

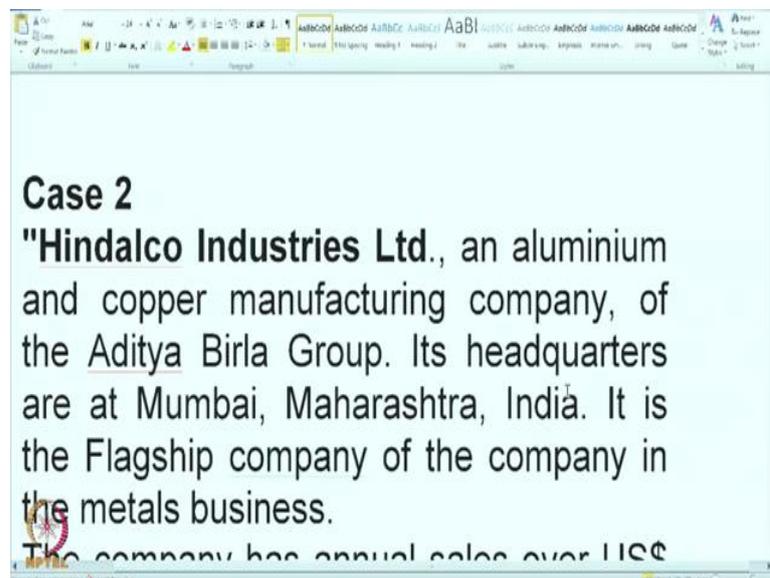
**Financial Accounting**  
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**Lecture - 27**  
**Hindalco Case: Profit & Loss and Balance Sheet**

Nmaste To all of you. So, far we have covered detailed discussion on financial statements, balance sheet P and L as well as cash flow. We have also considered some cases where we have tried to prepare each of the three statements. Today, we are going to discuss a very interesting case where for the same company we are going to prepare all the three financial statements.

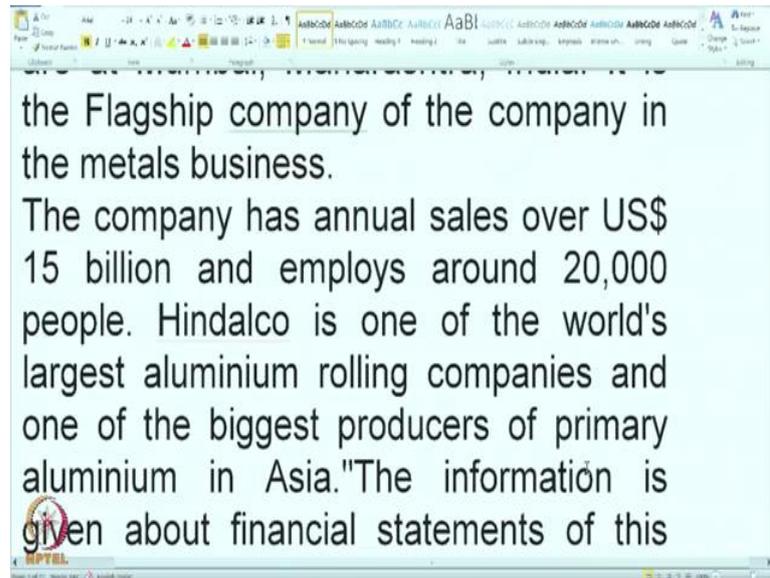
The data is already given to you, you are expected to understand each and every part of it that is understand the terminology and then put it in the proper sequence based on the format.

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So, this is the case of Hindalco limited, this is the leading aluminium and copper manufacturer belonging to Aditya Birla group headquartered at Mumbai and it is the flagship company in the metal business.

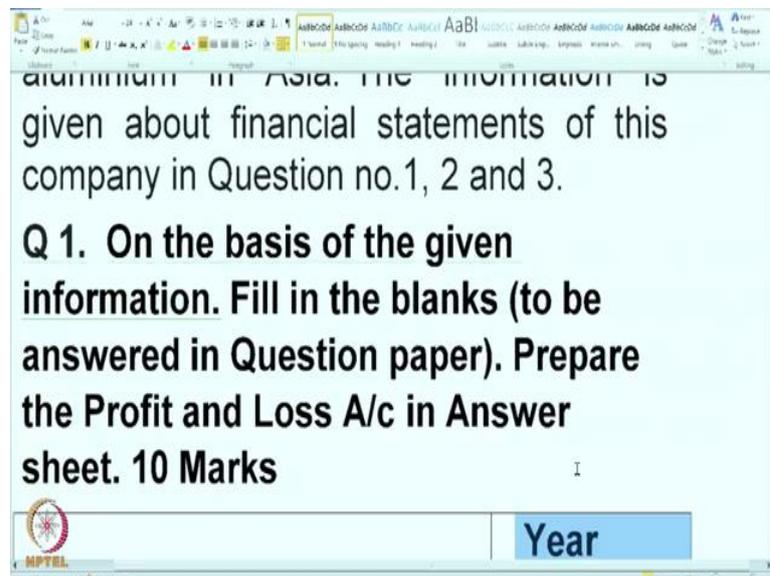
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It has the annual turnover, I will request you to open your sheet which is already shared with you. So, please ensure that you are sitting with the printout of the given case. In case you do not have it, you can stop the video, take the printout and then we will start the discussion ok.

