

APPLIED FINANCIAL STATEMENT ANALYSIS

Assignment - 4

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Chairman's Letter

The "Chairman's Letter" is a formal communication typically included in a company's annual report or other financial official documents written by the chairman of the board. This letter provides an overview of the company's performance over the past year, discusses key challenges and success, and outlines the company's strategic direction for the future.

The chairman's letter is intended for shareholders, investors, and other stakeholders, offering insights into the company's leadership perspective and often setting the tone for the rest of the report. It is usually more reflective and high-level, focusing on the big picture rather than detailed operational matters.

Managing Director's Letter:

The "Managing Director's Letter" is a message from the person in charge of running the company. It usually talks about how the company did over

the past year, what challenges it faced, and what plans are in place for the future. The letter is meant for people like shareholders, employees, and investors to understand the company's progress and directions.

Report of the Director's:

The "Reports of the Director's" is a document where the director of a company shares important information about how the company performed, what was achieved, and what challenges were faced. It also talks about future plans. This report is meant for people like shareholders, employees, and investors to understand the company's activities and progress.

Management discussion and analysis:

The management discussion and analysis (MD&A) is a section in a company's annual report where the management explains the company's financial performance, challenges, and future plans in simple terms. It helps investors and others understand how the company is doing, why certain decisions were made, and what to expect in the future.

corporate governance

Corporate governance refers to the rules and practices that guide how a company is managed and controlled. It involves the way decisions are made, how the company is run, and how it ensures accountability to shareholders, employees, and other stakeholders. Good corporate governance helps ensure that the company operates fairly, transparently and responsibly.

Auditor's Report

The Auditor's Report is a document where an independent auditor reviews company's financial statements and gives their opinion on whether the numbers are accurate and follow accounting rules. This report helps investors and others trust that the company's financial information is reliable.

Balance Sheet

A balance sheet is a financial statement that shows a company's financial position at a specific point in time. It lists what the company owns (assets), what it owes (liabilities), and the difference between the two, which is the

company's equity. This helps to understand the company's overall financial health.

Statement of Profit and Loss:

The statement of Profit and Loss also known as an income statement is a financial report that shows a company's revenues, expenses and profits or losses over a specific period. It helps to understand how much money the company made or lost during that time by detailing its operating income and expenses.

Statement of Cash Flow

The statement of cash flows is a financial report that shows how cash moves in and out of a company over a specific period. It details cash flows from operating activities like sales and expenses, investing activities like buying or selling assets, and financing activities like borrowing or repaying debt. This statement helps to understand how the company manages its cash and ensures it has enough to meet its obligations.

Statement of changes in equity

The statement of changes in equity also known as the statement of retained earnings or equity statement, outlines the changes in a company's equity during a specific period. It details how various components of equity, such as share capital, retained earnings, and other reserves, have changed due to transactions and events like net income, dividends, issuance of shares, or repurchases of shares. This statement helps stakeholders understand how profits are retained or distributed and how capital structure evolves over time.

Give the meaning of notes forming Part of the financial statement

The notes forming Part of the financial statements provide additional details and explanations that help users better understand the numbers presented in the main financial statements. They include information about accounting policies, specific figures, and any significant events or transactions that affect the financial statements, offering a

clearer picture of a company's financial health and performance

Ten years financial highlights:

Ten years Financial Highlights is a summary that presents Key Financial data of a company over the past ten years. It typically includes metrics like revenue, Profit, assets, liabilities, and equity, giving an overview of the company's long-term financial performance and trends. This summary helps stakeholders quickly assess the company's growth, stability, and financial health over a decade.

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