ACCOUNTING RESEARCH

International Journal of Accounting Research

EVALUATION OF FINANCIAL PERFORMANCE OF NATIONAL THERMAL POWER CORPORATION LIMITED

Sania Mushahid

Research Scholar, Department of Commerce, Aligarh Muslim University,
Aligarh, Uttar Pradesh, India
Corresponding Email: saniya.mushahid@gmail.com

Abstract

Old is gold goes in the same way as old and wise saying and this is appropriate to the black diamond as well in the perspective of thermal power plants. As more than 70% of India's electricity is produced by coal fired power plant. Since coal is crucial to meet the needs of the country being a scarce resource therefore its financial positions is also critical to analyze, hence both are important in their own sphere and are need of an hour. Financial position refers to the degree to which financial objectives has been accomplished. It is used to measure firms overall financial health over a given period of time. The concerned study investigates the financial position of Thermal power in India with special reference to National Thermal Power Corporation Limited. The qualitative as well as quantitative aspect of financial performance has been touched in this paper. The findings are based on the five years financial data i.e. from 2011-12 to 2015-16 of National Thermal Power Corporation Limited. The financial health of National Thermal Power Corporation Limited is measured on the basis of ratio analysis. The main emphasis in this study has been given to evaluate the financial performance with respect to measure the impact of liquidity, solvency and profitability ratios on sales. For testing the hypothesis of the study researcher run linear regression analysis on SPSS. The findings highlighted that there is no significant impact of sales on liquidity position, solvency position and profitability position of National Thermal Power Corporation Limited.

Keywords: Financial Position, NTPC Ltd., Financial Health, Liquidity Ratio, Solvency Ratio, Profitability Ratio, Regression Analysis.

Introduction, Overview and Literature Review

Introduction

Electricity is one of the most important blessings that science has given to mankind. It is one of the essential requirements of modern life one cannot think of a world without electricity. To maintain the life of the human on this earth many important inventions were discovered. There is no doubt that the most important of these inventions is electricity. We better understand the importance of electricity in our life during a few minute of power outages we encounter. The people's social life almost stops in power outages. They do not know what to do and they cannot carry out activities they made a habit of. Electricity is one of the most important input factors for the economic development of the country. There is a huge and increasing demand of electricity in India and it is continuously increasing with the countries corporate and economic growth. The Indian power sector has responded significantly and made significant progress in reducing the gap between demand and supply. Indian power sector offers one of the highest growth potential to players in this industry (Vyas V.H., 2015 [13]). The power sector in India has undergone significant progress after independence. When India became independent in 1947, the country had a power generating capacity of **1,362 MW** [2]. Hydro power and coal based thermal power have been the main sources of generating electricity. Generation and distribution of electrical power was carried out primarily by private utility companies. After 1947, all new power generation, transmission and distribution in the rural sector and the urban

centers (which was not served by private utilities) came under the purview of State and Central government agencies. Development of Power Sector is the key to the economic development. The power Sector has been receiving adequate priority ever since the process of planned development began in 1950. Indian Power sector is witnessing major changes. Growth of Power Sector in India since its Independence has been noteworthy. However, the demand for power has been outstripping the growth of availability. Substantial peak and energy shortages prevail in the country. This is due to inadequacies in generation, transmission & distribution as well as inefficient use of electricity.

The Indian electricity sector has one national grid with an installed capacity of 329.23 GW as on 30th June 2017. Renewable plants constituted 30.8%of total installed capacity. During the fiscal year 2015-16, the gross electricity generated by utilities in India was 1,236.39 TWh and the total electricity generation in the country was 1433.4 the gross electricity consumption was 1122 kWh per capita in the year 2016-17 [5]. India is the world's third largest producer and fourth largest consumer of electricity. The development of power sector is one of the highest priority areas for the development of the country. The sufficient financial support is provided to boost up the power sector.

Overview of National Thermal Power Corporation Limited (NTPC Ltd.)

