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COMPREHENSIVE FINANCIAL STATEMENT ANALYSIS FOR ASSESSING THE FINANCIAL HEALTH OF APOLLO HOME HEALTH CARE. LTD COMPANY.

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Abstract: The healthcare industry, often referred to as the medical industry or health economy, is a broad and dynamic sector that encompasses the delivery of curative, preventive, rehabilitative, and palliative care. This sector not only provides essential health services to individuals and communities but also plays a critical economic role by contributing significantly to national GDPs across the globe. Over the years, healthcare has evolved to include a wide range of services, products, and financial systems. With the growing demand for more accessible and cost-effective health services, there has been a notable rise in alternative healthcare delivery models such as home healthcare. This segment is becoming increasingly vital due to demographic shifts, rising chronic illnesses, and increased patient preference for home-based care.

This study aims to conduct a financial analysis within the context of the home healthcare sector to evaluate business performance, financial sustainability, and strategic growth opportunities. Utilizing a descriptive and analytical research design, the study leverages data collected over a five-year period to assess the financial health of an organization operating in this space. The primary goal is to understand how financial analysis can aid in optimizing resource utilization, improving profitability, and identifying potential high-growth service segments such as home nursing, physiotherapy, and elder care.

Keywords: ratio analysis like profitability, liquidity, turnover etc.

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

- Soumya, P., Deepthi, L. N., (2019) told that financial analysis is a method of reviewing and analyzing a company’s accounting reports (financial statements) so as to urge a far better understanding of its past, present, and future performance. the method of reviewing financial statements helps to form better economic decisions.

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- Parmar, s. S. (2017) researched that the process of measuring a firm's financial performance in monetary terms is used to understand how well the company is doing overall, and can also be used to compare similar companies or sectors. In this study, ratio analysis is used to evaluate the overall financial efficiency of seven chosen FMCG companies in India.

- Abbasi, Habiba. (2017) researched that study by , ratio analysis is used to evaluate the overall financial efficiency of seven chosen FMCG companies in India. The Ratio analysis, which plays a very important role and is an integral part of the financial statements of any company, was used to evaluate various aspects of FMCG's operating and financial activities, such as its efficiency, liquidity, profitability.

- Yasodha Dr. M. Aishwarya, G. Anuraghavi ,R Krithika (2021) studied that comparative analysis of Britannia Industries and Marico Limited by evaluating and analyzing the company's financial statements, strengths and weaknesses to form proper economic decisions for this and future. The analysis is finished with the assistance of assorted accounting tools - comparative record, swot analysis and ratio analysis.

- Murigu(2018) conducted a study to examine the factors that influence the profitability of Kenya's general insurance firms. Parameters deployed were Return on Assets, Retention ratio, Liquidity, Equity Capital, Size, Management Competence index and ownership. The study adopted a descriptive research design and deployed multiple regression analysis as well.

- 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 programme, effect of SME finance on different aspects.

- Yunus (2017) states that poverty, is not created by poor people but is an external imposition created by the theoretical framework and concepts we have formulated and by deficiencies in the system we have built and the institutions and policies we have designed. He gives this example of financial institutions. They refuse to provide financial services to nearly two-thirds of the world's population.

- Wasdani (2016) Finance for micro, small and medium-sized enterprises has 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.

NEED OF THE STUDY:
The study aims to evaluate the financial performance of a leading provider in the home healthcare sector. As the demand for home-based medical services continues to rise, it is crucial to assess the organization's profitability, operational efficiency, and financial sustainability. Understanding these financial dynamics will help identify strengths, uncover areas for improvement, and support strategic decision-making to ensure long-term growth and service excellence in the competitive healthcare market.

OBJECTIVES OF THE STUDY:

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

III. RESEARCH METHODOLOGY

This study follows a descriptive and analytical research design to evaluate the financial health of Apollo home health care ltd. 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).

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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.

FINIDING AND RECOMMENDATIONS:

- A current ratio year 2022, 2024 is greater than 2 it indicates that the business has liquidity problems is in a financially stable position
- In the year 2020, the quick ratio came below 1. It suggests that, the company will struggle to meet its short-term obligations in that year.
- 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
- ROA turned positive but remained relatively low (1% or below), suggesting only modest efficiency in converting assets into profit. The gradual rise to 0.020 (20%) in 2023–2024.
- The year 202 turned out to be a milestone year, with the gross profit margin peaking at 48.92%, By the year 2023, although there was a slight dip to 9.1%, the performance remained strong compared to the earlier years. This shows that the company has sustained its profitability.

IV. CONCLUSION

The financial analysis reveals that the company has shown a generally positive trend in its liquidity, profitability, and operational efficiency over the years. A current ratio greater than 2 in 2022 and 2024 indicates a financially stable position, with sufficient current assets to cover short-term liabilities. However, the quick ratio falling below 1 in 2020 highlighted past challenges in meeting immediate obligations without relying on inventory.

To strengthen its financial resilience, it is recommended that the company explore long-term financing options or utilize retained earnings rather than increasing current liabilities. Maintaining a healthy buffer of liquid assets, such as short-term investments and cash equivalents, will also ensure preparedness for unexpected cash needs.

Profitability trends have been encouraging, with the gross profit margin peaking at 48.92% in 2020, marking a milestone year. Despite a decrease to 9.1% in 2023, the company's performance remains strong relative to earlier years, demonstrating its ability to sustain profitability. Additionally, the Return on Assets (ROA) turned positive and gradually improved, reaching 20% by 2023–2024, reflecting a growing efficiency in asset utilization.

Overall, the company appears to be on a stable growth trajectory, though it must continue to strengthen its liquidity management and asset efficiency to support long-term success.

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