



A study on performance of Tamil Nadu newsprint and papers Ltd and JK papers limited using comparative statements

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Abstract

Financial statements are those statements which provide information about the profitability and financial position of a business. It includes two statements, i.e., Income Statement and Balance Sheet. The income statement is the summary of income and expenses incurred by the companies during the financial year. A balance sheet is often described as a “snapshot of a company’s financial condition. A comparative study of Tamil Nadu Newsprint and Papers Limited and JK Papers Limited is done to estimate whether the company’s financial position has been improving or deteriorating over time. The analyses of the study were based on the annual report of the companies during the period 2012 to 2017.

Keywords: income statement, balance sheet, financial position

1. Introduction

Comparative statements are financial statements that cover a different time frame, but are formatted in a manner that makes comparing line items from one period to those of a different period an easy process. This quality means that the comparative statement is a financial statement that lends itself well to the process of comparative analysis. Many companies make use of standardized formats in accounting functions that make the generation of a comparative statement quick and easy. A comparative statement is a document that compares a particular financial statement with prior period statements or with the same financial report generated by another company. Analyst and business managers use the income statement and balance sheet for comparative purposes. The process reveals one company’s performance with another business. It is used to effectively measure the conduct of the business activities. It also indicates the change in amount as well as change in percentage. It is a popular tool useful for analysis by the financial analysts.

2. Objectives of the study

- To measure financial position of the industries.
- To analyse the income and expenditure from 2012 to 2017 for Tamil Nadu Newsprint and Papers Limited and JK Papers Limited.
- To analyse increase or decrease in rupee amounts as well as in percentage by taking the data of previous year as base.

3. Scope of the study

The study has great significance and provides various benefits to parties who directly or indirectly interact with the

companies. It is beneficial to management of the companies by providing clear picture regarding important aspects like the profit or loss and financial position. It offers motivation to employees by showing how actively they are contributing for companies’ growth. The investors who are interested in investing in the company’s shares will be benefited by going through the study and can make decisions regarding the investments.

4. Research Methodology

Methodology is a way to systematically solve the research problem. It explains various steps that are generally adopted by a researcher in studying the research problem.

4.1 Research Design

A research design is purely and simply the basic frame work or plan for a study that guides the collection and analysis of data. In financial analysis, the researcher adopted the comparative research design on comparative income statement and comparative balance sheet.

4.2 Tools and Techniques

For the purpose of analysis of data, following tools have been used to analyse the performance of the companies under study:

- Comparative Income Statement
- Comparative Balance Sheet

4.3 Method of data collection

There are two types of data available in research. They are

- Primary data
- Secondary data

4.4 Source of data

In this project the research is based on the secondary data.

4.5 Period of study

The period of study has been done for 5 years (2012-2017) for Tamil Nadu Newsprint and Papers Limited and JK Papers Limited.

5. Limitations of the study

This data available for the study to a few limitations which are as follows:

- The study is undertaken for the period of 2012-2017, the changes that took place before and after the period were not taken into consideration.
- The reliability and correctness of the study depends on the information provided in the annual report of the company.

6. Review of literature:

- **Anshan Lakshmi (2003)** ^[1] made “A Study of the Financial Performance with Reference to Steel Industries Kerala Ltd”. This study covered from 1977-1998 to 2001-2002. The objectives of the study was to analyze and evaluate the working capital management, to analyze the

liquidity position of the company, to evaluate the receivables, payables and cash management and to suggest ways and means to improve the present date of working capital. The major tools used for the analysis said that the working capital management suggested that the inventory management have to be corrected.

- **Sudarsana Reddy (2003)** ^[2] under took a study on “Financial Performance of Paper Industry in Andhra Pradesh” for the period from 1989-90 to 1998-99. The primary objective of the study was to analyze the investment pattern and utilization of fixed assets, ascertaining the working capital condition, reviewing the profitability performance and suggesting measures to improve the profitability. He concluded that the introduction of additional funds along with restructuring of finances and modernization of technology were needed for better operating performance.

7. Analysis and Interpretation

7.1 Comparative Income Statement

Comparative Income Statement gives an idea of the progress of business over a period of time. The changes in absolute money values and percentage can determine to analyze the profitability of the business.