National Thermal Power Corporation Limited (NTPC) the India's largest energy conglomerate with roots planted in 1975 to accelerate the power development in India. Since, then NTPC established itself as the dominant power major company in the entire value chain of power generation business. NTPC produce electricity from fossil fuels it forayed into generating electricity via hydro, nuclear and renewable energy sources. NTPC strengthens its core business by diversifying its business into different fields i.e. consultancy business, power trading, training of power professionals, rural electrification, ash utilization, and coal mining as well. It became a Maharatna Company in May 2010, one of the only four companies to be awarded by this status. NTPC ranked 400th in the '2016, Forbes Global 2000' ranking of the world biggest companies. NTPC total installed capacity is 51,383 MW (including joint ventures) with 20 coals based, 7 gas-based stations, 1 hydro based station and 1 wind based station. In joint ventures 9 are coal based and 11 are solar PV projects. NTPC target diversified fuel mix and non-fossil fuel based generation by 2032 which makes nearly 30% of NTPC's portfolio. NTPC operates its plant at high efficiency level. NTPC ranked as 6th Best Company to work for in India among the Public Sector Undertakings and Large Enterprises for the year 2014 [9].

Literature Review

Khan A. (2017) [1] analyzed the financial performance of NTPC Ltd. for a period of ten years i.e from 2006-07 to 2015-16. The data is collected from secondary sources i.e. from various published annual reports and financial statements. The researcher analyzed the liquidity, profitability, management efficiency, solvency and market valuation ratios. The multiple regression technique has been used to evaluate the impact of liquidity, solvency, and management efficiency on profitability of NTPC. The researcher concludes that there is no significant impact of current ratio and inventory turnover ratio on profitability and debt equity ratio has significant impact on profitability of NTPC. Kumar and Naruka (2016) [6] examined the issues and challenges in Indian power sector.

The paper highlights the challenges faced by distribution sector, generation sector and transmission sector. According to the findings, researcher concludes that Indian power sector has achieved a lot over the last decade in the areas of policy reforms, private sector participation in generation and transmission, new manufacturing technology and capabilities but there is still much to achieve and to overcome the challenges. Vyas (2015) [13] analyzed the financial performance of selected companies of power sector in India using ratio analysis and ANOVA and concluded that NTPC performance is better than other companies and overall Indian power sector need to reduce too much dependence on coal power generation and also need to generate more power availability, quality and reliability for successful future and growth of the country. Narayanan and Hamsalakshmi (2015) [11] carried out an empirical analysis to examine the leverage position of the selected power generating and distributing companies listed in BSE. The study is of five financial years i.e. from 2009-10 to 2013-14. The researcher applied one way ANOVA to test the hypothesis of mean performance and it is concluded that Sales and operating cost is more influencing variable and interest is next contributing variable to influence profit before interest and taxes. Subramanian and Venkatachalam (2014) [12] examine the financial performance of selected paper industry in India. The study covers the large scale paper industry listed on BSE. The data obtained from CMIE database various statistical measures have been applied like A.M., S.D., C.V., CAGR, Skewness Kurtosis and ANOVA. The paper concludes that the

listed paper industry should improve their financial performance. Pushkar D. et.Al (2013) [10] conducted a study on power sector with role of NTPC Limited in India. The study examines the key features of power in India, estimated demand and supply position of power, consumption pattern and the role of NTPC Ltd. in overall power production in the country. The data collected is only from secondary sources. The data analysis has been done through the means of comparison drawn year wise collected information and data on power function in India.

Objectives, Hypothesis and Methodology

Objectives of the Study

- ➢ To evaluate the financial performance of National Thermal Power Corporation Limited.
- ➢ To measure the liquidity position of National Thermal Power Corporation Limited.
- ➢ To analyze the profitability position of National Thermal Power Corporation Limited.

Hypothesis of the Study

In the light of objectives the hypotheses of the study are as follows:

H1: There is no significant impact of sales on liquidity position of NTPC Ltd.

H_{01}: There is no significant impact of sales on current ratio of NTPC Ltd.
$H_{02:}$ There is no significant impact of sales on quick ratio of NTPC Ltd.

