

# KARNATAKA POWER TRANSMISSION CORPORATION LTD.

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# CERTIFICATE

This is to certify that Mr. Hemanth C K (USN-1IA16MBA19) student of Acharya Institute of Technology, Bangalore. Pursuing MBA, has successfully completed his project work on the topic "A study on financial statement analysis of Karnataka power transmission corporation Ltd-KPTCL" from 15<sup>th</sup> January 2018 to 24<sup>th</sup> march 2018 under our guidance.

He has exhibited punctually and diligence during the training period.

Karnataka power transmission corporation Ltd.





Date: 25/05/2018

# **CERTIFICATE**

This is to certify that Mr. Hemanth C K bearing USN 1IA16MBA19 is a bonafide student of Master of Business Administration course of the Institute 2016-18 batch, affiliated to Visvesvaraya Technological University, Belagavi. Project report on "A Study on Financial Statement Analysis of Karnataka Power Transmission Corporation Limited-KPTCL, is him the **Bangalore**" prepared by under guidance of Prof. Swarupa Ranjan Panigrahi in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

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Signature of Internal Guide

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# DECLARATION

I Hemanth C K, hereby declare that the project report entitled "A Study on Financial Statement Analysis of Karnataka Power Transmission Corporation Limited-KPTCL", Bangalore prepared by me under the guidance of Prof. Swarupa Ranjan Panigrahi, faculty of MBA department, Acharya Institute of Technology and external assistance by Venkatesh Kumar, Financial Executive, KPTCL. I also declare that this Project work is towards the partial fulfilment of the university regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum. I have undergone a summer project for a period of Ten weeks. I further declare that this project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University/Institution.

Hout bele

Place: Bangalore

Signature of the student

Date: 28/5/2018

# ACKNOWLEDGEMENT

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I owe my deep gratitude to my project guide **Prof. Swarupa Ranjan Panigrahi** who took keen interest on my project work and he guided me all along, till completion of my project work. Also, I would like to extend my sincere thanks to all staff for their timely support.

HEMANTH CK

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# **EXECUTIVE SUMMARY**

This project is taken up to financial statement analysis of KPTCL. To make this study more understandable the financial statements and ratios has been shown graphically that how well they are performing. The researcher has put his effort to simplify the concept for reader to understand easily, To analyze the financial performance of the company with help of balance sheet and income statement and trend analysis. I have used ratios analysis to examine liquidity position of the company.

As per the research the profitability of the firm has also been fluctuating over the years. The main reason behind this could be the fact that the firm has increased its long-term funds over the last three years and as a result of this the firm is incurring a heavy cash outflow in the form of interest and firm should control the outflow of funds.

As per the overall study it can be conclude that the financial performance of the firm during the last three years is unsatisfactory, in spite of being still able to maintain its efficiency.

# CHAPTER 1 INTRODUCTION

#### **INTRODUCTION**

Financial Statements Analysis is the process of proper scrutifying of accounting and financial information given in the financial statements. Examining financial statements is the procedure of evaluating distinction between consists of financial statements to gain a good understanding of organization situation and performance.

To analyse financial statements each and every components are studied their distinction with other related figures and facts are determined the information is sometimes reformatted to gain a better understanding of the data with the help of unique techniques and tools.

Financial analysis is taking advantage of financial statements to determine or analyse a company's financial status so that the future can be predicted in an appropriate direction.

Financial statements are the mirror which reflects the financial position, strength and weakness of the company. Financial statements of the company helps to know how a business is doing and how it's useful internally for a company.

Financial statement analysis involves careful selection of data from financial statements for the primary purpose of forecasting the financial health of the company. This is proficient by examining trends in key financial data, comparing financial data across companies, and analysing key financial ratios.

Financial analysis is the use of financial statements to analyse a company's financial position and performance and to assess future financial performance. Financial analysis consists of three broad areas profitability analysis, and risk analysis, and analysis of sources and users of funds.

# 1.1. INDUSTRY PROFILE

# INTRODUCTION

The power quarter within the country has been witnessing long way-attaining changes within the last few years. Most of the monolithic nation power forums had been unbundled and era, transmission and distribution activities separated by means of developing separate groups. Regulatory fee has been installation to make certain performance and economic system in activities of power enterprise besides fixing power tariffs in a transparent manner. All these measures had been initiated to improve the terrible financial health of the stateowned energy utilities, triumph over the strength shortage (mainly throughout height hours) and to ensure reliability and pleasant of strength to the clients.

Sources from Ministry of power indicate that during 10 years, the financial health of the-owned power utilities has rapidly deteriorated with the aggregate annual loss rising from rupees 30 billion. If the rising trend is not arrested and reversed, in the next five years, this could exceed rupees 500 billion.

It is a recognized fact that in the past, of the 3 main segments of the power industry, generation, transmission and distribution, the distribution segments was getting the least attention, both technically and financially and needed an immediate action plan. Karnataka is One of the few states0in the country, which is in the forefront of power sector reforms. It caused the Karnataka Electricity Reforms Act in 1999, which covered the way for establishment of KERC and re organization of KEB into KPTCL w.e.f.1-08-1999, which was formed four independent distribution companies BESCOM, MESCOM, HESCOM and GESCOM 1-06-2002. Another distribution company by name CESC came into existence w.e.f. 1-04-2006.

#### HISTORY

The earlier Mysore state had the enviable and super position of setting up the primary essential hydro-electric station at Shiva samudram as early as 1902 for business operation. The art at that time changed into still in its infancy, even in the superior countries. The longest transmission wishes of mining operation at Kolar Gold Fields.

The producing capacity of the Shiva samudram power house step by step increased to 42 M.W. in stages. To meet increasing demand for electricity, the Shimsha Generating Station, with an established potential of 17.0 MW, changed into commissioned inside the 12 months 1938. The energy demand changed into ever on the increase, for industries and rural electrification, and additions to producing became imperative. The 1<sup>st</sup> degree of forty eight M.W. and 2<sup>nd</sup> degree of seventy two M.W. of the Mahatma Gandhi Hydro-Electric station were commissioned during 1948 and 1952, respectively.

Subsequently, the Bhadra project, with an installed capacity of 33.2 M.W., and the Tungabhadra Left Bank Power House, with an installed capacity of 27 M.W. at Munirabad has been commissioned throughout 1964 and 1965, respectively.

The State of Karnataka, with availability of cheap electric powered electricity, and other infrastructure facilities, became conducive for elevated pace of commercial interest. It has become essential consequently, to enhance electricity producing capability by harnessing the whole potential of the Sharavathi Valley. The first unit of 89.1 M.W. Became commissioned in 1964 and completed in 1977.

The demand for electricity saw an exceptional boom within the mind sixty and on wards with the putting in place of many public zone and personal industries within the state. As power era within the country changed into absolutely depending on monsoon and became subject to its vagaries, the nation authorities set up a cool primarily based power plant at Raichur. The gift set up ability of the strength plant at Raichur in 1260 M.W.

To augment the strength resources of country, the Kalinadi task with a hooked up potential of 810 M.W. at Nagjhari strength house and a hundred M.W. at Supa Dam electricity house, with an power capacity of 4112 Mkwh, were installation.

The transmission and distribution system in State turned into beneath the manipulate of government of Karnataka (then Mysore) till year 1957. In the year 1957, Karnataka Electricity Board have been amalgamated with Karnataka Electricity Board.

To enhance the performance of the strength area and in tune with the reforms initiated through Governmen of India, the Government of Karnataka got here out with a well-known coverage offering essential and radical reforms in the energy sectors.

# **1.2. COMPANY PROFILE**

Karnataka Power Transmission Corporation Limited is a registered business enterprise underneath the Companies Act, 1956 changed into incorporated on 28-7-1999 and is accompany owned with the aid of the Government of Karnataka with a licensed share capital of Rs. 808.38 crores. KPTCL became shaped on 1-08-1999 by carving out the Transmission and Distribution feature of the sooner Karnataka Electricity Board. Due to the enforcement of Reforms Act, the entire power sector in Karnataka was divided into three depending upon the activity viz, Generation, Transmission and Distribution.

The Generation Activity is carried out by Karnataka Power Corporation Limited is an organization owned by State Government of Karnataka which generates and operates important power producing initiatives within the state together with Hydel, Thermal and other assets.

The Transmission Activity is performed with the aid of Karnataka Power Corporation Limited. Karnataka Power Transmission Corporation confined is in particular vested with the functions of transmission of energy in the whole state of Karnataka. It operates beneath a license issued by way of Karnataka energy regulatory commission.

# **1.3. PROMOTERS**

# **BOARD OF DIRECTORS**

The following are the Board OF Directors of Karnataka Power Transmission Corporation Limited.

Sri. Jawaid Akhtar I.A.S.	Managing Director
Sri. D K Shivakumar	Independent Director
Sri. I.S.N. Prasad, I.A.S	Independent Director
Sri. G. Kumar Naik I.A.S	Independent Director
Sri. L.K. Atheeq, I.A.S	Independent Director
Smt. Khushboo Goel Chowdhary	Independent Director
Sri. T.H.M. Kumar, I.A.S	Director (Finance)
Dr. Aditi Raj	
Sri. S Sumanth	Director (Admn & HR)
Sri. R.Sridhar	
Sri. M. Ramakrishna	
Sri. M. Nagaraju	Director

# 1.4. VISION, MISSION & QUALITY POLICY VISION

To make the sector consumer friendly, financially viable and function effectively on commrcial principles coupled with social obligations, a comprehensive action plan for the next 10-15 years in the form of VISION-2020 Envisages plans and strategies to achieves the objectives of making Karnataka power sector number one in the country. Good Governance total transparency in functioning and extensive use of IT and ITES are key strategies indicated to make the vision reality.

# MISSION

The mission of Karnataka Power Transmission Corporation Limited is to make certain reliable exceptional power to its clients at competitive charges.

- Inspiring best practices in transmission and distribution.
- Safeguarding high order renovation of all its technical canters.
- Highlighting the best requirements in customer services.

#### **QUALITY POLICY**

In order to maintain the growth of its financial system and decrease poverty, Karnataka needs to enforce an in-depth reform of its electricity zone. In spite a few stunning achievements, strength quarter has come to be a main bottleneck to the financial development of state and has not been able to meet the desires of the human beings of Karnataka, mainly that of rural population and the terrible. Power Sector is also exerting a tremendous drain on Karnataka public range, which in turn reduces potential of the State Government to address social desires, the detached popularity of availability, exceptional and reliability of electricity has decreased the competiveness of the Karnataka enterprise, rapid growth of electricity has decreased the pump sets imposed excessive charges on KPTCL with regard its agricultural and rural operations. High costs on purchases also are attributable on high T&D losses. The negative great of electricity and resultant damage to their machinery has left a good sized quantity of consumers disappointed. Furthermore, too massive part of rural population nevertheless does not have right of entry to electricity offerings.

In precise, Government of Karnataka acknowledges the wants to have specific power regulations and objectives to reap the subsequent two priorities;

(1) Ensuring that human of Karnataka have equitable get entry to primary and fairly priced strength offerings, in that to power all the closing households and settlements by the 12 months.

(2) Providing strength substances that company want to reap monetary increase.

#### **1.5. PRODUCT AND SERVICES**

KPTCL Limited offers a various services in the Distribution System for customer BESCOM is chargeable for strength distribution in eight districts of Karnataka. BESCOM covers a place of forty one, 092 Sq. Kms, with a populace of over 207 lacs. In the year 1999, Karnataka boarded on a chief reform of the power area.

MESCOM the Company has introduced round the clock mobile service vans in all the O M Sub-Divisions which has gone a long way in providing reliable & qualitative power supply to the Consumers.

HESCOM it covers area of 54513 Sq. Km. Servings a population of over 140 lakhs. The general assets of the organizations are about INR 2622 Crores. HESCOM has the only duty for electricity distribution in Dharwad, Gadag, Bijapur, Bagalkot, Uttara Karnataka, Haveri and Belgaum districts of Karnataka. Gulbarga Electricity Supply Company Limited has taken over the obligation from KPTCL for the distribution of energy in 6 districts and began its operations from 1<sup>ST</sup> June 2002. The company has efficaciously entered into 14<sup>th</sup> year of operation.