Table 1: Table showing comparative income statement of TNPL and JK Papers Ltd for the years 2012-13 & 2013-14 (Rs in Crores)

Particulars	Tnpl				Jk papers ltd			
	2012-13	2013-14	INC/DEC	%	2012-13	2013-14	INC/ DEC	%
Income								
Revenue from operations[<i>gross</i>]	1879.75	2339.8	460.04	24.47	1536.7	1822	285.05	18.55
Less: excise/service tax/other levies	75.79	98.1	22.31	29.44	83.49	100.4	16.87	20.21
Revenue from operations[<i>net</i>]	1804	2241.7	437.73	24.26	1453.2	1721	268.18	18.45
Other operating revenues	57.3	43.53	-13.77	-24	5.92	16.5	10.58	178.7
Total operating revenues	1861.3	2285.2	423.96	22.78	1459.1	1738	278.76	19.1
Other income	19.92	16.72	-3.2	-16.1	11.87	14.76	2.89	24.35
Total Revenue	1881.2	2302	420.77	22.37	1471	1753	281.65	19.15
Expenses								
cost of materials consumed	531.38	707.87	176.49	33.21	833.12	1079	246.33	29.57
purchase of stock in trade	96.28	97.3	1.02	1.059	84.07	92.98	8.91	10.6
changing in inventories of fg, wip, and stock in trade	26.67	4.98	-21.69	-81.3	-12.12	-58.36	-46.24	381.5
Employee benefit expenses	139.04	155.79	16.75	12.05	141.74	158.7	16.97	11.97
Finance costs	120.97	128.21	7.24	5.985	49.9	121.9	71.96	144.2
Depreciation and amortization expenses	174.99	192.32	17.33	9.903	72.91	122.1	49.19	67.47
Other expenses	665.76	812.8	147.04	22.09	279.76	341.3	61.58	22.01
Total Expenses	1755.1	2099.3	344.2	19.61	1449.4	1858	408.7	28.2
Profit/loss before exceptional items	126.11	202.68	76.57	60.72	21.6	-105.5	-127.05	-588
Profit/loss before tax	126.11	202.68	76.57	60.72	37.34	-122.9	-160.28	-429
Total tax expenses	34.63	41.5	6.87	19.84	-0.36	-45.75	-45.39	12608
Profit/Loss For The Period	91.48	161.18	69.7	76.19	37.7	-77.19	-114.89	-305

Source: Annual Report

Interpretation

The table 1 gives the following comparative income statement of Tamil Nadu Newsprint and Papers Limited and JK Papers Limited for the period of 2012-13 and 2013-14. The total revenue and total expenses of both the companies have been

increased when compared to the previous years. The Tamil Nadu Newsprint and Papers Limited had an increase in profit of Rs.161.18 crores from Rs.91.48 crores whereas JK Papers Limited faced a loss of Rs.77.19 crores during the year 2013-14.

Table 2: Table showing comparative income statement TNPL and JK Papers Ltd for the years 2013-14 & 2014-15 (Rs in Crores)

Particulars	Tnpl				Jk Papers Ltd			
	2013-14	2014-15	INC/DEC	%	2013-14	2014-15	INC/DEC	%
Income								
Revenue from operations[gross]	2339.8	2198.2	-141.58	-6.05	1821.7	2260	437.88	24.04
Less: excise/service tax/other levies	98.1	99.6	1.5	1.529	100.36	121.1	20.7	20.63
Revenue from operations[net]	2241.7	2098.6	-143.07	-6.38	1721.4	2139	417.18	24.24
Other operating revenues	43.53	37.11	-6.42	-14.7	16.5	20.28	3.78	22.91
Total operating revenues	2285.2	2135.7	-149.49	-6.54	1737.9	2159	420.96	24.22
Other income	16.72	16.64	-0.08	-0.48	14.76	12.15	-2.61	-17.7
Total revenue	2302	2152.4	-149.58	-6.5	1752.6	2171	418.35	23.87
Expenses								
cost of materials consumed	707.87	705.4	-2.47	-0.35	1079.5	1295	215.75	19.99
purchase of stock in trade	97.3	131.47	34.17	35.12	92.98	66.39	-26.59	-28.6
changing in inventories of fg, wip, and stock in trade	4.98	-131.59	-136.57	-2742	-58.36	-25.33	33.03	-56.6
Employee benefit expenses	155.79	178.95	23.16	14.87	158.71	166	7.29	4.593
Finance costs	128.21	154.93	26.72	20.84	121.86	203.9	82.07	67.35
Depreciation and amortization expenses	192.32	137.3	-55.02	-28.6	122.1	113.6	-8.51	-6.97
Other expenses	812.8	745.78	-67.02	-8.25	341.34	402.2	60.89	17.84
Total Expenses	2099.3	1922.3	-177.02	-8.43	1858.1	2222	363.93	19.59
Profit/loss before exceptional items	202.68	230.13	27.45	13.54	-105.5	-51.03	54.42	-51.6
Profit/loss before tax	202.68	230.13	27.45	13.54	-122.9	-51.03	71.91	-58.5
Total tax expenses	41.5	63.4	21.9	52.77	-45.75	-38.29	7.46	-16.3
Profit/Loss For The Period	161.18	166.73	5.55	3.443	-77.19	-12.74	64.45	-83.5

