



# Analysis of Financial Statement: A Study of top five companies in India.

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**Abstract:** Financial statements provide a snapshot of a company's financial health. They typically include the income statement, showing revenue and expenses; the balance sheet detailing assets and liabilities; the cash flow statement, revealing cash movements; and the statement of equity, illustrating changes in shareholders' equity. Analyzing these statements aids in evaluating a company's performance and making informed financial decisions. This study conducts a comparative analysis of the financial statements over a two year period namely; 2022 and 2023 for the top five companies in India i.e., Reliance Industries Ltd., TCS, HDFC, ICICI & HUL. By examining key financial metrics and trends, the study aims to highlight the changes in the financial performance of these companies over the specified timeframe.

**Keyword:** Financial statement, Income statement, Balance sheet, Cash flow statement & financial performance.

## 1. INTRODUCTION:

Financial Statement are formal records of the financial activities and position of a business, it gives report on a company's assets, liabilities and balance sheet of given year. Financial Statements are group of significant reports that summarize an organization's financial performance, financial conditions and cash flows. The primary purpose of financial statements is to provide information about the economic resources and obligations of a business, to provide information about the earning capacity of the business, the other objectives information to their interested users helps make economic decisions to provide accurate information on the fluctuation of economic resources, to make it easier to judge replacing fixed assets and expanding the business, the government the information it needs to make informed decisions about duties, taxes and price control, among other things as well as for legal and governance purposes. They also protect the interests of shareholders who are not permitted to participate in the company's day-to-day operations. They assist credit rating agencies in determining the company's rating.

### Elements of financial Statement

The Balance sheet, Income Statement and cash flow Statement are three types of financial statement business use to manage their operations and provide transparency to their stakeholders. All three statements are correlated and produce diverse aspects of a company operations and success.

**Balance Sheet:** A Balance Sheet is a statement that shows the financial worth regarding book value. The assets, liability and shareholders investments of a firm are divided into three sections: a) Assets such as cash and accounts receivables reveal a lot about a company's operational efficiency. b) Liabilities disclose the company's expenditures and the debt capital that the company is repaying. c) Shareholders equity reflects information on equity investments and retained earnings from periodic net income.

**Income Statement:** The income Statement compares a company's revenue to its operating expenses to arrive at a bottom line or net profit or loss. At three different points the report aids in analyzing corporate efficiency. a) Evaluating gross



profit starts with revenues and the direct costs linked with it. b) After that, it continues to operate profitably. c) The net income is calculated after deducting interest and taxes.

Cash flow Statement: The Cash flow statement shows how the company's cash flows from operating, investment and financing activities.

### Top 5 companies:

#### 1. Reliances Industries Limited

The founder of Reliances Dhirubai Ambani and its headquarter in Mumbai. It is first position Indian Multinational Companies in India. Its traded as under BSE and NSE. This business includes energy, petrochemical, Natural Gas, retail, telecommunications, mass media and textiles. Presently the owner of Reliances Industries is Mukesh Ambani. Reliance maintains a strong market that includes Revenue, Operating income, Net income, Total asset, and Total Equity.

##### Key business Segments:

- 1) **Petrochemicals and Refining:** RIL is a major player in the petrochemicals and refining industry. It operates one of the world's largest and most complex oil refineries in Jamnagar, Gujarat.
- 2) **Oil and Gas Exploration:** Reliances has been involved in oil and gas exploration and production activities, both in India and internationally.
- 3) **Telecommunications:** Reliance jio, a subsidiary of RIL, is a prominent player in the Indian telecommunications industry, offering services such as 4G data, voice calls and digital services.
- 4) **Retail:** Reliance Retail is one of the largest retail chains in India, with a presence in various formats, including supermarkets, hypermarkets and speciality stores.