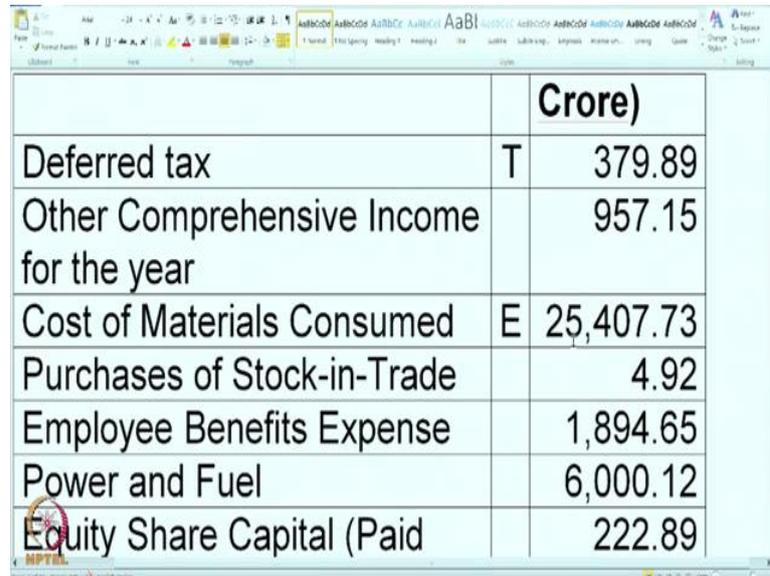
So, this is a leading company in metal business, the annual turnover is over US dollar 15 billion and employs around 20,000 people, This is the world largest aluminium rolling company and one of the biggest producers of primary aluminium in Asia.

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With this information, now we will go to question 1 which is related to preparation of P and L. 10 marks I have given tentatively because similar questions can be asked in the exam or in the assignment.

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|   |   | Crore)    |
|---|---|-----------|
| Deferred tax                            | T | 379.89    |
| Other Comprehensive Income for the year |   | 957.15    |
| Cost of Materials Consumed              | E | 25,407.73 |
| Purchases of Stock-in-Trade             |   | 4.92      |
| Employee Benefits Expense               |   | 1,894.65  |
| Power and Fuel                          |   | 6,000.12  |
| Equity Share Capital (Paid              |   | 222.89    |

Now, this is the balance sheet sorry this is the information from P and L, take this information and start preparing P and L account. We will take one by one the item and just try to put it in the proper section of P and L. The first one is deferred tax. Now where will you put it? I think you all know the meaning that the taxes which are to be paid in the current period are called current tax, but taxes on the current income, but which can be prepared later is called as deferred tax. But in the P and L it is under the taxation section. So, we will mark it as T right like that try to mark each and every item.

Next is other comprehensive income for the year. Where will it go? This is perhaps a new item for a you. After calculating all other items, we have to separately show it below the P and L. So, I will show it later on, then cost of material consumed. This is one of the expenses in fact, this is the first item under the expense head you can just look at the amount, since it is a leading manufacturing company. It is more than 25000 crore, it is one of the biggest amount in the P and L account.

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|   |    |          |
|---|----|----------|
| Purchases of Stock-in-Trade               | E  | 4.92     |
| Employee Benefits Expense                 | E  | 1,894.65 |
| Power and Fuel                            | E  | 6,000.12 |
| Equity Share Capital (Paid Up) (FV Rs. 1) | NA | 222.89   |
| Finance Costs                             | E  | 1,900.54 |
| Depreciation and Amortization             | :  | 1,617.31 |
| Other Expense                             |    | 4,785.79 |
| Profit/(Loss) Before                      |    | 2,554.03 |

Then purchases of stock in trade, what do you mean by purchase of stock in trade? See companies mainly manufacturing, but very few item it purchases and re sales. You can see the amount is very small, but anyway it is one of the expense items; employee benefit expense again an expense. So, mark it as E, this is you can see amount is relatively less because it is a large scale manufacturer 1800 highly mechanised operations. So, employee cost is kept relatively at a lower level; power and fuel cost again an expense, it is four it is 6000 crore.

Next one is equity shares, share capital. Where will you put it? Is it required in P and L? Actually it is not required in P and L, this is a balance sheet item; it is just given because we can use it for a calculation of number of shares. So, 222.89 crore is the share capital paid up face value is rupee 1; that means, number of shares are also 2221 222.89, we will require it for calculation of the earning per share. Right now it is not required so, we are ignoring it or we can even say NA because this is not a part of P and L account.

Finance cost; this is an expense, depreciation and amortisation one more expense other expenses are of course, expenses.

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|   |   |          |
|---|---|----------|
| Up) (FV Rs. 1)  |   |          |
| Finance Costs   | E | 1,900.54 |
| Depreciation and Amortization   | E | 1,617.31 |
| Other Expense   | E | 4,785.79 |
| Profit/(Loss) Before<br>Exceptional Items and Tax                                     | P | 2,554.03 |
| Increase in Inventories of<br>Finished Goods, Work-in-<br>Progress and Stock-in-Trade |   | 419.23   |

Profit or loss before exceptional or extraordinary item; now this is the profit which is calculated actually it need not be given to you, but it is given because you can recheck it whatever calculations you have done it. So, this is the profit as calculated. So, I am marking it as P.

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|   |          |           |
|---|----------|-----------|
| Other Expense   | E        | 4,785.79  |
| Profit/(Loss) Before<br>Exceptional Items and Tax                                     | P        | 2,554.03  |
| Increase in Inventories of<br>Finished Goods, Work-in-<br>Progress and Stock-in-Trade | E-<br>ve | 419.23    |
| Exceptional Expenses  | exc      | 325.21    |
| Current tax   | T        | 412.44    |
| Revenue from Operations   |          | 43,434.93 |
| Other Income  |          | 947.82    |

Increase in the inventories now, where will you put it? It is one of the expense items, but it is tricky item because should it be plus or minus. It can be either increasing the expense or it can be reducing the expense. So, increase in the inventory, will it increase

the expense or reduce the expense? Just think over it because many times mistakes happen.

See what is happening is, we have incur the cost in the current period, but it will be used in the next period. So, it will lead to reduction in the expense in the current period. Now to just remind you, I am just putting it as negative; keep it in mind.

Next is exceptional item; this is going to be reported, but not with the normal expense it will come after the normal calculation of tax. So, I have just put it putting it as exceptional sorry exc; I will put it as. Current axis this is the part of tax segment so, I am putting it as T.

