INTERNSHIP REPORT ON

MANGALORE ELECTRICITY SUPPLY COMPANY LIMITED

Submitted By

CHETHAN

USN: 4AL21BA023

Submitted to

VISVESVARAYA TECHNOLOGICAL UNIVERSITY BELAGAVI

In partial fulfilment of the requirements for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

Under the guidance of

INTERNAL GUIDE

Mr. Neeraj Rai

ASSISTANT PROFESSOR

PG Department of Business Administration

Alva's Institute of Engineering & Technology

Shobhavana Campus, Mijar, Moodbidri, D.K - 574227

DECLARATION

I CHETHAN, hereby declare that the Internship report entitled “An Organization Study” with reference to “Mangalore Electricity Supply Company Limitted” prepared under the guidance of Mr. Neeraj Rai Assistant professor of M.B.A. Department, Alva’s Institute of Engineering and Technology, Mijar and external assistance by Mrs. Annapoorna, Chief Finance Officer MESCOM Mangalore.

I also declare that this internship work is towards the partial fulfilment of the university regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi.

I have undergone a project for a period of 4 weeks. I further declare that this project is based on the original study undertaken by me and has not been submitted for the award of degree from any other University.

Date:

Place: Mijar, Moodbidri **Signature of the Student**

ACKNOWLEDGEMENT

The satisfaction that accompanies the successful completion of any work would be incomplete without thanking the person who made it perfect with their constant guidance and encouragement.

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CHETHAN

USN: 4AL21BA023

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EXECUTIVE SUMMARY

The study is conducted on overall activities of the Mangalore Electricity Supply Company Limited. This report is providing general information about the industrial services and Mangalore Electricity Supply Company Limited [MESCOM]. The study was conducted for the period of 4 weeks. The main objectives of this company are contributed to the economic development of the society by providing quality electricity to the customers at very competitive rates and improving the conditions of the society. This report is based on the extensive study of the power sector in India, both global and domestic perspectives of power sector. The report of the study prepared by dividing into six chapters

Chapter 1: Introduction about the power sector. And detailed introduction of MESCOM.

Chapter 2: It contains brief introduction about the organisation profile, it includes background, nature of business, vision and mission, ownership pattern, service profile and future growth.

Chapter 3: Includes Mckinsey 7s Framework and Porter's Five Forces of model with special reference to organisation under study.

Chapter 4: Includes SWOT analysis is Strength, weakness, opportunities and threat of MESCOM.

Chapter 5: Include analysis of financial statements it contains Profit and loss account and balance sheet and ratio analysis.

Chapter 6: Include learning experience.

CHAPTER-1

INTRODUCTION ABOUT THE INDUSTRY

POWER INDUSTRY IN INDIA

Power is one of the most vital components of infrastructure, critical for economic growth and critical for the Indian economy's long-term prosperity. The main idea of India's power business has been to give widespread access to inexpensive power in a sustainable manner. The Ministry of Power has made enormous efforts in recent years to transform the country from a power shortfall to a surplus by constructing a unified national grid, reinforcing the distribution network, and attaining universal household electrification.

The electricity industry in India is one of the most diverse in the world. Power generating sources span from traditional coal, lignite, natural gas, oil, hydro, and nuclear power to feasible non-conventional sources such as wind, solar, agricultural, and residential waste. Electricity demand in the country has risen significantly and is anticipated to climb much higher in the coming years. To fulfil the country's growing need for power, substantial increases in installed generating capacity are necessary.

As of 2020, India was rated fourth in wind power, fifth in solar power, and fourth in renewable power installed capacity. India is the only country in the G20 that is on pace to meet the Paris Agreement's objectives.

STRUCTURE

The Government of India and the states are solely responsible for electricity delivery in India. The Union Government supervises the major regulatory authority, the Central Electricity Authority (CEA), as well as the central producing businesses, which are:

National Thermal Power Corporation (NTPC)

National Hydro-Power Corporation (NHPC)

Nuclear Power Corporation (NPC)

These are bulk power generators who sell their entire output to state-run utilities.

The states control the State Electricity Boards (SEBs), which generate power and distribute it throughout the country. The states have also licenced five private power utilities for generation and distribution, including Tata Electric Companies (TEC), which generates and distributes power in Bombay, BSES, which generates and distributes power to Bombay's suburban areas, CESC, which generates and distributes power to Calcutta, and Ahmedabad Electricity Company, which generates and distributes power to Ahmedabad.

The majority of power generation, however, is overseen by SEBs. The five private power plant utilities (also known as licensees) generate at least a fraction of the power they distribute. The licensees have exclusive rights to distribute power within specific geographic boundaries, and they are not permitted to do so without the government's permission. However, until the licences expire, companies are not threatened by competition in their licenced territories

GLOBAL SCENARIO:

Electrical equipment produces products that generate, distribute and use electrical power. Electrical equipment's primary function is to accomplish work by converting electrical energy and controlling electrical energy, including protecting systems, property, and people.

The main types of electrical equipment are electric lighting equipment, household appliances, power generation, transmission, and control equipment, batteries and wires, and cables. Home appliances are electrical machines that aid in household functions such as cooking, cleaning, and food storage. The equipment is operated through online and offline modes. The various sales channels include OEM and aftermarket that are used by B2B and B2C end users.

The electrical equipment market research report is one of a series of new reports from The Business Research Company that provides electrical equipment market statistics, including electrical equipment industry global market size, regional shares, competitors with an electrical equipment market share, detailed electrical equipment market segments, market trends and opportunities, and any further data you may need to thrive in the electrical equipment industry. This electrical equipment market research report delivers a complete perspective of everything you need, with an in-depth analysis of the current and future scenarios of the industry.

The global electrical equipment market grew from $1503.21 billion in 2022 to $1630.86 billion in 2023 at a compound annual growth rate (CAGR) of 8.5%. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. The electrical equipment market is expected to grow to $2190.31 billion in 2027 at a CAGR of 7.7%.

The rapid pace of innovations in electronics technology is stimulating consistent demand for newer and faster electronic equipment. Technological development is a key to attracting both consumers and business users for either replacing or upgrading

the older products with advanced versions. Digital technologies such as the internet of things (IoT) and the latest communication technologies such as 5G are expected to aid

in the development of innovative electronic products. This is expected to increase the demand for electronic products which will ultimately drive the growth of the electronic equipment manufacturing market during the forecast period.

CHAPTER-2

ORGANISATION PROFILE

2.1 Background of MESCOM:

Fig 2.1 MESCOM Logo

A key resource for development is electricity. Any progressive town needs an effective, dependable, and well-organized power sector that can supply quality power and excellent service. The Karnataka Electricity Board once handled the state of Karnataka's power industry. To satisfy the demands of the expanding economy, the state government started the power sector reform process in 1999. The Karnataka Electricity Board was split into two entities in 1999 as a first stage. KPTCL, a subsidiary of the Karnataka Power Transmission Corporation, and Vishweswaraiah Vidyut Nigama Limited (VVNL). Also established in 1999 was the Karnataka Electricity Regulatory Commission (KERC). The transmission and distribution functions performed by KPTCL were separated during the ensuing reform stage, and four power distribution firms were established in June 2002. One of the businesses created in this way is MESCOM, which has its headquarters in Mangalore. To handle distribution-related tasks, MESCOM split out another firm, CESC, in June 2005.

Karnataka was the first state to produce, transmit, and provide electricity to customers at the turn of the 20th century, when it was still ruled by the British. River water resources are plentiful, and Karnataka was the first state to produce hydroelectricity.

Government Department for Power was established not long after Independence. The electricity transmission and distribution installations were afterwards handled by the Mysore State Electricity Board (MSEB), which was subsequently transformed to. Projects involving hydroelectricity were given to HECP. The Hydro Power Corporation Project became Karnataka Power Corporation Limited between 1970 and 1980, and the Mysore State Electricity Board was renamed Karnataka Electricity Board (KEB).

The Karnataka Electricity Improvement Act was passed by the Karnataka government in 1999, and the Karnataka Power Transmission Corporation Limited and Vishweshwaraiah Corporation were reorganised.

The Karnataka Electrical Regulatory Commission was established to carry out tasks including growing the power industry, encouraging competition within, defending customers' rights, and revising electricity pricing. It also promotes efficient and liberal environmental regulations.

The changes described above in the energy industry have only been implemented in a select few states, including Karnataka. The aforementioned actions have been done to strengthen the State Power Board's financial position, alleviate the shortfall, and ensure that consumers receive dependable and high-quality electricity.