##### Notable Achievements:

- 1) **Jamnagar Refinery:** RIL's Jamnagar Refinery in Gujarat is one of the largest refining complexes in the world.
  - 2) **Jio Disruption:** Reliance Jio disrupted the Indian telecommunications market with its affordable data and voice services, leading to significant market share gains.
  - 3) **Diversification:** RIL has successfully diversified its business portfolio, becoming a key player in multiple industries.
2. **Tata Consultancy Services (TCS) :** The founder of Tata Consultancy Services(TCS) J R D Tata and its headquarter in Mumbai. It is Second position Indian Multinational Information Technology (IT). Its traded as under BSE and NSE. This includes services and consulting companies. It is a part of Tata Group and operates in 150 locations across 46 countries. The market maintain very satisfactory level of Revenue 2,28,907 crore, Operating Income 59,259 crore, Net Income 42,147 crore, Total assets 1,43,651 crore, Total equity 91,206 crore. TCS has built a reputation for leveraging cutting-edge technologies to address the evolving needs of its clients across various industries, including finance, healthcare, manufacturing, retail and telecommunications. The company's customer-centric approach, combined with a focus on sustainability and corporate responsibility, has contributed to its success and recognition as a trusted partner for businesses worldwide. As a pioneer in the IT industry, TCS continues to play a pivotal role in shaping the future of technology and business, contributing to the growth and transformation of organizations globally. The company's commitment to excellence, innovation and social responsibility has positioned it as a leader in the rapidly evolving landscape of digital business solutions.
3. **HDFC Bank :** The bank was incorporated in August 1994 after received approval from the RBI to set up a bank in the private Sector and commenced operation from Jan 1995, It is an Indian banking and financial services and company headquartered in Mumbai. It is third Position Indian Private financial Services. Its traded as under BSE and NSE. The HDFC bank chairman Atanu Chakraborty. The Product and services of HDFC facilities are credit card, Consumer banking, commercial banking, finance and Insurance, Investment banking, Mortgage loan, Private Banking, Private Equity, Investment Banking, Asset Management, Wealth Management. The Facilities of HDFC are HDFC Life, HDFC ERGO, HDFC Securities, HDFC Asset, HDFC Mutual Fund, HD Financial services, HDFC credila, Financial services ltd.,. The market of the company is very satisfactory that includes Revenue Rs 2.05 Lakh crore, Operating Income Rs 615 Billion, Net Income Rs 459 Billion, Total Asset Rs 25 Lakh Crore, Total equity Rs 2.85 lakh crore. Known for its commitment to transparency, integrity and prudent financial management, HDFC Bank has consistently demonstrated strong financial performance. It



has received numerous accolades and awards for its excellence in banking services and its stock is widely traded on Indian stock exchanges. As a key player in the Indian banking sector, HDFC bank continues to contribute significantly to the country's economic growth by supporting various sectors and fostering financial inclusion. With a focus on innovation and customer satisfaction, HDFC Bank remains a dynamic force in the financial landscape of India. Services provided in HDFC are Retail Banking, Corporate Banking Wealth Management and Digital Banking.

4. **ICICI Bank:** It was founded in Jan1994 and it is an Indian Multinational Bank and financial services company, its headquatered in Mumbai with registered office in Vadodara. Its traded as under BSE and NSE. Number of ICICI Bank 5900 location in India (2023). The chairman of ICICI Bank is Girish Chandra Chaturvedi. It offers a wide range of Banking and finanacial services for corporate and retail customers through variety of delivery channels and specialized subsidiaries in the areas of investment banking, life insurance, Non life Insurance, Venture Capital, Asset Management, ICICI prudential life Insurance, ICICI prudential mutual fund, ICICI Lombard, ICICI Securities, ICICI Home finance Company . The Product and services of ICICI facilities are credit card, Consumer banking, commercial banking, finance and Insurance, Investment banking, Mortgage loan, Private Banking, Private Equity, Investment Banking, Asset Management, Wealth Management. ICICI Bank has a significant international presence, with subsidiaries and branches in various countries. It has operations in the United States, Canada, the United Kingdom, Singapore, Hong Kong, Qatar, Bahrain and many other nations. It has been at the forefront of adopting technology to enhance its services. It has introduced various digital initiatives, including interest banking, mobile banking and a range of digital payment options to provide convenient and efficient services to its customers. It has received numerous awards and accolades for its performance and service quality. It is recognized for its commitment to innovation, customer satisfaction and corporate governance. The leadership has played a crucial role in shaping the bank,s strategies and ensuring its growth. ICICI Bank has played played a pivotal role in the development of the Indian banking sector and has become a prominent player in the country's financial landscape. Its commitment to innovation and customer service has contributed to its success and widespread recognition.
5. **Hindustan Unilever Limited (HUL):** HUL was established in 1931 as Hindustan Vanaspathi Manufacturing Company., following a merger of constituent groups in 1956, it was renamed Hindustan Level Limited. The company was renamed again in 2007 as Hindustan Unilever Limited. As of 2019 Hindustan Unilever portfolio had morethan 50 product brands in 14 categories, the company has 21000 employees and recorded sales of 34619 crores. The product of this company are Food and Drink, Home care, Beauty, Well-being and personal care, former brand. Some of its well-known brands include Dove, Lux, Lifebuoy, Surf Excel, Rin, Pepsodent, Close up, Knorr, Kissan and Brooke Bond among others. This has a significant presence in both urban and rural markets in India. It is a dominant player in the Indian consumer goods market and has a strong distribution network that reaches millions of retail outlets across the country. The company has adapted its products to cater to the diverse and dynamic Indian market. It has been actively involved in various sustainability initiatives and social responsibility programs. The company has focused on reducing its environmental impact, promoting responsible sourcing and contributing to community development. It has received numerous awards and accolades for its business practices, product quality and corporate social responsibility efforts. HUL benefits global expertise, innovation and research, contributing to the company's success in the Indian market. HUL has played a significant role in shaping the Indian consumer goods industry and continues to be a leading player with a commitment to innovation, quality and sustainability.