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|   |     |           |
|---|-----|-----------|
| FINISHED GOODS, WORK-IN-Progress and Stock-in-Trade | ve  |           |
| Exceptional Expenses                                | exc | 325.21    |
| Current tax   | T   | 412.44    |
| Revenue from Operations                             | I   | 43,434.93 |
| Other Income  | I   | 947.82    |
| Excise Duty on Sales                                | I   | 636.89    |
| <b>Profit/(Loss) After Tax for</b>                  |     |           |

Revenue from operations, this is the income other income is of course, then income. Excise duty on sales, where will it come? This is one tricky item either excise duty or GST. Now this is a part of our income though it does not actually belong to us, but since the expenses include their indirect tax portion even the income needs to include. So, we will put it as I.

Now, using this much of information, you are supposed to calculate the profit or loss after tax for the year then profit or loss before tax and also EPS.

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|                          |  |
|--------------------------|--|
| the year                 |  |
| Profit/(Loss) Before Tax |  |
| Earnings Per Share       |  |

Other things I think are simple to you. Keep in mind that after you calculate the profits, you will also have to consider this other comprehensive income for the year ok. So, I will wait for a moment, you can stop this video, do the calculation and then we will discuss the solution.

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| (Rs crore)   | Note No. | Year ended<br>31-03-2018 | Year ended<br>31-03-2017 |
|--|----------|--------------------------|--------------------------|
| <b>Income</b>  |          |                          |                          |
| Revenue from Operations  | 25       | 43,434.93                | 39,383.12                |
| Other Income   | 26       | 947.82                   | 1,005.17                 |
| <b>Total Income</b>  |          | <b>44,382.75</b>         | <b>40,388.29</b>         |
| <b>Expenses</b>  |          |                          |                          |
| Cost of Materials Consumed   | 27       | 25,407.73                | 21,018.22                |
| Purchases of Stock-in-Trade  | 28       | 4.92                     | 89.11                    |
| Increase in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 29       | 419.23                   | -1,100.16                |
| Excise Duty on Sales   |          | 636.89                   | 2,446.51                 |
| Employee Benefits Expense  | 30       | 1,894.65                 | 1,752.12                 |

So, are you ready to discuss the solution? Now we will go to the solution segment. Here we are looking at the revenue from operations, you can see this is the standalone P and L account; that means, it does not include subsidiaries its only for this company.

So, first one is revenue from operations, this is in the income section of P and L, add other income, you get the total income. What is this note number? This note numbers are the notes numbers for the detailed note on the item. Those who are more interested, you can go to the annual report of Hindalco and read the note that will give more details as to how this revenue has been calculated.

Next is the expense section. In expense section, we will first take the cost of material consume which is the biggest amount. You can see here, now I have included 2 years figures. Though for calculation you will know only one year figure the prior years figures are also given because you can start comparing and start understanding the trend. You can see in two years there is about 10 percent increase in their sales revenue from operations from 39 crore to 43 crore, the cost of material consumed has also gone up from 21 to 25.

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|    | A  | B | C  | D                | E                |
|----|--|---|----|------------------|------------------|
| 13 | Excise Duty on Sales                           |   |    | 636.89           | 2,446.51         |
| 14 | Employee Benefits Expense                      |   | 30 | 1,894.65         | 1,752.12         |
| 15 | Power and Fuel                                 |   | 31 | 6,000.12         | 5,898.67         |
| 16 | Finance Costs                                  |   | 32 | 1,900.54         | 2,322.87         |
| 17 | Depreciation and Amortization                  |   | 33 | 1,617.31         | 1,427.97         |
| 18 | Other Expense                                  |   | 34 | 4,785.79         | 4,464.63         |
| 19 | <b>Total expenses</b>                          |   |    | <b>41,828.72</b> | <b>38,319.94</b> |
| 20 | Profit/(Loss) Before Exceptional Items and Tax |   |    | 2,554.03         | 2,068.35         |
| 21 | Exceptional Expenses                           |   | 35 | 325.21           | 84.89            |
| 22 | <b>Profit/(Loss) Before Tax</b>                |   |    | <b>2,228.82</b>  | <b>2,153.24</b>  |
| 23 | <b>Tax Expenses:</b>                           |   | 36 |                  |                  |
| 24 | Current tax                                    |   |    | 412.44           | 414.58           |
| 25 | Deferred tax                                   |   |    | 379.89           | 181.77           |
| 26 |  |   |    | 792.33           | 596.35           |
| 27 | <b>Profit/(Loss) for the year</b>              |   |    | <b>1,436.49</b>  | <b>1,556.89</b>  |

In fact, there is substantial increase in the cost of material. Next is purchase of stock in trade, then next is increase in the inventory, then the next is duty on sales. Now this is a tricky item excise duty we have included here in the expenses, though earlier I told you that it can be in the income as well, but since this is specifically given on sales, it needs to be included in the expense.

Then employee benefit expense, power and fuel, finance cost, depreciation and amortisation and other expenses. So, you get total expense of 38 and 41 respectively.

Now you can calculate the profit or loss before exceptional items and before tax. Now at this stage we consider the exceptional item which is 325, now you get profit before tax, then the tax expenses current tax and deferred tax.

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|    | A  | B | C       | D               | E               |
|----|--|---|---------|-----------------|-----------------|
| 22 | <b>Profit/(Loss) Before Tax</b>                |   |         | <b>2,228.82</b> | <b>2,153.24</b> |
| 23 | <b>Tax Expenses:</b>                           |   | 36      |                 |                 |
| 24 | Current tax                                    |   |         | 412.44          | 414.58          |
| 25 | Deferred tax                                   |   |         | 379.89          | 181.77          |
| 26 |  |   |         | 792.33          | 596.35          |
| 27 | <b>Profit/(Loss) for the year</b>              |   |         | <b>1,436.49</b> | <b>1,556.89</b> |
| 28 | <b>Other Comprehensive Income for the year</b> |   |         | 957.15          | 535.93          |
| 29 | <b>Total Comprehensive Income for the year</b> |   |         | <b>2,393.64</b> | <b>2,092.82</b> |
| 30 | <b>Earnings Per Share</b>                      |   | 39      |                 |                 |
| 31 | Earnings Per Equity Share                      |   |         |                 |                 |
| 32 | PAT/No of shares                               | I | Basic   | 6.45            | 7.56            |
| 33 |  |   | Diluted | 6.45            | 7.55            |
| 34 |  |   | 1       |                 |                 |