CESC has taken the duty for the distribution of Electricity in five districts of Karnataka. CESC covers a place of 27858 Sq.Km. with a papulation covers 8155369 within the year of 2016.

# **1.6. AREA OF OPERATION**

#### CHART PRESENTING THE DISTRIBUTION ACTIVITY OF KPTCL

Distribution activity is vested with 5 distribution company's viz., BESCOM, HESCOM, MESCOM, CESC, and GESCOM. The areas of operation of each ESCOM are as show below:

ESCOM purchase power from various generating companies. Karnataka Power Corporation Limited is the main company with whom maximum power purchase transaction being carried out. ESCOM purchases power from KPC at fixed rate from State Government.

The dispensing agencies serve almost 109 lakh consumers of different classes unfold all around the country masking a place of 192 lakh rectangular kilometres. To transmit and distribute power inside the State, it operates almost 284 sub-stations, one rural Electric Cooperative Society is functioning in Hukkeri Taluk, Belgaum district which purchases within the taluk.

#### **1.7. INFRASTRUCTURE FACILITIES**

The KPTCL has manpower of around 9000 Employees working all over Karnataka. HRDC complex is newly constructed at Whitefield road, Hoody. HRD centre, KPTCL is situated in a campus which has spread over 8 acres of land.

This complex has 3 blocks, Admin block, Hostel block and Sports block. The infrastructure is available for training class/experience and having in depth knowledge in various fields such as personality development, motivational skills, leadership skills, customer care, time management, positive attitude, team work, team building & relationship management. The knowledge of is essential.

### **1.7.1. COMPETITORS INFORAMATION**

# POWER COMPANIES IN INDIA

Many Government as well as private organization have taken up the task of power generation in India. The major Indian power companies are:

- Enercom System India
- Essar Group
- Gujarat state petroleum corporation Ltd
- Jindal steel & power limited
- Karnataka Power Transmission corporation Ltd
- Karnataka power transmission Energy development limited
- Reliance energy Ltd
- Alton power India

# **1.8. SWOT ANALYSIS**

## STRENGTHS

- It is the first Electricity transmission Company in Karnataka.
- It's operates with the centralized accounts.
- It undertakes supply of Electricity according to the requirements of the users.
- It provided quality services.
- It is monopolist in this area of services.
- Highly qualified and experienced engineers.
- Adopting new technology and concept

## WEAKNESSS

- Safety measures are less.
- Storage of Electricity is less.
- Prevention of Accident is less.
- Wastage of Electricity is more.

## **OPPORTUNITIES**

- It can implement changes in technology
- It can frame better policies and procedures
- Electricity can be generated from different sources like;
- Thermal

- Biomass
- Solar energy
- Wind energy

# THREATS

- The rules and -regulation for purchasing power is followed by KPTCL and Government.
- Shortage of coal.
- Lack of rain.

# **1.9. FUTURE GROWTH AND PROSPECTS**

India's according to capita strength consumption is very low through 632 kWh. The National Electricity Policy envisages that the in step with capita availability of electricity can be extended to over one thousand kWh. To obtain this, the government is looking forward to addition of about 78577 MW at the quilt of 2014 of which 16553 MW is anticipated from hydro, 58644 MW from thermal and 3380MW from nuclear. Although India has great capacity for era of energy from non-conventional strength resources (18300 MW) which includes wind, small hydro, and biomass and sun strength, the emphasis is still going to thermal electricity resources. India has set itself an ambitious goal of more than doubling in keeping with capita power consumption by way of 2018 and the Ministry strength tasks an funding want of 9000 billion.

#### CHAPTER – 2

## THEORETICAL BACKROUD OF THE STUDY

## **2.1. INTRODUCTION**

Financial Statement is interpreted as those statements which display both the overall performance and the economic role. A true operating information of Financial Statements is proper truly because such statements, and numbers derived from such statements, are the number one way of speaking financial data each in the company and outdoor the firm.

These Financial Statements which are also called Final Accounts form an integral part of the financial reports also called published reports. This Financial Statements include Balance sheet, Income Statement, Fund Statements or any supporting statement or other presentation of financial data derived from accounting records.

Financial Statements Analysis is the manner of critically analysing in element accounting and financial facts given inside the financial statements. Analysing financial statements is the systems of comparing dating among components of monetary statements to gain a higher knowledge of firm position and performance.

Financial analysis is the process of determining financial strengths and weakness of the company by establishing strategic relationship between the components of balance sheet and profit and loss statement and othe operative data.

For the reason of evaluation, character objects are studied, their interrelationship with other associated figures hooked up, the data is every now and then rearranged to have higher know-how of the facts with of different techniques or equipment for the motive.

The analysis of monetary statements accordingly refers to the treatment of the information contained in the economic statements in a manner in an effort to come up with the money for a complete prognosis of the profitability and economic position of the firm involved for this reason monetary statements are classified methodically, analysed and in comparison with the figures of previous years of different similar corporations.

Financial analysis is the usage of monetary statements to examine an agency's economic position and overall performance and to assess future monetary overall performance. Financial evaluation consists of tree broad regions profitability analysis, and risk analysis, and evaluation of sources and customers of finances.

#### MEANING

The term Financial Statements refer to two basic statements which an accountant prepares at the end of an accounting period for a business enterprise.

These are:

- **1. Balance Sheet:** A statement which shows all the assets and liabilities that a firm incurs during a particular period.
- 2. **Profit and Loss Account:** A statement which shows actual outcome of the organisation, i.e. it shows whether the company is gaining profit or loss during a certain period.
- **3. Profit & Loss Appropriation Account:** A statement that shows in which manner profits of a business is made use by a company for Dividends, transfer to General Reserves or other reserves etc.
- **4. Fund Flow Statement:** It is a statement that shows whether the company is increase or decrease in working capital during the accounting period.
- 5. **Cash Flow Statement:** A statement that shows the different in cash position between the beginning and the end of the accounting period.

#### DEFINITON

According to Smith & Ashburn, "Financial Statements as the end fabricated from Financial Accounting in a fixed of Financial Statements organized with the aid of the accountant of an enterprise organisation that purport to reveal the monetary function of the organization, the consequences of its recent activities an analysis of what has been achieved with profits".

According to John N. Myer, "Financial Statements offer a precise of the debts of an enterprise organization, the Balance Sheet reflecting the assets, Liabilities and the capital as on a certain date and the Income Statement displaying the effects of operation in the course of a sure duration".

#### **2.2. LITERATURE REVIEW**

**Srinivas K T, 2012** In this paper author analysis financial performance of the Karnataka power corporation ltd. The present study is conducted with the help of various ratio such as Current ratio, quick Ratio, Solvency Ratio and net profit ratio. Based on these ratio the research found that there is a sound financial performance of the KPCL because the companies effort towards increasing in production and profit.

**Dr. Artta Bandhu Jena 2014**, the author in this paper analysis the financial performance of the Indian insurance companies. The main purpose of this paper is to analyse the financial stability and overall performance of sample life insurance companies in general. They present study analysis the financial position of LIC ICIC HDFC and SBI life insurance companies. The study also used various ratios in order to analysis the solvency position of the company which is also a primary purpose of the study. As result study reveals that LIC has made investment into current assets in the financial year and LIC's liquid ratios are too high and unnecessary investment more in liquid asset. Also study concluded with suggestion that LIC, ICICI Prudential, HDFC Standard, HDFC and SBI Life Insurance Company should finance by proper mix of both ownership and outsiders' fund.

**DR.M. Dhanabhakya M.kavitha 2012** this paper author study on financial performance of public sector banks in India. For this study six Public Sector Banks are selected. The selected public sector banks that are Bank of India, Canara Bank, Indian Overseas Bank, Indian Bank, state Bank of India and Union Bank used to analysis the financial performance. As a result the selected public sector banks have performed well on the sources of growth rate and financial efficiency during the study period. The study as a result the Indian banking system faces several difficult challenges. The research concluded with suggestion that bank has to re-orient their strategies in the light of their own strengths and the kind of market in which they are likely to operate on.

Edward J. Riedl Suraj Srinivasan 2008, the main purpose of this paper is to examine whether special items within the financial statements of the firm reflect the firm's economic performance of the firm. In this paper the author selected the special items either from the income statement or from the items discloses in the footnotes. The study is based on the report of financial statement as well as previous research conducted. As a result study revealed that special items highlighted on the income statement are more transitory than those revealed only in the footnotes. Also reveals that these consistent with this presentation decision reflecting underlying firm performance.

Manish Roy Tirkey, Naeem Sabah Khilkhal 2014, this paper study on Financial performance of ONGC Ltd. the study is based on the financial statement report of 2010, 2011, 2012 and 2013. The present study also used various ratios such as Current Ratio, Debt equity ratio, Inventory turnover ratio. Fixed asset turnover ratio, Net operating profit per share, Return on capital employed, Dividend pay-out ratio and Earnings per share. As a result study reveals that the position of ONGC Ltd is better in 2010 after analysing said ratio. In

above 8 ratios which we see through graph and table it is shown that in 6 ratios of ONGC Ltd Company is performing better in 2010 while in other year position according to the ratios was not so good.

**Huda Salhe Meften 2014** This paper analysis financial performance of the Hindustan Petroleum Corporation Ltd. the main purpose of the study is examine the financial operations of the company in terms of liquidity, solvency, turnover, profitability etc. The present study is conducted from 2008-2011. In order to analysis the financial performance various ratio are used such as current ratio, working capital ratio , fixed turnover ratio , current assets turnover ratio, debt equity ratio , proprietary ratio , gross profit and net profit ratio. As a result study reveals that the position of HPCL has strong solvency position as all the solvency ratios are favourable. The net profit for the year 2010-2011 is excellent and it is 8 times past year indicating reduction in operating expenses and large proportion of net sales available to the shareholders of company.

**Ms. Shikha Gupta** this paper study on financial performance of ICICI bank. The main purpose of this study is to analysis the financial performance of the company. This paper focused on operational control, profitability and solvency of ICICI bank. The present research paper also aims that knowing the growth rate of the company in terms of turnover, share capital, PAT, net worth, nets assets and investments during the study period. As result study reveals that The NPAs of the ICICI bank is more than one per cent, hence should control NPAs otherwise it affects the asset quality in long run. The paper concluded with the opinion that the spread of the ICICI bank should control otherwise the income of the bank is eaten away by the interest expenses in the long-run.

Dr Ayad Shankar sultan, 2014, this paper studies on analysis of financial statements of Baghdad soft drink industry .In this paper author attempts to analyse the financial statements

and measures the performance in terms of assets utilization and profitability based upon the 10 years annual report of the company. The research paper uses various ratio such as profit margin (PM), Return on assets (ROA), Return on equity (ROE), capital turnover ratio, and Expenses ratio in order to analysis the financial performance of the company. As a result study reveals that during June 2007 to June 2009 Baghdad soft drink industry performance decline also study revel that companies operating, investing, financing, and tax decision is depends on the ROE.

#### **CHAPTER 3**

#### **3.1. STATE OF THE PROBLEM**

#### **TOPIC CHOSEN FOR STUDY**

" A study on Financial Statement Analysis of Karnataka Power Transmission Corporation Limited – KPTCL"

# **3.2. NEED FOR THE STUDY**

The necessity for studying the topic of financial performance of a company is very certain for any organization because it reflects or shows the financial position and the overall outcome or result it derives from its performance. It also helps in overcoming pitfalls if any by taking effective decisions. It needs to assay or size up a company's performance, liquidity, profitability and solvency. Different tools and techniques used to analyse financial statement are balance sheet, common size statement, trend analysis, Cash flow, ratio analysis etc. are used for ascertaining a company data and also determine the pros and cons of company's performance.

#### **3.3. OBJECTIVES OF THE STUDY**

- To know the growth in the company by its financial performance.
- To analyse the financial performance of the company with the help of the Balance Sheet, Income Statements and trend analysis etc.
- To examine the liquidity position of the company concern through ratio analysis.
- To know current market status of the organization by its financial analysis using the past 5 years financial data.
- To analyse and compare the financial statements.

