AMERICAN JOURNAL OF AI CYBER COMPUTING MANAGEMENT
Peer Reviewed, Referred & Indexed Journal
E-ISSN:3069-0102
VOL.6, NO. 1(2026)

A PROJECT ON CASH FLOW STATEMENT IN KEERTHANA FINANCE JAMMALAMADUGU

P.SUNIL RAO[1], S. Izaz Ahammed[2],
[1] *Student, Department of MBA, Chaitanya Bharathi Institute of Technology, Proddatur*
[2] *Assistant Professor, Department of MBA, Chaitanya Bharathi Institute of Technology, Proddatur*
sunilpatangey33@gmail.com, Izazahammed2010@gmail.com

ABSTRACT
This project focuses on analyzing the Cash Flow Statement of Keerthana Finance. Cash flow statements show the movement of cash in and out of the company and help understand its financial health, liquidity, and operational efficiency. The study highlights the sources and uses of cash, evaluates how the company manages its funds, and provides suggestions for improvement.

KEY WORDS: Cash Flow Statement, Cash Inflow, Cash Outflow, Liquidity, Financial Analysis, Keerthana Finance.

I. INTRODUCTION

In the field of financial management, cash occupies a central position as it determines the liquidity and operational efficiency of an organization. Even highly profitable organizations may face financial difficulties if they fail to manage cash flows effectively. Therefore, systematic analysis of cash inflows and outflows is essential for ensuring financial stability and sustainability.

A Cash Flow Statement is one of the most significant financial statements used to analyse the movement of cash within an organization over a specific accounting period. It provides insights into how cash is generated and utilized through operating, investing, and financing activities. For finance-oriented organizations, such as Keerthana Finance, effective cash flow management is critical due to continuous cash transactions related to lending and recovery operations. A Cash Flow Statement refers to a financial statement that summarizes the inflow and outflow of cash and cash equivalents of an organization during a particular accounting period. It shows how cash is generated from various activities and how it is used to meet business requirements.

Cash flow includes all transactions that involve actual movement of cash. It excludes non-cash items such as depreciation, provisions, and unrealized gains or losses. Thus, the cash flow statement presents a realistic picture of the organization’s liquidity position.

II. REVIEW OF LITERATURE:

Shi Hua (2020) Shi Hua explained the importance of cash flow forecasting in financial management. The study states that proper cash flow planning helps organizations improve financial decision-making.

Amadin Victor Idehen (2021) Amad in Victor Idehen analyzed the relevance of cash flow statements in measuring company performance. The study found that cash flow information helps stakeholders understand the financial position of a firm.

Mustapher Faque (2022) Mustapher Faque studied the relationship between cash flow management and financial performance. The research concluded that effective cash flow control improves profitability and liquidity.

Reddy (2022) Reddy analyzed the relationship between profitability and cash flow in finance companies. The study revealed that positive operating cash flow plays a significant role in maintaining business sustainability and growth.

Kumar (2023) Kumar examined the impact of cash flow statements on investment decisions. The research concluded that investors rely on cash flow information to assess the financial stability of companies before making investment decisions.

Singh and Kaur (2023) Singh and Kaur studied the financial performance of NBFCs using cash flow statements. The findings indicated that cash flow analysis helps in identifying operational efficiency and financial risk.

Patel (2024) Patel conducted a study on the role of cash flow analysis in financial planning. The research emphasized that organizations with strong operating cash flows are more capable of managing financial crises.

Mehta (2024) Mehta analyzed cash flow trends in finance companies and concluded that regular monitoring of cash flows helps organizations maintain liquidity and improve financial management practices.

Rao (2025) Rao conducted a recent study on financial performance analysis using cash flow statements. The study highlighted that cash flow statements provide a clearer picture of the company's financial health compared to traditional profit analysis.

Need of the Study:

Cash flow is essential for the smooth functioning of any organization. Finance companies deal with continuons cash transactions, making effective cash management crucial. This study is needed to analyze the cash flow position of Keerthana Finance and to assess its ability to meet short-term obligations and manage liquidity efficiently.

OBJECTIVES OF THE STUDY:

Expected adoption uplift (projected)To examine the cash flow from operating activities.

To analyze the cash flow from investing activities.

To study the cash flow from financing activities.

To evaluate the overall financial performance of Keerthana Finance

To provide suggestions for better cash management

SCOPE OF THE STUDY:

The scope of the study is limited to the analysis of the cash flow statement of Keerthana Finance for a selected period. It focuses on cash inflows and outflows and their impact on the company's liquidity and financial performance.

