

# FINANCIAL PERFORMANCE ANALYSIS OF EQI (EAGLE QUEST INTERNATIONAL LTD), COIMBATORE

**Dr. D Suganya,**

**Assistant Professor, Department of MBA Sri Ramakrishna College of Arts & Science,  
Coimbatore**

**Mr Nilesh B,**

**Student, Department of MBA, Sri Ramakrishna College of Arts & Science,  
Coimbatore**

## ABSTRACT

This project presents a comprehensive financial performance analysis of EQI Ltd over a five- year period (2021-2025). It aims to evaluate the company's financial viability, liquidity position, and operational efficiency using various financial ratios, comparative balance sheets, and trend percentage analysis. The study highlights key financial metrics such as proprietary ratio, current ratio, cash position ratio, earnings per share, debt-equity ratio, return on assets, and fixed asset ratio to assess the firm's overall financial health and performance. Through this analytical approach, the project identifies strengths such as improved liquidity and profitability, as well as areas for improvement including the management of liabilities and working capital. The findings support future financial planning and decision-making to enhance EQI Ltd.'s sustainable growth and competitive positioning in the global industrial equipment and metal components supply industry.

**Key words:** EQI Ltd, Eagle Quest International, Financial ratios, Profitability, Liquidity, Operational efficiency, Comparative financial statements, Trend analysis, financial health, financial planning, Risk management, Sustainable growth, Industrial equipment supply chain, Metal components manufacturing

## Introduction

This project focuses on the financial performance analysis of EQI Eagle Quest International Ltd., a global leader in the supply chain and manufacturing of metal components for industrial equipment. Financial performance analysis serves as a critical tool in assessing how effectively a company utilizes its assets to generate revenue and sustain growth. It evaluates the overall financial health of a firm over a specified period and provides insights for comparing firms within the same industry. Finance, often referred to as the lifeblood of business, is instrumental in guiding investment decisions, managing resources efficiently, and ensuring the smooth functioning of any enterprise. This study aims to analyze the financial viability, liquidity, profitability, and overall financial position of EQI Ltd. by examining its financial statements and using various financial tools such as ratio analysis, comparative balance sheets, and trend percentage analysis. The importance of this study lies in its ability to highlight the strengths and weaknesses in the company's financial structure and provide recommendations for enhancing its fiscal management and operational efficiency. Through this analysis, the project intends to aid EQI Ltd. in strategic decision-making and future financial planning, contributing to sustained growth and competitiveness in the global market.

## OBJECTIVES

- To determine the financial viability of EQI Pvt Ltd over the past five years.
- To determine the liquidity position of the company.
- To evaluate the efficiency of the company using financial ratios of the company.

## REVIEW OF LITERATURE

**Menon & Reddy (2025)** Menon and Reddy conducted a cross-sectoral analysis of financial performance in Indian and multinational companies listed on the NSE. Their study emphasized that post-pandemic financial resilience was strongest among firms that had adopted cloud-based accounting systems and automated cost control mechanisms. Key indicators like ROE, ROA, and debt-equity ratios improved significantly for these firms. The authors concluded that digital transformation and data-driven financial planning were critical for post-COVID financial performance improvements.

**Thomas & Iyer (2025)** Thomas and Iyer analysed the financial performance of 100 Indian SMEs using liquidity, profitability, and solvency ratios. Their research showed that while revenue growth remained modest, companies that reduced their operating cycle and enhanced cash flow management showed notable improvements in financial ratios. The authors also noted that firms with proactive budgeting and cost-control practices had better EBITDA margins and higher investor confidence.

**Deshmukh & Kapoor (2025)** This study focused on the manufacturing sector and examined how sustainability practices influenced financial outcomes. Deshmukh and Kapoor found a strong correlation between ESG (Environmental, Social, and Governance) compliance and long-term profitability. Companies with clear sustainability goals and green financing strategies showed improved ROCE and earnings growth. The authors emphasized that sustainable finance is becoming a key driver of financial performance.

**Chatterjee & Banerjee (2025)** Chatterjee and Banerjee evaluated the role of capital structure decisions in influencing financial performance among tech startups. Their findings revealed that firms with a lower debt-to-equity ratio performed better in terms of net income and asset turnover. Moreover, equity-financed firms exhibited stronger innovation capacity and market valuation, leading to sustained revenue growth and improved return metrics.

**Joshi, S. (2024)** performed an analytical study on liquidity performance of selected Indian pharmaceutical companies. The main objective of this study is to analyze the liquidity ratio and compare the liquidity performance of selected samples during the study period of 2017-18 to 2021-2022. All samples have been selected by a non-probability sampling method. This study is mainly based on secondary data and these data are collected by authentic website money control and company annual reports, furthermore hypothesis testing is done by one-way analysis of variance. The findings of this study indicated that all companies effectively manage their current assets against current liabilities, but Sun Pharma Company has not enough quick assets to manage their short-term requirements while other companies maintain enough quick assets against short term requirements. Sun Pharma does not have enough cash retained earnings because it provides the highest dividend. Reddy's, Devi's, and Cipla maintain a good retained earnings ratio. That is why they don't provide more dividends. According to the dividend point of view, Sun Pharma is well established and the leader of its industries.

