Internship Report

On

Financial Performance Analysis of Northern Electricity Supply PLC (NESCO)

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Letter of Transmittal

24th August, 2024

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Subject: Submission of Internship Report on Financial Performance Analysis of Northern Electricity Supply PLC (NESCO).

Dear Madam,

With a great pleasure, I am submitting the report on "Financial Performance Analysis of Northern Electricity Supply PLC (NESCO)" which has been done as the main part of the requirement of the report under your careful supervision.

While doing my internship, I had the opportunity to meet all employees in the head office. Almost each of the people I came across had been very helpful.

I would really be grateful if you share your precious thoughts regarding the report. Also, if you wish to have further clarification about any aspect of my report, I would gladly answer your queries with further explanation. Thank you again for your support and patience.

Sincerely Yours

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Certificate of Supervisor

I hereby confirm that the internship report titled “Financial Performance Analysis of Northern Electricity Supply PLC” has been created for the fulfillment of BBA program requirements at the Department of Business Administration, Sonargaon University (SU). The report was conducted by Sajjad Ibn Zahur, with ID BBA1703012046, under my guidance. I assure you that the report and its contents will not be utilized for any other intentions.

- -

Nowshin Mahmood Tahiya
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Declaration of Student

I am Sajjad Ibn Zahur, a student in the Bachelor of Business Administration program with ID BBA1703012046 at Sonargaon University. I want to sincerely state that the report titled "Financial Performance Analysis of Northern Electricity Supply PLC" has been genuinely created by me. During the preparation of this report, I ensured full compliance with international copyright regulations. I also want to clarify that this report has not been submitted anywhere else for the purpose of obtaining a degree.

Sincerely Yours

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Letter of Authorization

I hereby confirm that the report titled "Financial Performance Analysis of Northern Electricity Supply PLC" is a genuine effort by Sajjad Ibn Zahur. The report was conducted under my guidance. I also affirm that, to the best of my knowledge, the content presented in this report has not been included in any other report that led to the award of a degree to any candidate earlier, whether in the same context or a different one.

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Acknowledgement

Success and achievement are possible only through hard work, determination and strong will. I am grateful to ALLMIGHTY ALLAH who gave me the strength to think, plan and act accordingly which make me possible to complete my internship.

Though it is a literary tradition to acknowledge the contribution and help by different people and organization in the completion of an internship, but as a matter of fact some words cannot express my gratitude to the various helping hands. It is very difficult to appreciate each and every person for his contribution, but there is a standing contribution of my advisor Nowshin Mahmud Tahiya madam, who was there with me at the time I needed her and without her guidelines it would be difficult for me to complete this internship successfully.

Finally, I am also thankful to my friends and family, who have relentlessly supported me while preparing this report. My seniors have shared their internship and report writing experiences with me to avoid the mistakes they have made. I would like to personally show my gratitude to everyone for their important suggestions and advice.

Executive Summary

It is a tale of about a century and a quarter ago. The king of Bhawal of Gazipur of the then East Bengal (presently Bangladesh) under British India is known as the first user of electricity in East Bengal. He illuminated his palace with the electricity using a generator imported from England in the nineteenth century. This royal and fancy initiative was a big surprise to the people of Bhawal who were far away from the modern civilization.

After that in 1901 a generator was installed at the residence of Mr. Ahsanullah, the Nawab of Dhaka. In 7th December, 1901 Mr. Bolton, a British citizen inaugurated electrification of Ahsan Manzil by pressing an electric switch. A company named Octavious Still, gradually brought a few elite buildings including the Ahsan Manzil and some important roads of Dhaka under electrification by the financial help of Nawab Ahsanullah. As the company's power generation capacity was limited, the power supply was also confined to only some posh areas. In 1919, 'DEVCO' a British company introduced the commercial power distribution system within a limited area of Dhaka. Later in 1933, the company built "Dhanmondi Power House" with the generation capacity of about 06 MW at Paribag in Dhaka and started to distribute power commercially. Residents of the elite society of the city were the consumers of this electricity. The use of this costly electricity added a new feather in the crown of their aristocracy.

The electricity plays a vital role in underpinning the economic development of a country. In the backdrop of Financial Sector Reform Policy streamlining the country's economy, Northern Electricity Supply PLC (NESCO) has achieved great success in all areas of operations with ultimate objective of improving the socio-economic development of the country.