H2: There is no significant impact of sales on solvency position of NTPC Ltd.

H_{01}: There is no significant impact of sales on debt equity ratio of NTPC Ltd.
H_{02}: There is no significant impact of sales on proprietary ratio of NTPC Ltd.
H_{03}: There is no significant impact of sales on interest coverage ratio of NTPC Ltd.

H3: There is no significant impact of sales on profitability position of NTPC Ltd.

H_{01}: There is no significant impact of sales on gross profit ratio of NTPC Ltd.
H_{02}: There is no significant impact of sales on net profit ratio of NTPC Ltd.

Research Methodology

Sample of the Study

The present study is purely based on the evaluation of financial performance of National Thermal Power Corporation Limited (NTPC Ltd.).

Nature of Data

The data used for the present study is secondary in nature.

Sources of Data

The data used for analysis has been taken from the published annual reports of National Thermal Power Corporation Limited (NTPC Ltd.) as well as from the official website of NTPC Ltd.

Time Period of the Study

The data for the study is taken for five years i.e. 2011-12 to 2015-16.

Tools used for the Study

In order to evaluate the financial performance of National Thermal Power Corporation Limited, a number of financial and statistical tools have been applied. Financial tools include ratio analysis. The liquidity, solvency and profitability ratios have been applied. The statistical tools used in the study are correlation and simple linear regression model.

Data Analysis and Interpretation

On the basis of secondary data which have been taken from the published annual reports of National Thermal Power Corporation Limited (NTPC Ltd.), the analysis of the study is as follows:

Liquidity Ratios

According to Table 1 the current ratio shows that the company was below the standard norms of the current ratio i.e. 2:1. In early years the current ratio of the company was good but in later years it falls down and come to 0.86 times which is very low when compares to the standard norms. The quick ratio of the company was also below the standard norms of the quick ratio i.e. 1:1. In 2011-12 it was noticed that quick ratio of the company was very high later on it began to fall and comes to 0.66 times in 2015-16 which is very low when compares to the standard ratio. Table 2 shows the average of the current ratio was 1.28 times during the period of the study which shows that the short term liquidity position of the company was not satisfactory from 2011-12 to 2015-16. The average of quick ratio was 1.11times during the study which shows that quick ratio was good but it starts decreasing in later years.

Solvency Ratios

The solvency ratios shown in table 1 depicts that debt equity ratio of the company is more than the standard ratio. The standard debt equity ratio is 1:1 which shows that the creditors and shareholders equally contribute to the assets of the business and this ratio is considered as satisfactory for the companies. But here the debt equity ratio of NTPC Ltd. was continuously increasing from 2011-12 to 2015-16. In 2011-12 it was 0.77 times which means that portion of assets provided by shareholder is greater than the portion of assets provided by the creditors but in 2015-16 the ratio was 1.20 times which indicates that the portion of assets provided by creditors is greater than portion of assets provided by shareholders. It means that debt is more than equity. But the mean of debt equity ratio shown in table 2 depicts that the ratio was below the norm which means that long term creditors have a sufficient cushion for their claims. The proprietary ratio of the company shows a declining trend i.e. in 2011-12 it was 0.48 times and in 2015-16 it comes to 0.37 times. But the mean value of proprietary ratio shows 0.42 times which indicates that company is heavily depending on its debt for its operation. Moreover, the interest coverage ratio of the company also showing the declining trend. In 2012-13 the interest coverage ratio was at highest level i.e. 4.07 after this it starts declining and comes to 2.19 in 2015-16. The mean value of interest coverage ratio shows that still company is making more than enough money to pay its interest obligations with some extra earning left over to make the principal payment.