Source: Annual Report

Interpretation

The table 2 gives the following comparative income statement of Tamil Nadu Newsprint and Papers Limited and JK Papers Limited for the period of 2013-14 and 2014-15. The total revenue and total expenses of Tamil Nadu Newsprint and

Papers Limited has been declined to Rs.2152.4 crores and Rs.1922.3 crores whereas in JK Papers Limited it has been inclined to Rs.2171 crores and Rs.2222 crores during 2014-15. The profit of TNPL was increased by Rs. 5.55 crores and JK Papers Ltd decreased by Rs.64.45 crores.

Table 3: Table showing comparative income statement of TNPL and JK Papers Ltd for the years 2014-15 & 2015-16 (Rs in Crores)

Particulars	Tnpl				Jk papers ltd			
	2014-15	2015-16	INC/DEC	%	2014-15	2015-16	INC/DEC	%
Income								
Revenue from operations[gross]	2198.2	2487.1	288.92	13.14	2259.6	2548	288.72	12.78
Less: excise/service tax/other levies	99.6	113.97	14.37	14.43	121.06	126.7	5.59	4.618
Revenue from operations[net]	2098.6	2373.2	274.54	13.08	2138.6	2422	283.13	13.24
Other operating revenues	37.11	44.38	7.27	19.59	20.28	33.04	12.76	62.92
Total operating revenues	2135.7	2417.5	281.81	13.2	2158.8	2455	295.89	13.71
Other income	16.64	16.77	0.13	0.781	12.15	14.75	2.6	21.4
Total revenue	2152.4	2434.3	281.94	13.1	2171	2469	298.49	13.75
Expenses								
cost of materials consumed	705.4	759.05	53.65	7.606	1295.2	1293	-2.02	-0.16
purchase of stock in trade	131.47	100.96	-30.51	-23.2	66.39	171.3	104.91	158
changing in inventories of fg, wip, and stock in trade	-131.59	45.08	176.67	-134	-25.33	19.3	44.63	-176
Employee benefit expenses	178.95	183.9	4.95	2.766	166	182.2	16.24	9.783
Finance costs	154.93	139.3	-15.63	-10.1	203.93	198.4	-5.53	-2.71
Depreciation and amortization expenses	137.3	139.47	2.17	1.58	113.59	107.3	-6.28	-5.53
Other Expenses	745.78	749.32	3.54	0.475	402.23	382.6	-19.61	-4.88
Total Expenses	1922.3	2117.1	194.83	10.14	2222	2354	132.34	5.956
Profit/loss before exceptional items	230.13	317.23	87.1	37.85	-51.03	115.2	166.24	-326
Profit/loss before tax	230.13	317.23	87.1	37.85	-51.03	115.2	166.24	-326
Total tax expenses	63.4	63.31	-0.09	-0.14	-38.29	35.56	73.85	-193
Profit/Loss For The Period	166.73	253.93	87.2	52.3	-12.74	79.56	92.3	-724

Source: Annual Report

Interpretation

The table 3 gives the following comparative income statement of Tamil Nadu Newsprint and Papers Limited and JK Papers

Limited for the period of 2014-15 and 2015-16. The total revenue and expenses of both the companies has been increased. TNPL earned an increased profit of Rs.253.93

crores in the current year of 2015-16. JK Papers Limited faced a loss in the previous year but then its profit was increased to

Rs.79.56 crores. The percentage change of TNPL and JK Papers was 52.3% and 724.5%.

Table 4: Table showing comparative income statement of TNPL and JK Papers Ltd for the years 2015-16 & 2016-17 (Rs in Crores)

