

Preface

"The best accountants don't just see numbers; they see potential for financial transformation"

– Samantha Wilson

Finance is the life blood of any organisation, its effective utilisation is key to the survival and growth of the organisation. Most significantly, the maximization of returns for shareholders and to safeguard the financial interests of other stakeholders, it is imperative that the funds invested in the form of long-term and working capital are optimally utilised.

Here, the billion-dollar question arises that whether the financial results depicted in the financial statements evince that the funds deployed in various spheres or business activities have been used in an optimum way. In view of this, to comprehend the true financial health of an organisation or a company, the analysis of financial statements is a must in prodigiously ascertaining how a company has performed on various vital financial yardsticks.

Various stakeholders refer financial statements with varying perspectives. Whether it is investors, creditors, regulatory bodies, academicians and researchers, chambers of commerce, credit rating agencies and others to determine the financial position of a company and accordingly take future course of actions.

In light of the paramount position the financial statements hold, it is extremely important to develop the skills of understanding and analysis of financial statements. In this regard, the publication titled, **"Financial Statements - Understanding and Analysis"** has been curated to cover extensively the vital elements related to financial statements analysis.

I am confident that this publication which have been authored after embracing in-depth study of various relevant literatures, other pertinent theoretical and practical approaches will definitely contribute in building an edifice of financial knowledge, thereby assisting the doyens of industry, academicians, professionals, members of the ICSI, students and other stakeholders in knowing various nuances of financial statements analysis.

I heartily congratulate CS Venkata Ramana Rajavolu, Council Member and Chairman, Professional Research and Publication Committee (PRPC) for conceptualising, designing the scope and coverage of publication, his guidance and support for bringing out this publication.

I also take this opportunity to extol the valuable guidance and driving force of CS Sandip Kumar Kejriwal, Council Member and Chairman of Task force of this publication under ICSI-CCGRT, Kolkata and whose active participation and driving force have ensured that no stones are left unturned, thereby making this publication a reality.

I commend the endeavours put by the ICSI, CCGRT, Kolkata under the leadership of Shri Ankur Yadav, Joint Secretary (SG), team consisting of Mr. Dheeraj Gupta, Assistant Director and Dr. Akinchan Budhdodev Sinha, Deputy Director, Directorate of Academics, ICSI, HQ for support, internally reviewing this publication under overall guidance of CS Asish Mohan, Secretary, ICSI.

I wish grand success for this publication !!!!

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(CS B. Narasimhan)

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President

The Institute of Company Secretaries of India

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