## 2. Review of Literature :

**Bhan(2021)**, focused on a comparative study on the financial performance of Tata motors & Mahindra & Mahindra Motors. The objectives of the study was analyze the short term solvency, long term solvency, profitability position and efficiency of all both the companies in the past 3 years. The data has been collected through secondary data obtained 3 years annual report i.e., 2018, 2019, 2020 of financial statement of the both company. The findings of the study there is no significant difference in the financial results of Tata motors and Mahindra & Mahindra Motors as the p value is 0.7040 which is higher than the significance level 5% the financial results of Tata Motors and Mahindra & Mahindra Motors, the profitability ratios of Mahindra & Mahindra Motors are higher than those of Tata Motors. Mahindra & Mahindra made a significant profit, which is beneficial for the company, the data of Tata Motors output is satisfactory, but Mahindra & Mahindra Motors maintain a strong market place, they will be safe and stable in all kind of financial transactions.



**Aishwarya & et.al., (2020)** focused on a study on impact of capital structure on profitability of companies listed in Indian Stock Exchange with respect to Automobile Industry. The objectives of the study factors affecting the profitability of the company, to identify and analyze the existing relationship between capital structure and profitability, analyze the effect of debt to Equity Ratio and Interest coverage Ratio on firms performance and to develop model and suggest suitable recommendations based on the outcomes. The data has been collected and implemented which are extracted from different journal, articles, books, published & unpublished sources and electronic databases and world wide web facility. The finding of the study the impact of capital structure on profit basis of the Indian Automobile Industries. It should be concentrate on return on capital employed on the basis of operational efficiency to improve its interest coverage ratio, financial managers should look into the future prospects of the companies while designing the capital structure policies, as it affects the price of shares as seen in case of Operating Profit and the return on assets.

**Hasanaj & kuqi (2019)**, focused on the importance of financial Indicators in Enterprise from the objective of the study was to determine forecast and evaluate the best of economic conditions and to analyze the statement so that provide information to the managers of the business. Both qualitative and quantitative have been taken for the study and the data obtained by both primary and secondary data, the finding of the study are 1. In terms of liquidity the state of the company., is better in 2016, because this year the company has more short term assets to cover short term liability which means that there is more working capital, regarding profitability ratios, there is a better situation in 2016 and it is more effective in using assets to generate revenues, hence there is a greater return on capital. In terms turnover assets ratio can be seen that the company., is more effective in 2016 because in this year it was more likely to collect customer debts, but it was also more effective in inventory sales, while with regard to payable accounts the company has paid more often the debt to supplier in 2015, it is good to pay these debts because the company should not lose these important sources of funding.

**Bhuvanewari & Lakshmi (2015)**, focused on financial statement analysis of Sriram perfumes, Trichy. The objectives of the study data are analyse the production, sales & profit trend of Sriram Perfumes, to analyze the activity, profitability, financial structure and suggestion for improvement of financial soundness. The finding of study for a period of five years from 2010 to 2014. Its performance is better. It has been maintaining good financial position and further it can improve if the company., concentrates on its administrative and selling expenses and by reducing expenses.

**Patnaik (2013)**, focused on the financial structure analysis of Indian company., A review of literature. The objectives of the study has been conducted to review literature on financial structure analysis of Indian Companies. The data used for the study was secondary data from various review literature. The finding of the study is generally based on observation of literature studies that the firms concentrates on finances their activities and important to play an increasing and predominant role in various value added, income profits, expand their shape and size in the economy.

### **3. Statement of the Problem :**

From the review of literature it is clear that only few studies have been carried out with respect to financial analysis. However no studies have been carried out with regards to analysis of financial statements with special reference to top five companies in India based on market value.