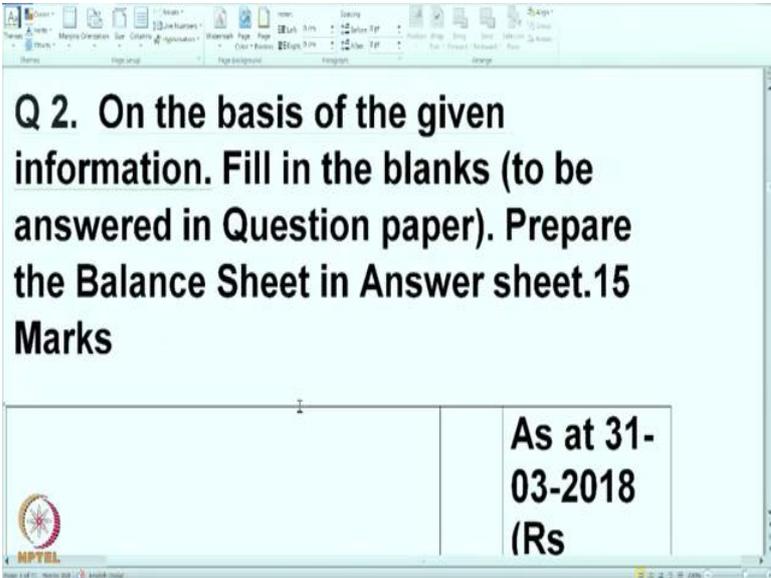
Now, you get the profit or loss for the year. At this stage I think, you would be doing it for the first time, we need to calculate other comprehensive income for the year. This is not from the regular business of the company, but from some other sources it has come that comes to 957. We have to add it after profit or loss for the year even after a calculating the taxation related items. That gives us the total comprehensive income for the year, and then we have to go for calculation of earning per share.

Now, how will you calculate this? I think we have not discuss the formula, but I will just write it down right now. So, we have to take profit after tax that is the profit as we have calculated here and divided by number of shares. In the last session, we just discussed on it, see shareholders want to know the profit earned per share earning means profit earning per equity share that is why the profit as is available to the owners, we divided by number of shares. So, number of shares is known to you, which is 222. So, 2393 divided by 222, you will get this earning per share basic and diluted. So, the current number of shares if we consider it is called basic and if we consider future shares it will be called as diluted ok. So, this is about P and L now, we will continue with the balance sheet.

So, we need to calculate EPS at this stage, the total comprehensive income is 2393, but the formula if EPS is PAT upon number of shares that is profit for the year for this company only. So, we will take 1436 divided by 222, we have calculated the number of shares and then we will get the basic EPS as 6.45 which is same as diluted EPS. In basic EPS, the current number of shares are calculated and in diluted EPS in the denominator we take what are the prospective number of shares on EPS ok.

So, we have completed now the discussion on P and L let us go to understand the balance sheet.

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The image shows a presentation slide with a light blue background. At the top, there is a software toolbar. The main text on the slide reads: "Q 2. On the basis of the given information. Fill in the blanks (to be answered in Question paper). Prepare the Balance Sheet in Answer sheet. 15 Marks". Below this text is a table with two columns. The right column contains the text "As at 31-03-2018" and "(Rs)". The left column is empty. In the bottom left corner, there is a small circular logo with the text "NPTEL" below it.

|  |                          |
|--|--------------------------|
|  | As at 31-03-2018<br>(Rs) |
|--|--------------------------|

Now, on the basis of information given below, you have to calculate and prepare the balance sheet.

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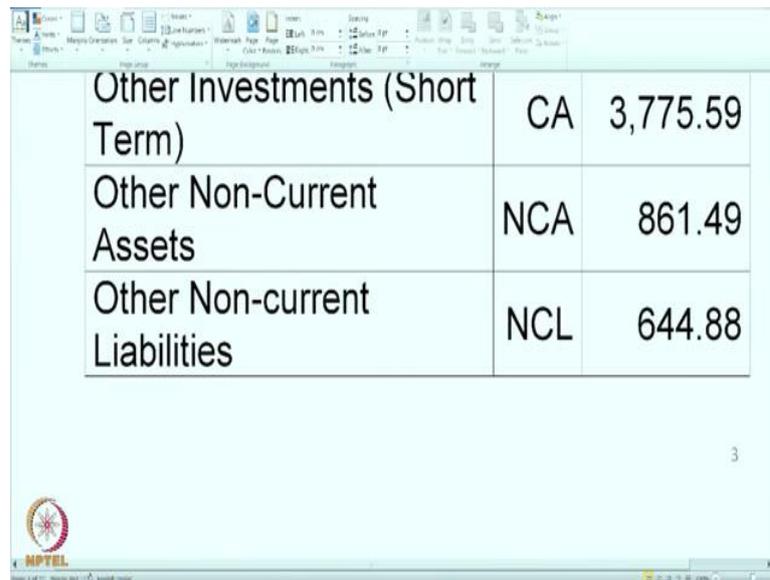
|                                |     | (in crore) |
|--------------------------------|-----|------------|
| Authorised Share Capital       | NA  | 235.00     |
| Other Investments (Short Term) | CA  | 3,775.59   |
| Other Non-Current Assets       | NCA | 861.49     |
| Other Non-current Liabilities  |     | 644.88     |

Now, this is the figures in balance sheet. Once again take the sheet in front of you and each and every item we will discuss first and then we will actually prepare the balance sheet.

The first one is authorised share capital. Now what do you understand by authorised share capital and where should it go? Shall we consider it as an equity or shareholders funds? This is the tricky item often students feel that it is a shareholders fund, but actually it is not. Authorised capital is the maximum capital which companies permitted to raise it is not to be taken in the balance sheet as one of the items; it can be just written as a note if required, but not to be taken in the total. So, we will put it is NA and do not include it for the total purposes.