Tim	Tnpl				Jk papers ltd			
	2015-16	2016-17	INC/DEC	%	2015-2016	2016-2017	INC/ DEC	%
Income								
Revenue from operations[<i>gross</i>]	2487.1	3048.7	561.6	22.58	2548.3	2737	188.5	7.397
Less: excise/service tax/other levies	113.97	144.21	30.24	26.53	126.65	135.4	8.77	6.925
Revenue from operations[<i>net</i>]	2373.2	2904.5	531.36	22.39	2421.7	2601	179.73	7.422
Other operating revenues	44.38	45.24	0.86	1.938	33.04	27.2	-5.84	-17.7
Total operating revenues	2417.5	2949.8	532.22	22.01	2454.7	2629	173.89	7.084
Other income	16.77	36.95	20.18	120.3	14.75	26.45	11.7	79.32
Total revenue	2434.3	2986.7	552.4	22.69	2469.5	2665	195.59	7.92
Expenses								
Cost of materials consumed	759.05	1082.5	323.44	42.61	1293.2	1268	-24.78	-1.92
purchase of stock in trade	100.96	94.47	-6.49	-6.43	171.3	222.7	51.36	29.98
changing in inventories of fg, wip, and stock in trade	45.08	-113.12	-158.2	-351	19.3	-4.69	-23.99	-124
Employee benefit expenses	183.9	246.85	62.95	34.23	182.24	218	35.73	19.61
Finance costs	139.3	252.02	112.72	80.92		187.6	-10.76	-5.42
Depreciation and amortization expenses	139.47	207.68	68.21	48.91	107.31	119.5	12.22	11.39
Other expenses	749.32	910.11	160.79	21.46	382.62	411.8	29.22	7.637
Total Expenses	2117.1	2680.5	563.42	26.61	2354.4	2423	69	2.931
Profit/loss before exceptional items	317.23	306.21	-11.02	-3.47	115.21	231.7	116.5	101.1
Profit/loss before tax	317.23	306.21	-11.02	-3.47	115.21	231.7	116.5	101.1
Total tax expenses	63.31	41.64	-21.67	-34.2	35.56	68.88	33.32	93.7
Profit/Loss For The Period	253.93	264.56	10.63	4.186	79.56	162.8	83.27	104.7

Source: Annual Report

Interpretation

The table 4 gives the following comparative income statement of Tamil Nadu Newsprint and Papers Limited and JK Papers Limited for the period of 2015-16 and 2016-17. The increase in change in total revenues and expenses of Tamil Nadu Newsprint and Papers Limited are higher than JK Papers Limited. The percentage of change of TNPL and JK Papers Ltd was 4.19% and 104.7%. The performance of TNPL was

better than JK Papers during the period 2016-17.

7.2 Comparative balance sheet

Comparative Balance Sheet is the study of trend of the same times, group of items in two or more balance sheet of the same business enterprise on different dates. The change can be observed by a comparison of Balance Sheet at the beginning and at the end of the period and these changes can help forming an opinion about the progress of enterprises.

Table 5: Table showing comparative Balance Sheet of TNPL and JK Papers Ltd for the years 2012-13 & 2013-14(Rs in Crores)

Particulars	Tnpl				Jk Papers Ltd			
	2012-13	2013-14	INC/DEC	%	2012-13	2013-14	INC/ DEC	%
Equities and liabilities								
Shareholders fund								
Equity share capital	69.38	69.38	0	0	136.62	136.62	0	0
Total share capital	69.38	69.38	0	0	136.62	136.62	0	0
Revaluation Reserves	-	-	-		3.4	3.21	-0.19	-5.588
Reserves and Surplus	966.1	1076.6	110.5	11.438	735.47	658.28	-77.19	-10.5
Total Reserves and Surplus	966.1	1076.6	110.5	11.438	738.87	661.49	-77.38	-10.47
Total Shareholders' Funds	1035.48	1145.97	110.49	10.67	875.49	798.11	-77.38	-8.838
Non-current liabilities								
Long Term Borrowings	657.29	636.99	-20.3	-3.088	1478.28	1688.84	210.56	14.244
Deferred Tax Liabilities(Net)	290.46	316.64	26.18	9.0133	119.97	73.81	-46.16	-38.48
Other Long Term Liabilities	0	0	0	0	27.91	34.91	7	25.081
Long Term Provisions	83.97	91.54	7.57	9.0151	3.27	3.14	-0.13	-3.976
Total Non-Current Liabilities	1031.72	1045.16	13.44	1.3027	1629.43	1800.7	171.27	10.511
Current liabilities								
Short Term Borrowings	495.86	450.4	-45.46	-9.168	123.14	219.05	95.91	77.887
Trade Payables	406.29	465.76	59.47	14.637	137.06	212.09	75.03	54.742
Other current Liabilities	454.8	529.6	74.8	16.447	286.72	438.97	152.25	53.101
Short Term Provisions	56.89	75.74	18.85	33.134	12.64	2.67	-9.97	-78.88

