

# COMPREHENSIVE FINANCIAL STATEMENT ANALYSIS FOR ASSESSING THE FINANCIAL HEALTH OF SUBA SOLUTION PVT. LTD COMPANY.

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**Abstract:** A comprehensive financial performance analysis not only aids in assessing the current position of a company but also provides insights into its future viability. These four dimensions offer a multifaceted view of how well a business is managing its resources, meeting its obligations, and preparing for future growth. The study relied on secondary data collected from TOFLER website for this study. This study evaluates the company's profitability, liquidity, efficiency, and solvency using tools such as, Time series analysis, Ratio analysis, and Percentage analysis. The objective is to identify financial strengths and weaknesses and offer recommendations for improved financial health and strategic growth of a company. Analysing a five-year period of (2020-2024) and understand their impact on the organization's goals. The objective is to identify financial strengths and weaknesses and offer recommendations for improved financial health and strategic growth. EBT, EAT (Gross Profit, Net profit) – 2020, 2021 these 2 years company gets loss but 2023-2024 improving their financial health and operational efficiency. Liquidity indicators suggest the need for improved working capital management to enhance short-term financial flexibility. Solvency ratios show a well-managed capital structure with moderate reliance on debt, ensuring long-term financial stability. This research also addresses the gap in industry-specific financial analysis by integrating practical data insights with theoretical frameworks with this study.

**Keywords:** Financial Performance, Ratio Analysis, Percentage analysis and Time series analysis.

## I. INTRODUCTION\

The financial statements using financial ratio are essential in evaluating the financial health of an organization. Then analysis assists the stakeholders in evaluating the organizations stability, operational effectiveness, and sustainability in the long run progress. This study follows a Descriptive and Analytical research design to assess the financial health of a company. Ratios serve as financial indicators that simplify complex data into measurable performance metrics, offering insights into profitability (Gross Profit Ratio, Net Profit Ratio.), liquidity (Current Ratio, Quick Ratio, Cash Ratio), solvency (Debt-Equity Ratio), and efficiency (Inventory Turnover, Asset Turnover). These ratios help identify the company's strengths, weaknesses, and financial trends over time (2020-2024). By applying analytical tools such as ratio analysis, percentage analysis and trend comparisons, the study uncovers both strengths and potential financial risks. The insights derived from this ratio-based approach support strategic planning, help mitigate financial risks, and assist stakeholders in making sound investment and operational decisions, this financial lens ultimately provides a clearer picture of the company's health, enabling more informed judgments about its growth potential, stability, and long-term value creation.

## II. LITERATURE REVIEW

- Wasdani (2016) Finance for micro, small and medium-sized enterprises have been a concern for all stakeholders including entrepreneurs, financial institutions and government. The study found that the main challenges faced in underutilization of formal sources were inadequacy of collateral assets and lack of financial awareness of entrepreneurs.

- Klonowski D (2016) The study focuses on the financial challenge faced by the entrepreneurial firm in Poland. It explains that there are still pronounced liquidity gaps for firms in SME sector in Poland. It offers three policy recommendations in relation to closing liquidity gaps in the SME sector which includes research and informal discussion, combined package of capital and know-how and increasing the role of assisting agencies.
- Kersten, et.al. (2017) Many people in Low and Middle-Income countries work for SMEs. These SMEs have limited access to finance, therefore to promote financial assistance to SMEs is an integral part of development strategy of any government. The study yields three results which includes evaluation of SME finance program, effect of SME finance on different aspects.
- Yunus (2017) states C Crous (2022) The purpose of this paper is to examine the different aspects of non-financial reporting that may influence company financial performance. In particular, the authors present an integrated framework of these features that have a direct impact on the financial sustainability of firms for future researchers to further explore and expand the boundaries of the domain.
- Citation 2021 Firms are increasingly devoted to social responsibilities, and they include the implications of their actions on these issues in their operational management and worldwide strategies.
- Arena & Zenginb, (2016) Identified high degree of correlation between financial literacy and investment preferences. Investors whose financial literacy level is low they prefer deposits and foreign currency. However, investors who have sound level of financial literacy investors prefer to create a well-balanced portfolio or invest in equities of corporates. Also, the level of basic financial literacy does not change according to gender.

