

Q1. Summarized income statement for the last 2 years from the latest given company annual report

Year	Retained Earnings	=	Revenue	-	Expenses
			710.341		787.309
2013	-55.713		483.665		539.378

*all figures in crores

Comments:

- The negative sign indicates that there is a loss in the last two years
- While the revenue has increased significantly over the last year, that has been offset by corresponding increase in expenses resulting in company facing losses for consecutive years
- There has been increase in all types of expenses including D&A, COGS and finance costs

Q2. Five biggest items as part of income and expenses/dividends

Top 5 incomes	Value	Ratio	in %	Comments
Revenue from operations				
Subscription income	339.513	0.4780	47.80	• Revenue from operations is 93% of the total revenue • Subscription and carriage income is 78% of the total income
Carriage income	227.111	0.3197	31.97	
Activation income	80.552	0.1134	11.34	
Management charges and other network income	19.2	0.0270	2.70	
Advertisement income	17.9	0.0252	2.52	
Top 5 Expenses	Value	Ratio	in %	Comments
Carriage sharing, pay channel and related costs	333.953	0.4242	42.42	• Carriage sharing, pay channel and related costs are the major expenses for SITI cable. This directly relates with the business model of the company
Finance costs- interest	97.602	0.1240	12.40	
Depreciation and amortization expenses- depreciation of tangible assets	76.043	0.0966	9.66	
Other expenses- other operational cost	54.417	0.0691	6.91	
Employee benefit expenses- salaries, allowances and bonus	33.237	0.0422	4.22	

*all values in crores

Q3. Case studies

- Koya has taken a loan for buying the car. He pays EMI as Rs.18,000. Will this amount be shown in Profit & Loss statement? If yes, then how?
- i) For Infosys, the provision for tax is much higher in 2010 as compared to 2009, whereas there is not much difference in income before taxes.
 - How do we map expenses for a services firm in comparison to a manufacturing firm in a Profit and Loss statement?