Total Current Liabilities	1413.83	1521.51	107.68	7.6162	559.56	872.78	313.22	55.976
total capital and liabilities	3481.02	3712.65	231.63	6.6541	3064.48	3471.59	407.11	13.285
Assets								
Non-current assets								
Tangible Assets	2073.14	2425.88	352.74	17.015	770.88	2463.55	1692.67	219.58
Intangible Assets	10.72	7.33	-3.39	-31.62	0.15	4.85	4.7	3133.3
Capital Work In Progress	456.86	94.99	-361.87	-79.21	1539.27	17.15	-1522.12	-98.89
Intangible Assets Under Development	0.28	0	-0.28	-100	1.57	0	-1.57	-100
Other Assets	0	0	0	0	-	-	-	
Fixed Assets	2541.01	2528.19	-12.82	-0.505	2311.87	2485.55	173.68	7.5125
Non Current Investments	1.14	1.14	0	0	15.05	31.79	16.74	111.23
Long Term Loans And Advances	90.25	248.1	157.85	174.9	130.77	72.9	-57.87	-44.25
Other Non-Current Assets	21.21	21.21	0	0	45.36	24.25	-21.11	-46.54
Total Non-Current Assets	2653.61	2798.65	145.04	5.4658	2503.05	2614.49	111.44	4.4522
Current assets								
Current Investments	-	-	-		0	63.79	63.79	0
Inventories	264.42	285.36	20.94	7.9192	216	291.51	75.51	34.958
Trade Receivables	276.94	376.74	99.8	36.037	119.38	170.8	51.42	43.073
Cash and Cash Equivalents	24.51	1221	1196.49	4881.6	33.8	8.34	-25.46	-75.33
Short Term Loans And Advances	239.79	213.65	-26.14	-10.9	180.87	182.5	1.63	0.9012
Other Current Assets	21.75	26.04	4.29	19.724	11.38	140.16	128.78	1131.6
Total current assets	827.41	914	86.59	10.465	561.43	857.1	295.67	52.664
Total Assets	3481.02	3712.65	231.63	6.6541	3064.48	3471.59	407.11	13.285

Source: Annual Report

Interpretation

The above table 5 depicts the comparative balance sheet of Tamil Nadu Newsprint and Papers Limited and JK Papers Limited for the years 2012-13 and 2013-14. The total shareholder's fund of TNPL was more than JK Papers. The

total current liabilities and non-current liabilities of JK papers were increased by 10.51% and 13.28%. The percentage of change of total assets of TNPL was 6.65% whereas for JK Papers Limited it was 13.28%. Therefore, the performance of JK Papers Limited was better than TNPL during the period.

Table 6: Table showing comparative Balance Sheet of TNPL and JK Papers Ltd for the years 2013-14 & 2014-15 (Rs in Crores)

Particulars	Tnpl				Jk papers ltd			
	2013-14	2014-15	INC/DEC	%	2013-14	2014-15	INC/DEC	%
Equities and liabilities								
Shareholders fund								
Equity share capital	69.38	69.38	0	0	136.62	136.62	0	0
Total share capital	69.38	69.38	0	0	136.62	136.62	0	0
Revaluation Reserves	-	-	-		3.21	292	288.79	8996.6
Reserves and Surplus	1076.6	1132.26	55.66	5.17	658.28	638.46	-19.82	-3.011
Total Reserves and Surplus	1076.6	1132.26	55.66	5.17	661.49	641.38	-20.11	-3.04
Total Shareholders' Funds	1145.97	1201.64	55.67	4.8579	798.11	778	-20.11	-2.52
Non-current liabilities								
Long Term Borrowings	636.99	1369.17	732.18	114.94	1688.84	1598.28	-90.56	-5.362
Deferred Tax Liabilities(Net)	316.64	359.59	42.95	13.564	73.81	33.19	-40.62	-55.03
Other Long Term Liabilities	0	0	0	0	34.91	39.52	4.61	13.205
Long Term Provisions	91.54	101.33	9.79	10.695	3.14	1.79	-1.35	-42.99
Total Non-Current Liabilities	1045.16	1830.09	784.93	75.101	1800.7	1672.78	-127.92	-7.104
Current liabilities								
Short Term Borrowings	450.4	475.28	24.88	5.524	219.05	244.19	25.14	11.477
Trade Payables	465.76	580.18	114.42	24.566	212.09	237.62	25.53	12.037
Other current Liabilities	529.6	535.81	6.21	1.1726	438.97	381.49	-57.48	-13.09
Short Term Provisions	75.74	74.49	-1.25	-1.65	2.67	1.19	-1.48	-55.43
Total Current Liabilities	1521.51	1665.76	144.25	9.4807	872.78	864.49	-8.29	-0.95
Total capital and liabilities	3712.65	4697.5	984.85	26.527	3471.59	3315.27	-156.32	-4.503
Assets								
Non-current assets								
Tangible Assets	2425.88	2404.29	-21.59	-0.89	2463.55	2293.12	-170.43	-6.918
Intangible Assets	7.33	5.31	-2.02	-27.56	4.85	3.68	-1.17	-24.12
Capital Work In Progress	94.99	631.23	536.24	564.52	17.15	27.46	10.31	60.117
Intangible assets under development	0	0	0	0	0	0	0	0
Other assets	0	0	0	0	-	-	-	