This internship report emphasizes the Financial Performance Analysis of Northern Electricity Supply PLC. There are seven chapters in this report which cover specific areas related to the analysis. This report's main objective is to identify Northern Electricity Supply PLC's financial position and analyze the financial performance to identify the strengths and weaknesses and finally provide recommendations to overcome the limitations.

	TITLE	PAGE
	Cover Page-01	i
	Cover Page-02	i i
	Letter of Transmittal	i i i
	Certificate of Supervisor	iv
	Declaration of Student	v
	Letter of Authorization	vi
	Acknowledgement	vii
	Executive summary	viii
	Table of Content	ix
Chapter-1	**Introduction**	**01**
1.1	Introduction	02
1.2	Origin of the Report	02
1.3	The objective of the report	02
1.4	General Objective	02
1.5	Specific Objective	02
1.6	Methodology	02
1.7	Scope of this study	03
1.8	Limitations of the study	03
Chapter-02	**Literature Review**	**04**
2.1	Literature Review	05-06
Chapter-03	**Organizational Overview**	**07**
3.1	Overview of NESCO	08

	TITLE	PAGE
3.2	Mission	08
3.3	Vision	08
3.4	Objective of the NESCO	08
3.5	Geographical area of NESCO	09
3.6	SWOT Analysis of NESCO	09
3.6.1	Strengths of NESCO	09
3.6.2	Weaknesses of NESCO	10
3.6.3	Opportunities of NESCO	10
3.6.4	Threats of NESCO	10
Chapter-04	**FINANCIAL HIGHLIGHTS**	**11**
4.1	Turnover/ Revenue	12
4.2	Gross Profit	12
4.3	Net Profit	13
4.4	Total Assets	13
4.5	Operating Expenses	14
4.6	Current Asset	14-15
Chapter-05	**FINANCIAL RATIO ANALYSIS**	**16**
5.1	Current Ratio	17
5.2	Profit Margin Analysis	17
5.3	Return on Assets	18
5.4	Debt-Equity Ratio	18
5.5	Earnings Per Share	18
Chapter-06	**FINDINGS, RECOMMENDATION AND CONCLUSION**	19

6.1	FINDINGS	20
6.2	Recommendation	21
6.3	Conclusion	22
	BIBLIOGRAPHY	23
	REFERENCE	

Chapter: 01
Introduction

1.1 Introduction

As a partial requirement of BBA program, I need to go for internship to gather practical experience and need to submit the report regarding that practical knowledge. This report is originated after completing the BBA program from Department of Business Administration under Sonargaon University. This report is the outcome of the assigned internship, suggested by the supervisor Nowshin Mahmood Tahiya madam of Business Administration, Sonargaon University.

The report will definitely increase the knowledge of other students to know the power supply industry of Bangladesh, and the various services NESCO is providing to be the premier power supply company.

1.2 Origin of the Report

For completing the Sonargaon University Business School undergraduate program, the Internship report is considered one of the crucial requirements for the students. Students benefit from this internship program by learning how to transform their knowledge into action and obtain professional skills to make them more advanced for entering the competitive job market.

Moreover, the main advantage of being an intern in any organization is to exercise and boost up his or her industry skill by getting help from experienced, skillful, and qualified professionals. Throughout this whole internship journey, I have found the significant difficulty is related to conceptual knowledge with real-life scenarios. Here are some motives for doing this internship program and presenting the internship report's acquired knowledge and Analysis.

1.3 The objective of the report

Generally, two goals can be defined for this internship report.

1.4 General Objective:

The first and foremost motive in writing this report is to achieve a Bachelor of Sonargaon Business School. It is the prerequisite of completing Graduation and assessing NESCO's financial performance.

1.5 Specific Objectives:

If I want to specify the objectives of preparing this report more, some following features will be included in this Analysis.

1. To reveal the Financial Position of NESCO.
2. To analyze the Financial Performance of NESCO.

1.6 Methodology:

The report is prepared on the collected primary and secondary data. Preliminary data were gathered from the self-observation, surveys, and interviews of the officials. Secondary data consist of the financial statement, internet, annual statement, and prospectus of Northern Electricity Supply PLC.

1.7 Scope of this Study:

This study aims to search out the efficiency and limitations of Northern Electricity Supply PLC founded or based on the financial data that I had got from the work experience with organizational employees. Lastly, to finish my report I have used secondary data.