#### **3.4. SCOPE OF THE STUDY**

We can interpret scope of the study briefly. To thoroughly understand the core concept of financial statement analysis primarily we should understand the distinction between roles of financial statements and financial reports. Financial statements are used to analyse historical data of company performance with the present performance so that the company can predict its future circumstances. Financial reports are used to provide information regarding financial status of the organization, it tells us about how a company is performing, major and minor changes that happened in financial position of the company for example balance sheet, income statement. The acquisition of data is limited to balance sheet and income statement of the company.

# **3.5. METHODOLOGY**

Methodology implemented in the study includes secondary sources of data. The most of Study is conducted based on secondary sources. The data is taken from the website of the company, Annual reports published by the company.

- Study of the annual reports for collecting data of 5 years.
- Study of the balance sheet and profit and loss account.
- Analysis of their adopting methods and techniques.

The analysis of financial performance of KPTCL is done by taking 5 years into consideration i.e. 2011-12 to 2015-16.

The study was made analyse the financial performance with reference to financial statements like balance sheet and profit and loss account with the help of ratios, tables, and graphs suggestions for improving the methods and procedures by the firm.

# **RESEARCH TOOLS**

The following are the tools or techniques used for the purpose of analysing the financial performance of KPTCL, Bangalore:

- Trend Analysis.
- Common Size Statement.
- Comparative Financial Statement.

# SOURCES OF DATA

# SECONDARY DATA

The secondary source of data collection is as under:-

- <u>www.kptcl.com</u>.
- Annual reports of the Organization.
- Referring some of the articles, journals and magazines on financial statement.

For the study and analysis part, the financial of the company for the past 5 years were studied and critically evaluated using various financial and analytical tools and techniques.

# **3.7. LIMITATIONS**

• The survey will be conducted only for individuals.

- The project had to be done keeping time constraint.
- The study is been limited for a period of 5 years only.
- The study is done based on secondary data collected.

#### CHAPTER – 4

#### DATA ANALYSIS AND INTERPRETATION

#### **RATIO ANALYSIS**

Accounting ratios are relationship's expressed in mathematical terms between figures, which are connected with each other in some manner. The relationship between the numbers can be expressed by means of dividing one figure by the other.

Ratio analysis is a widely used tool as it's defined as, the systematic use of ratio to interpret the financial statements.

Ratio analysis does not provide an end in itself but only a mean to understand the business unit's financial position. There are number of ratio's which can be computed from a single set of financial statements, but only few can be used in particular situations to focus on the position of the business houses.

#### FINANCIAL RATIO:

The most important task of a financial manager is to interpret the financial ratios. The ratio analysis is the most powerful tool in the ends of a product management as it offers immediately insight in to the working of the corporate enterprises. It is the method of creating the financial ratios about the trend in terms of its financial can draw inferences.

# **CLASSIFICATIO OF RATIOS**

Ratios may be classified as given:0

1) Classification according to the nature of accounting statement from which the ratio are derived.

**1.** Balance Sheet ratios: These ratios deal with the relationship between two items appearing in the balance sheet e.g. current ratio, liquid ratio, debt ratio, etc.

2. Profit and loss account ratios: This type of ratio shows the relationship between items two items which are in the profit and loss account itself, e.g. gross profit, net profit, operating ratio, etc.

**3.** Combined ratios: These ratios show the relationship between items one of which is taken from profit and loss account and the other from the balance sheet, e.g. rate of

return on capital employed debtor's turnover ratio, stock turnover ratio, capital turnover ratio, etc.

2) Classification from the point of view of financial management or objective

- **1.** Liquidity ratio.
- **2.** Capital structure ratio.
- **3.** Turnover ratio.
- **4.** Profitability ratio.

3) Capital structure or gearing ratios:

- **1.** Ability to repay the principal amount to when due
- 2. Regular payment of interest

# CALCULATION OF RATIO ANALYSIS

# 1. CURRENT RATIO :

#### **Table 4.1: Shows Current Ratio**

#### (Amount in Rs)

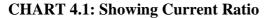
Year	<b>Current Assets</b>	Current Liabilities	Current Ratio
2013	6192802711	36731886947	0.1686
2014	7438681677	37879075332	0.1964
2015	5845148533	34203424972	0.1709
2016	6084919923	34420358914	0.1768
2017	7519794181	42831670587	0.1756

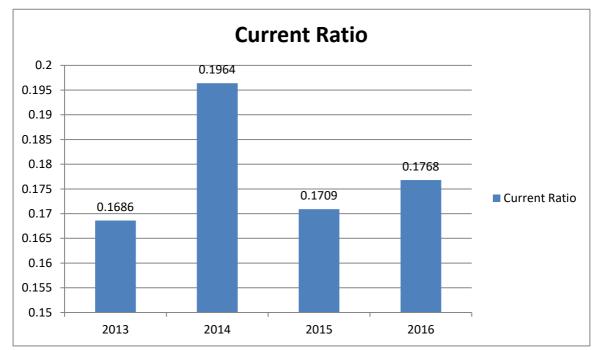
#### ANALYSIS:

The above table shows that the current ratio in the year 2012 was 0.1686 in the year 2013 it was 0.1964 increases in the year 2013. And in the 2014 current ratio was 0.1709 it was decreased compared to previous year, in 2015 it was 0.1768 it's slowly increased and in the 2016 the current ratio was decreased to 0.1756.

Current ratio can be ascertained in the following formula: CURRENT RATIO = current assets

#### **Current liabilities**





# **INTERPRETATION**

Corporation must have a standard current ratio of 2:1. As compared to this, in all five years far below than the ideal level Corporation in all the five years is not maintaining high which clearly signifies that the liquidity situation remains not worthy for a company. For the past five years 2013 is the highest recorded 0.1964. High current ratio indicates that the company financial position is good also low current ratio shows the company financial position is poor. In these company current assets is lesser than the current liabilities, that the company financial situation is not good.

# 2. QUICK RATIO OR ACID TEST RATIO:

# 4.2: Table Shows Quick Ratio

(Amount in Rs)

Year	Quick Assets	Quick Liabilities	Quick Ratio
2012	5110731259	36731886947	0.1391
2013	6275462964	37879075332	0.1657
2014	4851936464	34203424972	0.1419
2015	5178630323	34420358914	0.1505
2016	6849354005	42831670587	0.1599

## ANALYSIS

Quick ratio is concerned with the connection among quick assets and quick liabilities. A ratio of 1:1 is considered as an ideal one.

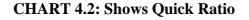
In this Corporation the quick ratio in 2012 was 0.1391 and in 2013 it increased to 0.1657 and in 2014 it decreases to 0.1419 and it increased to 0.1505 in 2015 and it's also further increased to 0.1599 in 2016.

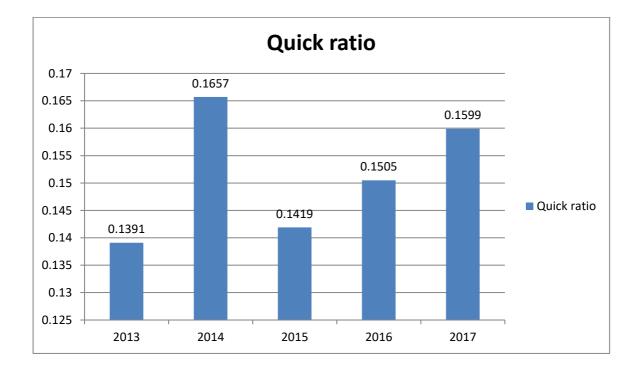
It can be ascertained as following formula

Quick assets

quick ratio = \_\_\_\_\_

Current liabilities





#### **INTERPRETATION**

By in this company, the quick ratio must be 1:1, which is current assets is equal to current liabilities. The above table shows that the past for five years the ratio has been less than 1:1. It shows that corporation will have to pay off its short-term obligation relying upon the sale of its inventories.

A high quick ratio is indicating that the organization is liquid and has ability to meet its current or liquid liabilities in period. A low quick ratio represents that the firm's liquidity position is not good.

# **3 ABSOLUTE LIQUID RATIO**

## Table 4.3: Show Absolute liquid ratio

Year	Absolute Liquid Assets	Quick Liabilities	Absolute Liquid Ratio
2013	1492630457	36731886947	0.0406
2014	1537485243	37879075332	0.0406
2015	2078862234	34203424972	0.0608
2016	2989739323	34420358914	0.0869
2017	1738118620	42831670587	0.0405

# ANALYSIS

This ratio is which takes in to consideration only those assets, which are purely liquid in nature like cash in hand, at bank. A high liquid ratio indicates that a business enterprise is not using its resource cash to the best advantage. A low liquid ratio reflects an immediate problem with disbursing bills.

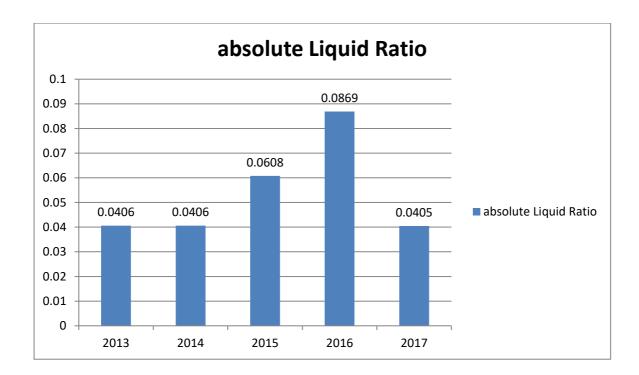
In the above table indicates that the ratios of past five years, in the 2012 the ratio was 0.0460 and in 2013 it was same constant of previous year ratio and in 2014 the ratio was increased to 0.0608 compared to previous years and in 2015 was 0.0869 it again increased in the year 2015, but in 2016 it decreased to 0.0405 compared to past 4 years it is the lowest cash ratio. The Absolute Liquid Ratio is computed as below:

absolute liquid assets

Absolute Liquid Ratio=

quick liabilities

#### **CHART 4.3: Shows Absolute Liquid Ratio**



# **INTERPRETATION**

The Absolute Liquid Ratio, by standard, should be 0.5:1. As same this standard, the liquid ratio of company is very poor. This clearly means, corporation maintains comparatively of liquid assets.

This ratios is not maintain the standard, the company ratios is below the standard level the expected level of ALR is 0.5:1 or 1:2 which means for every one rupee of quick liabilities, there should be two rupee of quick assets in hand.

# 4. DEBT EQUITY RATIO

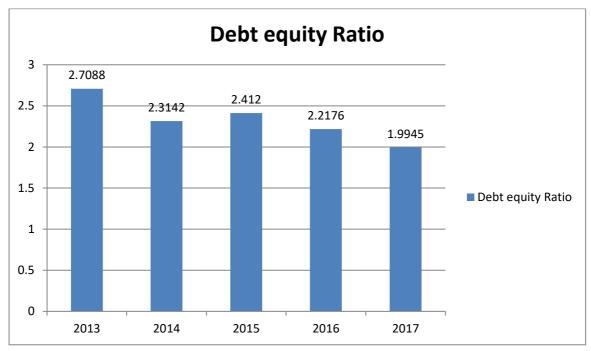
# **Table 4.4: Shows Debt Equity Ratio**

# (Amount in Rs)

Year	Debt	Equity	Debt Equity Ratio
2012	58912205509	21748430246	2.7088
2013	58305191928	25194624610	2.3142
2014	56712238120	23512879955	2.4120
2015	55789923237	25157772757	2.2176
2016	55192828241	27672440987	1.9945

# ANALYSIS

The above table shows that the debt equity ratio in the year 2012 to 2016. The ratio of debt equity ratio is increases in the beginning of year of 2012 and it's was continuously decreases in the year 2013, 2014, 2015, and 2016 it was 2.3142, 2.4120, 2.2176, 1.9945.