Karnataka Power Transmission Corporation Limited was reorganised in the middle of 2002, resulting in the formation of Karnataka Power Transmission Corporation Limited and 4 Electricity Supply Companies. Four power companies have been selected: Bangalore Electricity Supply Company (BESCOM), Mangalore Electricity Supply Company (MESCOM), Hubli Electricity Company (HESCOM), and Gulbarga Electricity Supply Company (Gescom) for power distribution. Karnataka Power Transimission Corporation Limited has been chosen for the job of power transmission. These are independent electricity distribution businesses that have been operating since June 1, 2002. Nine districts, including Mysore, Chamarajanagar, Mandya, Hassan, Kodagu, Dakshina Kannada, Udupi, Shimoga, and Chikmagalur, saw the creation of MESCOM. At first, the business in Mangalore just had one zone that included the whole city. Once more, it was separated into two zones. Dakshina Kannada, Udupi, Shimoga, and Chikkamagaluru districts are covered by the Mangalore zone, whereas the remaining five districts are covered by the Mysore zone.

MESCOM was divided into MESCOM and CESC later in March 2005. Following the division, MESCOM was given control of the 26,222 square foot Mangalore zone, which contains the 58 lakh-person Dakshina Kannada, Udupi, Shimoga, and Chikkamagaluru districts. The remaining 5 districts make up the Mysore Zone, which is assigned to CESC. In the future, MESCOM established another zone called Shivamogga.

2.2 Nature of the Business:

An Indian company known as Mangalore Electricity Supply Company Limited, or MESCOM, provides electricity to the Karnataka districts of Chickmagalur, Dakshina Kannada, Udupi, and Shimoga. Its main office is at Mangaluru. The business was established in June 2002.

Karnataka Power Transmission Corporation Limited was formed after the Karnataka Electricity Board (KEB), which had previously been involved in the Transmission & Distribution of electricity in the state of Karnataka, was corporatized (KPTCL).

Five businesses were established to handle the distribution of power to various parts of the state of Karnataka after this company's distribution arm was later separated. First, the four entities MESCOM, BESCOM, HESCOM, and GESCOM were established. Later, CESCOM was separated from MESCOM in 2005 to serve the region of Mysore's energy users.

The Electricity Supply Companies (ESCOMs) handle distribution at the moment, whereas KPTCL exclusively handles transmission. In the state of Karnataka, Power Supply Companies (ESCOMs) are responsible for distributing electricity to end consumers or the last mile. These ESCOMs provide distribution services for the power produced by Karnataka Power Corporation Limited and other providers.

Drones were successfully used by MESCOM in their attempt to cross the Kumaradhara River with energy delivery lines.

As of November 2017, it has 22,61,785 users, a 33 Kilovolt (KV) electric power line that was 755.66 kilometres long, and an 11 Kilovolt (KV) line that was 34,507.71 kilometres long.

VISION

We have contributed to the economic development of the society by providing quality electricity to our customers at very competitive rates and improving the conditions of society.

MISSION

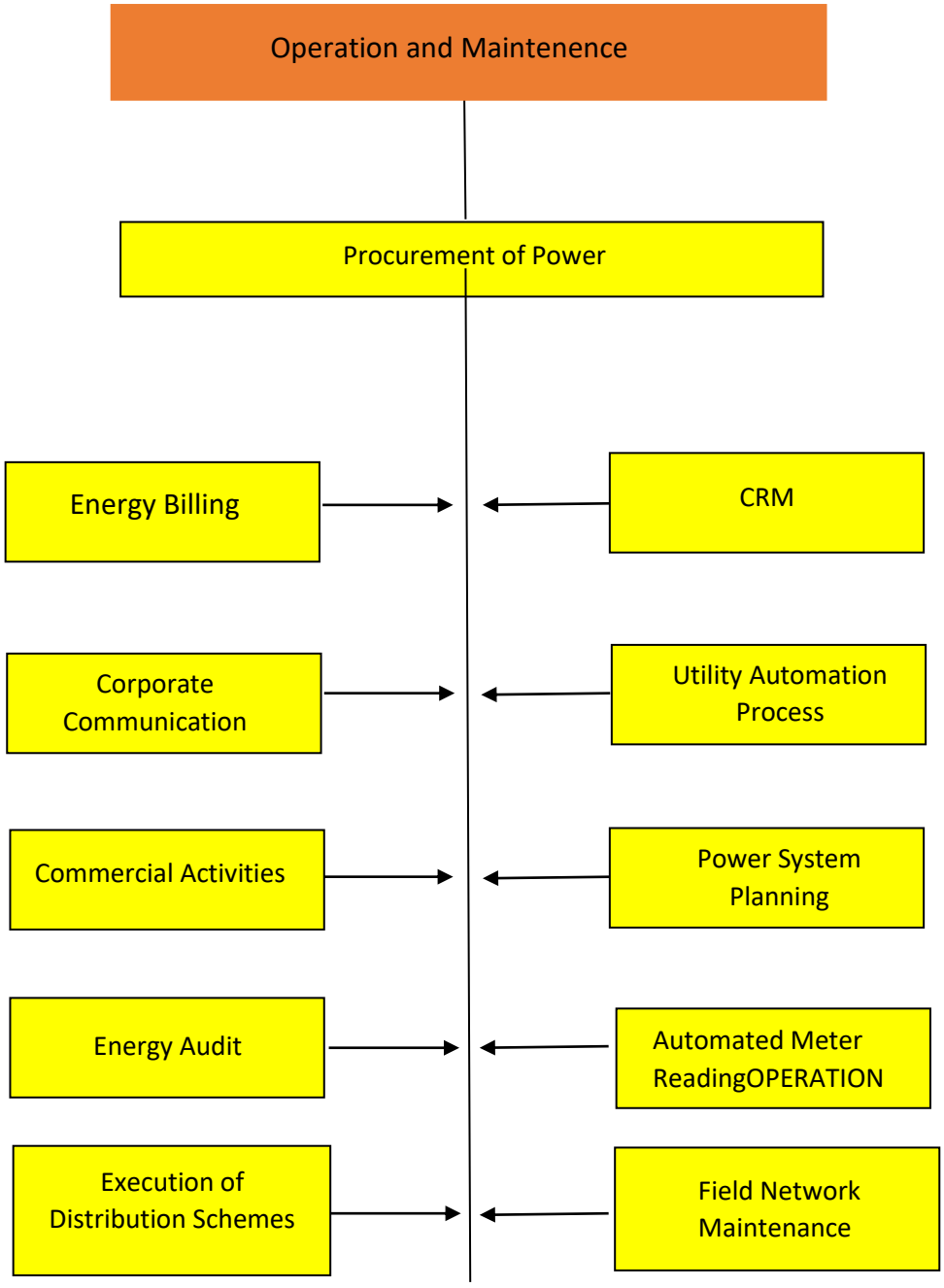
We have the following mission to make MESCOM a financially independent, pro-consumer concern.

- 100% Metering, Meter Reading, Billing and Collection.
- 100% Electical Disconnection to Offenders.
- Limiting the loss of distribution to 15 per cent.
- 100% error free computerized billing.
- 100% of the selected feeders will be brought to the Reliable Power Supply Index.
- Accurate data collection and reporting.
- Encouraging for efficient electricity usages and providing better service to customers at reasonable rates.

Quality Policy

- Focused and Responsive towards Consumers
- Being Commercially Efficient.
- Result Oriented Activities
- Employee well-being and welfare.

2.3 WORK FLOW MODEL:



2.3 Work Flow Model

2.5 SERVICES

Soujanya Counters and Service Stations

To provide better service to customers, the Soujanya Counters and Service Stations are setup in all Subdivision of CESC

At Soujanya Counter

- Quick resolution of consumer problems

  There are procedures in place for responding rapidly to client complaints.

- Educating field personnel on how to better interact with consumers

  To modify the attitudes of the field employees responding to consumer complaints, further efforts are being undertaken. They are now more aware of the need of treating consumers with respect, civility, and responsiveness. They are receiving training in HRD.

Better Customer Care for Greater Customer Satisfaction

Since it became operational MESCOM have undertaken a number of measures to improve customer care. These include:

Quick resolution of consumer complaints: Systems have been put in place to handle complaints from customers rapidly. Customers may also address their grievances to the Managing Director in person, in writing, or by email. Customer Grievance Redressal Day is observed every Monday. On that day, all officers remain in the headquarters.

Sensitizing field personnel to modify how they interact with customers: Special efforts are being made to affect a mental shift in the field personnel handling consumer complaints. They have been made aware of the need of treating clients with respect, decency, and attentiveness. They are receiving training in HRD.

Visitors Book

To effectively resolve client issues and to get feedback from them Each Sub-division / Division Office has a visitor's book. These books allow customers to record their issues, opinions, and ideas, which will be swiftly addressed. Customers can ask police who are in charge for these books.

Meter readers' uniforms and identification cards to make it simpler for consumers to identify metre readers, all of them have been given uniforms and identification cards.

The field personnel have been advised to engage the local welfare groups before beginning such work as an environmentally friendly precaution to guarantee correct tree cutting. Use the visitor's book to effectively solve consumer issues and get their feedback. All of the division and sub-division offices have visitor's books. Customers can record their issues, opinions, or recommendations in these books, and they will be swiftly addressed. Customers can ask concerned police for these books.