Fixed Assets	2528.19	3040.83	512.64	20.277	2485.55	2324.26	-161.29	-6.489
Non-Current Investments	1.14	1.14	0	0	31.79	28.02	-3.77	-11.86
Long Term Loans And Advances	248.1	404.87	156.77	63.188	72.9	94.19	21.29	29.204
Other Non-Current Assets	21.21	16.32	-4.89	-23.06	24.25	26.75	2.5	10.309
Total Non-Current Assets	2798.65	3463.17	664.52	23.744	2614.49	2473.22	-141.27	-5.403
Current assets								
Current Investments	-	-	-		63.79	0	-63.79	-100
Inventories	285.36	433.37	148.01	51.868	291.51	373.58	82.07	28.153
Trade Receivables	376.74	501.36	124.62	33.079	170.8	145.92	-24.88	-14.57
Cash and Cash Equivalents	1221	20.33	-1200.67	-98.33	8.34	17.35	9.01	108.03
Short Term Loans And Advances	213.65	263.43	49.78	23.3	182.5	143.07	-39.43	-21.61
Other Current Assets	26.04	15.84	-10.2	-39.17	140.16	162.13	21.97	15.675
Total current assets	914	1234.33	320.33	35.047	857.1	842.05	-15.05	-1.756
Total Assets	3712.65	4697.5	984.85	26.527	3471.59	3315.27	-156.32	-4.503

Source: Annual Report

Interpretation

The above table 6 depicts the comparative balance sheet of Tamil Nadu Newsprint and Papers Limited and JK Papers Limited for the years 2013-14 and 2014-15. The shareholder's funds for JK Papers were reduced by 2.52% whereas in TNPL

it was increased by 4.86%. The percentage of change of the total capital and liabilities and assets were higher for TNPL (26.53%) when compared to JK Papers (4.50%). The performance of TNPL was better than JK Papers during the period.

Table 7: Table showing comparative Balance Sheet of TNPL and JK Papers Ltd for the years 2014-15 & 2015-16(Rs in Crores)

Particulars	Tnpl				Jk paper ltd			
	2014-15	2015-16	INC/DEC	%	2014-15	2015-16	INC/DEC	%
Equities and liabilities								
Shareholders fund								
Equity share capital	69.38	69.38	0	0	136.62	148.53	11.91	8.7176
Total share capital	69.38	69.38	0	0	136.62	148.53	11.91	8.7176
Revaluation Reserves	-	-	-		292	2.63	-289.37	-99.1
Reserves and Surplus	1132.26	1376.17	243.91	21.542	638.46	747.48	109.02	17.075
Total Reserves and Surplus	1132.26	1376.17	243.91	21.542	641.38	750.11	108.73	16.953
Total Shareholders' Funds	1201.64	1445.54	243.9	20.297	778	898.64	120.64	15.506
Non-current liabilities								
Long Term Borrowings	1369.17	1938.72	569.55	41.598	1598.28	1437.24	-161.04	-10.08
Deferred Tax Liabilities(Net)	359.59	375.61	16.02	4.4551	33.19	68.75	35.56	107.14
Other Long Term Liabilities	0	0	0	0	39.52	43.74	4.22	10.678
Long Term Provisions	101.33	99.76	-1.57	-1.549	1.79	3.59	1.8	100.56
Total Non-Current Liabilities	1830.09	2414.09	584	31.911	1672.78	1553.32	-119.46	-7.141
Current liabilities								
Short Term Borrowings	475.28	520.4	45.12	9.4934	244.19	128.29	-115.9	-47.46
Trade Payables	580.18	585.6	5.42	0.9342	237.62	192.33	-45.29	-19.06
Other current Liabilities	535.81	424.01	-111.8	-20.87	381.49	513.46	131.97	34.593
Short Term Provisions	74.49	98.54	24.05	32.286	1.19	13.94	12.75	1071.4
Total Current Liabilities	1665.76	1628.55	-37.21	-2.234	864.49	848.02	-16.47	-1.905
Total Capital and Liabilities	4697.5	5488.18	790.68	16.832	3315.27	3299.98	-15.29	-0.461
Assets								
Non-current assets								
Tangible Assets	2404.29	2411.88	7.59	0.3157	2293.12	2291.96	-1.16	-0.051
Intangible Assets	5.31	3.76	-1.55	-29.19	3.68	2.51	-1.17	-31.79
Capital Work In Progress	631.23	1806.45	1175.22	186.18	27.46	19.55	-7.91	-28.81
Intangible assets under development	0	0	0	0	0	0	0	0
Other assets	0	0	0	0	-	-	-	
Fixed Assets	3040.83	4222.1	1181.27	38.847	2324.26	2314.02	-10.24	-0.441
Non Current Investments	1.14	1.14	0	0	28.02	24.62	-3.4	-12.13
Long Term Loans And Advances	404.87	119.99	-284.88	-70.36	94.19	97.82	3.63	3.8539
Other Non-Current Assets	16.32	7.97	-8.35	-51.16	26.75	25.92	-0.83	-3.103
Total Non-Current Assets	3463.17	4351.2	888.03	25.642	2473.22	2462.38	-10.84	-0.438
Current assets								
Current Investments	-	-	-		0	10	10	0