**CHART 4.4: Showing Debt Equity Ratio** 

# **INTERPRETATION**

A debt equity ratio by standard 2:1, this ratio shows the high trend except 2016. This ratio indicates that organization has maintained the ideal level in the year 2012 to 2015 and not in the year 2016 it maintain a below ideal level downfall trend.

# 5. NETWORTH RATIO

# **Table 4.5: Shows Net worth Ratio**

# (Amount in Rs)

Year	Net worth	Total Assets	Net worth Ratio
2012	21748430246	120469542592	0.1805
2013	25191631930	125162916368	0.2013
2014	23510943515	122397477408	0.1921
2015	25156892557	124986593419	0.2013

2016	27672440987	133753739490	0.2069

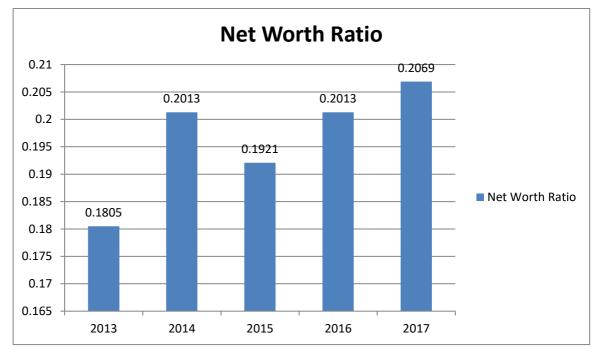
# ANALYSIS

The above table indicates that the Net worth ratio in the year 2012 was 0.1805, in the year 2013 it was increase to 0.2013 and in the year 2014 it was decrease to 0.1921 and in the year increases to 0.2013 and in the year 2016 it was 0.2069.

Net worth

Net worth Ratio= -

Total assets



# **CHART 4.5: Shows Net worth Ratio**

#### **INTERPRETATION**

The generally expected net worth ratio is 0.5:1. When ratio is more, it indicates the financial position is more favourable. This organization indicates the financial position is poor. Higher the ratio betters the long term financial position of the company. This ratio indicates the extent to which the assets of the company can be lost without affecting the interest of the creditors of the company.

# 6. % OF CURRENT ASSETS TO TOTAL ASSETS

# Table 4.6: Calculation of % of Current assets to Total assets

(Amount in Rs)

Year	Current Assets	Total Assets	%of CA'S to TA'S
2012	6192802711	120469542592	5.1406
2013	7438681677	125162916368	5.9432
2014	5845148533	122397477408	4.7755
2015	6084919923	124986593419	4.8685
2016	7519794181	133753739490	5.6221

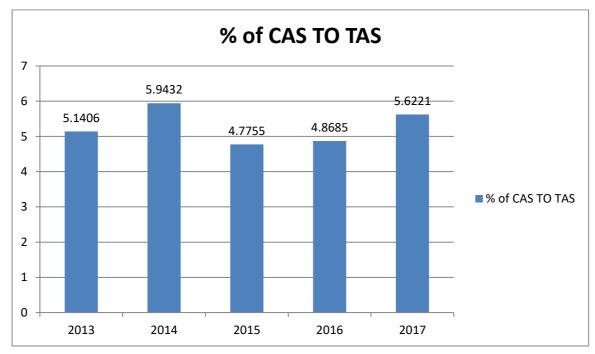
# ANALYSIS

The above table indicates the percentage of current assets to total assets of the organization. In the 2012 the ratio was 5.1406, in 2013 it was increased to 5.9432 and in 2014 the ratio was decreased to 4.7755 and it was increased in 2015 was 4.8685 and also it further increases to 5.6221.

Current assets

% OF CAS TO TAS = -

Total assets



# CHART 4.6: Shows %of Current assets to Total assets

# **INTERPRETATION**

The ratio of current assets to total assets has shown an up and downfall trend. In the 2013 net worth ratio is high is compare to all 4 years. This indicates the low liquid assets position in the company.

# 7. %OF CURRENT LIABILITIES TO TOTAL LIABILITIES

Table 4.7: Shows % of CL's to TL's

(Amount in Rs)

Year	Current Liabilities	Total Liabilities	%of CL's to TL's
2012	36731886947	120469542592	30.4906
2013	37879075332	125162916368	30.2638
2014	34203424972	122397477408	27.9446

2015	34420358914	124986593419	27.5392
2016	42831670587	133753739490	32.0228

## ANALYSIS

This ratio indicates the percentage of Total liabilities that are in the form of current liabilities. A change in the ratio will reflect a change in the amount of current liabilities. The above table depicts the percentage of current liabilities to total liabilities of the company. The ratio for the years 2012 was 30.49% and in 2013 it was 30.26% and which is decreased in 2014 was 27.94% and also which is in 2015 was 27.53% and it increased in 2016 was 32.02%.

Current liabilities

% of CLS to TLS=

Total liabilities

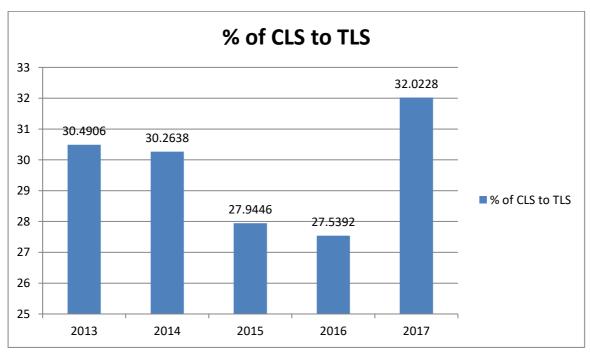


CHART 4.7: Shows % of CL's to TL's

This ratio will be low for better management of working capital. The ratio of this organization the chart will be shows the up and downfall trend. The ratio should be low in 2014 and 2015 for better management of working capital. The ratio of company is upward and downward for all the years. However the ratio is relatively very high indicating factory depends more on short-term funds in financing assets.

## 8. CURRENT ASSETS TO NETWORTH RATIO

#### Table 4.8: Shows the Current Assets to Net worth Ratio

Year	Current Assets	Net Worth	<b>Current Assets to Net</b>
			worth Ratio
2012	6192802711	21748430246	0.2847
2013	7438681677	25191631930	0.2953
2014	5845148533	23510943515	0.2486
2015	6084919923	25156892557	0.2419
2016	7519794181	27672440987	0.2717

#### (Amount in Rs)

#### ANALYSIS

It is the ratio between the current assets to net worth of an organization. The above table shows the Current assets to net worth ratio in the year 2012 was 0.2847, in 2013 it was 0.2953 and in the year 2014 was decreased to 0.2486, in the year 2015 it was 0.2419 and in the year 2016 increases to 0.2717.

current assets

current assets to net worth ratio =

net worth

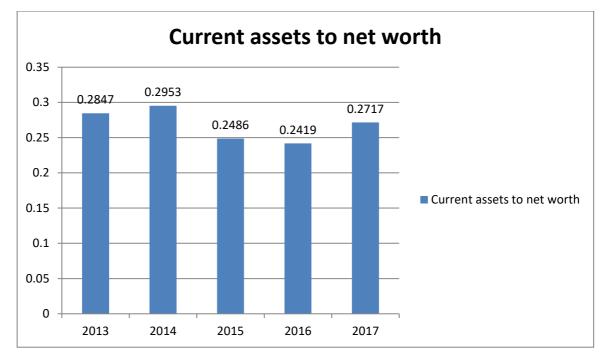


CHART 4.8: Shows the Current assets to Net worth Ratio

#### **INTERPRETATION**

Generally it is interpreted as more the ratio will be the solvency. There is no ideal or standard to Current assets to net worth ratio. A higher proportion of current assets to proprietor's fund, as compared with the proportion of fixed assets to Net worth (proprietor's fund) are encouraged. In this chart represents the current assets to net worth ratio it will be upward and downward trend.

## 9. FIXED ASSETS TO NETWORTH RATIO

## Table 4.9: Shows Fixed Assets to Net worth Ratio

(Amount in Rs)

Year	Net Fixed Assets	Net worth0	Fixed Assets to Net worth
			Ratio
2012	109781412886	21748430246	5.0478
2013	117724234691	25191631930	4.6731
2014	110981596862	23510943515	4.7204
2015	112992340786	25156892557	4.4915
2016	119882201920	27672440987	4.3322

## ANALYSIS

In this ratio indicates the fixed assets to net worth ratio in the year 2012 ratio was

5.0478, in the year 2013 it was decreases to 4.6731 and in the year 2014 it was increases to

4.7204 and in the year 2015 was 4.4915 and in the 2016 it was decreased to 4.3322.

net fixed assets

fixed assets to Net Worth Ratio=

net worth

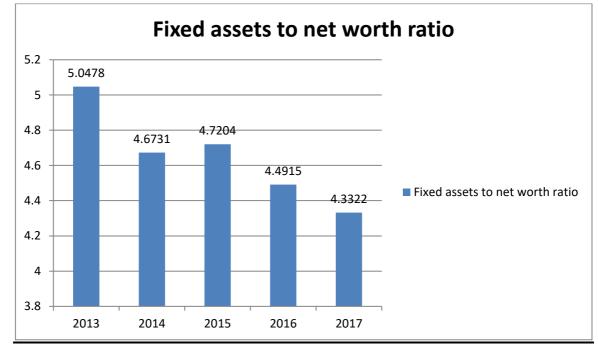


CHART 4.9: Shows the Fixed Assets to Net worth Ratios

The stranded ratio of the fixed assets to net worth ratio is 2/3 or 67% that means if the one rupee of the equity is invested more than the 67% it indicates that the company is blocking of the funds. As per the chare the company in the year 2012 is investing on the fixed assets is tells the company is blocking up funds.

Were as the in the year 2013 the ratios is 4.6731 there are investing there funds in to the other activity apart from the fixed asses it is a good sign for the company to get the revenue in short term they are not blocking up the fund nor ideal there funds.

And from the year 2014 to 2016 they are investing there funds in fixed assets which is not good sign to any company. The funds are being blocked at one particular asset which is not easy to convert their assets or the liquidity position of the company is very less

## **10. INVENTORY TURNOVER RATIO**

## **Table 4.10: Shows Inventory Turnover Ratio**

#### (Amount in Rs)

Year	Net Sales	Average Inventory	ITR
2012	16630083890	1071473571	15.5208
2013	20380855325	1108202747	18.3909
2014	23243852945	1044260834	22.2587
2015	23251201825	909111217	25.5758
2016	27589325095	757202672	36.4359

## ANALYSIS

The above table indicates the inventory turnover ratio in the year 2012 was 15.5208, in the year 2013 it was 18.3909, in the year 2014 it was increases to 22.2587 and in the year 2015 it was again increase to 25.5758 and in the year 2016 it was increases to 36.4359. net sales

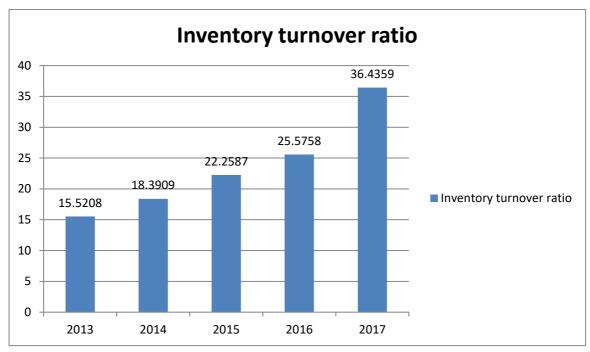
I.T.R =

average inventory

opening stock +closing stock

average inventory<sub>=</sub>

The higher the ratio it indicates that the firm has conducted more business with proportionally less investment in inventories.



**CHART 4.10: Showing the Inventory Turnover Ratio** 

#### **INTERPRETATION**

The above chart indicates that the firm has conducted more business with regularly less investment in inventories. A low inventory turnover indicates the overcast business, over investment0in inventories. The inventory turnover ratio of corporation is the increasing trend, which is good for the corporation.