Fitter

Fitters and welders are part of our team in order to give a complete mechanical service to our customers. As a result, we are a highly effective industrial installation firm. Fitters and welders perform a variety of duties, from cutting and preparing materials to assembling components and welding structures. They also lay pipes and tubes, as well as perform welding connections.

In-depth description of the project's scop:

- Field component tubing and piping
- Erection of the cable tray and cable conductor
- Constructions for fastening
- Support for the circulatory system.

  They provide not only high-quality Instrumentation solutions, but also the essential support services.

Electrical engineering:

Customized solutions, tailored to the type of use of a building or an industrial site, are required for a safe electrical installation. Buildings do not require the same level of safety and availability as high-automated industrial operations in the chemical sector or power plants. Whether it's a low-voltage or medium-voltage plant, they provide power backup and uninterrupted electricity, as well as on-the-spot support.

Business activities:

- Installation of lighting
- Electrical distribution systems, both medium and low voltage
- Instrumentation and control / switchgear installation
- Assembling and erecting cable trays, as well as cable lay and connection
- PUS (power backup) units
- Building services management systems, EIB systems for buildings
- Networks for data and communication
- Transformers.

Instrumentation:

In the sphere of instrumentation and control, they are your capable partner. Their commercial activities include all aspects of process engineering in industrial and plant construction, including basic and detail engineering. Another aspect of their scope of service is comprehensive project processing, which includes installation and commissioning. This is an area in which they excel.

Scope of services:

- Field instrumentation selection and specification
- Field instrumentation documentation and loop schemes
- Process control systems and switch cabinets specification
- The electrical and instrumentation installation must be submitted.
- Management and organisation of projects
- Project management

- Scheduling and tracking of time
- Disposition of materials
- Supervision of the installation.

Commissioning:

MESCOM, as a partner for efficient and personalised commissioning, ensures optimum availability and installation economic efficiency. Companies commissioning professionals will verify, test, and setup high-capacity network components according to technical requirements. Manufacturer neutrality is something that the company does on a regular basis.

They offer:

- Full service for our scope of work, as well as additional parts from other
- vendors if required.
- Commissioning experts with extensive expertise and knowledge.
- High availability and reliability of the installation.
- Operators receive extensive instruction and training prior to, during, and
- after commissioning.

2.6 Ownership Pattern:

Mangalore Electricity Supply Company Limited is an unlisted public company incorporated on 29 April, 2002. It is classified as a state government company and is located in Dakshina Kannada, Karnataka. Its authorized share capital is INR 1,000.00 crore and the total paid-up capital is INR 670.02 cr.

The board of directors are as follow:

Sl. No.	Name	Designation
1	Dr. N. Manjula IAS.,	Chairman
2	Prashanth Kumar Mishra. IAS.,	Managing Director
3	D. Padmavathi	Director (Technical)

4	Dr. P. C. Jaffer IAS.,	Director
5	Dr. R. C. Chetan IRS.,	Director
6	G. Sheela	Director
7	Gopal	Director
8	T. R. Ramakrishnaiah	Director
9	Shivaprakash T. M.	Director
10	Shivarudrappa S	Non-Official Director
11	S. S. Nanjundaswami	Non-Official Director
12	Giriraja G. K	Non-Official Director
13	N. Dinesh	Non-Official Director
14	Kishore B. R.	Non-Official Director
15	Praveen Hegade	Non-Official Director
16	Balachandra Bhat	Non-Official Director
17	M. Dinesh Pai	Non-Official Director

2.7 Achievements/Awards

The MESCOM have received various awards in recognition of the company's strides in power supply and various innovation.

- MESCOM managing director won 1st place in minimum commercial loss and 3rd places in effective implementation of Hosa belaku programme.
- Kadur, puttur and kundapura divisions of MESCOM bagged 3 awards in effective implementation of Ganga Kalvana projects in rural areas.
- Udupi, sagara and kadur divisions bagged 3 awards in rural drinking water projects.
- Kavoor, kundapura and Udupi divisions won 3 places in handling minimum revenue backlog in rural areas.

2.8 Future Growth and Prospects:

1) Addition of new Distribution Transformers to the to the System (to resolve low voltage problem)

In the identified low voltage pockets, 1175 distribution transformers were installed to the system to increase the quality and reliability of power supply.

2) Metering Programme

The company is working to have all of its installations metered 100 percent of the time. The Company has achieved 96.49 percent through its universal metering initiative, thanks to a consistent and devoted commitment.

3) Metering of Distribution Transformer Centers

To carry out energy audits more effectively, MESCOM is considering to introducing metering to all Distribution Transformer centers with RRAMR facilities. As of the end of FY 20,45,158 DTCs had been meter21ed out of a total of 89,891 DTCs.

A new report by India smart Grid Forum (ISGF) analyses the challenges involved in the installation and maintenance of EV charging infrastructure in Bangalore city and suggest that authorities should encourage charging of vehicles at home during the night, among several other recommendations.

The government of Karnataka had issued the Karnataka Electric Vehicle and Energy storage Policy in 2017 (first state in the country) with the vision of making Karnataka a preferred destination for electric mobility ecosystem through special initiatives for EV manufacturing support for research and development, skill development, incentives and concessions

CHAPTER-3

Mckinsy's 7S Framework and Porter's Five Force Model

Mckinsy's 7s Framework:

The Mckinsy's 7s framework is a management model developed by business consultants Robert H. Waterman and Tom Peters in the 1980. This was a strategic vision for groups, to include businesses, business units and teams. The model is most often used as an organizational analysis tool to assess and monitor changes in the internal situation of an organization. The 7s are structure, strategy, system, skills, style, staff, shared values.

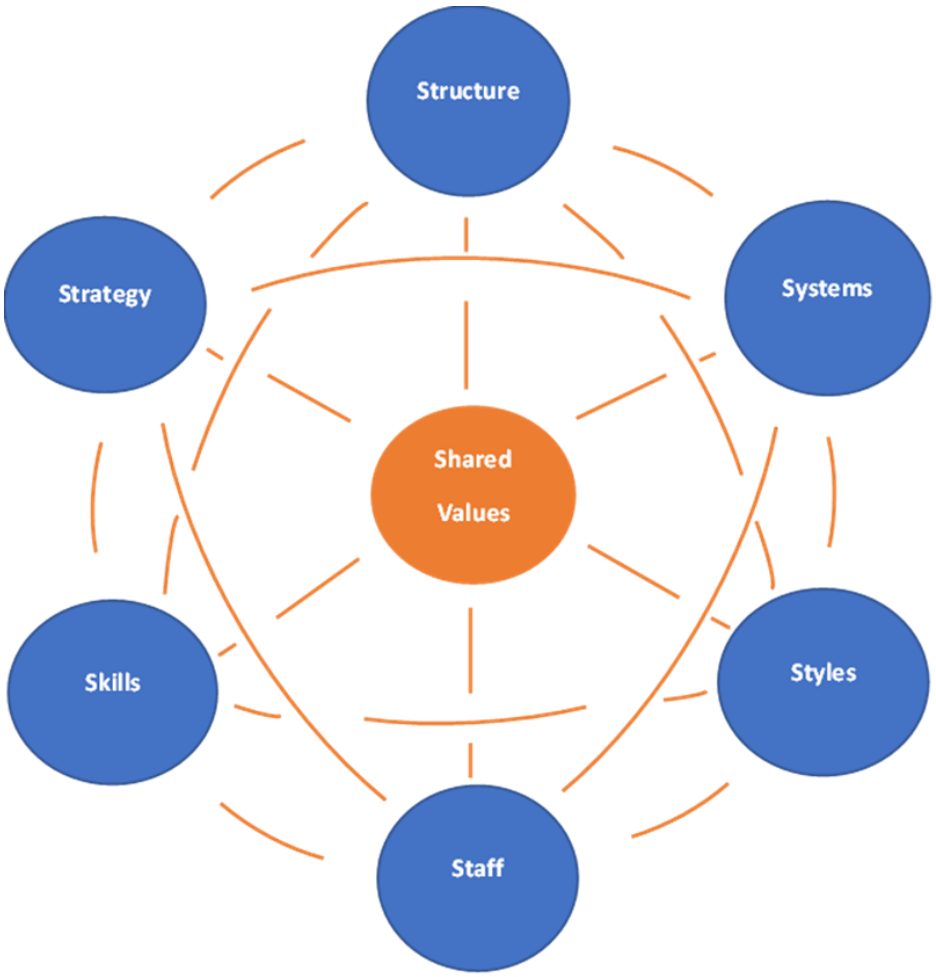


Fig 3.1 Mckinsy's 7s Framework

1. Strategy:

Strategy is the plan of action an organisation prepares in response to or anticipation of changes in its external environment. In point of MESCOM there is a lot of strategy needed to supplying the power.