Profitability Ratios

In table 1 the profitability ratios are shown. The gross profit ratio of the company shows the fluctuating trend in gross profit of the company i.e. in 2011-12 it was 33.86% which increases and reached to a highest level of 37.65% in 2013-14 after this it start declining and finally it reached to 36.65% in 2015-16. The net profit ratio of the company also showing the fluctuating trend during the study period. In 2012-13 the company was making good profit but after 2012-13 the net profit ratio of the company start declining which shows that the operational efficiency of the business is declining. But the mean value of net profit ratio shows that there is an improvement in company's operational efficiency.
The table 2 depicts the statistical description of sales and different accounting ratios of National Thermal Power Corporation Limited from 2011-12 to 2015-16. The mean value of sales was Rs. 75251.86 during the study period and standard deviation of sales was 6161.76.

Hypothesis Testing

The table 3 represents the correlation between sales and current ratio of NTPC Ltd. from 2011-12 to 2015-16. It appears from the analysis that there is a negative relationship between sales and current ratio of the company. The value of correlation is -0.653 which indicates that there is a strong negative correlation between these variables. The table 4 presents model summary between the sales and current ratio of NTPC Ltd. from 2011-12 to 2015-16. The coefficient of determination (r^2) is at 0.426 which implies that 42.6% of the variation in current ratio is explained by sales. The table 5 shows the linear regression model for measuring the impact of sales on current ratio in NTPC Ltd. from 2011-12 to 2015-16. Sales of NTPC Ltd. is considered as independent variable and current ratio as dependent variable. The result of regression shows that the intercept is 7.087 which is high. It means that there are other factors also which affects sale. Further, the regression coefficient (beta) is equal to -.005 which signifies that for every rupee change in current ratio there is a change of 0.050 rupee in sale. The significance value is 0.232 which is more than the critical value i.e. 0.05. Hence, the impact of sale on current ratio is not significant. It leads to acceptance of null hypothesis and concluded that there is no significant impact of sale on current ratio.

The table 6 shows the correlation between the sales and quick ratio of NTPC Ltd. There is a negative correlation found between these variables. It was 0.696 during the study period. After analysis it can be stated there is the strong negative relationship exist between sales and quick ratio. The table 7 presents the linear regression model for measuring the impact of sales on quick ratio in NTPC Ltd. from 2011-12 to 2015-16. Sales of NTPC Ltd. is considered as an independent variable and quick ratio as dependent variable. The result of regression shows that the intercept was 6.716 which were high. It means that there are other factors also which affects sale. The significance value is 0.192 which is more than the critical value i.e. 0.05. Hence, the impact of sale on quick ratio is not significant. It leads to the acceptance of null hypothesis and concluded that there is no significant impact of sale on quick ratio. The table 8 presents the correlation between the sales and debt equity ratio of NTPC Ltd. there is a positive correlation found between these variables it was 0.815 during the study period. After analysis it can be stated there is a strong positive relationship exist between sales and DER.

The table 9 shows the linear regression model for measuring the impact of sales on debt equity ratio in NTPC Ltd. from 2011-12 to 2015-16. Sales of NTPC Ltd. is considered as independent variable and debt equity ratio as dependent variable. The result of regression shows that the intercept is -1.034 which is high. It means that there are other factors also which affect sale. The regression coefficient (beta) is equal to 0.005 which signifies that for every rupee change in debt equity there is a change of 0.050 rupee in sale. The significance value is 0.093 which is more than the critical value i.e. 0.05. Hence, the impact of sale on debt equity ratio is not significant. It leads to the acceptance of null hypothesis and concluded that there is no significant impact of sale on debt equity ratio. The table 10 presents the correlation between the sales and proprietary ratio of NTPC Ltd. there is a negative correlation found between these variables it was -0.835 during the study period. After analysis it can be stated there is a negative relationship exist between sales and proprietary ratio.