## 11. WORKING CAPITAL TURNOVER RATIO

## Table 4.11: Shows the Working Capital Turnover Ratio

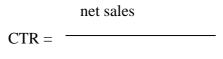
#### (Amount in Rs)

Year	Net Sales	Working Capital	Working Capital Turnover
			Ratio
2012	16630083890	(30539084236)	(0.5446)
2013	20380855325	(30440393655)	(0.6695)

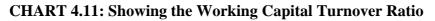
2014	23243852945	(28358276439)	(0.8196)
2015	23251201825	(28335438991)	(0.8206)
2016	27589325095	(35311876406)	(0.7813)

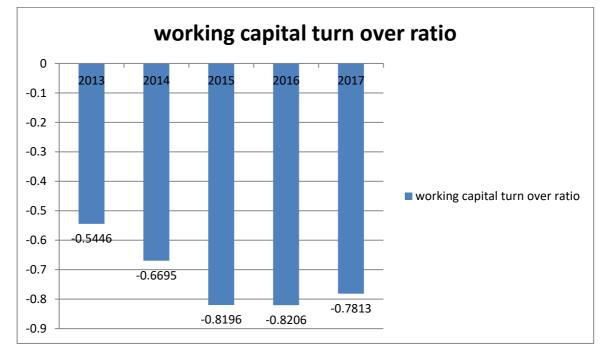
## ANALYSIS

The above table depicts the Working Capital Turnover Ratio of the KPTCL. The WCATR has negative value of the firm for the years 2012 was (0.5446), which further increased to (0.6695), and it slightly there was an increase of (0.8196) in 2014, and also further increases in 2015 was (0.8206) and in 2016 it was deceases to (0.7813).



Working capital





A higher ratio indicates efficient utilization of working capital and a low ratio indicates the inefficient utilization of working capital. In this corporation the working capital turnover ratio will be all in negative values for all 5 years and it indicates the company ineffectiveness and the company's current liabilities exceed its current assets.

## 12. NET PROFIT RATIO

#### Table 4.12: Shows the Net Profit Ratio

Year	Net profit	Net sales	Net profit ratio
2013	76659142	16630083890	0.4610
2014	438765636	20380855325	2.1528
2015	285886001	23243852945	1.2299
2016	791667801	23251201825	3.4048
2017	1781143226	27589325095	6.4559

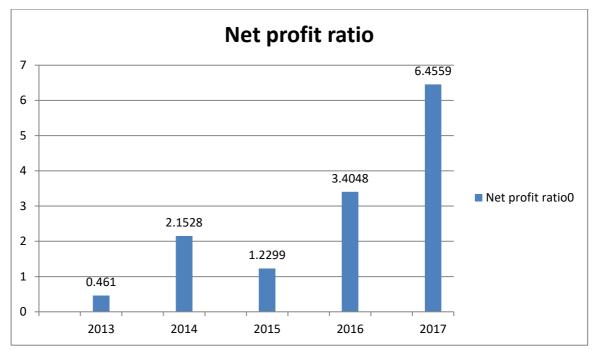
#### (Amount in Rs)

## ANALYSIS

Net profit ratio it expresses the relationship between the net profits after taxes to sales. In the above table depicts the Net profit ratio of the KPTCL. The ratio will be positive value of the organization, in 2012 the ratio was 0.4610, it was in 2013 increases to 2.1528 and in the 2014 it was deceases to 1.2299 and in 2015 and in 2016 the ratio increases to 3.4048, it further increases to 6.4559 in 2016.

net profit

Net Sales





NPR=

## **INTERPRETATION**

Net profit ratio is higher the ratio improved in the profitability. The low net profit ratio shows the company profit is low because in sales volume is less. The above chart indicates the net profit ratio of the firm. In the year 2012 sales volume is very poor and it not good making profit to company and in the 2013 sales is increases and also profit is goes up as compared to previous year, in the 2014 the net profit ratio is low as compared to previous year ratio, and in the 2015 net profit is increases it means the sales is more in this year as make a profit, in the year 2016 the net profit ratio was further increases that indicates the sales volume is high as compared to previous year.

## 13. GROSS PROFIT RATIO

## **Table 4.13: Showing the Gross Profit Ratio**

(Amount in Rs)

Year	Gross Profit	Net Sales	Gross Profit Ratio
2012	07074212	1//20082800	0.5226
2013	87074313	16630083890	0.5236
2014	1234934845	20380855325	6.0593
2015	3801928419	23243852945	16.3567
2016	2520479016	23251201825	10.8402
2017	7917371123	27589325095	28.6972

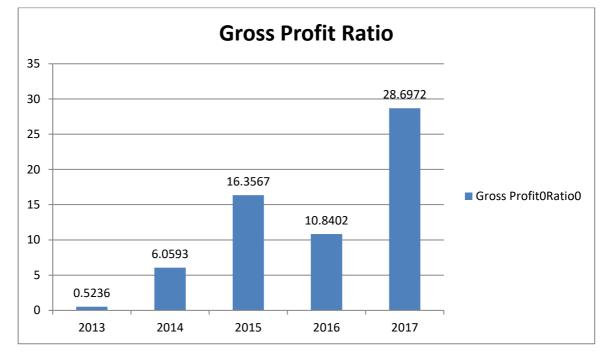
## ANALYSIS

The above table shows the Gross profit Ratio of the company. The Gross profit ratio in the year of 2012 was 0.5236, in 2013 it was increased to 6.0593, in the year 2014 Gross profit ratio was further increased to 16.3567 and in the year 2015 it decreased to 10.8402 and in the year 2016 it increases to 28.6972. In the year 2016 the Gross profit ratio is highest recorded in the company. It will be shows the in the year 2012 to 2016 up and downfall trend in the organization.

gross profit

GPR =

net sales



**CHART 4.13: Showing the Gross Profit Ratio** 

The Gross profit ratio is very important for any Business. The above chart represents the Gross profit of the company. It indicates the up and downfall trend. A low gross profit ratio may indicate the company poor purchasing. The company should increases the sales volume it will help to make good profit to the company. A high gross profit shows the companies making profit good and it is more favourable to company.

In the year 2012 the gross profit ratio was very poor for the organization because the company sale will be low and in 2013 the ratio was increase as compared to previous year and in 2014 it will be further increases in the ratio, the sale volume will be increases, in the year 2015 the sales will be low as compared to last year sales and in the 2016 gross profit increases and it is the high profit in the year 2016 as compared to four last years. High gross profit ratio is good for the company.

## 14. RETURN ON SHAREHOLDERS FUND RATIO

## Table 4.14: Shows the Return on Shareholders Fund Ratio

(Amount in Rs)

Year	Net profit after and tax	Net Worth	<b>Return on Shareholders</b>
			Fund Ratio
2012	76659142	21748430246	0.3525
2013	438765636	25191631930	1.7417
2014	285886001	23510943515	1.2160
2015	791667801	25156892557	3.1469
2016	1781143226	27672440987	6.4365

## ANALYSIS

The above table depicts the Return on shareholder fund ratio. In the year 2012 ratio was

0.3525, in 2013 was increases to 1.7417 and in the year 2014 ratio was decreases to 1.2160 and in 2015 it increases to 3.1469 and in the 2016 it further increases to 6.4365.

net profit after int & tax

ROSFR= -

net worth

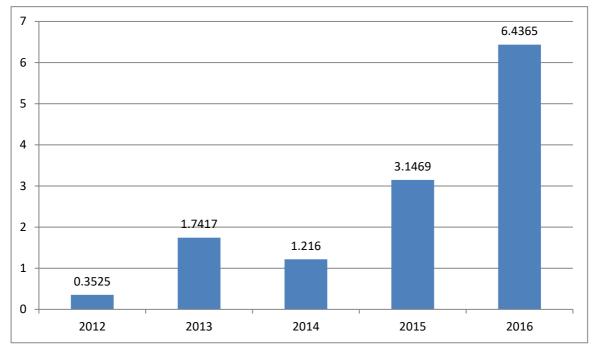


CHART 4.14: Showing the Return on Shareholders Fund Ratio

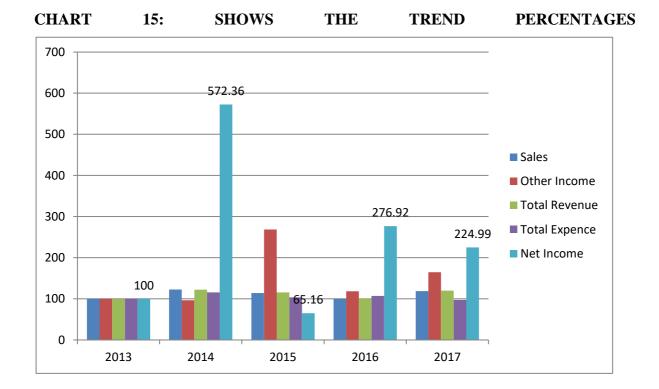
This ratio establishes the relationship between the net worth and net profit after interest and tax. It indicates the profitability of a firm in relation to the funds supplied by the shareholders or owner.

## 27. TREND ANALYSIS

(Amount in Rs)

PARTICULARS	2013	2014	2015	2016	2017
	%	%	%	%	%
Revenue from operations	100%	122.5541	114.0475	100.0316	118.6576
Other Income	100%	96.7739	268.6107	118.3153	164.834
Total Revenue	100%	122.2027	115.7159	100.4897	120.0199

Expenses (Net)					
Transmission &	100%	39.6213	336.1518	248.1266	0
wheeling charges					
Employee Costs	100%	128.1881	105.9835	113.4314	89.7383
Repairs and Maintenance	100%	108.649	107.3673	137.4325	111.5796
Administrative and Other	100%	115.4036	105.3931	130.2944	120.178
expenses					
Finance Costs	100%	108.2981	97.0245	93.2262	90.8060
Depreciation &	100%	115.7348	107.0747	106.0782	107.4866
amortization expenses					
Others	100%	97.3818	99.2329	99.9700	92.9076
TOTAL EXPENSES	100%	115.4744	103.4644	106.9773	97.1987
Add/Less: Prior period	100%	1346.966	41.2164	195.655	53.5534
credits (charges)					
Profit before exceptional	100%	1517.328	636.8381	55.9656	386.8587
and extraordinary items					
andTax					
Exceptional Items	100%	1.5124	-412621	30.3929	554.8635
Profit before	100%	635.9152	65.3334	279.3179	227.1937
extraordinary items and					
Tax					
Profit before Tax	100%	635.9152	65.3334	279.3179	227.1937
Tax Expenses					
Current Tax	100%	569.405	66.0078	288.3705	235.1875
Profit/(Loss) for the	100%	572.3592	65.1569	276.9173	224.9862
period from continuing					
operations					



The following are the points clear from the above Trend Analysis for the period 2012-2016;

- □ The performance of both in the year 2013 has a combination of both up and downfall trend compared to the base year 2012. The Sales are (122.5541%), the other income has (96.7739%), and total revenue of the firm was (122.2027) and expenses of the firm are (115.4744%) and the net profit of the company was (572.3592%) as a percentage to 100.
- □ The performance of the company in the year 2014 has a high and low trend compared to base year 2012 because the sales of the firm are (114.0475%). The firm also rise in the other income (268.6107%) and also total revenue of the firm was (115.7159%) and net expenses are (103.4644%) and overall net profit of the company was (65.1569%).

- □ The performance of the company in the year 2015 has indicates increase or decrease in the trend compared to the base year 2012. The sales are (100.0316%), other income was (118.3153%) and the total revenue of the firm was (100.4897%) and expenses of the company were (106.9773%) and the net profit of the firm was (276.9173%).
- □ The performance of the both in the year 2016 has combined of both up and downfall trend compared to the base year 2012. The sales volume are (118.6576%), the other income was (164.834%) and total revenue of the firm was (120.0199%), net expenses of the firm was (97.1987%) and the net profit of the company was (224.9862%).

#### **CHAPTER 5**

#### FINDINGS AND SUGGETIONS

The following provides the summary of the topic, "Financial Statement Analysis of K.P.T.C.L", for the year ending 31<sup>st</sup> March 2012, 2013, 2014, 2015 & 2016. Following are the few made by the researcher about the company's performance during the study.

