

ABSTRACT

This study analyzes the financial performance of Prabha Food Products Ltd., located in Krishnagiri, with a focus on evaluating its profitability, liquidity, operational efficiency, and overall financial health. The research employs financial ratio analysis to assess key indicators, including return on assets (ROA), return on equity (ROE), current ratio, quick ratio, debt-to-equity ratio, and operating margins. Data for the analysis were sourced from Prabha Food Products' financial statements, including income statements, balance sheets, and cash flow reports over the past five years. The findings reveal that the company has shown consistent growth in revenue but faces challenges in managing operational costs and improving profitability. While liquidity ratios indicate that Prabha Food Products maintains sufficient working capital, the analysis points to inefficiencies in inventory and receivables management that could be optimized to enhance cash flow. Additionally, the company's solvency position is solid, though its dependency on short-term financing needs careful attention. The study concludes with practical recommendations, such as improving cost control measures, enhancing inventory turnover, and focusing on strengthening the company's credit management practices. By addressing these areas, Prabha Food Products can improve its financial performance and sustain long-term growth in the competitive food products sector.