Other investments short term; obviously, as the name suggest it is investment, but should I put it as NCA or as CA? It is very specifically given as short term. So, it is should be a part of current asset and not a part of investment section in NCA. So, we will put it as CA in other noncurrent assets it is of course, NCA noncurrent assets.

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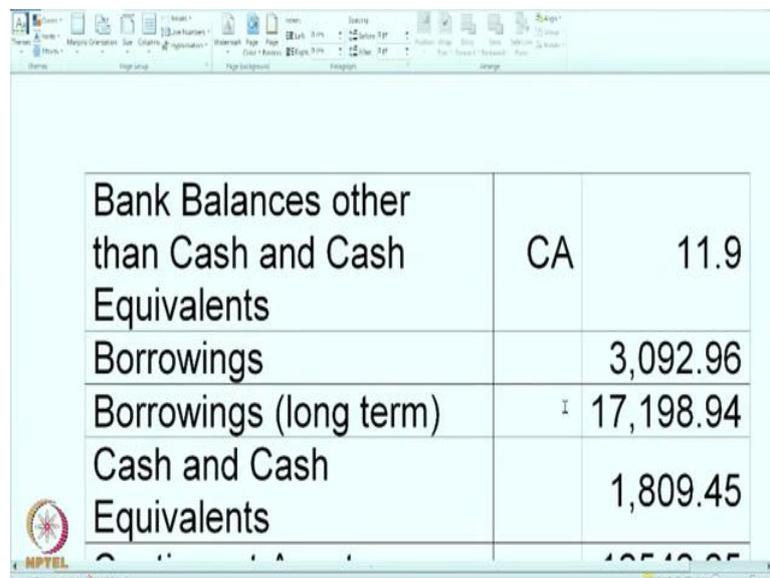


|                                |     |          |
|--------------------------------|-----|----------|
| Other Investments (Short Term) | CA  | 3,775.59 |
| Other Non-Current Assets       | NCA | 861.49   |
| Other Non-current Liabilities  | NCL | 644.88   |

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Other noncurrent liabilities, NCL.

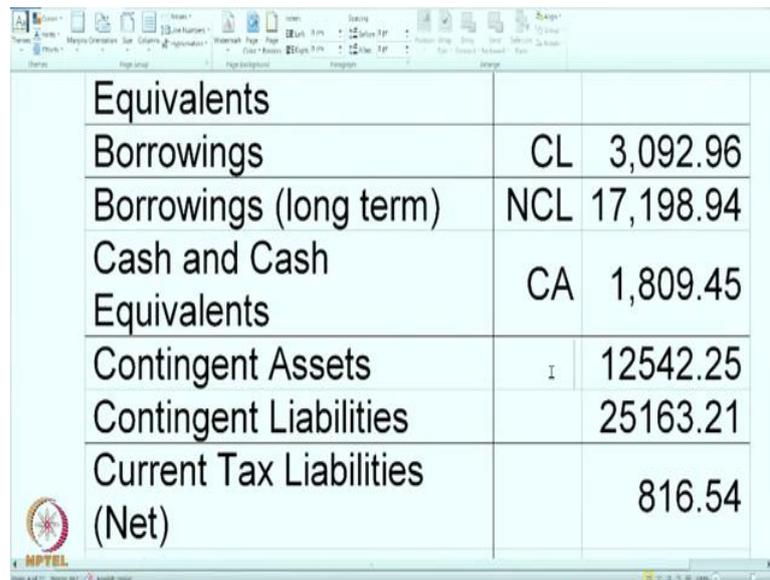
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|  |    |           |
|--|----|-----------|
| Bank Balances other than Cash and Cash Equivalents | CA | 11.9      |
| Borrowings   |    | 3,092.96  |
| Borrowings (long term)                             | I  | 17,198.94 |
| Cash and Cash Equivalents                          |    | 1,809.45  |

Bank balance other than cash and cash equivalents, where will it go? You know normally bank balances are part of cash and cash equivalent, but here this is specifically given that these balances are not that liquid may be because of some reason, we have a balance in bank, but it cannot be withdrawn. So, it is not a part of cash and cash equivalent, it should be treated as a current asset. I think this is the new item for most of you just keep in mind.

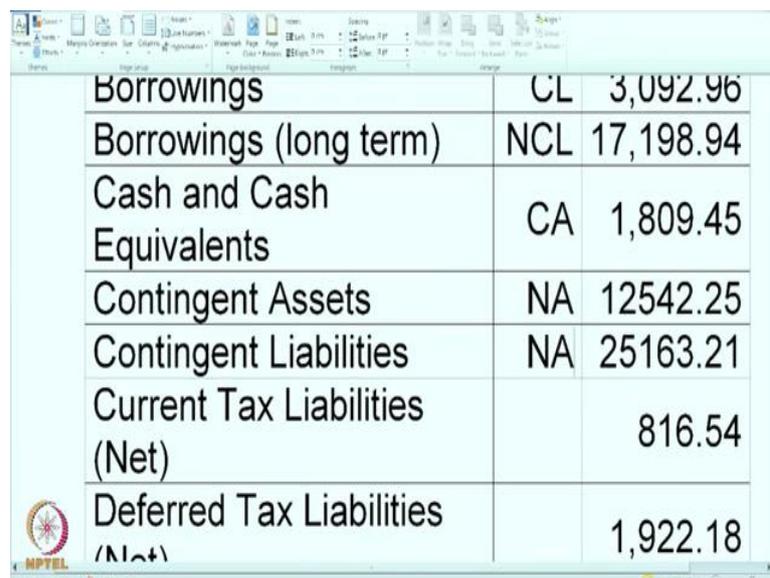
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|                               |     |           |
|-------------------------------|-----|-----------|
| Equivalents                   |     |           |
| Borrowings                    | CL  | 3,092.96  |
| Borrowings (long term)        | NCL | 17,198.94 |
| Cash and Cash Equivalents     | CA  | 1,809.45  |
| Contingent Assets             | I   | 12542.25  |
| Contingent Liabilities        |     | 25163.21  |
| Current Tax Liabilities (Net) |     | 816.54    |

Borrowings; borrowings are various loans. So, it is a non current height borrowings there are two types of borrowings given one is borrowings long term and one is only borrowings. So, we will treat long term borrowings as NCL and other borrowings as CL. Now cash and cash equivalents this is of course, a current asset; contingent assets shall we treat it as NCL NCA? Will it go in NCA? The answer is no because contingent assets cannot be shown in the balance sheet this should not be considered at all. So, I am just marking it as NA.