Inventories	433.37	387.43	-45.94	-10.6	373.58	337.71	-35.87	-9.602
Trade Receivables	501.36	415.78	-85.58	-17.07	145.92	139.18	-6.74	-4.619
Cash and Cash Equivalents	20.33	16.21	-4.12	-20.27	17.35	14.7	-2.65	-15.27
Short Term Loans And Advances	263.43	305.97	42.54	16.149	143.07	173.55	30.48	21.304
Other Current Assets	15.84	11.6	-4.24	-26.77	162.13	162.46	0.33	0.2035
Total current assets	1234.33	1136.98	-97.35	-7.887	842.05	837.6	-4.45	-0.528
Total Assets	4697.5	5488.18	790.68	16.832	3315.27	3299.98	-15.29	-0.461

Source: Annual Report

Interpretation

The above table 7 depicts the comparative balance sheet of Tamil Nadu Newsprint and Papers Limited and JK Papers Limited for the years 2013-14 and 2014-15. The current liabilities of both the companies were reduced by 2.23% and 1.90%. The fixed assets of TNPL were increased by 38.85%

and JK Papers was reduced by 0.44%. The percentage of change of total liabilities and assets were inclined to 16.83% for TNPL and declined by 0.46% for JK. Therefore, the financial performance of TNPL was better than JK Papers during the period.

Table 8: Table showing comparative Balance Sheet of TNPL and JK Papers Ltd for the years 2015-16 & 2016-17(Rs in Crores)