### **4. Objectives**

The followings are the research objectives for the study;

- To study the conceptual framework of top five company's financial statements.
- To analyses the financial statements of top five companies in India.

### **5. Scope :**

The research paper tries to compare the Financial statements of top five companies based on market value namely, Reliance Industries ltd, TCS, HDFC Bank, ICICI & HUL for the financial year 2021-22 & 2022-23. The research paper restricted to top five companies based on market value and for two years.

### **6. Research Methodology:**

The study is based on secondary data which has been collected from annual report of concerned companies websites for the financial year 2021-22 & 2022-23. The study also includes information which have been collected from articles, concerned websites.



## 7. Data analysis & Interpretation :

The followings are the data with related to top five companies financial statements during 2021-22 & 2022-23.

### Analysis of Financial Statement of Reliance Industries.

**Table 01: Equity & Liability**

PARTICULAR	AS ON 31 MAR 2022(in lakh)	AS ON 31 MAR 2023 (in lakh)
Total Equity	43492.14	43117.04
Total Non Current Liabilities	1683.28	1227.78
Total Current Liabilities	1865.96	3304.60
<b>Total Equity &amp;b Liabilities</b>	<b>47041.38</b>	<b>47649.42</b>

(Source: secondary data)

**Interpretation:** The above table shows that total equity & non-current liabilities are decrease by 0.86% & 27.06% respectively & also total current liabilities & total current non liabilities increased by 77.09% & 1.29% in the year 2022-23 by comparing to the year 2021-2022.

**Table 02: Assets**

PARTICULAR	AS ON 31 MAR 2022(in lakh)	AS ON 31 MAR 2023(in lakh)
Total Non-Current Asset	32469.76	26466.86
Total Current Asset	14571.62	21182.56
<b>Total Asset</b>	<b>47041.38</b>	<b>47649.42</b>

(Source: secondary data)

**Interpretation:** The above table shows that total non current asset is decrease by 22.68% respectively and also total current asset and total asset increased by 45.36% and 1.29% in the year 2022-23 by comparing to the year 2021-22.

### Analysis of Financial Statement of Tata Consultancy Services.

**Table 03: Equity & Liabilities**

PARTICULAR	AS ON 31 MAR 2022(in Crore)	AS ON 31 MAR 2023 (in Crore)
Total Equity	89,846	91,206
Total Non Current Liabilities	9,317	8,887
Total Current Liabilities	42,351	43,558
<b>Total Equity &amp;b Liabilities</b>	<b>1,41,514</b>	<b>1,43,651</b>

(Source: secondary data)

**Interpretation:** The above table shows that non-current liabilities is decrease by 4.61% & also total equity, total current liabilities & total liabilities increased by 1.51%, 2.84% & 1.51% in the year 2022-23 by comparing to the year 2021-2022.

**Table 04: Assets**

PARTICULAR	AS ON 31 MAR 2022(in Crore)	AS ON 31 MAR 2023(in Crore)
Total Non Current Asset	33,204	33,381
Total Current Asset	1,08,310	1,10,270
<b>Total Asset</b>	<b>141514</b>	<b>143651</b>

(Source: secondary data)



**Interpretation:** The above table shows that total non current asset, total current asset and total asset increased by 0.53%, 1.80% & 1.51% in the year 2022-23 by comparing to the year 2021-22.

### Analysis of Financial Statement of HDFC

**Table 05: Liabilities**

<b>PARTICULAR</b>	<b>AS ON 31 MAR 2022(in '000)</b>	<b>AS ON 31 MAR 2023(in '000)</b>
Capital	55,45,541	55,79,743
Reserve & Surplus	2,39,53,83,848	2,79,64,10,334
Deposits	15,59,21,74,400	18,83,39,46,463
Borrowings	1,84,81,72,073	2,06,76,55,655
Other Liabilities & Provisions	84,40,74,643	95,72,22,477
<b>Total Liabilities</b>	<b>20,68,53,50,503</b>	<b>24,66,08,14,672</b>

(Source: secondary data)

**Interpretation:** The above table shows that Total Liabilities is increased by 19.21% in the year 2022-23 by comparing to the year 2021-22.