The table 11 represents the linear regression model for measuring the impact of sales on proprietary ratio in NTPC Ltd. from 2011-12 to 2015-16. Sales of NTPC Ltd. is considered as independent variable and proprietary ratio as dependent variable. The result of regression shows that the intercept is 0.929 which is high. It means that there are other factors also which affect sale. The regression coefficient (beta) is equal to 0.006 which signifies that for every rupee change in debt equity there is a change of 0.060 rupee in sale. The significance value is 0.078 which is more than the critical value i.e. 0.05. Hence, the impact of sale on proprietary ratio is not significant. It leads to the acceptance of null hypothesis and concluded that there is no significant impact of sale on proprietary ratio. The table 12 presents the correlation between the sales and interest coverage ratio of NTPC Ltd. there is a negative correlation found between these variables it was -0.796 during the study period. After analysis it can be stated there is a negative relationship exist between sales and interest coverage ratio.

The table 13 shows the linear regression model for measuring the impact of sales on interest coverage ratio in NTPC Ltd. from 2011-12 to 2015-16. Sales of NTPC Ltd. is considered as independent variable and interest coverage ratio as dependent variable. The result of regression shows that the intercept is 11.494 which are high. It means that there are other factors also which affect sale. The significance value is 0.107 which is more than the critical value i.e. 0.05. Hence, the impact of sale on interest coverage ratio is not significant. It leads to the acceptance of null hypothesis and concluded that there is no significant impact of sale on interest coverage ratio.

The table 14 shows the correlation between the sales and gross profit ratio of NTPC Ltd. there is a positive correlation found between these variables it was 0.605 during the study period. After analysis it can be stated there is a positive relationship exist between sales and gross profit ratio.The table 15 represents the linear regression model for measuring the impact of sales on gross profit ratio in NTPC Ltd. from 2011-12 to 2015-16. Sales of NTPC Ltd. is considered as independent variable and gross profit ratio as dependent variable. The result of regression shows that the intercept is 25.032 which were high. It means that there are other factors also which affect sale. The significance value is 0.280 which is more than the critical value i.e. 0.05. Hence, the impact of sale on gross profit ratio is not significant. It leads to the acceptance of null hypothesis and concluded that there is no significant impact of sale on gross profit ratio.The table 16 presents the correlation between the sales and net profit ratio of NTPC Ltd. there is a negative correlation found between these variables it was -0.619 during the study period. After analysis it can be stated there is a negative relationship exist between sales and net profit ratio.

The table 17 shows the linear regression model for measuring the impact of sales on net profit ratio in NTPC Ltd. from 2011-12 to 2015-16. Sales of NTPC Ltd. is considered as independent variable and net profit ratio as dependent variable. The result of regression shows that the intercept is 50.584 which were high. It means that there are other factors also which affect sale. The significance value is 0.265 which is more than the critical value i.e. 0.05. Hence, the impact of sale on net profit ratio is not significant. It leads to the acceptance of null hypothesis and concluded that there is no significant impact of sale on net profit ratio.

Conclusion, Suggestion and Limitation

Conclusion

The present study is devoted to the evaluation of financial performance of National Thermal Power Corporation Limited from 2011-12 to 2015-16. The researcher used accounting ratios in order to measure the financial performance of NTPC Ltd. liquidity, solvency and profitability position has been analyzed in this study. From the analysis it has been cleared that the short term liquidity and solvency position of the company is not satisfactory during the period of the study. The current ratio and quick ratio were lower than the standard norms. The profitability ratio shows that company earns adequate profit during the study period but the management of the company should focus to improve the profitability as it was declining in later years. The interest coverage ratio of NTPC Ltd. shows that the company is able to meet interest expenses through its profit. From the analysis it is cleared that the sales has not significant impact on liquidity, solvency and profitability position of NTPC Ltd. Findings of the study brought the conclusion that the overall financial performance of NTPC Ltd. was satisfactory and the sales have no impact on liquidity, solvency and profitability ratios.

Suggestion of the Study

On the basis of the findings of the study the following suggestion are here to improve the financial health of the NTPC Ltd.

