency.

Better working capital planning should be adopted so that current assets and current liabilities remain balanced during expansion.

The company should continue improving cost control measures to sustain the rising gross profit ratio.

Management should focus on increasing net profit further by reducing indirect expenses and improving operational discipline.

The company should maintain strict expense monitoring to preserve the upward trend in operating profit ratio.

10. CONCLUSION

The company showed a healthy financial position from 2021 to 2025. Liquidity remained strong, profitability improved steadily, and long-term solvency became better over time. Revenue growth was consistent, while the rise in assets and the controlled decline in debt dependence suggest stable expansion and prudent financial management. Overall, the business appears financially sound, operationally efficient, and well-positioned for future growth.

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