**Abstract**

Financial statements are those statements which provide information about the profitability and financial position of a business. It includes two statements, i.e., Income Statement and Balance Sheet. The income statement is the summary of income and expenses incurred by the companies during the financial year. A balance sheet is often described as a “snapshot of a company’s financial condition. A comparative study of Tamil Nadu Newsprint and Papers Limited and JK Papers Limited is done to estimate whether the company’s financial position has been improving or deteriorating over time. The analyses of the study were based on the annual report of the companies during the period 2012 to 2017.