Particulars	Tnpl				Jk paper ltd			
	2015-16	2016-17	INC/DEC	%	2015-16	2016-17	INC/DEC	%
Equities and liabilities								
Shareholders fund								
Equity share capital	69.38	69.38	0	0	148.53	155.96	7.43	5.0024
Total share capital	69.38	69.38	0	0	148.53	155.96	7.43	5.0024
Revaluation Reserves	-	-	-	-	2.63	0	-2.63	-100
Reserves and Surplus	1376.17	1635.27	259.1	18.828	747.48	1165.56	418.08	55.932
Total Reserves and Surplus	1376.17	1635.27	259.1	18.828	750.11	1165.56	415.45	55.385
Total Shareholders' Funds	1445.54	1704.65	259.11	17.925	898.64	1321.52	422.88	47.058
Non-current liabilities								
Long Term Borrowings	1938.72	1652.12	-286.6	-14.78	1437.24	1299.05	-138.19	-9.615
Deferred Tax Liabilities(Net)	375.61	205.83	-169.78	-45.2	68.75	97.94	29.19	42.458
Other Long Term Liabilities	0	0.33	0.33	0	43.74	53.93	10.19	23.297
Long Term Provisions	99.76	104.91	5.15	5.1624	3.59	1.6	-1.99	-55.43
Total Non-Current Liabilities	2414.09	1963.19	-450.9	-18.68	1553.32	1452.52	-100.8	-6.489
Current liabilities								
Short Term Borrowings	520.4	742.59	222.19	42.696	128.29	127.75	-0.54	-0.421
Trade Payables	585.6	557.74	-27.86	-4.758	192.33	230.94	38.61	20.075
Other current Liabilities	424.01	645.43	221.42	52.22	513.46	449.1	-64.36	-12.53
Short Term Provisions	98.54	16.73	-81.81	-83.02	13.94	12.03	-1.91	-13.7
Total Current Liabilities	1628.55	1962.48	333.93	20.505	848.02	819.82	-28.2	-3.325
Total Capital And Liabilities	5488.18	5630.33	142.15	2.5901	3299.98	3593.86	293.88	8.9055
Assets								
Non-current assets								
Tangible Assets	2411.88	4072.6	1660.72	68.856	2291.96	2634.29	342.33	14.936
Intangible Assets	3.76	21.01	17.25	458.78	2.51	1.41	-1.1	-43.82
Capital Work In Progress	1806.45	59.02	-1747.43	-96.73	19.55	15.51	-4.04	-20.66
Intangible assets under development	0	0	0	0	0	0	0	0
Other assets	0	13.38	13.38	0	-	-	-	
Fixed Assets	4222.1	4166.01	-56.09	-1.328	2314.02	2651.21	337.19	14.572
Non-Current Investments	1.14	1.07	-0.07	-6.14	24.62	28.41	3.79	15.394
Long Term Loans And Advances	119.99	84.96	-35.03	-29.19	97.82	52.9	-44.92	-45.92
Other Non-Current Assets	7.97	22.02	14.05	176.29	25.92	14.5	-11.42	-44.06
Total Non-Current Assets	4351.2	4274.07	-77.13	-1.773	2462.38	2747.02	284.64	11.56
Current assets								
Current Investments	-	-	-		10	242.59	232.59	2325.9
Inventories	387.43	571.33	183.9	47.467	337.71	382.84	45.13	13.364
Trade Receivables	415.78	529.87	114.09	27.44	139.18	110.81	-28.37	-20.38
Cash and Cash Equivalents	16.21	21.45	5.24	32.326	14.7	27.39	12.69	86.327
Short Term Loans And Advances	305.97	84.57	-221.4	-72.36	173.55	0	-173.55	-100
Other Current Assets	11.6	149.04	137.44	1184.8	162.46	83.11	-79.35	-48.84
Total current assets	1136.98	1356.26	219.28	19.286	837.6	846.84	9.24	1.1032
Total Assets	5488.18	5630.33	142.15	2.5901	3299.98	3593.86	293.88	8.9055

Source: Annual Report

Interpretation

The above table 8 depicts the comparative balance sheet of Tamil Nadu Newsprint and Papers Limited and JK Papers Limited for the years 2015-16 and 2016-17. The total shareholder's funds of both the companies were increased. The percentage of change of the total capital and liabilities and total assets of JK Papers was increased by 8.91% when compared to TNPL which was increased by 2.59%. The performance of JK Papers Ltd was better than TNPL during the period.

8. Findings

Strengthening of financial system has been one of the central issues faced by emerging markets and developing economies. The present study has analysed the financial performance of the paper industries. The financial performance has been tested through the application of comparative income statement and comparative balance sheet. The findings of the study are as follows:

8.1 Comparative income statement

- The net profit of TNPL was increased by 76.19% and JK Papers was decreased by 305% during the year 2012-13 and 2013-14.
- The net profit of TNPL was increased by 3.44% and JK Papers was decreased by 83.5% during the year 2013-14 and 2014-15.
- The net profit of TNPL was increased by 52.3% and JK Papers was decreased by 724% during the year 2014-15 and 2015-16.
- The net profit of TNPL was increased by 4.19% and JK Papers was increased by 104.7% during the year 2015-16 and 2016-17.

8.2 Comparative balance sheet

- The comparative balance sheet has shown that the total increase of assets and liabilities in TNPL is 6.65% and JK Papers is 13.28% during the period 2012-13 and 2013-14.
- The comparative balance sheet has shown that the total increase of assets and liabilities of TNPL is 26.53% and JK Papers was reduced by 4.50% during the period 2013-14 and 2014-15.
- The comparative balance sheet has shown that the total increase of assets and liabilities of TNPL is 16.83% and JK Papers was reduced by 0.46% during the period 2014-15 and 2015-16.
- The comparative balance sheet has shown that the total increase of assets and liabilities in TNPL is 2.59% and JK Papers is 8.91% during the period 2012-13 and 2013-14.

9. Suggestions

- Financial statements should be properly interpreted and should be made to reduce the negative effects on financial statement decisions.
- JK Papers Limited must increase their net profit or net income.

10. Conclusion

The study is aimed to analyse the financial performance of "tamil nadu newsprint and papers limited" and "jk papers

limited" for the period 2012 to 2017. The overall financial performances of both the companies were good. On comparing the financial performance of the paper industries, the performance of TNPL was better than JK Papers Ltd. Thus, the suggestions made in this study are taken into consideration for developing an array of survival and financial growth strategies in the context of highly competitive domestic and international business environment.

11. References

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