- Enhancement of Revenue Generation
- Strengthening and refurbishing distribution network to reduce losses and cost of operartion. Enhancing employee productivity.
- Providing best services to its consumers.

2. Skills:

Electricity is a source of energy, which has the capacity to change the world. Power is and will be a part of our lives for as long as the mind can imagine. Due to the high demand of skilled and trained people in this area will increase.

MESCOM has defined tasks and job roles and hires and trains employees for skill levels accordingly with respect those. The company ensures that all its job requirements are met and that employees have the sufficient skills to perform their respective jobs in accordance with the values and culture as well as the business goals and strategy of MESCOM.

3. Staff:

MESCOM has a sufficient number of employees. Employees for different job roles and positions are hired internally as well as externally depending on the urgency and the skills levels required. Based on this, it is seen that MESCOM has employees who skilled as per the requirements of their job roles and positions. Organisations are made up of humans and it’s the people who make the real difference to the success of the organisations in the increasingly knowledge-based society

4. Style:

All organisations have their own distinct culture and management style. It includes the dominant values, beliefs and norms which develop over time and become relatively enduring features of the organisational life.

MESCOM has a different style culture to compare other management. However there have been extensive efforts in the past couple of decades to change to culture remains an important consideration in the implementation of any strategy in the organisation.

5. System:

MESCOM has defined and well power system in place to ensure that the business operations are managed effectively and that there are no conflicts. Feedback to employees and overall department heads is informally given regularly as and when is required.

Every organisation has some systems or internal processes to support and implement the strategy and run day to day affairs. For example – a company may follow a particular process for recruitment. These processes are normally strictly followed and are designed to achieve maximum effectiveness.

6. Shared values:

All members of the organisation share some common fundamental ideas or guiding concepts around which the business is built. This may be to make money or to achieve excellence in a particular field.

- Focused and vibrant towards consumers.
- Commercially efficient.
- Outreach activities
- Employees good wishes and welfare.

7. Structure:

CORPORATE STRUCTURE

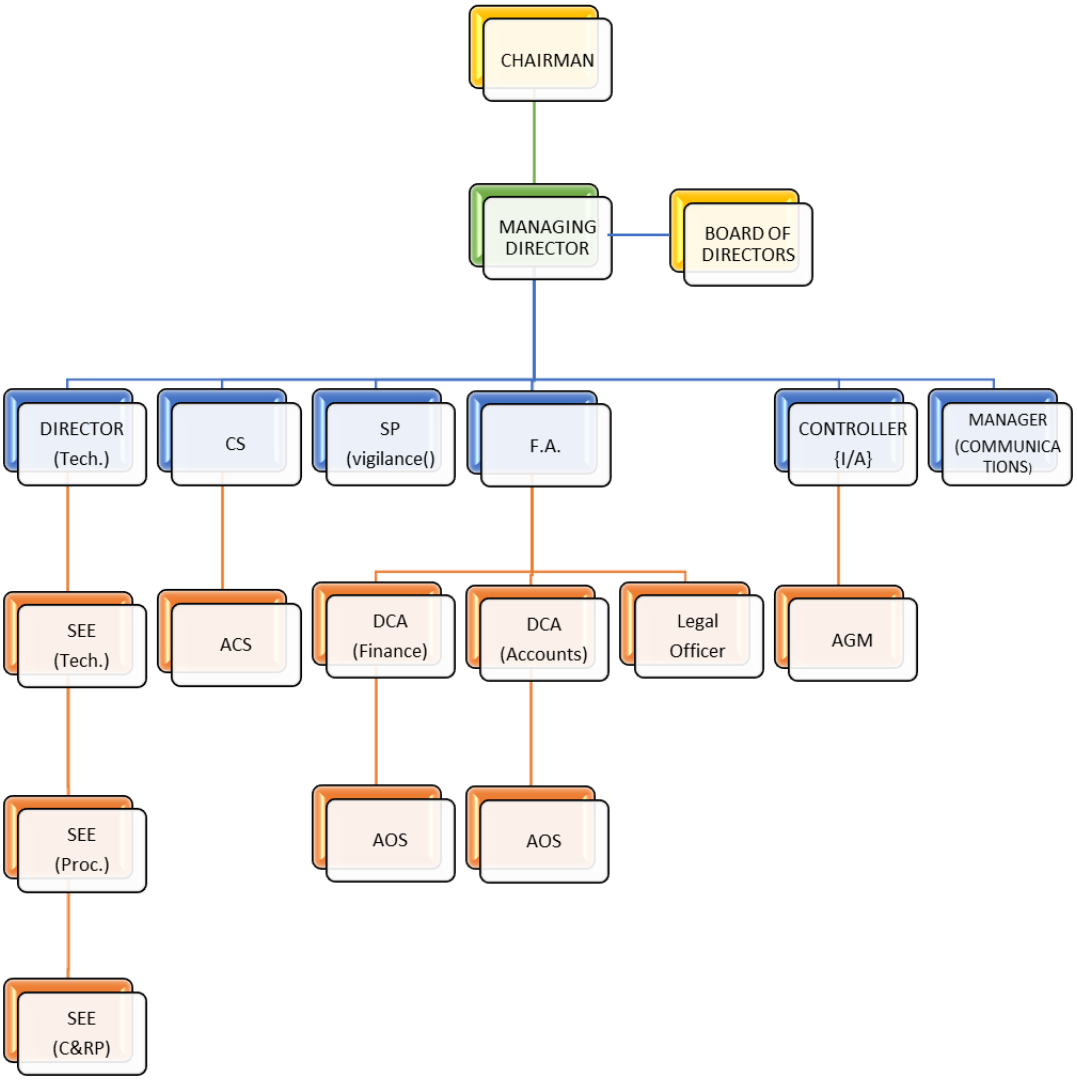


Fig 3.2Corporate Structure

MICHAEL PORTER'S FIVE FORCES OF FRAMEWORK: -

The Five Forces of Model was developed by Michael E Porter. Porter's Five Force is a framework for analyzing a company's competitive environment. Five Forces analysis can be used to guide business strategy to increase competitive advantage. Five forces that shape strategy, Michael Porters observed five forces that have significant impact on a firm's profitability in its industry. These five forces analysis today in business world is also known as Porter five forces analysis. The Porter five forces are

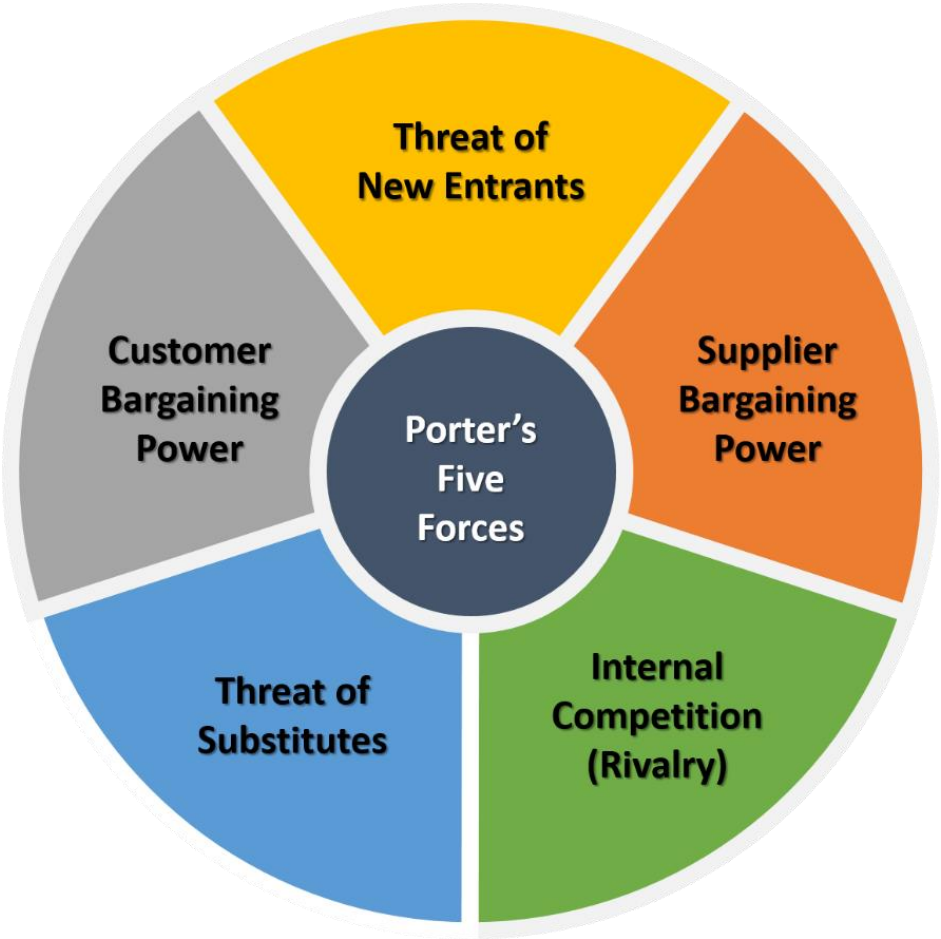


Fig 3.3 Porter's 5 Force Model

1. THREAT OF NEW ENTRANTS:

- Highly capital-intensive industry and hence demand huge investment.
- Major plans by big companies like Reliance power, Adani power, Lanco etc, to make entry into power sector after market opened up for private sector through electricity Act 2003 and subsequent reforms.
- However, obtaining regulatory approvals, fuel linkages, land etc, still remain the major bottlenecks.
- Hence the threat of new appears to be low.