From the study conducted at KPTCL the following findings were made;

- □ The volume of Share capital has increased of all the years, indicating that fresh capital has been raised by the firm during the 2012-2016.
- □ The Reserves & Surplus of the firm has also shows the up and downfall. For the year 2012-13 the reserves maintained increased a 18.94%, while for the year 2013-14 it was negative value (-40.87%) and in the year 2014-15 shows that an increasing in the Reserves and Surplus 19.69%, while in the year 2015-16 Reserves & Surplus it increases to 39.12%. This indicates that the firm is strong enough to meet any contingency.
- □ The Loan Funds of the firm has also show positive and negative values. For the year 2012-13 was (-6.21%), while for the year 2013-14 was increased to 13.65%, while in the year 2014-15 it has increased to 12.36%, in the year 2015-16 it has decreased to (-6.21%). This indicates the firm has huge cash outflow of funds in the form of interest, resulting a huge in the percentage of profitability.
- □ The Non- Current Asset position also seen an increase or decrease in the last 5 years. For the year 2012-13 Fixed assets rose 3.02%, while in the year 2013-14 it has decreased to (-1.0%), while in the year 2014-15 it has increased to 2.02%, and in the year 2015-16 it has further increased to 6.17%.
- □ The increase or decrease in terms of Current Asset and Current Liabilities for the years 2012 to 2016 indicates that in case of Working Capital possibility, the current Assets with the company are not satisfactory to refund the current Liabilities. The Current Assets is not more than the Current Liabilities, the company should maintain the necessity of Current Asset.
- The quick ratio is fluctuating during the 5 years period and it not maintains is standard
   1:1, the company should maintain a desired ratio.
- □ In this company Net worth represents the paid up capital plus Reserves and Surplus less intangible assets.

□ Finally the overall profitability of the firm, i.e, the Net profit has been fluctuating for all five years. For the year 2012 the firm's profit is 0.4547 which is not acceptable. But for the year 2013 was increased to 2.1296, while in the year 2014 was 1.1991, while in the year 2015 was increased to 3.3044 and in the 2016 it has increased to 6.1943, which creates effect on the firm's long term objectives. In this company they are not maintain the adequate Net profit it will be not good for the company.

#### SUGGESTUONS

The following are the suggestion which the firm needs to include;

- First and foremost thing is that the firm needs to take care about the cash outflow in the form of interest, which could to undertaken by reducing the opening of long term funds. Otherwise this will affect the long term profitability of the firm.
- □ The firm needs to concentrate on diversification in its investment. One such option is to invest in the stock market, which could be a better option to earn constant returns to improve its liquidity position.
- □ In order to better its current ratio status the firm needs to ensure that the receivables are collected on time and that the inventory of the firm is also better managed in converting them into finished goods and later into cash.
- □ The firm also can make use of the share deposit to reduce the intake of long term debt, which would benefit in improving the liquidity status of the firm.
- □ Finally, in order to improve its Net Profits, the firm needs to undertake better management of funds and also have close look on controlling its expenditure.

#### CONCLUSION

As per the analysis conducted on the Financial Statement of K.P.T.C.L. for the last 5 years, i.e, 2013, 2014, 2015, 2016 & 2017 it is seen that the State Government owned company which enjoys the monopoly in the sector of power transmission in the state, and it maintain a weaker liquidity position over the last 5 years. The profitability of the firm has also been fluctuating over the years. The main reason behind this could be the fact that the firm has increased its long term funds over the last five years and as a result of this the firm is incurring a heavy cash outflow in the form of interest and firm should control the outflow of funds.

Being a Government company the firm should concentrate on providing better service to the public rather than increasing its profits, from this point of view K.P.T.C.L has being doing a remarkable job. The firm has not made any investment in the stock markets, which could be a better option to earn returns to improve its liquidity position and also this company is provide a better good services to the public at affordable price.

As per the overall study it can be conclude that the financial performance of the firm during the last five years is unsatisfactory, in spite of being still able to maintain its efficiency.

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- $\Box$  15<sup>th</sup> ANNUAL REPORT 2014-15
- □ 16<sup>TH</sup> ANNUAL REPORT 2015-16
- □ 17<sup>TH</sup> ANNUAL RAPORT 2016-17

## **ANNEXURE:**

# 15. COMPARATIVE BALANCE SHEET FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2013-2014

Particular	31/03/2013	31/03/2014	Increase/Decrease	%
Equity and Liabilities				
Shareholder's Funds				
a) Share Capital	16753225000	19253225000	250000000	14.92%
b) Reserves and Surplus	4995205246	5941399610	946194364	18.94%
Contribution & grants towards				
cost of capital	0	0	0	
	21748430246	25194624610	3446194364	15.85%
Borrowings				
a) Long-term borrowings	45394455429	45197492464	-196962965	-0.43%
Non-Current Liabilities				
a) Deferred Tax Liabilities	2742898876	2742898876	0	0.00%
b) Other long term	13517750080	13107699464	-410050616	-3.03%
Liabilities				
c) Long-term provisions	334121014	1041125622	707004608	211.60%
	16594769970	16891723962	296953992	1.79%
Current Liabilities				
a) Short-term borrowings	700000000	590000000	-1100000000	-15.71%
b) Trade payables	16880570904	17601437011	720866107	4.27%
c) Other current liabilities	12011227153	13342962992	1331735839	11.09%
d) Short-term provisions	840088890	1034675329	194586439	23.16%

	36731886947	37879075332	1147188385	3.12%
Total Liabilities	120469542592	125162916368	4693373776	3.90%

ASSETS				
Non-				
Current Assets0				
a)Fixed assets	68282701147	77768811362	9486110215	13.89%
Tangible assets	17895307240	12866378990	-5028928250	-28.10%
Capital work-in-				
Progress	1231524680	1266047938	34523258	2.80%
b)Long term loans and				
advances	26867206814	25822996401	-1044210413	-3.89%
c)Other non- current assets				
	114276739881	117724234691	3447494810	3.02%
Current Assets				
a) Inventories	1082071452	1134334041	52262589	4.83%
b)				
Trade receivables	2029905493	1847537066	-182368427	-8.98%
c) Cash and Bank	1738118620	2989739323	1251620703	72.01%
Balances				
d)Short-term loans				
and	28241605	46939902	18698297	66.21%
advances				
e)				
Other current assets	1314465541	1420131345	105665804	8.04%
	6192802711	7438681677	1245878966	20.12%
TOTAL ASSETS	120469542592	12516291368	4693373776	3.90%

The following are the points clear from the above comparative balance sheet for the year 2012-2013;

In the comparative balance sheet there was an increase in the shareholders fund and the Total assets by (15.85%) and (3.90%) respectively.

During the year the borrowings (loan fund) is (1.79%) but in 2013 it was more borrowing as compared to 2012, it represents that the firm has borrowing the fund by utilizing the long term loan funds.

The current assets (20.12%) are greater than the current liabilities (3.12%). This indicates the cash inflows are excess of cash outflow and liquidity position of the firm is good and business is making profit and performing is good.

Particular	31/03/2	31/03/	Increase/	%
	014	2015	Decrease	
Equity and Liabilities				
Shareholder's Funds				
	1925322500	200000000		
a) Share Capital	0	0	746775000	3.88%
b)				
Reserves and Surplus	5941399610	3512879955	-2428519655	-40.87%
Contribution & grants				
towards cost of capital	0	3461170076	3461170076	0%
		2697405003		
	25194624610	1	1779425421	7.06%
Borrowings				
	4519749246	4455707304		
a) Long-term borrowings	4	1	-640419423	-1.42%
Non-Current Liabilities				
a)				
Deferred Tax Liabilities	2742898876	2742898876	0	0.00%

# 16. COMPARATIVE BALANCE SHEET FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014-2015

		1215516507		
b) Other long term	13107699464	9	-952534385	-7.27%
Liabilities				
c) Long-				
term provisions	1041125622	1764865409	723739787	69.52%
		1666292936		
	16891723962	4	-228794598	-1.35%
Current Liabilities				
a) Short-				
term borrowings	590000000	60000000	-530000000	-89.83%
		1863618732		
b) Trade payables	17601437011	7	1034750316	5.88%
c)		1384057320		
Other current liabilities	13342962992	0	497610208	3.73%
d) Short-				
term provisions	1034675329	1126664445	91989116	8.89%
	37879075332	3420342972	-3675650360	-9.70%
Total Liabilities	12516291636	1223974774		
	8	08	-2765438960	-2.21%

ASSETS				
Non				
Non- Current Assets0				
Current Assets0				
a)Fixed assets				
Tangible assets	77768811362	79844139690	2075328328	2.67%

Capital work-in-	12866378990	13307482711	441103721	3.43%
Progress				
b)Long term loans and	1266047938	1668317370	402269432	31.77%
advances				
c)Other non- current assets	25822996401	21732389104	-4090607297	-15.84%
	117724234691	116552328875	-1171905816	-1.00%
Current Assets				
a) Inventories	1134334041	954187627	-180146414	-15.88%
b) Trade receivables	1847537066	1752753229	-94783837	-5.13%
c) Cash and Bank	2989739323	2078862234	-910877089	-30.47%
Balances				
d)Short-term loans and	46939902	53882213	6942311	14.79%
advances				
e) Other current assets	1420131345	1005463230	-414668115	-29.20%
	7438681677	5845148533	-1593533144	-21.42%
TOTAL ASSETS	12516291368	122397477408	-2765438960	-2.21%

The following the points clear from the above comparative balance sheet for the year 2013-2014

There were increases in the shareholders fund (7.06%) and decreases in the Total assets of the company in the year 2013-2014 comparison of balance sheet.

During the year 2013- 2014, the organization has an increase in the fixed assets (6.1%) and Loan funds decreased by (-1.3%). That shows the financed them by developing long term loans funds.

The rate of current assets decreases (-21.42%) and current liabilities by (-9.70%). The current asset is less than the current liabilities. This0means the short term liquidity position is not good for the company.

## 17. COMPARATIVE BALANCE SHEET FOR THE YEAR ENDED

Particular	31/03/2015	31/03/2016	Increase/ Decrease	
Equity and Liabilities				%
Shareholder's Funds				
a) Share Capital	20000000000	20953225000	953225000	4.77%
b)				
Reserves and Surplus	3512879955	4204547757	691667802	19.69%
Contribution & grants				
towards cost of capital	3461170076	3730945731	269775655	7.79%
	26974050031	28888718488	1914668457	7.10%
Borrowings				
a) Long-term borrowings	44557073041	42955247965	-1601825076	-3.59%
Non-Current Liabilities				
a)				
Deferred Tax Liabilities	2742898876	2742898876	0	0.00%
b) Other long term	12155165079	12834675272	679510193	5.59%

## 31<sup>ST</sup> MARCH 2015-2016

Liabilities				
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c) L	ong-							
ASSETS rovisions		176486540	9	31446939	04	1379828	495	78.18%
Non- Current Assets0		166629293	64	18722268	052	2059338	688	12.36%
Current Liabilities a)Fixed assets								
Tangible assets		4139690	83631	592265	378745	2575	4.75%	
a) Si teGapitalwwikrige-	hort- 133(	7482711 600000000	11490	532764 11000000	-18169 00	49947 _5000000	-13.65 00	% 83.33%
b) Trace payables b)Long		186361873	-	19677266		1041079		5.59%
c) <sub>term loans and</sub>		317370		.91151	586173		35.14%	-
Other current liabili advances		138405732	00	12251730	647	-158884	2553	11.48%
d) c)Othernon- Si terfilipent assets	hort- 2173	2389104 112666444	21525 .5	057316 13913615	-20733 36	1788 	-0.95% 91	23.49%
	1165	52328875 342034297		1673496 34420358	234934 914	4621 2169339	2.02% 42	0.63%
Current Assets								
Total)Lindihitighes	9541	87627 122397477	86403 <b>408</b>	4808 12498659	-90152 <b>3419</b>	819 - <b>258911(</b>	-9.45% 011	2.12%
Trade receivables	1752	753229	21905	39844	437786	615	24.98%	0
c) Cash and Bank	2078	3862234	15374	85243	-54137	6991	-26.04	%
Balances								
d)Short-term loans and	5388	32213	35760	)301	-18121	912	-33.63	%
advances								
e) Other current assets	1005	5463230	14570	)99727	451636	5497	44.92%	6

	5845148533	6084919923	239771390	4.10%
TOTAL ASSETS	122397477408	124986593419	2589116011	2.12%

The following are the points clear from the above comparative balance sheet for the year 2014-2015.