1.8 Limitations of the Study:

I bagged a great experience while as an intern at Northern Electricity Supply PLC. Though I have to deal with some following limitations during the research, it was a golden opportunity for me to work there.

Moreover, it is tough to get all the adequate data and relevant information within this short period and its confidentiality.

Chapter: 02
Literature Review

2.1 literature review

Paun (2017), The researcher has focused in the study of the financial performance of power sector companies. His area of the study was Romania. The main objective of his article was to understand if any differences existed in the financial performance among the different energy producers. The findings of the study were that the companies which were using fossil fuel to generate electricity, such companies were performing better.

Vyas (2015), It was found that NTPC's financial performance was better out of the five power sector companies that were selected for the purpose of study. The findings of the study were that the power sector as whole was depending too much in the supply of coal. The researcher suggested through this paper, that the power sector should focus more in the renewable sources of energy rather than only depending on coal.

Khurana and Banerjee (2015), Clearly mentioned about the fund allocated by the Cabinet Committee on Economic Affairs in the year 2012 for the power generation sector in India. A total of Rs1.9 trillion was sanctioned to revive the power generation sector. The main objective of the study was to conduct financial performance mainly of the State Electricity Boards.

Ranganathan (2005), the huge loss of Rs 4.56Cr. in the year 1992 and Rs 33Cr. in the year 2001–02 in the power sector was mainly due to the high transmission and distribution losses (T&D). Due to the high T&D loss, there was a high increase in the cost price gap. The researcher has genuinely revealed the total loss faced by the power sector companies in India and therefore proved the weak financial position of various companies in the Indian power sector.

Sankar (2003), the only State Electricity Board to be running in profit was Andhra Pradesh State Electricity Board (APSEB) till the year 2000. It was noted by the researcher that after the year 2000, the APSEB was the highest loss-making firm. The article has rationally justified that even the profit-making firm can turn into a huge lossmaking firm. The findings of the article noted that the main reason for the loss was, tariff rate could not be hiked as required by the firm.

Kannan & Pillai (2001), all most all the State Electricity Boards (SEBs) were found to have high number of employees, normally which was higher than what was required. This situation of over employed staffs was found both in the administrative and technical level. The substantial losses which were faced by many SEBs was the compensation structure of government. The suggestion as inked in this article was that the financial condition of the SEBs could improve if the SEB's were allowed to function as autonomous-cum-service Corporation, which is already mentioned in the Electricity Act.

Das & Parikh (2000), according to the researchers, among all the loss generating SEBs, Maharashtra State Electricity Board (MSEB) was running in profit. The overall loss of 24 all the SEBs in India came to around Rs10, 684Cr in the year 1997–98. The main findings of this paper as to what made MSEB profitable was, better technology and improvement in all the technical aspect, increase in tariff rate, hiring of efficient managers, restructuring capital structure, all this strategy made MSEB one of the most profitable SEBs in India during that time period, when all the other SEBs were facing huge losses. Rai & Prakash, (2019), have explained the importance of power generating sectors.

Reddy & Sumithra (1997), studied various factors that affected the financial problems faced by the Karnataka SEB. The SEB of Karnataka could not keep itself in isolation from the effects of the other loss-making firms. The findings of this article have highlighted many important points, some of which are, in order to conceal the T&D losses, the Karnataka SEB gave other reason, relating to irrigation pump sets (IPS) which was not true.

Phadke & Rajan (2003), the researchers have highlighted how the power sector can achieve financial success. It is not only enough to have private participants in the power sector to improve the financial performance of the overall power sector. The government should also encourage proper competition among the participants in the power sector to achieve the desired results. The researchers in this article have raised many important issues, one of which is only encouraging private players is not sufficient, there has to be the equal opportunity for every participant in the power sector. This can be achieved to some extent by encouraging healthy competition in the power sector. Santhakumar, V., (2003), has highlighted many important points in this paper.

Santhakumar, V., (2003), has highlighted many important points in this paper. The insight that could be drawn from this paper is that the influence of political party can affect the organization to a large extent. He has nicely portrayed, how the left front political party affected the power sector in making various reforms in the sector. The pay offs of such anti liberalization is analyzed by the researcher, the findings of this paper is that the middles class received the subsidy rather than the lower class. The other findings of the study is that some political parties had a different stand on the participation from the private players in the power sector. But still such parties could not take out the biasness in their decisions when it came to giving of subsidy.