2. THREAT OF SUBSTITUTES:

- Power does not have substitute but it can be generated from different sources of energy.
- Currently thermal power is dominant in India, coal being the major raw material.
- Coal availability is limited and therefore power from nuclear, hydro and other renewable sources could be used as substitute for thermal power in future.
- Although demand for power outstrips its supply, going forward, thermal power plant companies have threat from non-thermal power generators.
- Hence the threat of substitute product is medium.

3. BARGAINING POWER OF CUSTOMER:

- Industrial consumer has huge demand for power.
- Their bargaining power is low in India as the number of power companies to buy from is limited in number. Hence power companies are in better position.
- Retail customers – Government regulates the power sector to ensure supply of power at reasonable prices but this regulation is limited.

4. BARGAINING POWER OF SUPPLIER:

- Coal is majorly used as a feed for generating power.
- The supply of coal in India is limited and hence coal players are in dominant position.
- Power companies are required to import coal if the domestic supply is not sufficient, which proves to be an expensive affair.
- However, looking at the present situation, the power of supplier is high.

5. COMPETITIVE RIVALRY:

- Power producing companies – No competitive rivalry as demand for power is way above its supply and all the power generated is used up.
- So overall the intensity of competitive rivalry is medium.

CHAPTER-4

SWOT Analysis

A SWOT analysis is a framework that is used to analyse a company's competitive positioning in its business environment. SWOT analysis is a frame work used to develop strategic planning. It is a strategic planning technique that assists a person or organization in identifying strengths, weaknesses, opportunities, and threats in the context of commercial competition or project planning.

Fig 4.1 SWOT Analysis

1. STRENGTHS:

Strength is a characteristic of the business or projects that give it an advantage over others. Strength is a distinctive competence that gives the firm a comparative advantage in the market.

- Monopoly: The Electricity sector in India is still a 'Government Monopoly' when it comes to transmission and distribution of powers. Although there is 42% share by Private sector in Power Generation, there is no competition in the power

distribution and hence the consumers do not have the freedom to choose between different distributors as envisaged by the Electricity Act 2003.

- Reputation in the marketplace: MESCOM is the only company in Mangalore region and it is already established company, so there is a high trust in the service quality.
- Continual operations: MESCOM does not stop its operations at any point because its services are widely spread, so it makes sure that any turbulence is solved in minimum time.
- With a digital platform, you can get the best services. This means that customers can pay their dues online.

2. WEAKNESSES:

Weakness is a characteristic of the business that places the business at a disadvantage relative to others. Weakness is aspects of business that detract from the value offered or place the organization at a competitive disadvantage.

- Power outages and irregularities are common during the rainy season.
- Negligence by workers. Sometimes if there is a power cut in any area the workers will not attend the problem in time.
- As MESCOM is a government company, they neglect the calls of the customers.

3. OPPORTUNITIES:

Opportunities elements in the environment that the business could exploit to its advantage. These are factors that represent reasons your business is likely to proper. Opportunities are a combination of different circumstances at a given time that offer a positive outcome.

- Employee training programmes. MESCOM will provide training and development skills to their employees.
- MESCOM does not have any competitors in the market so they have the opportunity to expand and enhance their service skills.
- Good political backing. MESCOM is a government company so it has lot of government support.

4. THREATS:

Threat element in the environment that could cause trouble for the business. Threat includes external factors beyond organization control that could place the business at risk.

- New government laws and regulations pose a threat. This means that there are chances that if the government change, the policies of MESCOM may also change.
- Variations in the atmosphere. Specially during monsoon seasons they face lot of power cut and flood problems which are difficult to handle at same time.
- There are chances of new competitors coming in the market with different service strategies.

CHAPTER-5

ANALYSIS OF FINANCIAL STATEMENT

FINANCIAL STATEMENT

Financial statement is written records that convey the business activities and the financial performance of a company. Financial statements should be understandable, relevant, reliable and comparable. The objectives of financial statement are to provide information about the financial position, performance and changes in financial position of an enterprise that is useful to a wide range of users in making economic decisions.

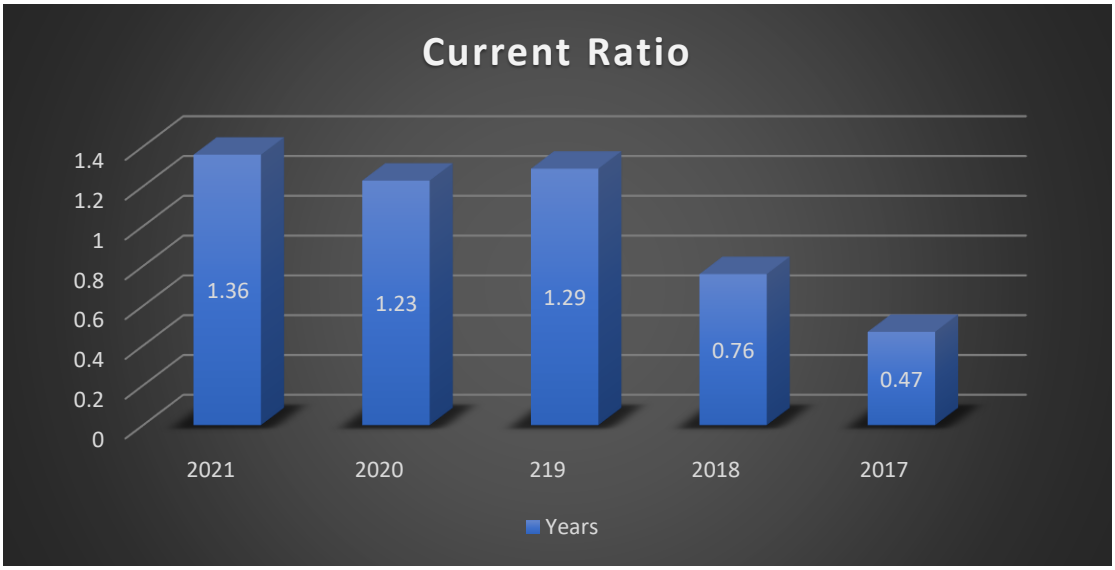
RATIO ANALYSIS OF MESCOM: Ratio analysis is a technique for analysing and understating a company's financial statements. These are indicators of a company's financial health, soundness, position, and weakness that aid in determining the firm's exact financial status. It is a powerful financial analysis tool for determining the company's financial strength.

5.1 Current Ratio:

Current ratio is a liquidity ratio that measures a company ability to pay short-term obligations or those due within one year. It tells investors and analysts how a company can maximize the current assets on its balance sheet to satisfy its current debt and other payables.

Current Ratio = Current Assets / Current Liabilities

Years	Current Assets (₹ in Crores)	Current liabilities (₹ in Crores)	Current Ratio
2021	81871.76	60114.46	1.36
2020	85150.17	69116.31	1.23
2019	74873.37	57961.02	1.29
2018	45973.76	60381.36	0.76
2017	42635.68	89098.86	0.47



Analysis and interpretation:

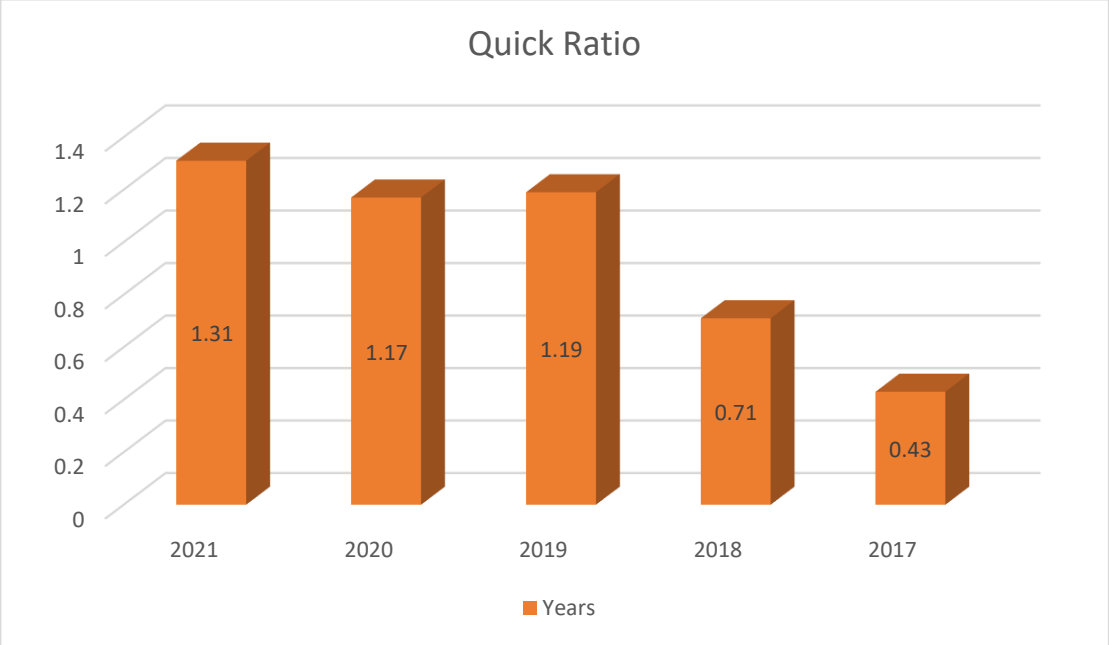
The current ratio is a measure of a company's ability to pay its short-term obligations using its current assets. The current ratio is calculated by dividing a company's current assets by its current liabilities. A current ratio of 1 or higher indicates that a company has enough current assets to pay off its current liabilities. The above graph represent that the company's financial position has improved, and that it has been increasing its ability to meet its short-term obligations.

5.2 Liquide Ratio:

The liquid ratio measures a company’s capacity to pay its current liabilities without needing to sell its inventory or obtain additional financing. The higher the ratio result, the better a company’s liquidity and financial health; the lower the ratio, the more likely the company will struggle with paying debts.

Quick Ratio = Quick Assets / Current Liabilities

Years	Quick Asset (₹ in Crores)	Current Liabilities (₹ in Crores)	Quick Ratio
2021	78715.21	60114.46	1.31
2020	80857.82	69116.31	1.17
2019	69021.48	57961.02	1.19
2018	42816.31	60381.36	0.71
2017	38864.27	89098.86	0.43



Analysis and interpretation:

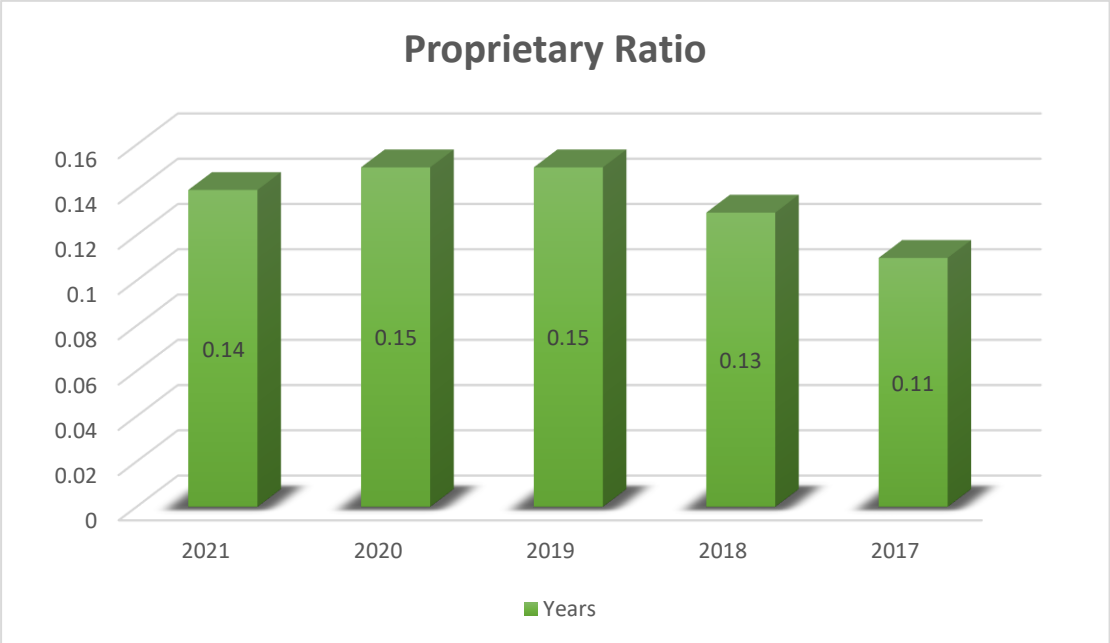
The quick ratio, also known as the acid-test ratio, is a measure of a company's ability to pay its short-term obligations using its most liquid assets. The above graph explains that the company's short-term liquidity has improved, and that it has been increasing its ability to meet its short-term obligations using its most liquid assets.

5.2Proprietary Ratio:

Proprietary Ratio also known as equity ratio indicates the relationship between the owners' funds and total assets. It basically indicates the extent to which owners fund are invested in different types of assets. It basically shows the general financial strength of the company. It also tests the soundness of the capital structure.

Proprietary ratio: shareholder's fund/Total assets:

Years	Shareholder's Fund (₹ in Crores)	Total Asset (₹ in Crores)	Proprietary Ratio
2021	88119.99	644156.18	0.14
2020	88266.71	584814.90	0.15
2019	76586.20	524666.34	0.15
2018	60971.50	467388.03	0.13
2017	48785.75	430652.45	0.11



Analysis and interpretation:

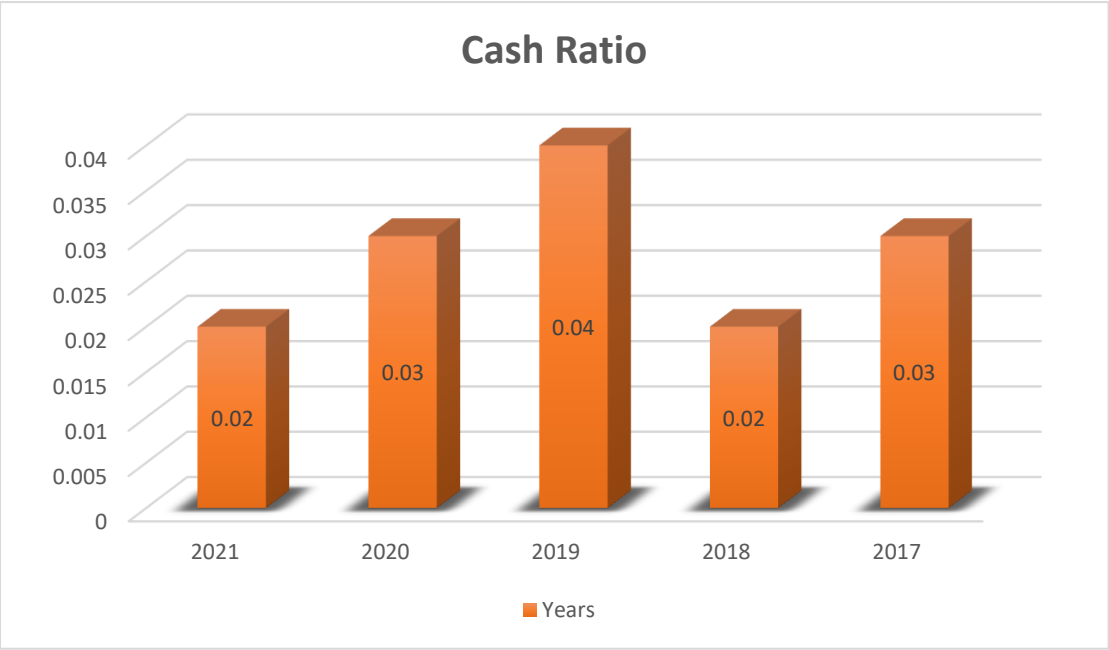
The above table and graph represent the proprietary ratio of the company. The trend in the proprietary ratio appears to be relatively stable over the past five years, with some fluctuations from year to year. The proprietary ratio for the most recent year (2021) is slightly lower than the previous year (2020), which suggests that the company has increased its use of debt financing relative to owner's equity or retained earnings.

5.4 Cash Ratio:

The cash ratio is a measurement of a company's liquidity.it specifically calculates the ratio of a company's total cash and cash equivalents to its current liabilities.