In the comparative balance sheet indicates that the Shareholders fund and also increases in the Total assets by (7.10%) and (2.12%) individually.

During the year 2014-2015, the firm increases in the Loan funds by (12.36%), the firm is utilizing long term loan funds.

The rate of current assets is increases to (4.10%) and also current liabilities increases. The current asset is more the current liabilities that mean the short term liquidity position is good for the company.

## **18.** COMPARATIVE BALANCE SHEET FOR THE YAER ENDED

# 31<sup>ST</sup> MARCH 2016-2017

Particular	31/03/2016	31/03/2017	Increase/	%
			Decrease	
Equity and Liabilities				
Shareholder's Funds				
a) Share Capital	20953225000	21823225000	87000000	4.15%
b) Reserves and Surplus	4204547757	5849215987	1644668230	39.12%
Contribution & grants				
towards cost of capital	3730945731	3628448089	-102497642	-2.75%
	28888718488	31300889076	2412170588	8.35%
Borrowings				
a) Long-term borrowings	42955247965	42062075273	-893172692	-2.08%
Non-Current Liabilities				
a)				
Deferred Tax Liabilities	2742898876	2742898876	0	0.00%
b) Other long term	12834675272	13130752968	296077696	2.31%
Liabilities				
c) Long-				
term provisions	3144693904	1685452710	-1459241194	-46.40%
	18722268052	17559104554	-1163163498	-6.21%
Current Liabilities				

a) Short-				-
term borrowings	1100000000	0	-1100000000	100.00%
b) Trade payables	19677266731	20683341039	1006074308	5.11%
c)				
Other current liabilities	12251730647	14681509140	2429778493	19.83%
d) Short-				
term provisions	1391361536	7466820408	6075458872	436.66%
	34420358914	42831670587	8411311673	24.44%
Total Liabilities	124986593419	133753739490	8767146071	7.01%

ASSETS				
Non-				
Current Assets0				
a)Fixed assets				
Tangible assets	83631592265	86815789400	3184197135	3.81%
Capital work-in-	11490532764	14218766574	2728233810	23.74%
Progress				
b)Long term loans and	2254491151	2049732180	-204758971	-9.08%
advances				
c)Other non- current assets	21525057316	23149657155	1624599839	7.55%
	118901673496	126233945309	7332271813	6.17%
Current Assets				

TOTAL ASSETS	124986593419	133753739490	8767146071	7.01%
	6084919923	7519794181	1434874258	23.58%
e) Other current assets	1457099727	1821292343	364192616	24.99%
advances				
d)Short-term loans and	35760301	45456722	9696421	27.12%
Balances				
c) Cash and Bank	1537485243	1492630457	-44854786	-2.92%
b) Trade receivables	2190539844	3510044123	1319504279	60.24%
a) Inventories	864034808	650370536	-213664272	-24.73%

The following are the points clear from the above comparative balance sheet for the year 2015-2016;

In this balance sheet that the company shareholders will be increases to (8.35%) and the Total assets it also increases to (7.01%).

During the year 2015-2016, the firm increases in the Fixed assets is (27.55%) and in the Loan fund is decreases to (-6.21%).

The rate of current assets is increases to (23.58%) and also current liabilities increases to (24.44%). That the current asset is less than the current liabilities that indicates the short term liquidity position of the company is not good.

# 19. COMMON SIZE BALANCE SHEET FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2014-2015

Particular	31/03/20	)14	31/03/2015	
	Amount	(%)	Amount	(%)
EQUITY AND				
LIABILITIES				
Shareholder's Funds				
a) Share Capital	16753225000	13.91%	19253225000	15.38%
b)				
Reserves and Surplus	4995205246	4.15%	5941399610	4.75%
Contribution & grants	0	0.00%	0	0.00%
towards cost of capital				
	21748430246	18.05%	25194624610	20.13%
Borrowings				
a) Long-term borrowings	45394455429	37.68%	45197492464	36.11%
Non-Current Liabilities				
a) Deferred				
Tax Liabilities	2742898876	2.28%	2742898876	2.19%
b) Other long0term	13517750080	11.22%	13107699464	10.47%
Liabilities				
c) Long-				
term provisions	334121014	0.28%	1041125622	0.83%
	16594769970	13.78%	16891723962	13.50%
Current Liabilities				

a) Short-				
term borrowings	7000000000	5.81%	5900000000	4.71%
b) Trade payables	16880570904	14.01%	17601437011	14.06%
c) Other current liabilities	12011227153	9.97%	13342962992	10.66%
d) Short-term provisions	840088890	0.70%	1034675329	0.83%
	36731886947	30.49%	37879075332	30.26%
Total Liabilities	120469542592	100%	125162916368	100%

ASSETS				
Non- Current Assets0				
Current Assets0				
a)Fixed assets				
Tangible assets	68282701147	56.68%	77768811362	62.13%
Capital work-in-	17895307240	14.85%	12866378990	10.28%
Progress				
b)Long term loans and	1231524680	1.02%	1266047938	1.01%
advances				
c)Other non- current assets	26867206814	22.30%	25822996401	20.63%
	114276739881	94.86%	117724234691	94.06%
Current Assets				
a) Inventories	1082071452	0.90%	1134334041	0.91%

b) Trade receivables	2029905493	1.68%	1847537066	1.48%
c) Cash and Bank	1738118620	1.44%	2989739323	2.39%
Balances				
d)Short-term loans and	28241605	0.02%	46939902	0.04%
advances				
e) Other current assets	1314465541	1.09%	1420131345	1.13%
	6192802711	5.14%	7438681677	5.94%
TOTAL ASSETS	120469542592	100%	125162916368	100%

The following are the points clear from the above Balance sheet for the year 2012-2013;

The Total Shareholders Fund represents to (20.13%) in the year 2013 and in the year 2012 Shareholders Fund shows the (18.05%).

The firm Loan Funds shows from (13.78%) in the year 2012 and it decreases in the 2013 was (13.50%).

The current assets have increased from (5.14%) in 2012 to (5.94%) in 2013 of the Total assets.

The current liabilities have decreased from (30.49%) in the year 2012 to (30.26%) in the year 2013 of the Total Assets.

The overall liquidity, as measured by the Current Assets compared to the Current Liabilities. The Current Assets is more than the Current Liabilities, the liquidity position is good and also the Current Assets is lesser than the Current Liabilities is not good for the company.

# 20. COMMON SIZE BALANCE SHEET FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2015-2016

Particular	31/03/2015	31/03/2016

	Amount	(%)	Amount	(%)
EQUITY AND				
LIABILITIES				
Shareholder's Funds				
a) Share Capital	19253225000	15.38%	2000000000	16.34%
b)				
Reserves and Surplus	5941399610	4.75%	3512879955	2.87%
Contribution & grants	0	0.00%	3461170076	2.83%
towards cost of capital				
	25194624610	20.13%	26974050031	22.04%
Borrowings				
a) Long-term borrowings	45197492464	36.11%	44557073041	36.40%
Non-Current Liabilities				
a) Deferred				
Tax Liabilities	2742898876	2.19%	2742898876	2.24%
b) Other long0term	13107699464	10.47%	12155165079	9.93%
Liabilities				
c) Long-				
term provisions	1041125622	0.83%	1764865409	1.44%
	16891723962	13.50%	16662929364	13.61%
Current Liabilities				
a) Short-				
term borrowings	5900000000	4.71%	60000000	0.49%

b) Trade payables	17601437011	14.06%	18636187327	15.23%
c) Other current liabilities	13342962992	10.66%	13840573200	11.31%
d) Short-term provisions	1034675329	0.83%	1126664445	0.92%
	37879075332	30.26%	34203424972	27.94%
Total Liabilities	125162916368	100%	122397477408	100%

The following are the points clear from the above Balance sheet for the year 2013-2014;

The Total Shareholders Fund is increased to (22.04%) in the year 2014 from (20.13%) in the year 2013.

The firms Loan Funds show form (13.50%) in 2013 to (13.61%) in 2014.

The Current Assets have decreased from (5.94%) in the year 2013 to (4.78%) in the year 2014 of the Total Assets.

The Current Liabilities have decreased from (30.26%) in the year 2013 to (27.94%) in the year 2014.

The overall liquidity, as measured by the Current Assets compared to the Current Liabilities, it decreased over the year.

## 21. COMMON SIZE BALANCE SHEET FOR THE YERA ENDING 31<sup>ST</sup> MARCH 2014-2015

Particular	31/03/201	5	31/03/20	)16
	Amount	(%)	Amount	(%)

EQUITY AND				
LIABILITIES				
Shareholder's Funds				
a) Share Capital	2000000000	16.34%	20953225000	16.76%
b) Reserves and Surplus	3512879955	2.87%	4204547757	3.36%
Contribution & grants	3461170076	2.83%	3730945731	2.99%
towards cost of capital				
	26974050031	22.04%	28888718488	23.11%
Borrowings				
a) Long-term borrowings	44557073041	36.40%	42955247965	34.37%
Non-Current Liabilities				
a) Deferred				
Tax Liabilities	2742898876	2.24%	2742898876	2.19%
b) Other long0term	12155165079	9.93%	12834675272	10.27%
Liabilities				
c) Long-				
term provisions	1764865409	1.44%	3144693904	2.52%
	16662929364	13.61%	18722268052	14.98%
Current Liabilities				
a) Short-				
term borrowings	6000000000	0.49%	1100000000	0.88%
b) Trade payables	18636187327	15.23%	12251730647	9.80%
c) Other current liabilities	13840573200	11.31%	1391361536	1.11%

d) Short-term provisions	1126664445	0.92%		
	34203424972	27.94%	34420358914	27.54%
	122397477408	100%	124986593419	100%

The following are the points clear from the above Balance sheet for the year 2014-2015;

The Total Shareholders shows the (23.11%) in the year 2015 from (22.04%) in 2014 it was increased in 2015.

The firm's Loan Funds shows from (13.61%) in the year 2014 and in the 2015 it was increased to (14.98%), the borrowing loan is increased as compared to previous year.

The Current Assets has in the year 2014 was (4.78%) and in the year 2015 it increases to (4.87%) of the Total Assets.

The Current Liabilities has in the year 2014 were (27.94%) to decreases in the year 2015 was (27.54%).

The liquidity position, as measured by the Current Assets compared to the Current Liabilities, the Current Assets is more than the Current Liabilities that shows the good liquidity position for the company.

## 23. COMMON SIZE INCOME STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2012-2013

Particulars	31-03-2012		31-03-2013	
	AMOUNT	% OF	AMOUNT	% OF
		SALES		SALES

Revenue from operations	16630083890	98.6369	20380855325	98.9206
Other Income	229809525	1.3631	222395587	1.0794
FOTAL REVENUE	16859893415	100%	20603250912	100%
Expenses (Net)				
Transmission & wheeling	5370512	0.0319	2127868	0.0103
Charges				
Employee costs	4892712459	29.0198	6271876360	30.4412
Repairs and Maintenance	856477209	5.0800	930554009	4.5165
Administrative and Other	369598135	0.0002	426529594	2.0702
expenses				
Finance Costs	4968216621	29.4677	5380481857	26.1147
Depreciation &	4495326995	26.6628	5202658357	25.2516
amortization expenses				
Others	1185117171	7.0292	1154088022	5.6015
Fotal Expenses	16772819102	99.4835	19368316067	94.0061
Add/Less: Prior period	-50638130	-0.3003	-682078490	-3.3105
credits (charges)				
Profit before exceptional	36436183	0.2161	552856355	2.6833
and extraordinary items				
and tax				
Exceptional items	50622898	0.3003	765617	0.0037
Profit before extraordinary	87059081	0.5164	553621972	2.6871
Items and tax				
Extraordinary items	0		0	0
Profit Before Tax	87059081	0.5164	553621972	2.6871
Tax Expense				
Current Tax	20171289	0.1196	114856336	0.5575

Fringe Benefit Tax	-9771350	-0.0580	þ	0
Deferred Tax	0		0	0
Profit/(Loss) for the period	76659142	0.4547	438765636	2.1296
from continuing operations				

The following are the points clear from the above Income Statement for the year 2012-2013;

- Revenue from operation shows a positive figure in the year 2012 revenue was (98.6369%) and it increased in the year 2013 was (98.9206%). The company sales volume is high and it helpful to make a better profit for the organization.
- □ The Other Income in the year 2012 was (1.3631%) and in the 2013 it was decreased to (1.0794%).
- □ The Operating Expenses in the year 2012 was (99.4835%) and in the year 2013 it was decreased to (94.0061%).
- □ The Net Profit after Tax, of the company has increased to (2.1296%) in the year 2013 from (0.4547%) in the year 2012.