Mathur & Johal (2004), in the entire value chain, it is known that the distribution segment is the riskiest. The main objective of this paper is to analyses the equity-based return on various risk parameters associated with the power sector companies within the value chain. There are three segments of power sector, power generation companies, power transmission companies and the power distribution companies. Among these three sectors, power distribution should also be taken care of as ultimately these distribution companies sell the electricity only if these companies are profitable and can give money to the power generation companies or else ultimately it will have a negative impact on both the power generating and transmitting companies.

Chapter: 03
Organizational Overview

3.1 Overview of NESCO

Government has given top priority in power sector development and committed to provide access to electricity to all citizens across the country by 2021. In order to achieve this goal Government has undertaken a number of reform measures. As a part of this Reform Programs by way of unbundling the Power Sector and increasing efficiency by ensuring accountability and better services in the field of Generation, Transmission and Distribution through reduction of distribution system loss and strengthening the financial position, North West Zone Power Distribution Co. Ltd. was constituted as an electricity distribution company in August, 2005 under the Companies Act, 1994 as a Public Limited Company. The Manpower of the Distribution, North West Zone (Rajshahi Division and Rangpur Division comprising of 16 districts and 47 upazilla excluding REB area) of erstwhile Bangladesh Power Development Board (BPDB) was put under 'Lien' being the employees of NESCO on October 01, 2016. NESCO signed Memorandum of Understanding (MOU) and Provisional Power Sales & Purchase Agreement (PSPA) with BPDB on August 01, 2016.
After signing the Agreements, the operational activities of NESCO commenced on October 01, 2016 by taking over the distribution system of the then Distribution, North West Zone of BPDB. NESCO commenced its functioning from October, 2016 independently.

3.2 Vision

To provide quality & uninterrupted electricity to the northern site of Bangladesh fortheir personal, social & economic development.