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|                                |     |           |
|--------------------------------|-----|-----------|
| Borrowings                     | CL  | 3,092.96  |
| Borrowings (long term)         | NCL | 17,198.94 |
| Cash and Cash Equivalents      | CA  | 1,809.45  |
| Contingent Assets              | NA  | 12542.25  |
| Contingent Liabilities         | NA  | 25163.21  |
| Current Tax Liabilities (Net)  |     | 816.54    |
| Deferred Tax Liabilities (Net) |     | 1,922.18  |

Contingent liability also the same thing these are contingent items their occurrence depends on some uncertain event, as on today this liability does not exists. So, we will mark it as NA do not included it in the main balance sheet they will come as a footnote after the total is calculated.

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|  |     |          |
|--|-----|----------|
| Contingent Assets  | NA  | 12542.25 |
| Contingent Liabilities   | NA  | 25163.21 |
| Current Tax Liabilities (Net)  | CL  | 816.54   |
| Deferred Tax Liabilities (Net)   | NCL | 1,922.18 |
| Disposal Group Asset Classified as Held for Sale or as Held For Distribution to Owners |     | 74.99    |

Current tax liability made this is a current tax liability. So, it is a part of CL; deferred tax liability not to be paid in the current year. So, this is NCL.

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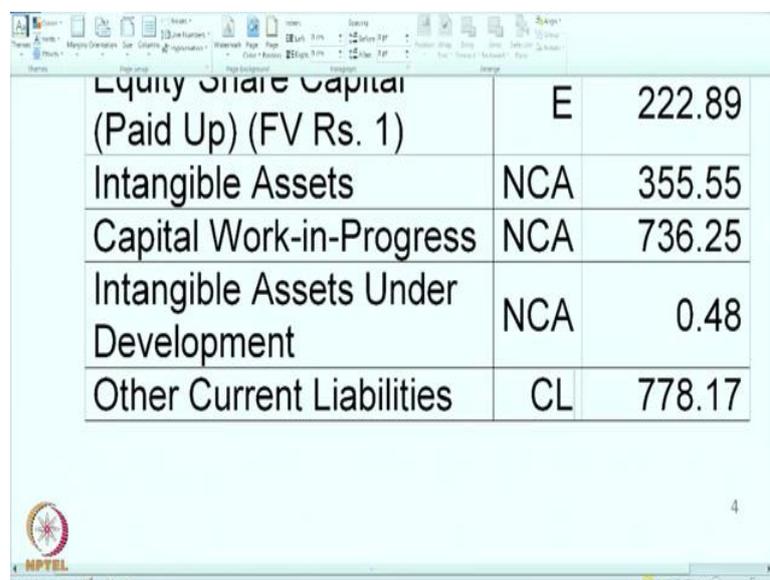
|  |    |        |
|--|----|--------|
| (Net)  |    |        |
| Disposal Group Asset Classified as Held for Sale or as Held For Distribution to Owners | CA | 74.99  |
| Equity Share Capital (Paid Up) (FV Rs. 1)  | E  | 222.89 |
| Intangible Assets  |    | 355.55 |
| Capital Work-in-Progress   |    | 736.25 |
| Intangible Assets Under  |    |        |

Disposal group assets classified as held for sale or as held for distribution to owners;

again a slightly tricky item where will it go? So, these are some fixed assets which are to be disposed. Say old machinery which has been scrapped which is kept in the factory, but we want to sell it out that is why it is classified as held for sale or held for giving back to the owners. So, though it is it could be a fix asset, right now since it is held for sale it should be marked as a CA it is also a slightly tricky item.

Equity share capital paid up it is a equity capital. So, we will put it as E. Just compare it with the authorised capital. See authorised capital is 235 that is the maximum amount company can raise. But company has actually raised only 222 which we will consider as owners fund or as equity.

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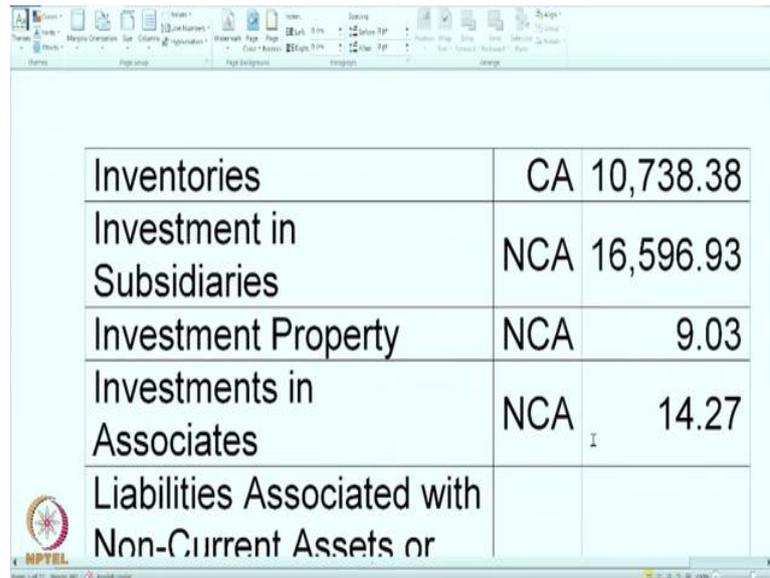


|  |     |        |
|--|-----|--------|
| Equity Share Capital<br>(Paid Up) (FV Rs. 1) | E   | 222.89 |
| Intangible Assets                            | NCA | 355.55 |
| Capital Work-in-Progress                     | NCA | 736.25 |
| Intangible Assets Under<br>Development       | NCA | 0.48   |
| Other Current Liabilities                    | CL  | 778.17 |

Intangible assets these are fixed assets intangible in nature. So, we will mark it as NCA. Capital work in progress this is the construction work in progress again an NCA part of fixed asset. Intangible asset under development this is also like capital WIP, but these are intangible assets like patent some research work may be going on right. Now it is not ready, but it is still a part of fixed asset. So, we will considered it as NCA.