LIMITATIONS OF THE STUDY:

The study is based only on secondary data

Accuracy depends on the reliability of published financial data

Limited period of study

Detailed internal information is not available

III. RESEARCH METHODOLOGY:

1. Research Design

The research design adopted for this study is descriptive research design. Descriptive research helps in collecting information about financial performance and analyzing the cash flow position of the company over a specific period. It provides a clear understanding of cash inflows and cash outflows of the organization.

2. Sources of Data

Primary Data:

Primary data is collected directly from the organization through discussions with staff, financial records, and internal reports related to cash flow statements.

Secondary Data:

Secondary data is collected from various sources such as:

Annual reports of the company

Financial statements (Balance Sheet and Profit & Loss Account)

Company websites

Books, journals, and magazines related to financial management

3. Sampling Method The convenience sampling method is used for collecting the required data for the study.

4. Sampling Element The sampling element consists of financial records and accounting information of the company.

5. Sampling Size The study considers five years financial data of the company for analysis.

6. Research Instrument

The main research instrument used in this study is the cash flow statement prepared from financial statements such as Balance Sheet and Profit & Loss Account.

7. Statistical Tools Used

The following tools are used for analysis:

Cash Flow Statement Analysis

Comparative Analysis

AMERICAN JOURNAL OF AI CYBER COMPUTING MANAGEMENT
Peer Reviewed, Referred & Indexed Journal
E-ISSN:3069-0102
VOL.6, NO. 1(2026)

Percentage Analysis
Tables and Charts

8. Period of Study The study covers a period of five years from 2019-2020 to 2023-2024

IV. DATA ANALYSIS AND INTERPRETATION:

Cash Flow Statement as on March 31, 2020 – Keerthana Finance

Particulars	**Amount**	**Amount**
(A)Cash flow from operating activities Net Profit	490392.01	
Adjustment for: Overall detain	2739730	
Arrangement for tax	237709	
Depreciation	118938	
Arrangement for doubtful debts	22643.42	
Operating profit before change in working capital	3609412.43	
Decrease in debtors	-7564728.2	
Decrease in creditors	6452853	
Decrease in closing stocks	5963200	
Net Cash from Operating Activities		7460734.23
(B)Cash flow from investing activities Sale of fixed assets	3912658	
Interest receivable	26347	
Net Cash from Investing Activities		3939005
(C)cash flow from financing activities Unsecured loans	2536500	
TDS payable	-8450	
Secured loans	1852360.25	
Net increase in cash and cash equivalents		4380410.25
Cash at beginning of the year		16780149.48
Cash at end of the year		19044677.48

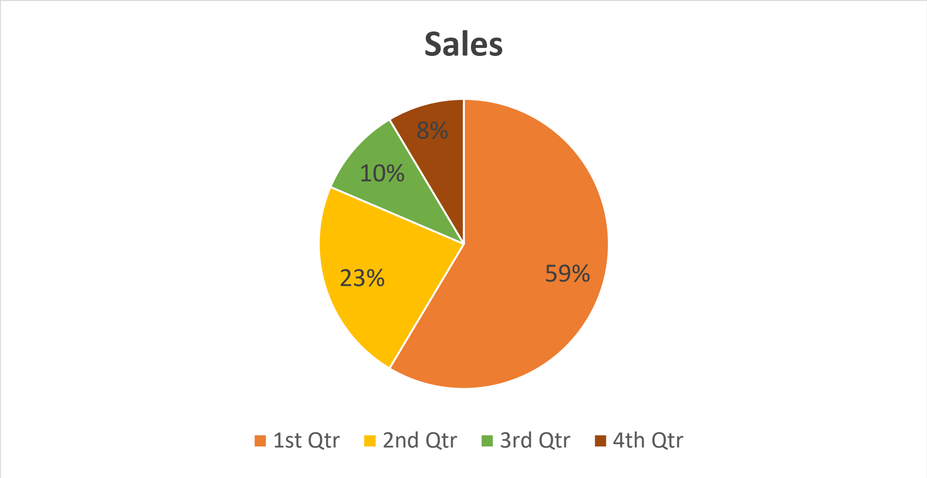
Cash Flow Distribution

PARTICULARS	**AMOUNT**
Cash flow from operating activities	74,60,734.23
Cash flow from investing activities	39,39,005
Cash flow from financing activities	43,80,410.25

Interpretation:

Analysis of cash inflow for the year 2019-20 shows that the company generated ₹74,60,734.23 from operating activities, ₹39,39,005 from investing activities and ₹43,80,410.25 from financing activities. The data indicates that operating activities contribute the major portion of cash inflow, while financing and investing activities also support the financial position of the company.