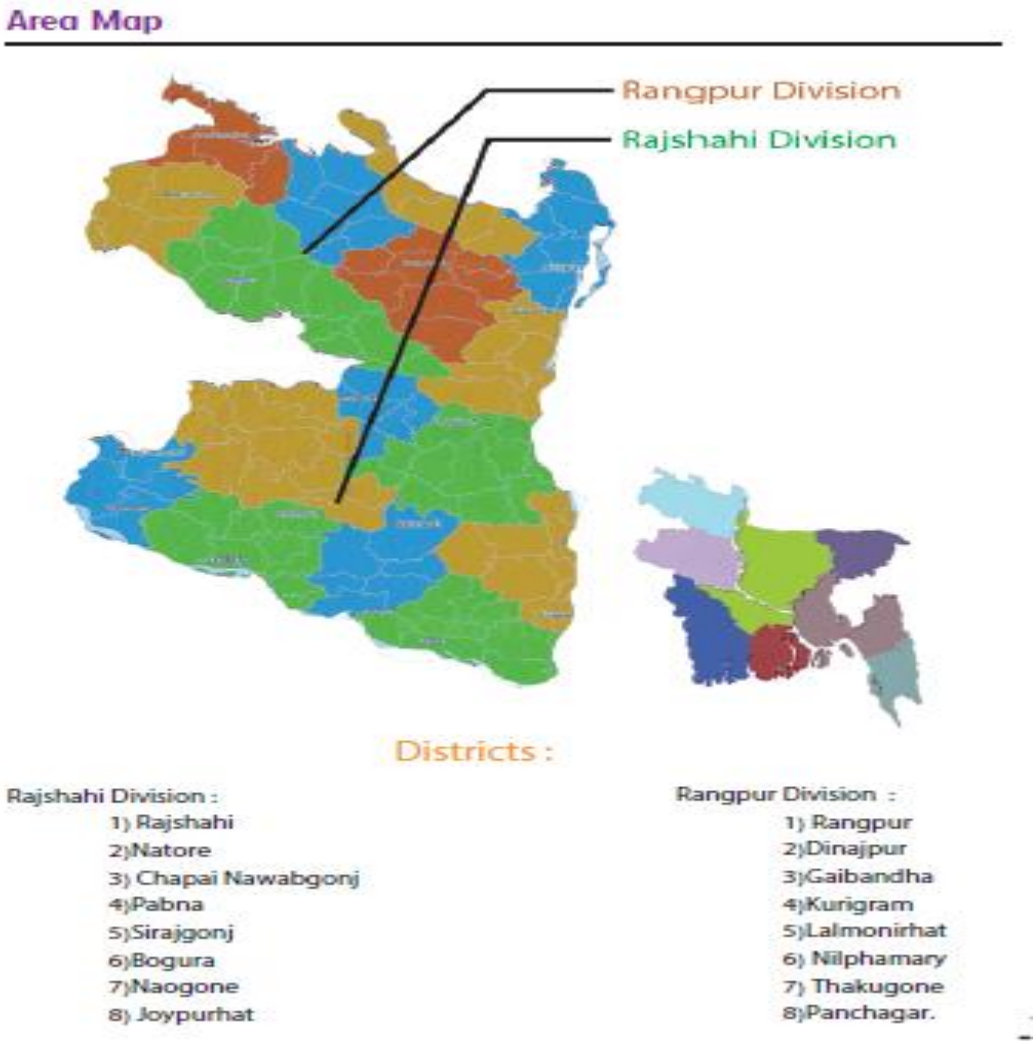
3.3 Mission

- Empowering Bangladesh.
- To expand the company into a power supply capacity to requirement of Bangladesh.
- Maintain the quality of power supply of Bangladesh.

3.4 Objectives of the NESCO

- Generate and provide uninterrupted reasonably priced electricity to the customers.
- Efficient utilization of capital, machines, material and human resources.
- Continuous improvement of customer satisfaction and resource management.

3.5 Geographical area of NESCO



3.6 SWOT Analysis of NESCO

3.6.1 Strengths of NESCO

- One of the largest power supply Company.
- Availability of land for capital expansion.
- Highly qualified skilled labor available.
- Correction of the bills.
- Restructure of stores to ensure prompt availability.
- Printing a last 12-month history on bill.
- Provide full facility to customer for paying bill.

3.6.2 Weaknesses of NESCO

- Ineffective preventive maintenance due to non-availability of spare parts and delay approvals of shutdown of the units.
- Ineffective performance appraisal system.
- Delayed decision making.
- Ineffective material management system.
- Non-availability of GAS.
- Most of department based on manual system.

3.6.3 Opportunities of NESCO

- Use of land for expansion.
- Modification / Rehabilitation of power supply in process.
- Expansion in installed capacity.
- Goals of corporation and commercialization power supply at one time.
- Provide a facility of mobile customer services center at each circle.
- Extension of existing sub-station station.
- Transmission lines.

3.6.4 Threats of NESCO

- Low government budget.
- Daily differ fluctuation of supply is the permanent treat.
- Day by day technology change.
- Some government project spoilage the NESCO image.
- Politic in employees
- Political environment is decreasing the efficiency of the company.

Chapter: 04
FINANCIAL HIGHLIGHTS

4.1 TURNOVER/ REVENUE

In business, turnover or revenue is income that a company receives from its normal business activities, usually from the sale of goods and services to customers. Some companies receive revenue from interest, royalties, or other fees. Revenue may refer to business income in general, or it may refer to the amount, in a monetary unit, received during a period of time. Profits or net income generally imply total revenue minus total expenses in a given period. In accounting, revenue is often referred to as the "top line" due to its position on the income statement at the very top. This is to be contrasted with the "bottom line" which denotes net income.

In more formal usage, revenue is a calculation or estimation of periodic income based on a particular standard accounting practice or the rules established by a government or government agency. Revenue is a crucial part of financial statement analysis. A company's performance is measured to the extent to which its asset inflows (revenues) compare with its asset outflows (expenses). Net Income is the result of this equation, but revenue typically enjoys equal attention during standard earnings call. If a company displays solid "top-line growth," analysts could view the period's performance as positive even if earnings growth, or "bottom-line growth" is stagnant. Conversely, high net income growth would be tainted if a company failed to produce significant revenue growth. Consistent revenue growth, if accompanied by net income growth, contributes to the value of an enterprise and therefore the stock price.

Table 4.1: The comparative growth of revenue by year

Year	Turnover
2020-2021	1738
2021-2022	2850
2022-2023	3602

4.2 GROSS PROFIT

In accounting, gross profit or sales profit is the difference between revenue and the cost of making a product or providing a service, before deducting overhead, payroll, taxation, and interest payments. This is different from operating profit (earnings before interest and taxes). The various deductions (and their corresponding metrics) leading from Net sales to Net income are as follow:

Net sales = Gross sales - (Customer Discounts, Returns, Allowances)
Gross profit = Net sales - Cost of goods sold

Table 4.2: The comparative growth of gross profit by year

Year	Gross Profit
2020-2021	943.77
2021-2022	1510.03
2022-2023	1922.84

4.3 NET PROFIT

Net profit is referred to as the bottom line, net income, or net earnings is a measure of the profitability of a venture after accounting for all costs. In accounting, net profit is equal to the gross profit minus overheads minus interest payable for a given time period (usually: accounting period).