Other current liabilities; obviously, its a CL.

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The image shows a screenshot of a presentation slide with a table. The table lists various assets and liabilities, categorized by their nature (Current Asset, Non-Current Asset, or Liability). The values are in Indian Rupees (₹).

|   |     |           |
|---|-----|-----------|
| Inventories                                       | CA  | 10,738.38 |
| Investment in Subsidiaries                        | NCA | 16,596.93 |
| Investment Property                               | NCA | 9.03      |
| Investments in Associates                         | NCA | 14.27     |
| Liabilities Associated with Non-Current Assets or |     |           |

Inventory CA, investment in subsidiaries where will it go? See investment in subsidiaries not a short term investment it is a long term investment. So, we will treat it as NCA, you can just have a look at the amount it is a substantial amount 16,000 crore because this company is a big company in Birla group, they must be having lot of subsidiaries and have held shares in that subsidiaries. So, it is NCA.

Investment property, I think one of the; we have not dealt with this item earlier, they have purchased some land or some properties intended to be an investment. So, it is an NCA, but its not a fixed asset, it will be shown under investments.

Investments in associates again NCA; what is meant by associate? The company where we hold more than 51 percent share is a subsidiary. If you hold less than fifty one, but have a dominating interest in that it will be considered as an associate company, but right now you just mark it as NCA.

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| Investment Property  | NCA | 0.00   |
|--|-----|--------|
| Investments in Associates  | NCA | 14.27  |
| Liabilities Associated with Non-Current Assets or Disposal Group classified as Held For Sale or as Held For Distribution to Owners | CL  | 0.03   |
| Current Tax Assets   |     | 316.55 |

Liabilities associated with noncurrent assets or disposal group classified as held for sale or as held for distribution. Again these are the liabilities, but these are related to some assets which are held for sale. So, we will not classify them as NCL, they are also short term in nature. So, we will classified as CL.

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|                              |     |          |
|------------------------------|-----|----------|
| Current Tax Assets           | CA  | 316.55   |
| Loans Given (Long Term)      | NCA | 5.88     |
| Loans Given (Short Term)     | CA  | 54.57    |
| Long-Term Provision          | NCL | 404.1    |
| Non-Current Tax Assets (Net) | NCA | 1,242.79 |
| Other Current Assets         |     | 2,064.73 |
| Other Current Financial      |     |          |

Current tax assets as the name suggest its the current item. So, let us mark it as CA, something like advance tax paid to be settled in 1 year. Loans given long term so, it is NCA; loans given short term short term as so, in mark it as CA. Long term provisions is

a long term in nature. So, it is a liability, but a noncurrent liability NCL.

Noncurrent tax assets net so, it is a tax asset, but noncurrent in nature so, NCA.

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| Long Term Provision                 | NCL | 104.1     |
|-------------------------------------|-----|-----------|
| Non-Current Tax Assets (Net)        | NCA | 1,242.79  |
| Other Current Assets                | CA  | 2,064.73  |
| Other Current Financial Liabilities | CL  | 2,079.63  |
| Other Equity                        | E   | 49,227.85 |
| Other Financial Assets              |     | 1,373.24  |

Other current assets; obviously, CA, other current financial liabilities they are current in nature. So, we will mark it as CL, they are financial in nature. So, they are not like trade creditors, they could be some loans raised or some finance is less, but for a short term period. So, we will mark it as CL.

Other equity as the name suggests its an equity. So, we will mark it as E. Now what is this other equity mean? We already have been given share capital which is 222 and this is the substantial amount 49000 crore. So, what it can be? These refers to the reserves that is why they have marked it as other equity. So, we will put it as E. Other financial assets; as they are financial in nature they are likely to be long term. So, we will call it as NCA.

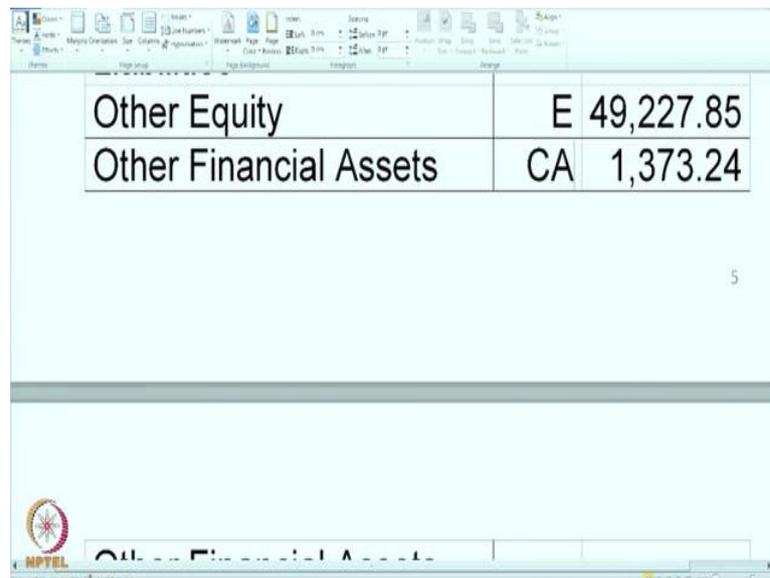
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|  |     |           |
|--|-----|-----------|
| Other Financial Assets<br>(long-Term)      | NCA | 311.54    |
| Other Financial Liabilities<br>(long term) | NCL | 134.34    |
| Other Investments                          |     | 6,638.47  |
| Property, Plant and<br>Equipment           |     | 33,999.58 |
| Provisions                                 |     | 658.31    |

But there is a trick there are two items given here, again we get one more item as other financial asset long term; that means, this particular item is long term and this item is short term. So, let us mark this as NCA because its long term whereas this will be marked as CA.

