ABSTRACT

The Indian software industry plays a significant role in the national economy generating substantial revenue for state and central government through income tax and service tax is an object of essential importance in all developmental activities. As one of the major industries, software industry contributes substantially to India’s industrial and economic development. To every development activity, from the operation of a small factory to the function of multi-purpose projects software is a momentous technology. Hence, it is ranked precisely as a necessary service industry. Information Technology Industry in India is one of the swift emerging industries. Indian IT industry has put up precious trademark equity for itself in the international market. IT industry in India consists of the software industry and information technology enabled services, which as well includes business process outsourcing industry. India is deemed as a pioneer in software development and a preferred destination for IT and IT-enabled services.

In order to have a clear understanding of the financing methods and practices followed in the Software industry, the emphasis has been focused on the study of sources and structure of finance. It enables the analyst to keenly observe the shifts in the financial pattern and also to ascertain the significance of diverse internal and external sources of finance in the software industry in India. Only year wise changes in the amounts of various internal and external sources of funds are incorporated for the present analysis. Financial statements containing income statements, balance sheets, and additional statements disclose the financial position of a company. These statements are arranged from the accounting records preserved by the Industry. They are nothing but the end products of the financial accounting method derivative from the safeguarding of the accounts.
Strategic financial performance also means that short-term goals may occasionally need to be sacrificed to meet longer-term goals. A classic instance is when a loss-making business reduces its asset base via industrial unit closures or FTE reduction so as to decrease its operating cost. Although such measures have a detrimental outcome on near-term outcomes due to restructuring costs and other one-time items, also it positions the company to attain profitability in the longer run.

Strategic financial performance is fundamental regarding the identification of the potential strategies competent of maximizing an organization's market worth. It involves the allotment of limited capital resources amongst challenging opportunities. It also includes the execution and monitoring of the selected strategy so as to attain agreed objectives. Financial statements of a firm are highly useful to all stakeholders. The profit and loss account and balance sheets are the two most important financial statements. They are prepared according to commonly accepted principles, reflecting the past and current effects of the decisions made by the management. Evaluation of strategic financial performance involves the use of financial statements, figures are dumb, however, they may tell a vivid story of financial adventures of a business enterprise if systematically investigated and interpreted. Strategic financial performance evaluation identifies the financial health, strengths and weakness of a firm.