Cash Ratio: Cash + cash equivalent /total current liabilities

Years	Cash and Cash Equivalent (₹ in Crores)	Total Current Liabilities (₹ in Crores)	Cash Ratio
2021	4390.41	208112.84	0.02
2020	5132.34	166173.43	0.03
2019	6370.13	149045.03	0.04
2018	3356.79	152389.31	0.02
2017	3672.72	132243.46	0.03



Analysis and interpretation:

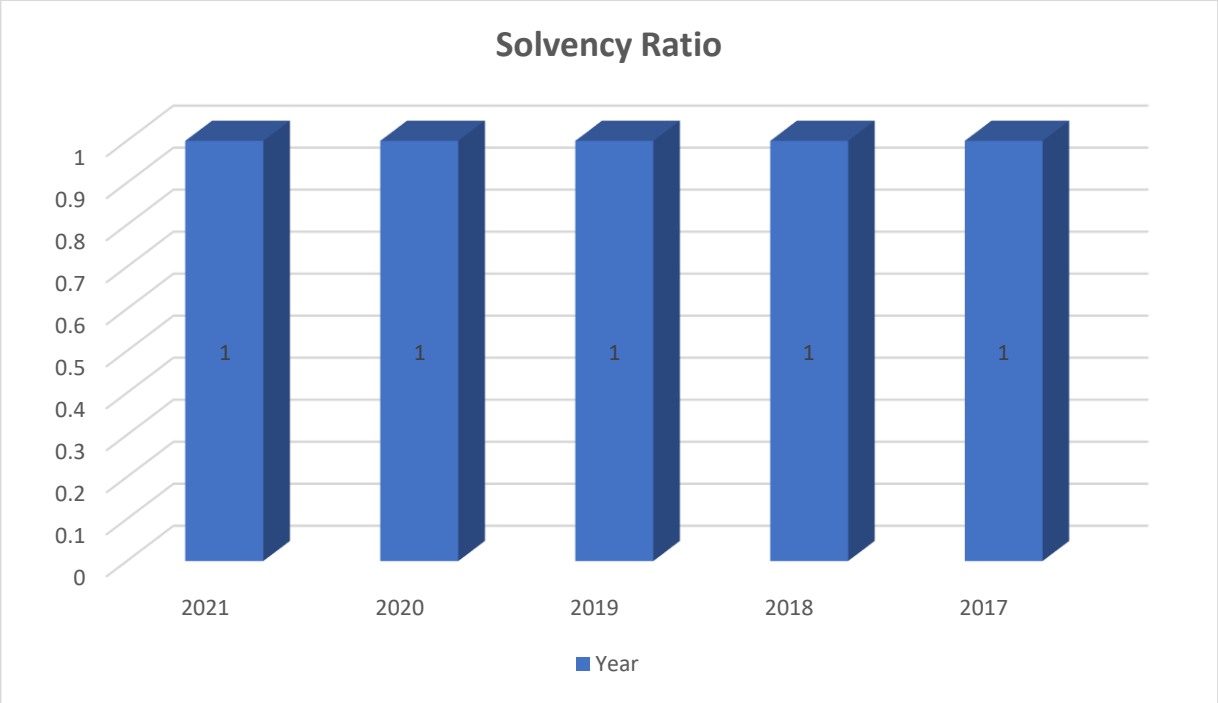
Above table and graph represent cash ratio of the company. A cash ratio is a measure of a company's liquidity, which indicates its ability to pay off short-term debt obligations using its cash and cash equivalents. its liability. The company's cash ratio has been decreasing over the past five years, from 0.03 in 2017 to 0.02 in 2021. This suggests that the company has been using up its cash and cash equivalents, and/or its current liabilities have been increasing. It is worth noting that a cash ratio of 0.02 is relatively low and may indicate that the company has limited ability to pay off its short-term debts using its available cash and cash equivalents.

5.5 Solvency Ratio:

The solvency ratio is used evaluate the organisation capacity to gather long-term debt requirement. It is one of the key aspects for measuring the financial position of an organisation. It is used to decide the possibility that a company will non-payment on its arrears.

Solvency Ratio: Total Assets/Total Liabilities

Years	Total Assets (₹ in Crores)	Total Liabilities (₹ in Crores)	Solvency Ratio
2021	644156.18	644156.18	1.00
2020	584814.90	584814.90	1.00
2019	524666.34	524666.34	1.00
2018	467388.03	467388.03	1.00
2017	430652.45	430652.45	1.00



Analysis and interpretation:

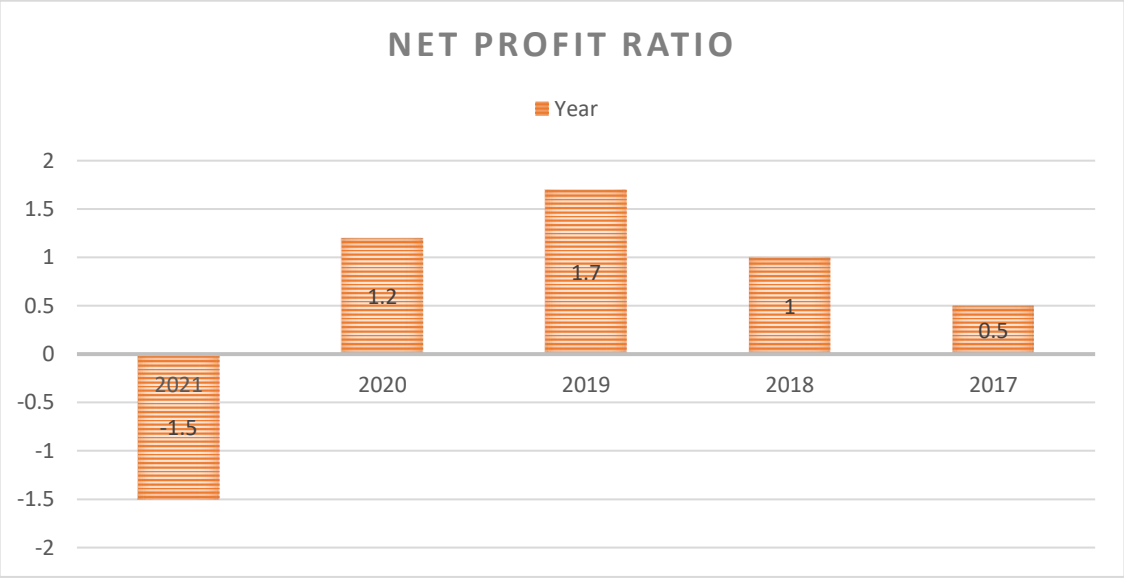
From the above graph it is clearly shown that the solvency ratio for the entity in question has been consistently at 1 over the past five years, from 2017 to 2021. A solvency ratio of 1 generally means that the entity's total assets are equal to its total liabilities, which implies that the entity has enough resources to meet its obligations.

5.6 Net Profits Ratio:

It is a way to measure the financial performance or profitability of a business in relation to the costs associated with the production and distribution of product along with the other expenses. Ratio is analysis is important for the company in order to analyse its financial position, liquidity, profitability, risk, solvency and utilization of funds.

Net Profit Ratio: Net Profit/Sales*100

Years	Net Profits (₹ in Crores)	Sales (₹ in Crores)	Net Profit Ratio
2021	-5296.69	360673.92	-1.5
2020	4357.22	371653.57	1.2
2019	5639.20	331686.13	1.7
2018	3142.14	319034.40	1.0
2017	1293.68	277978.35	0.50



Analysis and interpretation:

By looking at the last year net profit ratio we can conclude that the company had suffered loss in the previous year as the ratio is negative when compared to the rest years.

5.7 Return on Assets Ratio:

The term return on assets (ROA) refers to a financial ratio that indicates how profitable a company is in relation to its total assets. It helps the corporate management, analysts, and investors to determine how efficiently a company use its assets to generate a profit.

Return on Assets: Net profit/Total Assets*100

Years	Net Profit (₹ in Crores)	Total Assets (₹ in Crores)	Return on Assets
2021	-5296.69	644156.18	-0.82
2020	4357.22	584814.90	0.75
2019	5639.20	524666.34	1.07
2018	3142.14	467388.03	0.67
2017	1293.68	430652.45	0.30

Analysis and interpretation:

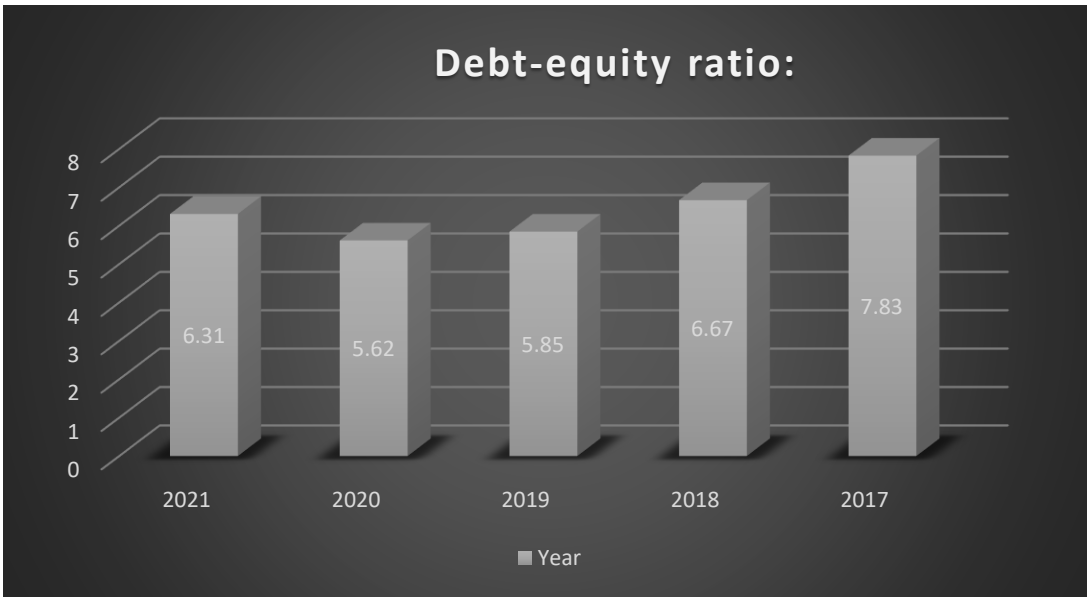
By glancing the above bar graph, it is clearly seen that in the previous year the firm did not get any returns on their asset when compared to previous year graph. In 2021 the return on asset ratio in -0.82. A negative return on assets means the company's net income was negative, indicating that the company had more expenses than revenue.

