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A Study On Longterm Financial Sustainable Strategies.

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Abstract:

This study investigates the influence of sustainability strategies specifically environmental, social, and corporate governance (ESG) practices on business performance. In an increasingly competitive and environmentally conscious global market, businesses are focusing not only on profitability but also on long-term sustainability. The research evaluates how integrating ESG principles can enhance organizational efficiency, stakeholder trust, and financial outcomes. Additionally, the study explores the significance of cost optimization, risk management, and revenue growth in strengthening financial sustainability. Through empirical analysis, the study aims to offer insights into how businesses can balance sustainable practices with financial performance to ensure long-term value creation.

Keywords: ESG practices, Sustainability strategies, business performance, long-term value creation.

1.INTRODUCTION

The company operates in the thermal management industry, which focuses on heat transfer solutions for vehicles, industrial machinery, HVAC systems, and power equipment. The industry is driven by the growing demand for energy efficiency, emissions reduction, and sustainability. With increasing adoption of electric vehicles and advanced cooling technologies, companies like company play a key role in delivering innovative and eco-friendly thermal solutions across global markets.

2. REVIEW OF LITERATURE

Paridhi (2025) found a positive relationship between ESG practices and Return on Assets (ROA) among Indian firms, with variations across industries. Notably, social and governance scores were more influential than environmental scores in driving profitability**. Zahra et al. (2024)** demonstrated that in Indonesia, ESG practices positively correlate with ROA, market valuation, and reduced business risk, with digitalization enhancing this link. **Lee et al. (2022)** This research examines the impact of ESG integration on the financial performance of leading companies in Malaysia, highlighting the significance of ESG practices in enhancing financial outcomes. **Bax et al. (2021)** The study analyzes the relationship between ESG scores and a company's riskiness, indicating that ESG scores can provide information on (tail) riskiness. **Thakur and Singh (2020)** explore the role of stakeholders in promoting sustainable development in the hospitality industry. The authors argue that stakeholder engagement is crucial for the implementation of sustainable practices in the hospitality Industry. **Bhat and Sharma (2019)** examine the relationship between sustainability practices and financial performance in Indian firms. The authors argue that sustainability practices can positively influence the financial performance of firms.

OBJECTIVES OF THE STUDY

- To assess the impact of sustainability strategies (environmental, social, and corporate governance) on business performance.
- To evaluate the role of cost optimization, risk management, and revenue growth in financial sustainability.

NEED FOR THE STUDY

- Understanding the impact of financial decision-making on long-term growth is crucial for business longevity.
- Economic fluctuations, inflation, and market uncertainties necessitate long-term financial planning.

SCOPE OF THE STUDY

- To study analyzes financial performance indicators such as profitability, cost reduction, risk management, and Environmental, Social, Governance practices.
- To provides insights into the role of technology and innovation in achieving financial sustainability.
- To study covers financial sustainability strategies across various industries, with a focus on long-term financial growth.

LIMITATION OF THE STUDY

- Limited access to internal company data.
- Variability in ESG reporting standards across firms.
- External factors (e.g., market fluctuations) may influence financial results.

3.RESEARCH METHODOLOGY

Research Design

The type of researches is analytical and descriptive in nature.

Analytical tools

- Comparative statement analysis.
- Ratio analysis.

Statistical tools

- Percentage analysis
- One-way Anova

Data Analysis and Interpretation

1.Percentage Analysis

The percentage is one of the essential components of data analysis, which helps find a value from a huge amount of data and information.

Percentage = (No of respondents / Total No of respondents) * 100.

2.ANOVA TEST

One- way Anova:

Null hypothesis H0: There is no significant difference between the employee well-being and competitive advantage.

Alternative hypothesis H1: There is a significant difference between the employee well-being and competitive advantage.

Table 1: calculation of Anova

Source of variation	SS	df	MS	F	P-value	F crit
we support employees well-being and professional growth	0.245	1	0.245	0.40550029	0.0377	3.88885
sustainability has enhanced our competitive advantage	119.63	198	0.60419			
Total	119.63	199				

Inference:

From the above table it is inferred that, P-value is 0.0377 <0.05,we reject the null hypothesis, There is a significant difference between the employee well-being and competitive advantage.

Results and Discussions

Analytical tools used

1.Comparative Balance sheet analysis:

Inferences of 2020-2021

In the financial year 2020 – 2021 the comparative balance sheet shows the total assets value increased from 190.75 crores to 202.55 crores with equal decrease in liability value. So the companies need to focus on increasing grants and liabilities to maintain good and effective financial Performance. In the financial year 2021 – 2022 the comparative balance sheet shows that the inventories value increased from 59.95%to 65.37% with equal decrease in liability value. So the company need to focus on increasing grants and liabilities to maintain good and effective financial performance. In the financial year 2022 – 2023 the comparative balance sheet shows that the fixed as value increased from 72.86% to 78.89% with equal decrease in liability value.so the company need to focus on increasing grants and liabilities to maintain good and effective financial performance. In the financial year 2023 – 2024 the comparative balance sheet shows that the fixed assets value increased from 78.89% to 88.98% with equal decrease in liability value.so the company need to focus on increasing grants and liabilities to maintain good and effective financial performance.

RATIO ANALYSIS

Inferences

The analysis of the current ratio over multiple periods reveals notable fluctuations. The highest recorded current ratio was 4.79%, although the specific period for this figure was not stated. Conversely, the lowest value of 2.73% occurred during the 2019–2020 period. Interestingly, the year 2019–2020 repeatedly shows up as a period of low current ratios across various comparisons, suggesting it may have been a financially challenging time. For example, in another instance, the current ratio was as low as 0.01% in 2019–2020, while it reached a high of 0.10% in 2021–2022. Similarly, a high of 0.69% was noted (with no specific year given), while the lowest value again appeared in 2019–2020 at 0.17%. In yet another comparison, a high of 14.5% was recorded (period unspecified), while the low point was again in 2019–2020 at 6.8%.

In more recent years, the current ratio showed modest fluctuations. The period 2023–2024 recorded a high of 3.9%, compared to a low of 3.4% in 2020–2021. Additionally, the current ratio peaked at 6.3% during 2022–2023, while dropping to 4.8% in 2019–2020. Finally, the 2021–2022 period showed a high of 1.6%, which decreased to 1.1% in 2023–2024. These patterns indicate that while there have been improvements in more recent years, 2019–2020 consistently stands out as a period with the weakest current ratio performance.

4. Conclusion

The company should prioritize to increasing the investing strategies, it was help to maintain the sustainability of the business. The company should focus on shareholder's funds to increase the equity fund in the upcoming years. Make more good quality products. This will help more people buy and increase company profit. Sustainability strategies, including caring for the environment, treating people fairly, and following good business practices (ESG), can help the company do better over time. When businesses invest in these areas, they often save money, build a better reputation, and attract more support from investors. Using resources wisely helps cut costs, and managing risks well helps avoid problems in the future. These efforts can also lead to new products or ways to make money. In the long run, companies that focus on sustainability are more likely to grow, stay strong, and succeed financially.

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