GRAPH



Cash Flow Statement as on March 31, 2021 – Keerthana Finance

Particulars	Amount	Amount
(A)Cash flow from operating activities Net Profit	 68086.51	
Adjustment for: Overall detain	 1121270,03	
Arrangement for tax	1588	
Depreciation	469821	
Arrangement for doubtful debts	20035.68	
Operating profit before change in working capital	2293581.22	
Decrease in debtors	8538334.98	
Decrease in creditors	7923476.45	
Net Cash from Operating Activities		9470219.69
(B)Cash flow from investing activities Sale of fixed assets	 2745462	
Interest receivable	36548	
Net Cash from Investing Activities		2776010
(C)cash flow from financing activities Unsecured loans	 2915178	
TDS payable	6397	
Secured loans	2357898.67	
Net increase in cash and cash equivalents		5266679.67
Cash at beginning of the year		17512909.36
Cash at end of the year		1483824.79
Cash and cash equivalence at the end of the time span		18996434.14

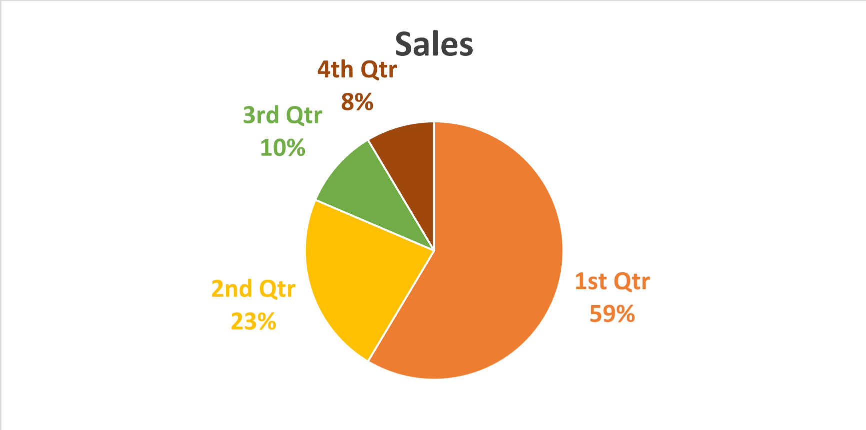
Cash Flow Distribution

PARTICULARS	AMOUNT
Cash flow from operating activities	94,70,219.68
Cash flow from investing activities	2776010
Cash flow from financing activities	5266679.67

Received: 31-01-2026 | Accepted: 03-03-2026 | Published: 10-03-2026 | www.ajaccm.com

Interpretation:
Analysis of cash inflow for the year 2020-21 shows that the company generated cash flows from operating activities 94,70,219.68 cash flows from investing2776010Cash flow from financing activities5266679.67

GRAPH:



Cash Flow Statement as on March 31, 2022 – Keerthana Finance

Particulars	**Amount**	**Amount**
(A)Cash flow from operating activities Net Profit	762104.86	-
Adjustment for: Overall detain	2174085.48	
Arrangement for tax	243211	
Depreciation	528877	
Arrangement for doubtful debts	19658.42	
Operating profit before change in working capital	3727846.76	
Decrease in debtors	53702.04	
Decrease in creditors	3511079.55	
Decrease in defected stocks	8275232	
Net Cash from Operating Activities		13862391.25
(B)Cash flow from investing activities Sale of fixed assets	2487418.5	
Interest receivable	40254	
Net Cash from Investing Activities		2527672.5
(C)cash flow from financing activities Unsecured loans	3670797	
TDS payable	5733	
Secured loans	1653896	
Net increase in cash and cash equivalents		5318960
Cash at beginning of the year		21708933.75
Cash at end of the year		3356868
Cash and cash equivalence at the end of the		25065801.75