To calculate net profit for a venture, subtract all costs, including a fair share of total corporate overheads, from the gross revenues or turnover.

Net profit = Sales revenue - Total costs

Table 4.3: The comparative growth of net profit by year

Year	Net Profit
2020-2021	460.21
2021-2022	698.52
2022-2023	1087.52

4.4 TOTAL ASSETS

An asset is a resource controlled by the entity as a result of past events or transactions (verification needed) and from which future economic benefits are expected to flow to the entity.

In financial accounting, assets are economic resources. Anything tangible or intangible that is capable of being owned or controlled to produce value and that is held to have positive economic value is considered an asset. Simply stated, assets represent value of ownershipthat can be converted into cash (although cash itself is also considered an asset).

In the financial accounting sense of the term, it is not necessary to be able to legally enforce the asset's benefit for qualifying a resource as being an asset, provided the entity can control its use by other means. The accounting equation relates assets, liabilities, and owner'sequity:

Assets = Liabilities + Stockholder's Equity (Owner's Equity)
Assets = liabilities + Capital

liabilities = Assets – Capital
Capital = Assets – liabilities

Table 4.4: The comparative growth of Total Assets by year

Year	Total Assets
2020-2021	6707.12
2021-2022	10121.06
2022-2023	14566.61

4.5 OPERATING EXPENSES

Operating Expenses is a category of expenditure that a business incurs as a result of performing its normal business operations. One of the typical responsibilities that management must contend with is determining how low operating expenses can be reduced without significantly affecting the firm's ability to compete with its competitors.

In a real estate context, operating expenses include costs associated with the operation and maintenance of an income-producing property.

Table 4.5: The growth of Operating Expenses by year

Year	Operating Expenses
2020-2021	791.93
2021-2022	1339.84
2022-2023	1678.83

4.6 CURRENT ASSET

In accounting, a current asset is an asset which can either be converted to cash or used to pay current liabilities within 12 months. Typical current assets include cash, cash equivalents, short-term investments, accounts receivable, inventory and the portion of prepaid liabilities which will be paid within a year. On a balance sheet, assets will typicallybe classified into current assets and long-term assets.

According to the IFRS Current assets include – Current inventories, Trade and other current receivables, Current tax assets, Current biological assets, Other current financial assets, Other current non-financial assets, Cash and cash equivalents and so on.

Table 4.6: The growth of Current Assets by year

Year	Current Asset
2020-2021	642.55
2021-2022	1174.00
2022-2023	2285.23

Chapter: 05

FINANCIAL RATIO ANALYSIS

5.1 CURRENT RATIO

The current ratio is a popular financial ratio used to test a company's liquidity (also referred to as its current or working capital position) by deriving the proportion of current assets available to cover current liabilities. The concept behind this ratio is to ascertain whether a company's short-term assets (cash, cash equivalents, marketable securities, receivables and inventory) are readily available to pay off its short-term liabilities (notes payable, current portionof term debt, payables, accrued expenses and taxes). In theory, the higher the current ratio, the better.

Current ratio= $\frac{current\ assets}{current\ liabilities}$

Particulars	2020-2021	2021-2022	2022-2023
Current Ratio	2.54	2.17	1.32

5.2 PROFIT MARGIN ANALYSIS

In the income statement, there are four levels of profit or profit margins - gross profit, operating profit, pretax profit and net profit. The term "margin" can apply to the absolute numberfor a given profit level and/or the number as a percentage of net sales/revenues. Profit margin analysis uses the percentage calculation to provide a comprehensive measure of a company's profitability on a historical basis (3-5 years) and in comparison, to peer companies and industry benchmarks. Basically, it is the amount of profit (at the gross, operating, pretax or net income level) generated by the company as a percent of the sales generated. The objective of margin analysis is to detect consistency or positive/negative trends in a company's earnings. Positive profit margin analysis translates into positive investment quality. To a large degree, it is the quality, and growth, of a company's earnings that drive its stock price.