**Table 06: Assets**

<b>PARTICULAR</b>	<b>AS ON 31 MAR 2022(in '000)</b>	<b>AS ON 31 MAR 2023(in '000)</b>
Cash	1,29,99,58,352	1,17,16,07,706
Bank	22,33,12,892	76,60,43,125
Investments	4,55,53,56,930	5,17,00,14,280
Advances	13,68,82,09,314	16,00,58,59,000
Fixed Assets	6,08,36,735	8,01,65,410
Other Assets	85,76,78,280	1467125151
<b>Total Assets</b>	<b>20,68,53,50,503</b>	<b>24,66,08,14,672</b>

(Source: secondary data)

**Interpretation:** The above table shows that Total Asset is increased by 19.21% in the year 2022-23 by comparing to the year 2021-22.

### Analysis of Financial Statement of ICICI Bank

**Table 07: Liabilities**

<b>PARTICULAR</b>	<b>AS ON 31 MAR 2022(in '000)</b>	<b>AS ON 31 MAR 2023(in '000)</b>
Capital	1,38,99,662	1,39,67,750
Employees stock option outstanding	26,64,141	76,08,859
Reserve & Surplus	1,68,85,55,941	1,98,55,77,170
Deposits	10,64,57,16,132	11,80,84,06,972
Borrowing	1,07,23,13,597	1,19,32,54,936
Other Liabilities & Provisions	68,98,27,947	83,32,50,836
<b>Total Capital &amp; Liabilities</b>	<b>14,11,29,77,420</b>	<b>15,84,20,66,523</b>

(Source: secondary data)

**Interpretation:** The above table shows that Total Capital & Liabilities is increased by 19.21% in the year 2022-23 by comparing to the year 2021-22.

**Table 08: Assets**

<b>PARTICULAR</b>	<b>AS ON 31 MAR 2022(in '000)</b>	<b>AS ON 31 MAR 2023(in '000)</b>
Cash	1,09,52,28,198	68,52,61,721



Bank	58,29,95,434	50,91,21,002
Investment	3,10,24,10,024	3,62,32,97,355
Advances	8,59,02,04,390	10,19,63,83,053
Fixed Assets	9,37,38,159	9,59,98,412
Other Assets	64,84,01,215	73,20,04,980
<b>Total Assets</b>	<b>14,11,29,77,420</b>	<b>15,84,20,66,523</b>

(Source: secondary data)

**Interpretation:** The above table shows that Total Assets is increased by 19.21% in the year 2022-23 by comparing to the year 2021-22.

### Analysis of Financial Statement of Hindustan Unilever Limited

**Table 09: Equity & Liability**

PARTICULAR	AS ON 31 MAR 2022(in '000)	AS ON 31 MAR 2023(in '000)
Total Equity	48,760	50,221
Total Non Current Liabilities	10,033	9,977
Total Current Liabilities	10,944	11,627
<b>Total Equity &amp; Liabilities</b>	<b>69,737</b>	<b>71,825</b>

(Source: secondary data)

**Interpretation:** The above table shows that Total non current Liabilities is decrease by 1.15% & also Total equity, Total current Liabilities & Total Liabilities is increased by 2.99%,6.24%, 2.99% in the year 2022-23 by comparing to the year 2021-22.

**Table 10: Assets**

PARTICULAR	AS ON 31 MAR 2022(in '000)	AS ON 31 MAR 2023(in '000)
Total Non Current Asset	55,090	55,776
Total Current Asset	14,647	16,049
<b>Total Asset</b>	<b>69,737</b>	<b>71,825</b>

(Source: secondary data)

**Interpretation:** : The above table shows that Total noncurrent Assets, Total Current Asset & Total Asset is increased by 2.99%, 6.24%, 2.99% in the year 2022-23 by comparing to the year 2021-22.

### Other Findings & Conclusion:

Name of the company	2021-22	2022-23
Reliance Industries (in Lakh)	755.73	1558.04
Tata Consultancy Services (in Crores)	38,449	42,303
HDFC Bank ( '000)	36,96,13,552	44,10,87,014
ICICI Bank ( '000)	84,93,54,922	63,62,56,950
Hindustan Unilever Limited ( in Crore)	8,592	10,143

### 8. Findings:

- From the above table it is clear that profit after tax in 2022-23 of the Reliance Industries ltd., increased by 106.16% compared to 2021-22.
- Profit of TCS ltd has increased by 10.20% in the year 2022-23.
- Profit of HDFC bank has increased by 19.33% during the year 2022-23 compared to 2021-22.
- Profit of ICICI Bank has decreased by 25.08% during the year 2022-23.
- HUL profit in the year 2022-23 was increased by 18.05% compared to 2021-22.



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