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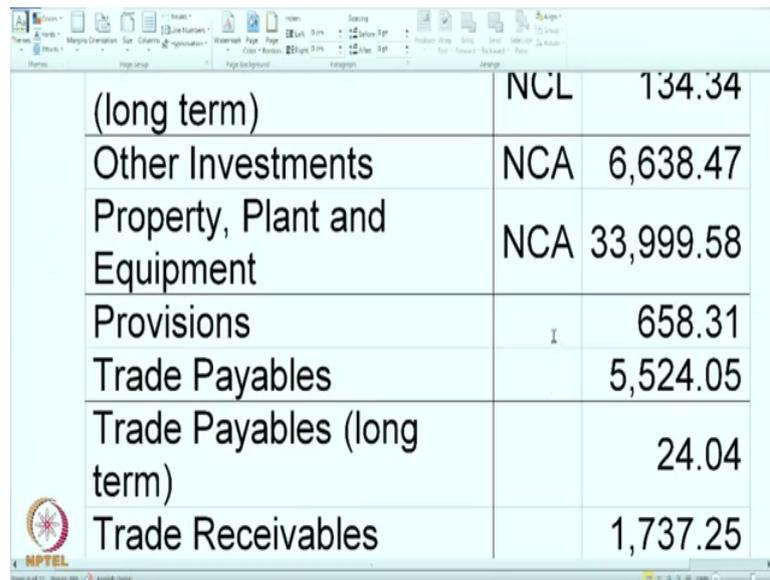


|                        |    |           |
|------------------------|----|-----------|
| Other Equity           | E  | 49,227.85 |
| Other Financial Assets | CA | 1,373.24  |

5

Other financial liabilities long term; since this is a financial liability, but long term in nature we will call mark it as NCL.

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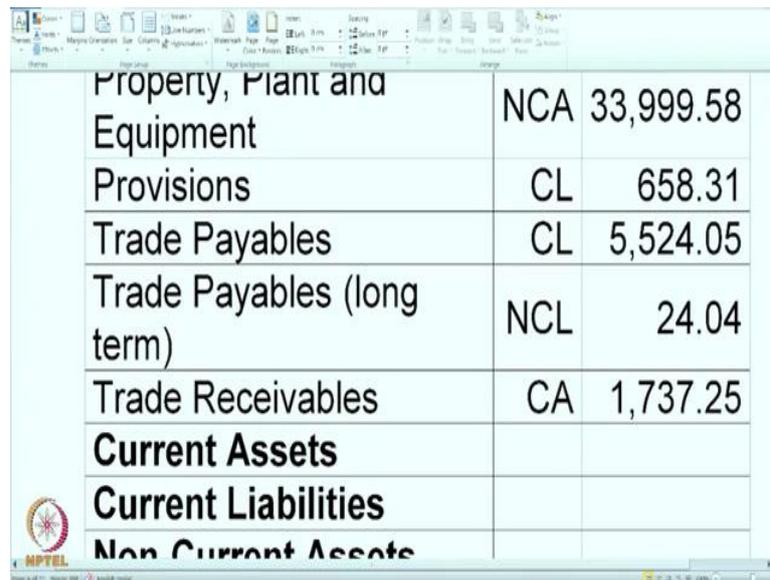


|                               |     |           |
|-------------------------------|-----|-----------|
| (long term)                   | NCL | 134.34    |
| Other Investments             | NCA | 6,638.47  |
| Property, Plant and Equipment | NCA | 33,999.58 |
| Provisions                    |     | 658.31    |
| Trade Payables                |     | 5,524.05  |
| Trade Payables (long term)    |     | 24.04     |
| Trade Receivables             |     | 1,737.25  |

Now, perhaps you have to check whether there are any other financial liabilities, but which are short term. So, let us go back and check, here you can see here there were some other current financial liabilities which we are correctly mark them as CL and here we have got other financial liabilities long term. So, we have marking it as NCL. Other investments; since these are investments; these are not current investments they already have given some current investments which we had marked earlier if you remember. There were some current investments see other investment short term which were marked as CA and this one is other investments short it is not given its short term. So, most probably it is long term. So, we will mark it as NCA.

Now, property plant and equipment these are referring to fix assets, its NCA. Trade payables as the name sorry provisions; now have we already considered long term provisions? If you go back, you will realise that there were long term provisions given earlier marked as NCL.

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|                               |     |           |
|-------------------------------|-----|-----------|
| Property, Plant and Equipment | NCA | 33,999.58 |
| Provisions                    | CL  | 658.31    |
| Trade Payables                | CL  | 5,524.05  |
| Trade Payables (long term)    | NCL | 24.04     |
| Trade Receivables             | CA  | 1,737.25  |
| <b>Current Assets</b>         |     |           |
| <b>Current Liabilities</b>    |     |           |
| <b>Non Current Assets</b>     |     |           |

So, this provisions are likely to be short term we will mark it as CL. Trade payables; obviously, these are related to trade. So, CL trade payables long term. So, this is NCL.

You can see most of the trade payables 5000 crore is short term only a small amount is long term which is 24. And trade receivables it is a regular current assets so, CA.

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|                                |    |          |
|--------------------------------|----|----------|
| Trade Receivables              | CA | 1,737.25 |
| <b>Current Assets</b>          |    |          |
| <b>Current Liabilities</b>     |    |          |
| <b>Non-Current Assets</b>      |    |          |
| <b>Non-Current Liabilities</b> |    |          |
| <b>Total Equity</b>            |    |          |
| <b>Debt Equity Ratio</b>       |    |          |

So, we have marked all the balance sheet items, now based on this you are required to calculate current assets, current liabilities, NCA, NCL, total equity and calculate debt equity ratio. So, we will stop here and in the next session I will be showing you the

solution, I hope you are able to complete it till that time Namaste.