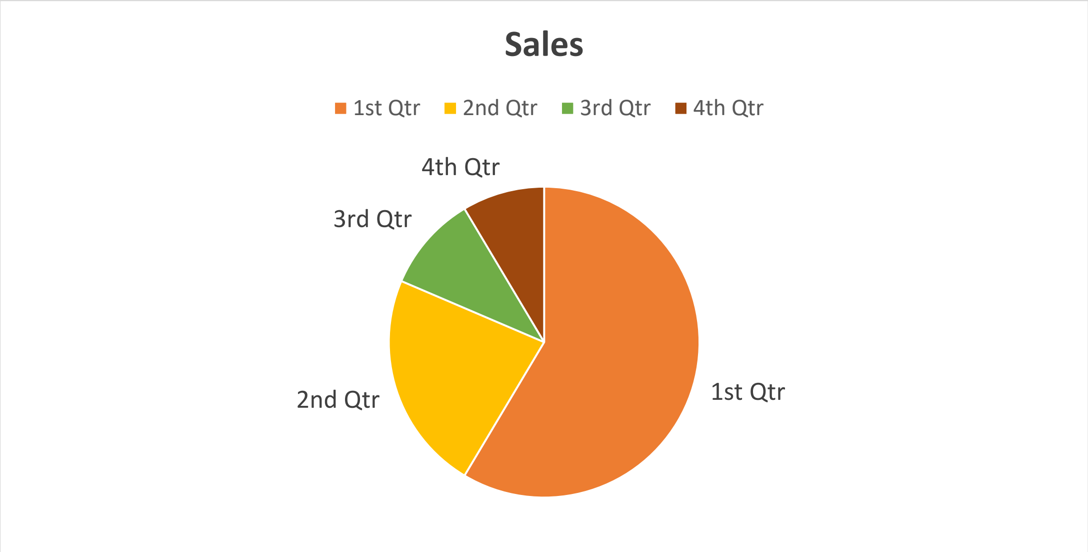
time span		

Cash Flow Distribution

Particulars	amount
Cash flow from operating activities	13862301.25
Cash flow from investing activities	2527672.5
Cash flow from financing activities	5318960

Interpretation:

Analysis of cash inflow for the year 2022-23 shows that the company generated cash flows from operating activities 13862301.25cash flows from investing2527672.5Cash flow from financing activities5318960



Cash Flow Statement Analysis – Keerthana Finance

Cash Flow Statement as on 31 March 2023

Particulars	Amount (₹)
Cash flow from Operating Activities	13,807,748
Cash flow from Investing Activities	383,298
Cash flow from Financing Activities	12,668,269

Interpretation:

Analysis of cash inflow of the firm for the year 2022–23 shows that the major portion of cash was generated from operating activities amounting to **₹13,807,748.** Financing activities also contributed significantly with **₹12,668,269,** while investing activities accounted for **₹383,298.** This indicates that the firm mainly relies on its core operations and financial sources for generating cash during the year.

Cash Flow Summary (Previous Year)

Particulars	Amount (₹)
Cash flow from Operating Activities	810,921.07
Cash flow from Investing Activities	465,188
Cash flow from Financing Activities	740,891.23

Interpretation:

The previous year's cash flow shows that operating activities generated **₹810,921.07,** which represents the primary source of cash for the firm. Investing activities accounted for **₹465,188,** while financing activities contributed **₹740,891.23**. The company maintains a balanced structure of cash flows between operations, investments, and financing.

Cash Flow Statement and Current Assets Analysis

Cash Flow Statement as on 31 March 2024

Particulars	Amount (₹)
Net profit	542015.36
General reserve	2456289.00
Provision for tax	164589.00
Depreciation	195680.00
Provision for doubtful debts	21256.23
Operating profit before working capital changes	3184149.6
Increase in debtors	(6954226.53)
Increase in creditors	576354.00
Increase in closing stock	6127454.00
Net cash from operating activities	8,120,921.07
Sale of fixed assets	4,458,855.00
Interest receivable	30,250.00
Net cash from investing activities	4,485,105
Unsecured loans	2,956,334.23
Sundry creditors payable	(10,360)
Secured loans	7,455,117.00
Net cash from financing activities	7,401,091.23
Net increase in cash equivalents	+2,000,717.3
Cash at beginning of year	3560143
Cash at end of year	21,762,940.3

Current Assets and Current Ratio

Current ratio is also known as the working capital ratio. It compares current assets with current liabilities and indicates the firm's ability to pay short-term obligations.

Year	Current Assets	Current Liabilities	Current Ratio
2020-2021	61816532	52069901	1.18
2021-2022	76798499	55865431	1.37
2022-2023	48547531	35750478	1.35
2023-2024	76414676	51897178	1.47
2024-2025	49858741	26791094	1.86

Interpretation:

The current ratio improved from 1.18 in 2019-2020 to 1.86 in 2023-2024. This indicates the company has strengthened its liquidity position and has adequate current assets to meet short-term liabilities.

Cash Flow Statement and Current Ratio Analysis

Cash Flow Statement as on 31 March 2025

Particulars	Amount (₹)
Cash flow from Operating Activities	8,120,921.07
Cash flow from Investing Activities	4,485,105
Cash flow from Financing Activities	7,401,091.23

Interpretation: The cash flow statement for the year ending 31 March 2025 shows that the company generated the highest cash from operating activities amounting to ₹8,120,921.07. Investing activities recorded ₹4,485,105, indicating investments in assets and receivables. Financing activities contributed ₹7,401,091.23, reflecting funds raised through loans and other financial sources. This indicates that the firm maintains strong operational and financial cash inflows.