5.8 Debt-equity ratio:

Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage and is calculated by dividing a company's total liabilities by its shareholder equity. D/E ratio is an important metric in corporate finance. It is a measure of the degree to which a company is financing its operations with debt rather than its own resources.

Debt-equity ratio: Total Liabilities/total shareholder's equity

Years	Total Liabilities (₹ in Crores)	Total Shareholder's Equity (₹ in Crores)	Debt-Equity Ratio
2021	556036.19	88119.99	6.31
2020	496548.19	88266.71	5.62
2019	448080.14	76586.20	5.85
2018	406416.53	60971.50	6.67
2017	381866.70	48785.75	7.83



Analysis and interpretation:

The debt-equity ratio measures the proportion of a company's financing that comes from debt compared to equity. A higher debt-equity ratio indicates that a higher proportion of the company's financing comes from debt, while a lower ratio indicates a higher proportion of financing comes from equity. The above graph explains that the company's debt-equity ratio has been fluctuating over the past few years. This suggests that the company has been relying more on debt financing in some years and more on equity financing in others.

Chapter-6

Learning Experience

The internship (organization study) was done in Mangalore Electricity Supply Company Limited. The information needed for the study was collected from the internal and interaction with the employees. The study was conducted for 30 days. The study has helped to gaining knowledge about the functioning of an organization in detail. The study gave an opportunity to learn company profile, service profile, nature of the business, workflow model, future growth of the company etc., in order to apply the academic knowledge.

Model there are seven basic dimensions which represent the core of marginal activities and the theory Porter's Five Force model helps to identifies and according the McKensy's 7S Framework analyze five competitive force that shape every industry and helps to determine an industries weakness and strengths.

Financial statement is the financial backbone for every business unit. It acts a mirror for future activity, the profit and loss account, balance sheet, ratios which gave an overall idea about the financial performance of the company. Overall, the study immensely helped to apply theory into practice

Overall, this internship helped to learn more about the Mangalore Electricity Supply Company Limited and also understand the work place culture along with professional communication. In addition to daily work it gave a great opportunity to meet employeesto discuss about the work place activities. This internship thought to be focused and punctual.

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Annexure:

BALANCE SHEET

(Rs. In lakh)

Particulars	**2021**	**2020**	**2019**	**2018**	**2017**
ASSETS					
Non-current Assets					
Property, Plant and equipment	280778.26	241730.59	189709.16	150886.55	120022.28
Capital work in progress	22949.56	35927.12	49698.97	17705.56	14655.74
Intangible Assets	496.10	719.79	1006.81	776.36	25.11
Financial Assets					
Investments	1.00	1.00	251.00	251.00	251.00
Other Financial Assets	12957.67	12956.92	13103.36	13030.39	17832.66
Non-Current tax assets	4122.04	7467.82	6772.74	2883.36	2864.20
Other non-Current Asset	807.04	807.04	807.04	20345.80	6423.8
Total Non-current Assets	**322112.56**	**299655.28**	**261349.08**	**205879.02**	**162475.13**
Current Assets					
Inventories	3156.55	4292.35	5851.89	3157.45	3772.41
Financial Assets					
Trade Receivables	74176.60	75576.58	61631.01	39452.68	31604.71
Cash and cash equivalents	4390.41	5132.34	6370.13	3356.79	3672.72
Bank Balances other than (ii) above	148.20	148.90	1020.34	6.84	3585.84
Other Financial Assets	144247.09	129449.30	121608.75	123190.11	133625.56
Current Tax Assets	2098.49	2085.54	568.52	265.73	403.30
Other Current Assets	686.31	1304.17	2190.53	197.44	173.72
Sub-Total	**228903.65**	**217989.18**	**199241.17**	**169743.54**	**176955.59**
Assets held for sale	441.44	722.24	523.87	575.37	450.80
Regulatory Deferral Account	92698.53	66448.20	63552.22	91190.10	90770.93
Total Assets	**644156.18**	**584814.90**	**524666.34**	**467388.03**	**430652.45**

LIABILITIES					
Equity					
Equity Share Capital	61944.16	55868.02	48182.02	35807.02	35807.02
Other Equity	26175.83	32398.69	28404.18	25164.48	12978.73
Total Equity	**88119.99**	**88266.71**	**76586.20**	**60971.50**	**48785.75**
Non-Current Liabilities					
Financial Liability					
Borrowings	101053.81	84547.07	73212.35	59895.76	46042.64
Trade Payables	60114.46	69116.31	57961.02	60381.36	89098.86
Other Financial Liabilities	115982.31	115807.92	122377.69	107895.15	100560.94
Provisions	8127.32	5722.91	5211.40	5240.86	4186.83
Deferred income	62606.66	55135.46	40224.62	20565.60	9665.38
Other Non-current	38.79	45.09	48.03	48.49	68.59
Total Non-Current liabilities	**347923.35**	**330374.76**	**299035.11**	**254027.22**	**249623.24**
Current Liabilities					
Financial Liabilities					
Borrowings	39834.99	27688.38	35489.26	31418.72	26412.14
Trade Payables	24945.94	25705.07	22486.82	27052.54	34436.10
Other Financial Liabilities	117229.78	88092.88	72959.57	79207.24	59065.54
Provisions	2256.46	2976.60	1823.47	961.50	890.84
Deferred income	3904.95	3324.82	1656.37	584.75	445.05
Other current Liabilities	19940.72	18385.68	14629.54	13164.55	10993.79
Total Current Liabilities	**208112.84**	**166173.43**	**149045.03**	**152389.31**	**132243.46**
Total Liabilities	**556036.19**	**496548.19**	**448080.14**	**406416.53**	**381866.70**
Total Equity and Liabilities	**644156.18**	**584814.90**	**524666.34**	**467388.03**	**420652.45**

PROFIT AND LOSS ACCOUNT:

An income statement or profit and loss account is one of the financial statements of a company and shows the company's revenue and expenses during particular period.

(Rs. in lakh)

Sl. No.	Particulars	2021	2020	2019	2018	2017
I.	Revenue from operation	360673.92	371653.57	331686.13	319034.40	277978.35
II.	Other Income	18653.83	11935.07	11123.92	8783.17	11754.92
III.	**Total Revenue (I+II)**	**379327.75**	**383588.64**	**342810.05**	**327817.57**	**289733.27**
IV.	**Expenses**					
	Purchase of power	310880.45	280324.11	222303.75	250801.33	254382.13
	Employee Benefits Expenses	46761.12	49333.79	39240.33	35567.58	26733.70
	Finance Costs	13165.84	11279.64	9849.68	8256.05	8856.54
	Depreciation and Amortization expenses	19304.97	16675.67	12569.26	9038.78	7989.92
	Other Expenses	31558.37	24510.74	21893.61	16583.00	16490.23
	Total Expenses (IV)	**411670.75**	**382123.95**	**305856.63**	**320246.74**	**314452.52**
V.	**Profit before exceptional items & tax (III-IV)**	**-32343.00**	**1464.69**	**36953.42**	**7570.83**	**-24719.25**
VI.	**Exceptional Items income/ expenses (net)**	**795.98**	**-**	**3660.00**	**4847.86**	**19804.00**
VII.	**Profit/ (Loss) before tax (V+VI)**	**-31547.02**	**1464.69**	**33293.42**	**2722.97**	**-44523.25**
VIII.	**Tax Expenses**	**-**	**1099.77**	**1208.78**	**478.69**	**307.01**

IX.	**MAT credit entitlement**	**-**	**1096.32**	**-1192.44**	**-478.69**	**-307.01**
X.	**Net movement in Regulatory Deferral account Balance related to Profit or Loss**	**26250.33**	**2895.98**	**27637.88**	**419.17**	**45816.93**
XI	**Profit After Tax**	**-5296.69**	**4357.22**	**5639.20**	**3142.14**	**1293.68**