- ➢ The current ratio of the company was declining so company should focus on to improve the ratio by increasing the amount of current assets or by decreasing the current liabilities of the company.
- ➢ The debt equity ratio of the company was increasing which shows that the debt of the company is increasing which is not a good sign for any company. It means the company is depending more on borrowings as compared to shareholders fund. So, the company is suggested to reduce the debt equity ratio to avoid financial distress.
- ➢ The proprietary ratio of the company showing declining trend which means inadequate safety for creditors. It leads to unwillingness of creditors to extend credit to the company. The company needs to focus on it because it shows the financial strength of the enterprise.

Limitations of the Study

➢ The study is based on the data given in annual financial report of NTPC Ltd. and therefore the result and findings are subject to all limitations inherent in the published financial reports.
➢ The study is limited to a period of five years only i.e. from 2011-12 to 2015-16.
➢ The study focused only on one company and therefore the findings may not be applicable to other companies.

Acknowledgement

This work would not have been possible without the data collected from the website of National Thermal Power Corporation Limited. The work done is original and references made are genuinely stated. The ideas and suggestions are welcomed and appreciated.

References

Anas Khan (2017) Financial Performance Evaluation of National Thermal Power Corporation Limited (NTPC), *Arabian J Bus Manag Review,* 2017: 7(2), 1-6. Electricity Sector in India retrieved from **https://en.wikipedia.org/wiki/Electricity_sector_in_India** India total power generation capacity retrieved from http://www.ndtv.com/india-news/indias-total-power-generation-capacity-crosses-300-gw-mark-1438906 Indian Power Sector Overview retrieved from http://indianpowersector.com/home/about/overview/Indian Power Sector retrieved from **http://indianpowersector.com/home/about/**International Journal of Electrical and Instrumentation Engineering, 2016: 6(1), 47-50.

Kumar S. and Naruka M.S. (2016) Issues and Challenges in Indian Power Sector, *MIT* Ministry of Power retrieved from **https://en.wikipedia.org/wiki/Ministry_of_Power_(India)**National Electricity Policy retrieved from http://powermin.nic.in/en/content/national-electricity-policyNational Thermal Power Corporation Limited (NTPC Ltd.) overview retrieved from http://www.ntpc.co.in/en/about-us/ntpc-overview

Pushkar D., Surenthiran N., Kumar S.S. (2013) A Study on Power Sector with role of NTPC Limited in India, *Research Journal of Management Sciences,* 2013: 2(6), 9-12.

R. Narayanan and R. Hamsalakshmi (2015) Leverage Analysis of selected Indian Power Sector Companies, *International Journal of Multidisciplinary Research and Development,* 2015: 2(3), 829-834.

Subramanian G. and Venkatachalam. K (2014) Financial Performance Analysis of Selected Paper Industry in India, *Journal of Multidisciplinary Scientific Research,* 2014: 2(3), 15-17.

Vyas V.H. (2015). Financial Performance Analysis of selected companies of Power Sector in India, *International Journal of Applied Research* 2015: 1(6), 212-219

Annexure

Table-1 Accounting Ratios of National Thermal Power Corporation Limited (NTPC Ltd.)

Year	CR	QR	DER	PR	ICR	GPR	NPR
2011-12	1.98	1.78	0.77	0.48	3.94	33.86	26.72
2012-13	1.67	1.49	0.83	0.45	4.07	36.51	30.54
2013-14	1.50	1.29	0.91	0.44	3.33	37.65	26.24
2014-15	1.16	0.94	1.19	0.37	2.44	35.12	21.99
2015-16	0.86	0.66	1.20	0.37	2.19	36.65	23.59

Abbreviations

CR-Current Ratio, PR-Proprietary Ratio, QR-Quick Ratio, ICR -Interest Coverage Ratio, DER-Debt Equity Ratio, GPR- Gross Profit Ratio, NPR - Net Profit Ratio

Table-2 Descriptive Statistics of Sales and Financial ratios of NTPC Ltd.

Descriptive Statistics			
	Mean	**Std. Deviation**	**N**
SALES	75251.86	6161.76	5
CR	1.28	0.73	5
QR	1.11	0.66	5
DER	0.98	0.20	5
PR	0.42	0.50	5
ICR	3.19	0.85	5
GPR	35.96	1.48	5
NPR	25.82	3.28	5

Table-3 Correlation between Sales & Current Ratio of NTPC Ltd.