## **BALANCE SHEET**

Sl.	PARTICULARS			
No		31/03/2012	31/03/2013	31/03/2014
	EQUITY AND LIABILITIES			
1)	Shareholder's Funds a) Share Capital b) Reserves and Surplus	16753225000 4995205246	19253225000 5941399610	20000000000 3512879955
2)	Contribution & grants towards cost of capital	0	0	3461170076
		21748430246	25194624610	26974050031
3)	Borrowings			
	a) Long-term borrowings	45394455429	45197492464	44557073041
4)	<ul> <li>Non-Current Liabilities</li> <li>a) Deferred Tax Liabilities</li> <li>b) Other long term Liabilities</li> <li>c) Long-term provisions</li> </ul>	2742898876 13517750080 <u>334121014</u> <b>16594769970</b>	2742898876 13107699464 1041125622 16891723962	2742898876 12155165079 1764865409 16662929364
5)	Current Liabilities			
	a) Short-term borrowings	7000000000	590000000	60000000
		16880570904	17601437011	18636187327
	b) Trade payables			
	liabilities	12011227153	13342962992	13840573200

c) Other current

d) Short-term provisions	840088890	1034675329	1126664445

 36731886947
 37879075332
 3420342972

# TOTAL LIABILITIES12046954259212516291636812239747740824. COMMON SIZE INCOME STATEMENT FOR THE YEAR ENDING<br/>31<sup>ST</sup> MARCH 2013-2014

Particulars	31-03-2013		31-03-2014	
	AMOUNT	% OF	AMOUNT	% OF
		SALES		SALES
Revenue from operations	20380855325	98.9206	23243852945	97.4943
Other Income	222395587	1.0794	597378403	2.5057
Total Revenue	20603250912	100%	23841231348	100%
Expenses (Net)				
Transmission & wheeling	2127868	0.0103	7152867	0.0300
Charges				
Employee cost	6271876360	30.4412	6647153060	27.8809
Repairs and Maintenance	930554009	4.5165	999110389	4.1907
Administrative expenses and	426529594	2.0702	449532772	1.8855
Other expenses				
Financial Costs	5380481857	26.1147	5220386964	21.8965
Depreciation & amortization	5202658357	25.2516	5570732014	23.3660
Expenses				
Others	1154088022	5.6015	1145234863	4.8036

Total Expenses	19368316067	94.0061	20039302929	84.0531
Add/Less: Prior period credits	-682078490	-3.3105	-281128254	-1.1792
(charges)				
Profit before exceptional and	552856355	2.6833	3520800165	14.7677
extraordinary items and tax				
Exceptional items	765617	0.0037	-3159100000	-13.2506
Profit before extraordinary	553621972	2.6871	361700165	1.5171
Items and Tax				
Extraordinary Items	0	0	0	0
Profit before Tax	553621972	2.6871	361700165	1.5171
Tax expenses				
Current Tax	114856336	0.5575	75814164	0.3180
Fringe Benefit Tax	0	0	0	0
Deferred Tax	0	0	0	0
Profit/(Loss)for the period	438765636	2.1296	285886001	1.1991
from continuing operations				

The following are the points clear from the above Income Statement for the year 2013-2014;

- □ Revenue from operation in the year 2013 was (98.9206%) and it decreased in the year 2014 it was decreased to (97.4943%).
- □ The Other Income in the year 2013 was (1.0794%) and it raised in the year 2014 was (2.5057%).
- □ The Operating Expenses in the year 2013 was (94.0061%), in the year 2014 the expenses is fall of (84.0531%).
- □ The Net Profit after Tax, of the company has decreased to (1.1991%) in 2014 from (2.1296%) in the year 2013.

## 25. COMMON SIZE INCOME STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2014-2015

PARTICULARS	31-03-2014		31-03-2015	
	AMOUNT	% OF	AMOUNT	% OF
		SALES		SALES
Revenue from operations	23243852945	97.4943	23251201825	97.0499
Other Income	597378403	2.5057	706790021	2.9501
Total Revenue	23841231348	100%	23957991846	100%
Expenses (Net)				
Transmission & wheeling	0.0300	0.0300	17748163	0.0741
charges				
Employee Costs	27.8809	27.8809	7539955510	31.4716
Repairs and Maintenance	4.1907	4.1907	1373102081	2.4448
Administrative and Other	1.8855	1.8855	585715963	2.4448
expenses				
Finance Cots	21.8965	21.8965	4866767580	20.3138
Depreciation & amortization	23.3660	23.3660	5909332710	24.6654
expenses				
Others	4.8036	4.8036	1144890821	4.7787
Total expenses	19368316067	84.0531	21437512828	89.4796
Add/Less: prior period	-281128254	-1.1792	-550042978	-2.2959
credits (charges)				
Profit before exceptional and	3520800165	14.7677	1970436041	8.2245
extraordinary items and tax				
Exceptional Items	-315100000	-13.2506	-960142567	-4.0076
Profit before extraordinary	361700165	1.5171	1010293474	4.2169
Items and Tax				

Extraordinary items	0	0	0	0
Profit Before Tax	361700165	1.5171	1010293474	4.2169
Tax Expenses				
Current Tax	75814164	0.3180	218625673	0.9125
Fringe Benefit Tax	0	0	0	0
Deferred Tax	0	0	0	0
Profit/(Loss) for the period	285886001s	1.1991	791667801	3.3044
from continuing operations				

The following are the points clear from the above Income Statement for the year 2014-2015;

- □ The Revenue from operation in the year 2014 was (97.4943%), and it was decreased in the year 2015 (97.0499%).
- □ The Other Income in the year 2014 was (2.5057%) and in the year 2015 it increases to (2.9501%).
- □ The Operating Expenses in the year 2014 was (84.0531%) and it increased in the year 2015 was (89.4796%).
- □ The Net Profit after Tax, of the company in the year 2014 was (1.1991%) and in the year 2015 it increases to (3.3044%).

## 26. COMMON SIZE INCOME STATEMENT FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2015-2016

Particulars	31-03-2015		31-03-2016	
	AMOUNT	% OF	AMOUNT	% OF
		SALES		SALES

Revenue from operations	23251201825	97.0499	27589325095	95.9483
Other Income	706790021	2.9501	1165030269	4.0517
Fotal Revenue	23957991846	100%	28754355364	100%
Expenses (Net)				
Transmission & wheeling	17748163	0.0741	0	0
charges				
Employee costs	7539955510	31.4716	6766231215	23.5312
Repairs and Maintenance	1373102081	2.4448	1532101882	5.3282
Administrative and Other	585715963	2.4448	703901789	2.4480
expenses				
Finance Costs	4866767580	20.3138	4419315544	15.3692
Depreciation & amortization	5909332710	24.6654	6351743389	22.0897
expenses				
Others	1144890821	4.7787	1063690422	3.6992
Total Expense	21437512828	89.4796	20836984241	72.4655
Add/Less: Prior period	-550042978	-2.2959	-294566953	-1.0244
credits (charges)				
Profit before exceptional and	1970436041	8.2245	7622804170	26.5101
extraordinary items and tax				
Exceptional items	-960142567	-4.0076	-5327480780	-18.5276
Profit before extraordinary	1010293474	4.2169	2295323390	7.9825
Items and tax				
Extraordinary items	0	0	0	0
Profit Before Tax	1010293474	4.2169	2295323390	7.9825
Tax Expense				
Current Tax	218625673	0.9125	514180164	1.7882
Fringe Benefit Tax	0	0	0	0
Deferred Tax	0	0	0	0
Profit/(Loss) for the period	791667801	3.3044	1781143226	6.1943

from continuing operations		

The following are the points clear from the above Income Statement for the year 2015-2016;

- □ The Revenue from operation in the year 2015 was (97.0499%) and it decreases in the year 2016 was (95.9483%).
- □ The Other Income in the year 2015 was (2.9501%) and it will be an increase in the year 2016 was (4.0517%).
- □ The Operating Expenses in the year 2015 was (89.4796%) and the year 2016 it was decreased to (72.4655%).
- □ The Net Profit after Tax, of the company has increased to (3.3044%) in the year 2015 from (6.1943%) in the year 2016.

## **BALANCE SHEET**

Sl.	PARTICULARS		
No		31/03/2015	31/03/16
	EQUITY AND LIABILITIES		
1)	Shareholder's Funds a) Share Capital b) Reserves and Surplus		21823225000 5849215987
2)	Contribution & grants towards cost of Capital	3730945731	3628448089
	Cupitui	28888718488	31300889076
3)	Borrowings	42955247965	42062075273
4)	a) Long-term borrowings		
	Non-Current Liabilities a) Deferred Tax Liabilities b) Other long term	2742898876 12834675272	2742898876 13130752968
	Liabilities c) Long-term provisions	3144693904	1685452710
	c) Long term provisions	18722268052	17559104554
5)			
	Current Liabilities	110000000	0
	a) Short-term borrowings		20683341039
	b) Trade payables	12251730647	14681509140
	c) Other current liabilities	1391361536	7466820408
	d) Short-term provisions	1371301330	1700020400

	34420358914	42831670587
TOTAL LIABILITIES	124986593419	133753739490



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## ACHARYA INSTITUTE OF TECHNOLOGY DEPARTMENT OF MBA INTERNSHIP WEEKLY REPORT (16MBAPR407)

Name of the Student: -Hemanth C K

Internal Guide: Prof. Swarupa Ranjan Panigrahi

USN No: 11A16MBA19

Specialization: Finance and Marketing

Title of the Project:"A study on Financial Statement Analysis of Karnataka Power Transmission Corporation Limited-KPTCL"

Company Name: KPTCL

Week	Work undertaken	External Guide Signature	Internal Guide Signature
15-01-18 to 20-01-18	Orientation with the company.Collection of secondary datarelating to industry and organization.	Jankatanie	SPR
22-01-18 to27-01-18	Orientation with functionaldepartment of the organization and detailed study of department.	Jackater K.	SE
29-01-18 to03-02-18	Finalization of problem area of the study and finalization of research objectives and methodology.	Jackabeller	SEL
05-02-18 to 10-02-18	Finalization of data collectionquestionnaire instruments and formats. Etc	Juliated B	SF.
12-02-18 to17-02-18	Collection of primary datafrom the restaurants by administrating thequestionnaire.	Verhoonly	SE .
19-02-18 to24-02-18	Discussion with the externalguide and internal guide.Formation of hypothesis.Classification and analysis of collected data.	Jenthaten 15	GE
26-02-18 to 03-03-18	Compilation of research dataand interpretation of data.	Jelhalenh	Sep

05-03-18	Data analysis and FinalizationOfreport.		
to10-03-18		Sallater ??	SPP
12-03-18 to17-03-18	Finalization of project reportand approval ofdraft bycompany and college guide.	Jethalaute	SED
19-03-18 to24-03-18	Report submission to the Institution.	Jelka telle !!	SER-

HOD L

Head of the Department Department of MBA Acharya Institute of Technology Joldevanahlli, Bangalore-560 107