Gross Profit Margin=$\frac{gross\ profit}{Net\ seles\ (revenue)}$

Net profit Margin=$\frac{Net\ income}{Net\ Seles(revenue)}$

Particulars	2020-2021	2021-2022	2022-2023
Gross profit margin	61.66	61.50	59.44
Net profit margin	30.87	20.47	52.79

5.3 RETURN ON ASSETS

This ratio indicates how profitable a company is relative to its total assets. The return on assets (ROA) ratio illustrates how well management is employing the company's total assets to make a profit. The higher the return, the more efficient management is in utilizing its asset base. The ROA ratio is calculated by comparing net income to average total assets, and is expressed asa percentage.
As a rule of thumb, investment professionals like to see a company's ROA come in at no less than 5%. Of course, there are exceptions to this rule. An important one would apply tobanks, which strive to record an ROA of 1.5% or above.

Return on Assets=$\frac{net\ income}{average\ total\ assets}$

Particulars	2020-2021	2021-2022	2022-2023
Return on asset	12.84	11.71	12.54

5.4 DEBT-EQUITY RATIO

The debt-equity ratio is another leverage ratio that compares a company's total liabilities to its total shareholders' equity. This is a measurement of how much suppliers, lenders, creditors and obligors have committed to the company versus what the shareholders have committed.

To a large degree, the debt-equity ratio provides another vantage point on a company's leverage position, in this case, comparing total liabilities to shareholders' equity, as opposed to total assets in the debt ratio. Similar to the debt ratio, a lower the percentage means that a company is using less leverage and has a stronger equity position.

$Debt-Equity\ Ratio=\frac{Total\ Liabilities}{\text{Share holders}'\ \text{Equity}}$

Particulars	2020-2021	2021-2022	2022-2023
Debt Equity Ratio	28.21%	42.86%	69.49%

5.5 EARNING PER SHARE

The portion of a company's profit allocated to each outstanding share of common stock. Earnings-per-share serves as an indicator of a company's profit ability.
When calculating, it is more accurate to use a weighted average number of shares outstanding over the

reporting term, because the number of shares outstanding can change over time. However, data sources sometimes simplify the calculation by using the number of shares outstanding at the end of the period.

Diluted EPS expands on basic EPS by including the shares of convertibles or warrants outstanding in the outstanding shares number. Earnings-per-share is generally considered to be the single most important variable in determining a share's price. It is also a major component used to calculate the price-to-earnings valuation ratio.

$$Earning\ Per\ Share = \frac{Net\ Profit}{Weighted\ Average\ Common\ Shares}$$

Particulars	2020-2021	2021-2022	2022-2023
E.P. S	1.72	1.40	3.96

Chapter: 06

FINDINGS, RECOMMENDATION

&

CONCLUSION

6.1 Findings:

The findings section of the report on analyzing the financial activities of Northern Electricity Supply PLC (NESCO) highlights the following points:

- Current Ratio: NESCO has recorded a current ratio below the acceptable industry benchmark of 2:1 consistently from 2020-2023, which indicates a potential risk of liquidity issues shortly. While the company's current ratio improved in the most recent year, it remains below the desirable benchmark.

- Quick Ratio: NESCO 's quick ratio has also consistently fallen short of the industry average of 1:1 from 2020-2023, indicating potential difficulty in meeting short-term obligations. Although there has been some improvement in the recent year, the quick ratioremains below the average.

- Debt-Equity Ratio: NESCO 's debt-equity ratio has consistently remained below the typical level of 2.33 from 2020-2023. This indicates that the company is not heavily reliant on debt to finance its operations, which is a positive sign for its financial stability.

- Profitability Ratios: The net profit margin has declined over the years, with a high of 137.1393% in 2020-2021 and a low of 103.5176% in 2022-2023. The return on assets and return on equity have shown fluctuations over the years, with a high of 0.062 in 2021-2022 for return on assets and 0.0381 in 2022-2023 for return on equity.

- Return on Capital Employed: NESCO 's return on capital employed has been consistentlybelow the standard benchmark of 15%-20% from 2020-2023, indicating that the companymay not be generating optimal returns on its investments, and further efforts may be required to improve profitability.

- Valuation Ratios: The price-to-earnings ratio has increased over the years, with a high of 1.950078 in 2022-2023 and a low of 0.9081 in 2020-2021. The earnings per share have increased over the years, with a high of 205.93 in 2022-2023 and a low of 72.42 in 2020- 2021.