Current Assets and Current Ratio Analysis

The current ratio is also known as the working capital ratio. It measures a company's ability to pay short-term liabilities using its current assets.

Current Ratio = Current Assets / Current Liabilities.

Year	Current Assets	Current Liabilities	Current Ratio
2020-2021	61,816,532	52,069,901	1.18
2021-2022	76,798,499	55,865,431	1.37
2022-2023	48,547,531	35,750,478	1.35
2023-2024	76,414,676	51,897,178	1.47
2024-2025	49,858,741	26,791,094	1.86

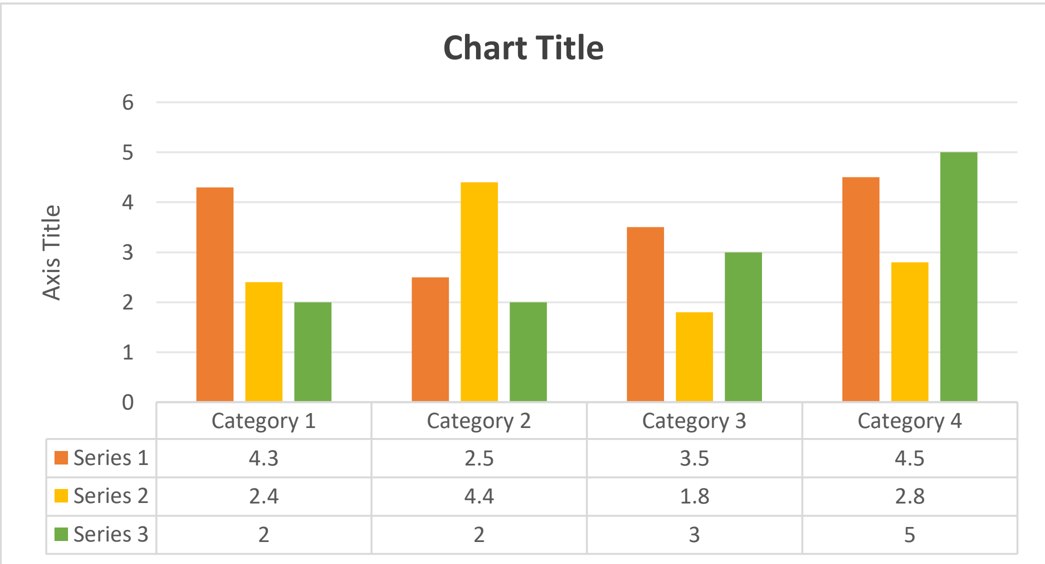
Interpretation:

The current ratio increased from 1.18 in **2020–2021to 1.86 in 2024–2025.** This indicates an improvement in the company's liquidity position. A ratio above 1 shows that the company has sufficient current assets to cover its short-term liabilities. The steady growth in the ratio reflects better working capital management.

Overall 5 years

years	Gross profit	Net sales	Gross profit ratio
2020-21	449302730	558804885	80.40
2021-22	416755578	562360288	74.11
2022-23	417578419	471977741	88.47
2023-24	514205972	567260033	90.65
2024-25	515571926	475270378	108.48

Graph



V. FINDINGS OF THE STUDY

The company has regular cash inflow from operations.

Cash is sufficient to meet day-to-day expenses.

Proper use of cash for business activities and investments is observed.

The overall cash position is satisfactory.

VI. SUGGESTIONS:

The company should plan cash usage properly.

Efforts should be made to increase cash inflows.

Unnecessary expenses should be controlled.

Excess cash should be invested wisely.

VII. CONCLUSION

The study of the Cash Flow Statement of Keerthana Finance reveals that the company maintains a sound and stable cash position. The analysis shows that cash inflows from operating activities are sufficient to meet regular business expenses. The company has effectively utilized its funds for business operations, asset acquisition, and meeting financial obligations. Proper cash management has helped the organization maintain liquidity and financial stability. Overall, Keerthana Finance's cash flow performance during the study period is satisfactory and well-managed, supporting its smooth functioning and future growth.

REFERENCES:

Keerthana V. (2025). A Study on Financial Performance.

Keerthana S. (2024). Working Capital Management Study.

Abbasi, T. (2023). Impact of Digital Financial Services on Firms' Performance.

Serrao, M. (2021). Financial Inclusion and Socio-Economic Status.

Satyanarayana, K. (2023). Capital Structure in Public Sector Banks