

# A Study on Financial Statement Analysis using Cash Flow Statement of HDFC Bank

Nidhi Manoj Thakur and Dr. Vikram Dongre

Jhulelal Institute of Technology, Nagpur, India

**Abstract:** *Cash flow statement is an important tool to analyze the cash position of a business firm. It can denote changes in cash Position during two financial years. It also provides information about the cash receipts and the payments of a business for a given period. It provides notable information that compliments the profit and loss account and balance sheet. Cash Flow statement analysis is statement which provides a complete explanation for the change in a firm's cash during a Particular period by specify the firm sources and uses of cash during the period from operating, investing and financing Activities. It provides convenient information about an entity's activities in generating cash from operations. It informs about programme to repay debt distributed dividends or reinvest to conserve or enlarge its operating capacity. It provides information about its financing activities both debt and equity and about its investment in both fixed assets or Current assets other than cash. This Article is based on the practice followed and instruction for its preparation Contained in the various text books for the guidance of the students and accountants. It is hoped that the content of this Article would help the readers to understand Cash-flow statement properly.*

**Keywords:** Cash, Operating activities, Investing activities, Financial activities

## I. INTRODUCTION

A cash flow statement is a financial statement that provides aggregate data regarding all cash inflows that a company receives from its ongoing operations and external investment sources. It also includes all cash outflows that pay for business activities and investments during a given period. Cash flow is a measure of how much cash a business brought in or spent in total over a period of time. Cash flow is typically broken down into cash flow from operating activities, investing activities, and financing activities on the statement of cash flows, a common financial statement

## II. LITERATURE REVIEW

Healy et al (1992) use cash flow analysis to traverse the post-merger presentation using a sample of largest 50 Mergers in America industries. The results show that the improved productivity due to mergers superior to higher cash flow returns. And the cash flow returns are appreciably positive related to abnormal stock returns At merger announcement.

### 2.1 OBJECTIVES

1. To analyze the cash flow position of the company
2. To find out the gap between cash inflow and cash outflow
3. To provide information about cash inflows and outflows

### 2.2 HYPOTHESIS

- 1 H0: There is a no critical effect of operating, financing and investing activities
- 2 H1: There is a critical effect of operating, financing and investing activities

## III. RESEARCH DESIGN

The design of the sample is as follows

Sampling Technique: convenience sampling

Sample size: 100

**Type of Research** (Exploratory/Descriptive/Causal/Experimental) applicable to project report in this project we will use Descriptive Method for Data Analysis

**Method of data collection**

Primary data collection tools

- interviews, occasionally, observation, surveys and questionnaire

Secondary data collection sources

- Secondary data include books, personal sources, journals, newspapers, websites, government records etc

**Data interpretation and analysis techniques to be used:**

The Proposed Chapter will deal with various types of data collected & analysis and interpretation of the results are carried out there of

**IV. CONCUSSION**

By analyzing the topic “CASH FLOW STATEMENT ANALYSIS” infer that the organization is concentrating more payables like acquiring the settled resources, borrowing which is resulting in payments of interest for those loans, sundry payables but are Not able to turn cash from Loans and advances given and sundry receivables. Cash flows are huge in operating activities, which is decreasing working capital of the company and Diminishing the net cash flow of the company influence the operational efficiency of the company. This project report assists me to get good knowledge on analysis of cash flow statement and how to utilize the Cash surplus in the business to improve the efficiency of the business