Correlation			
		CR	**SALES**
Pearson Correlation	CR	1.000	-0.653
	Sales	-0.653	1.000
Sig. (1-tailed)	CR	-	0.116
	Sales	0.116	-
N	CR	5	5
	Sales	5	5

Table-4 Model Summary of Sales & Current Ratio of NTPC Ltd.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.653[a]	0.426	0.235	0.63679

Table-5 Regression Analysis of impact of Sales on Current Ratio of NTPC Ltd.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	7.087	3.899		1.818	.167
	SALES	-.005	.000	-.653	-1.494	.232

Dependent Variable: CR

Table-6 Correlation between Sales & Quick Ratio of NTPC Ltd.

Correlation			QR	SALES
Pearson Correlation		QR	1.000	-0.696
		Sales	-0.696	1.000
Sig. (1-tailed)		QR	-	0.096
		Sales	0.096	-
N		QR	5	5
		Sales	5	5

Table-7 Regression Analysis of impact of Sales & Quick Ratio of NTPC Ltd.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.716	3.343		2.009	.138
	SALES	.005	.000	-.696	-1.680	.192

Dependent Variable: QR

Table-8 Correlation between Sales and Debt Equity Ratio of NTPC Ltd.

Correlation			DER	SALES
Pearson Correlation		DER	1.000	0.815
		Sales	0.815	1.000
Sig. (1-tailed)		DER	-	0.047
		Sales	0.047	-
N		DER	5	5
		Sales	5	5

Table-9 Regression Analysis of Impact of Sales & Debt Equity Ratio of NTPC

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.034	0.831		-1.245	.301
	SALES	.005	.000	0.815	2.432	.093

Dependent Variable: DER

Table-10 Correlation between Sales and Proprietary Ratio of NTPC Ltd.

		PR	SALES
Pearson Correlation	PR	1.000	-.835
	SALES	-.835	1.000
Sig. (1-tailed)	PR	-	.039
	SALES	.039	-
N	PR	5	5
	SALES	5	5

Table-11 Regression Analysis of Impact of Sales & Proprietary Ratio of NTPC

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.929	0.193		4.804	.017
	SALES	.006	.000	0.835	-2.629	.078

Dependent Variable: PR

Table-12 Correlation between Sales and Interest Coverage Ratio of NTPC Ltd.

		ICR	SALES
Pearson Correlation	ICR	1.000	-.796
	SALES	-.796	1.000
Sig. (1-tailed)	ICR	-	.054
	SALES	.054	-
N	ICR	5	5
	SALES	5	5

Table-13 Regression Analysis of Impact of Sales & Interest Coverage Ratio of NTPC

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.494	3.659		3.141	.052
	SALES	.000	.000	-0.796	-2.274	.107

Dependent Variable: ICR

Table-14 Correlation between Sales and Gross Profit Ratio of NTPC Ltd.

		GPR	SALES
Pearson Correlation	GPR	1.000	0.605
	SALES	0.605	1.000
Sig. (1-tailed)	GPR	-	.140
	SALES	.140	-
N	GPR	5	5
	SALES	5	5

Table-15 Regression Analysis of Impact of Sales & Gross Profit Ratio of NTPC

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	25.032	8.327		3.006	.057
	SALES	.000	.000	0.605	1.316	.280

Dependent Variable: GPR

Table-16 Correlation between Sales and Net Profit Ratio of NTPC Ltd.

		NPR	SALES
Pearson Correlation	NPR	1.000	-.619
	SALES	-.619	1.000
Sig. (1-tailed)	NPR	-	.133
	SALES	.133	-
N	NPR	5	5
	SALES	5	5

Table-17 Regression Analysis of Impact of Sales & Net Profit Ratio of NTPC

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	50.584	18.182		2.782	.069
	SALES	.000	.000	-0.619	-1.366	.265

Dependent Variable: NPR