- Operating Ratios: The operating profit ratio has remained relatively stable, with a high of7.73% in 2022-2023 and a low of 6.82% in 2020-2021.

- The Time Interest Earned (TIE) ratio has shown a fluctuating trend over the past five years. In 2020, the ratio was the highest at 9.09, indicating that the company has a comfortable buffer to meet its interest expenses. However, in 2023, the ratio decreased to7.63, indicating a lower capacity to cover interest payments. In 2023, the ratio increased to 8.23, but it remains lower than the ratio in 2021. Overall, the TIE ratio suggests that the company's ability to cover its interest expenses has been volatile over the past five years, and further analysis is needed to determine the underlying reasons for these fluctuations.

- Return on Total Sales Revenue: NESCO 's return on total sales revenue has been consistently below the standard benchmark of 10%-20% from 2020-2023, indicating that the company may not be maximizing its revenue potential, and additional measures may be necessary to improve performance.

- Debt-Service Coverage Ratio: NESCO 's debt-service coverage ratio has consistently remained above the standard benchmark of 1-2 times from 2020-2023, indicating that the company has been able to meet its debt obligations comfortably.

- Overall, NESCO s financial performance analysis highlights areas where the company may need to focus its efforts to improve its financial health and performance. Specifically, the company may need to improve its liquidity ratios, increase returns on capital and revenue, and maintain its ability to meet debt obligations. By addressing these areas, JGTDSL can improve its financial stability and position itself for long-term success.

6.2 RECOMMENDATION

Northern Electricity Supply PLC is well-established company. Therefore, it is very tough to recommend on any aspect of the company. However, as it is the requirement of the report so I have come up with few recommendations, after conducting the research.

- The debt-equity ratio and debt-asset ratio have decreased, indicating that the company has reduced its reliance on debt financing.
- However, the analysis also highlights some areas where NESCO needs to focus its attention. The net profit margin has declined over the years, indicating that the company is not generating as much profit as it once did.
- Similarly, the return on assets and return on equity have fluctuated over the years, with agenerally declining trend. These ratios indicate that the company is not generating as much profit as it should from its assets and investments.

- Moreover, while the operating profit ratio has remained relatively stable, the return on total sales revenue has declined over the years. This ratio suggests that NESCO needs tofocus on improving its revenue generation to increase profitability.
- Additionally, the analysis reveals that the price-to-earnings ratio has increased over the years. This ratio indicates that investors are willing to pay more for the company's stock relative to its earnings. However, NESCO needs to ensure that its earnings growth justifies the increase in its stock price.
- Based on these findings, it is recommended that NESCO should focus on improving its profitability and revenue generation while maintaining its ability to meet its debt obligations. The company may need to review its pricing strategy and operational activities to achieve these goals.
- The Time Interest Earned Ratio of NESCO has a healthy ability to meet its interest obligations. The company should consider diversifying its sources of financing to reducethe reliance on debt and minimize the risk of default in case of unfavorable market conditions.
- Additionally, NESCO could explore new revenue streams to diversify its income sourcesand increase profitability. By addressing these areas of concern, NESCO could strengthenits financial position and achieve sustainable growth.

By implementing these recommendations, NESCO can improve its financial stability and performance, positioning itself for long-term success in the gas transmission and distribution industry.

6.3 CONCLUSION

To conclude, it can be said that it was a lifetime experience for me to work in Northern Electricity Supply PLC and gather knowledge from here. I have learned so many things practically throughout the entire internship program. I believe all these experiences will help me in building a good career in future. All the reputation this company got from a comparatively short lifespan is all because of the discipline, hard work and strategies of the excellent authority they have. In thisreport, although there were some limitations of obtaining exact internal information but those arecarefully taken under consideration so that they do not hamper the results of the research. Last but not the least, it can be said that the ultimate success comes by having great devotion, pledge and dynamic leadership of the management committee and summit will surely walk a long wayin the future with their head held high and will continue supplying energy more than ever.

Throughout the report, I attempted to introduce Northern Electricity Supply PLC and NESCO's overall operations. I used my academic understanding to work onthis report. It was a privilege for me to work as an intern for a reputable firm such as Northern Electricity Supply PLC. Finally, I believe this study will aidin understanding the Northern Electricity Supply PLC and its financial system.

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