### **III. SCOPE OF THE STUDY**

The scope of this research is limited to a comprehensive financial analysis of Suba Solution Private Limited company., To analyse the financial performance of Suba Solution Private Limited Company, including its profitability, liquidity, efficiency, and solvency to identify areas of strength and weakness in the company's financial performance and provide recommendations for improvement to enhance its overall financial health and competitiveness, and collected the secondary data from the Company Balance Sheet analyzing the EBT and EBIT (Gross and Net Profit) .

#### **4. NEED OF THE STUDY:**

Understanding the financial performance of a business is crucial for effective decision-making and long-term strategic planning. In a competitive and capital-intensive industry like packaging machinery, regular financial analysis helps identify operational strengths and weaknesses. This study is needed to assess the company's ability to generate profits, manage liquidity, maintain solvency, and sustain financial health over time. By analysing key financial indicators, stakeholders can make informed choices regarding investments, resource allocation, and growth strategies. It enables better decision-making regarding capital structure and financial planning. Analysis skills are in demand across a wide range of industries, including finance, accounting, consulting, and management.

### **IV. OBJECTIVE OF THE STUDY**

- To analyze the financial performance including profitability, liquidity, efficiency, and solvency.
- To evaluate overall financial performance through detailed financial statement analysis through the balance sheet.

### **V. RESEARCH METHODOLOGY**

This study follows a descriptive and analytical research design to evaluate the financial health of Suba Solution Private Limited. This analysis is based on secondary data collected from the company's audited financial statements in (TOFLER WEBSITE) over the last five financial years data. (2020-2024).

#### **Tools Used:**

- Ratio Analysis to interpret profitability, liquidity, solvency, and efficiency.
- Time Series Analysis to observe financial trends over multiple years.
- Percentage Analysis to compare the relative weight of financial figures.

The methodology aims to convert raw financial data into meaningful insights that reflect the company's financial performance and sustainability.

### **VI. FINIDING AND RECOMMENDATIONS**

- A current ratio year 2023, 2024 is greater than 2 it indicates that the business has liquidity problems is in a financially stable position.

- In the year 2022, the quick ratio came below 1. It suggests that, the company will struggle to meet its short-term obligations in that year.
- It improved significantly to 0.70 in 2021–2022 and peaked at 0.90 in 2022–2023, suggesting strong cash reserves relative to liabilities.
- The year 2023 turned out to be a milestone year, with the gross profit margin peaking at 5.52%, By the year 2024, although there was a slight dip to 4.28%, the performance remained strong compared to the earlier years. This shows that the company has sustained its profitability, even in a competitive or fluctuating market.
- The year net profit of 2022–2023 marked the highest net profit ratio of 3.54%, showing strong business growth. Although the ratio slightly declined to 3.29% in 2023–2024, profitability remained stable and healthy.
- ROE surged dramatically to 141.75% in 2022–2023 and further to 181.41% in 2023–2024, showing exceptional returns on shareholder equity.
- ROA turned positive but remained relatively low (1% or below), suggesting only modest efficiency in converting assets into profit. The gradual rise to 0.08 (8%) in 2023–2024.
- It showing fast inventory movement, but dropped sharply to 4.79 in 2020–2021, suggesting the slower turnover and possible overstocking. It gradually improved over the next years, reaching 7.55 in 2023–2024.
- The Fixed Asset Turnover Ratio shows how efficiently the company uses its fixed assets to generate sales, the ratio gradually improved over the next years, reaching 7.55 in 2023–2024.
- Explore long-term financing options or retained earnings for operational funding instead of increasing current liabilities.
- Maintain a buffer of liquid assets (e.g., short-term investments, cash equivalents) to meet unexpected needs.

## VII. CONCLUSION

The financial performance analysis, covering profitability, liquidity, efficiency, and solvency, reveals important insights into the company's financial health. Through detailed balance sheet evaluation and trend analysis over the period, key growth patterns and potential risks were identified. This analysis supports better decision-making and helps ensure financial sustainability. Overall, the company shows a stable but improvable financial position.

## REFERENCES

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