

# A STUDY ON FINANCIAL STATEMENT ANALYSIS OF APEX FROZEN FOODS LTD

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## ABSTRACT

Financial statement analysis is a vital technique used to evaluate the financial performance and financial position of a business enterprise. This study aims to analyze financial statements of Apex Frozen Foods limited for the period 2022 - 2023 and 2023 – 2024.

The analysis is carried out using various financial tools such as ratio analysis, comparative statement and trend analysis. The objective is to assess the company's profitability, liquidity and overall financial health. The statement helps in identifying the strength and weakness of the company and provide valuable insights for investors, management, creditors and other stakeholders to make informed decisions.

**Keywords: Financial Statement Analysis, ratio analysis, trend analysis, profitability, liquidity**

## INTRODUCTION

Financial statement analysis refers to the systematic process evaluating companies financial data to understand its performance, financial stability and operational efficiency. It involves study of income statement, balance sheet and cash flow statement to assess profitability, liquidity solvency, and efficiency. In the present competitive business environment financial analysis plays a crucial role in decision making . It enables management to assess past performance, monitor current financial conditions and predict future trends. This study focuses on the financial statement analysis of Apex Frozen Foods Ltd, a leading exporter of frozen seafood products in India to evaluate its financial position and performance for the financial year 2022-2023 and 2023-2024.

## STATEMENT OF THE PROBLEM

Financial performance is a key indicator of the success and sustainability of any organization. Apex frozen foods Ltd operates in a highly competitive seafood export industry which has influenced by fluctuating raw material cost, market demand, global trade policies and operational challenges. The problem addressed in this study is to analyze the company's financial performance and position using financial statement and to identify trends, strengths and weaknesses.

## OBJECTIVE OF THE STUDY

- To analyse the financial statement of Apex frozen foods Ltd for the selected period.
- To evaluate the liquidity and profitability position of the company using ratio analysis
- To study year-to-year changes using comparative income statement and balance sheet.
- To identify financial variations during the study period.

## SCOPE OF THE STUDY

The study focuses on analyzing the financial performance of Apex Frozen Foods Ltd for the financial years 2022-2023 and 2023-2024 using published financial statements. The analysis is based solely on published financial data from the company's annual reports. The study focuses only on ratio analysis and comparative financial statement analysis

## REVIEWS

**Helfert (2016)** stated that financial analysis enables stakeholders to assess corporate performance through structured evaluation of accounting information

**Subramanyam (2017)** emphasized that ratio analysis provides insight into operational performance and financial exposure.

**Gibson (2018)** explained that comparative financial statements help in identifying performance shift across accounting period.

**Bernstein (2019)** highlighted that systematic financial examination enhances transparency and managerial decision-making.

**White, Sondhi & fried (2020)** observed that financial ratio evaluation supports performance benchmarking and trend assessment.

## RESEARCH METHODOLOGY

**Type of research:** Descriptive research aimed at analyzing and interpreting financial data.

**Nature of Data :** Secondary Data

**Source of Data:** Annual reports of Apex Frozen Foods Limited

**Period of study:** Financial year 2022 -2023 and 2023-2024.

## STATISTICAL TOOLS USED FOR ANALYSIS

The following statistical tools are used in this study for the purpose of analysis:

1. Ratio analysis
  - Current Ratio
  - Net Profit Ratio
2. Comparative financial statement analysis
  - Comparative Income Statement
  - Comparative Balance Sheet

## LIMITATION OF THE STUDY

- The studies limited to two financial years only.
- Only selected financial ratios are used for analysis.
- The findings are subject to accuracy of published financial statements.

## ANALYSIS & INTERPRETATION OF DATA

### Ratio Analysis For 2022-23

#### 1. Current ratio

Current ratio = Current assets/ Current liabilities

$$=33,364.46/11,393.82$$

$$= 2.93: 1$$

#### 2. Net Profit Ratio

Net Profit Ratio = Net income/ Revenue

$$=2,934.85/1,07,202.25$$

$$= 2.74\%$$

### Ratio Analysis For 2023-24

#### 1. Current ratio

Current ratio = Current assets/ Current liabilities

$$=36,256.26 /12,055.64$$

$$= 3.01: 1$$

#### 2. Net Profit Ratio

Net Profit Ratio = Net income/ Revenue

$$=1,490.60/80,729.16$$

$$= 1.85\%$$

## COMPARATIVE STATEMENT – INCOME

PARTICULARS	2023	2024	ABSOLUTE CHANGE	PERCENTAGE CHANGE
Sales	1070	804	-266	-0.249
(-) Cost of goods sold	987	763	-224	-0.227
Operation Profit	83	41	-42	-0.506
Gross Profit	51	20	-31	-0.607
Tax	15	5	-10	-0.667
Profit	36	15	-21	-0.583

## COMPARATIVE BALANCE SHEET

Particulars	2023	2024	ABSOLUTE CHANGE	PERCENTAGE CHANGE
Fixed Assets	242	254	12	0.0495
CWIP	18	4	-14	-0.778
Other Assets	354	376	22	0.062
<b>Total Assets</b>	<b>614</b>	<b>633</b>	<b>19</b>	<b>0.031</b>
Equity Capital	31	31	-	-
Reserves	459	466	7	0.015
Borrowings	91	107	16	0.150
Other Liabilities	33	29	-4	-0.122
<b>Total Liabilities</b>	<b>614</b>	<b>633</b>	<b>19</b>	<b>0.031</b>

## FINDINGS OF THE STUDY

- The current ratio increased from 2.93:1 (2022-2023) to 3.01:1 (2023-2024)
- Net profit ratio has declined significantly from 2.74% to 1.85%.
- Sales decreased by Rs.266 crore (24.9%)
- Operating profit reduced by Rs. 42 crore (50.6%)
- Gross profit declined by Rs. 31 crore (60.7%)
- Profit after tax dropped sharply by Rs. 21 crore (58.3%)
- Total assets increased by Rs. 19 crore (3.1%)
- Fixed assets increased by Rs. 12 crore (4.95%)
- Borrowing increased by Rs.16 crore (15%)
- Capital Work in Progress reduced by Rs. 14 crore.

## SUGGESTIONS

- Strengthen revenue generation strategies.
- Monitor borrowing levels to maintain financial stability.
- Improve cost efficiency to enhance profit margins.
- Optimize asset utilization to increase returns.

## CONCLUSION

The financial statement analysis of Apex Frozen Foods Ltd reveals changes in liquidity, profitability, and capital structure. While liquidity shows improvement, profitability indicators have declined and borrowings have increased. Continuous monitoring of financial performance and cost management measures are essential to maintain financial stability and operational sustainability.

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