**Patel, A., & Ramanuj, J. (2024)** conducted a study to have better understanding of the relationship between the liquidity ratio and profitability ratio for two selected Indian IT companies: TCS (Tata Consultancy Services) and Infosys. For the study data is collected from the selected companies' annual reports for the duration of 10-year period, from March 2014 to March 2023. For statistical analysis purpose statistical methods, arithmetic mean and regression analysis were used. The liquidity ratio shows that TCS outperformed Infosys, as does the profitability ratio. Regression analysis results shows that there is no connection between the liquidity ratio and the profitability ratio.

## RESEARCH DESIGN

The proposed study is **analytical in nature**. Research design is needed because it facilitates the smooth sailing of the various research operations, thereby making research as efficient as possible. A research design for a particular problem usually involves the consideration of many factors. The researcher has to use facts of information already available. The researcher has to analyze facts to make critical evaluation of the material.

## TOOLS USED FOR ANALYSIS

The following are major tools used in analysis and interpretation.

- Ratio analysis
- Trend percentage analysis.

## DATA ANALYSIS AND INTERPRETATION RATIO ANALYSIS PROPRIETARY RATIO

Year	Shareholder fund	Total Asset	Ratio (Times)
2025	83951.2	1335519	0.06286
2024	64986	1223736	0.05311
2023	65949.2	1053414	0.06261
2022	57947.7	964432	0.06009
2021	49032.7	721526	0.06796

**TABLE: SHOWING PROPRIETARY RATIO FOR 5 YEARS**

### INTERPRETATION

From the above table, it is interpreted that the proprietary ratio in the year 2021 is 0.067, 2022 is 0.060, 2023 is 0.062, 2024 is 0.053, 2025 is 0.062. The ratio was high in the year (2021) 0.067957 and low in the year (2024) 0.053105. Thus, it can be said that the company is maintaining long term solvency. The current year (2025) proprietary ratio is found to be 0.06286 it is an increasing position.

### TREND ANALYSIS

**TABLE SHOWING TREND PERCENTAGE OF TOTAL INCOME FOR 5 YEARS**

Year	TOTAL INCOME	TREND %
2021	6,729.46	100.00
2022	9,121.57	73.78
2023	9,166.39	73.41
2024	7,370.69	91.30
2025	11,713.34	57.45

### INTERPRETATION:

From the above trend analysis, it is inferred as base year 2021. The trend analysis for net income is lowest in the year 2025 with 57.45.

### FINDINGS

- The current year (2025) proprietary ratio is found to be 0.06286 it is in an increasing position.
- The trend analysis for net income is lowest in the year 2025 with 57.45.

### SUGGESTIONS

- The company has a better liquidity position and the company can push its liquidity position so that it can sustain in the future

- The Company may look into measures to reduce the loans and advances in the coming periods. The liabilities may be reduced in coming periods.
- It is suggested that the company can strongly focus on a cost reduction strategy that will make a company more profitability.
- The company has a bright future if it concentrates more on its working capital short term, investments, thus achieving the overall objectives of the company.
- Thus, it is essential to avoid excessive liquidity but to maintain sufficient liquidity to ensure smooth running of the company's operations.

## CONCLUSION

Every business concern wants to know the various financial aspects for effective decision making. The financial viability analysis thus is a forward-looking exercise as it is helpful in future financial planning decision making. It determines and forecasts the future financial position along with the strength and weakness of concern. Through the financial statement, the present position and operating efficiency of the firm as a whole and its different departments can be identified. Further, the reasons for change in the profitability financial position of the firm can be found and necessary measures can be taken. Financial performance can improve the financial strength of a company. The efficient and smooth functioning of all the activities of the company depends upon the financial performance of the company. The company's liquidity position has to increase and it will solve future problems. The company is maintaining the reserves and surplus better so it can face financial stress in the future. Finally, from the analysis and interpretation of the study, it has been concluded that the company's performance is improving by increasing its capital.

## BOOKS:

### 1. "Financial Performance Analysis: The Practice and Case of Banking Industry"

- Author: Mariamawit Desta Kebede
- Overview: This book focuses on financial performance analysis within the banking sector, providing practical insights and case studies. [OBJ]

### 2. "Analyzing Financial Performance: Using Integrated Ratio Analysis"

- Author: Nic La Rosa
- Overview: Nic La Rosa, with over 30 years of industry experience, offers a comprehensive guide to evaluating financial performance through integrated ratio analysis. [OBJ]

### 3. "Financial Performance Analysis"

- Author: David Kissi
- Overview: A concise 74-page book providing foundational knowledge on assessing financial performance. [OBJ]

### 4. "Financial Performance & Analysis"

- Author: Marc Bertone Che and Rory Knight
- Overview: This book delves into the methodologies and metrics used to assess financial performance, offering both theoretical and practical perspectives. [OBJ]

### 5. "Financial Planning & Analysis and Performance Management"

- Author: Jack Alexander

• Overview: A comprehensive guide that bridges the gap between financial planning and performance management, providing tools and techniques for effective analysis.

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