

Evaluating Effectiveness of Managerial Decisions

13th October 2022

Managerial Decisions

FINANCING DECISIONS

- Raising **FUNDS** to acquire **ASSETS**

INVESTMENT DECISIONS

- Acquiring **ASSETS** to operate the business

OPERATING DECISIONS

- Operating **ASSETS** to generate **INCOME**

ASSETS				
	AS ON 31st March	2020	2021	2022
NON-CURRENT ASSETS	Non-Current Assets	Rs in lakhs		
	Property, Plant & Equipment -	101,081.81	106,953.69	109,987.50
	Less: Accumulated Depreciation	-25,776.65	-32,680.58	-39,561.06
	Property, Plant & Equipment -	75,305.16	74,273.11	70,426.44
	Right of Use Assets	4,151.45	3,975.04	5,682.32
	Capital Work in Progress	4,205.85	2,149.86	4,073.18
	Intangible Assets	13,779.20	13,249.79	11,274.90
	Investment Property	0.97	0.97	0.97
	Financial Assets			
	Investments	390.43	452.26	
	Loans	300.35	251.96	203.69
	Other Financial Assets	4,676.89	4,404.11	4,085.76
	Deferred Tax Assets (net)	5,424.97	4,773.25	5,710.71
	Other Non Current Assets	2,884.57	2,745.55	2,606.53
	Total Non Current Assets	111,119.84	106,275.90	104,064.50
CURRENT ASSETS	Current Assets			
	Inventories	85,651.77	139,701.00	165,445.13
	Raw Materials	56,627.51	96,833.06	113,765.32
	Work in Progress	26,962.15	40,236.32	46,303.39
	Finished Goods	427.69	518.21	3,144.20
	Stores & Spares	1,634.42	2,113.41	2,232.22
	Financial Assets			
	Trade Receivables	33,836.80	32,269.27	30,416.13
	Cash and Cash Equivalents	29,749.47	45,691.67	26,504.37
	Bank Balances	36,600.00	110,403.80	163,449.00
	Loans	236.96	196.87	183.74
	Other Financial Assets	242,550.43	121,594.31	129,162.31
	Other Current Assets	28,780.84	40,042.79	37,162.84
	Total Current Assets	457,406.27	489,899.71	552,323.52
	Total Assets	568,526.11	596,175.61	656,388.02

EQUITY & LIABILITIES				
	AS ON 31st March	2020	2021	2022
EQUITY		Rs in lakhs		
	EQUITY			
	Equity Share Capital	18,328.12	18,328.12	18,328.12
	Other Equity			
	General Reserve	223,135.54	248,135.54	282,062.94
	Retained Earnings	19,219.31	2,011.06	2,664.68
	Other Equity	242,354.85	250,146.60	284,727.62
	TOTAL EQUITY	260,682.97	268,474.72	303,055.74
	LIABILITIES			
NON CURRENT LIABILITIES	Non Current Liabilities			
	Financial Liabilities			
	Lease Liabilities	771.19	652.71	520.75
	Other Financial Liabilities	4,540.38	4,325.39	4,106.16
	Provisions	29.13	2,906.82	4,465.64
	Other Non-Current Liabilities	71,036.09	67,718.87	86,133.95
	Total Non Current Liabilities	76,376.79	75,603.79	95,226.50
CURRENT LIABILITIES	Current Liabilities			
	Financial Liabilities			
	Borrowings	216.63		
	Trade Payables	34,548.53	74,260.11	55,246.98
	Lease Liabilities	106.10	118.48	131.96
	Other Financial Liabilities	16,554.62	14,417.85	16,436.59
	Other Current Liabilities	147,415.56	140,302.58	155,359.65
	Provisions	32,624.91	22,998.08	30,930.60
	Total Current Liabilities	231,466.35	252,097.10	258,105.78
	TOTAL LIABILITIES	307,843.14	327,700.89	353,332.28
	TOTAL EQUITY & LIABILITIES	568,526.11	596,175.61	656,388.02

	FOR THE YEAR ENDED 31 Mar	2020	2021	2022
	INCOME	Rs in lakhs		
	Revenue from Operations	310,487.20	191,375.95	281,740.28
	Other Income	8,805.03	9,461.36	11,121.04
	TOTAL INCOME	319,292.23	200,837.31	292,861.32
OPERATING	EXPENDITURE			
	Cost of Materials Consumed	101,408.85	97,008.31	126,336.55
	Stock Adjustments	50,366.33	-12,890.75	-8,435.58
	Employee Benefits Expenses	53,403.07	50,108.86	57,066.27
	Power & Fuel	2,261.58	1,858.84	2,084.29
	Repairs & Miantenance	2,582.17	2,368.26	2,733.30
	Other Operating Expenses	14,510.16	9,484.10	11,362.90
	Other Expenses	10,405.26	8,966.46	17,985.87
	TOTAL EXPENDITURE	234,937.42	156,904.08	209,133.60
		PROFIT BEFORE DEPRECIATION & AMORTISATION, INTEREST AND TAX (EBITDA)	84,354.81	43,933.23
	Less : Depreciation & Amortisation	9,643.84	9,453.84	9,035.47
	PROFIT BEFORE INTEREST AND TAX (OPERATING PROFIT)	74,710.97	34,479.39	74,692.25
	Less: Finance Cost			
	Interest & Bank Charges	326.55	252.26	203.41
	Others	139.02	139.02	139.02
	PROFIT BEFORE EXCEPTIONAL ITEMS & TAX	74,245.40	34,088.11	74,349.82
	Less : Impairment Loss			-3,358.57
	PROFIT BEFORE TAX	74,245.40	34,088.11	70,991.25
	Less : Tax Expenses			
	Current Tax	19,002.93	7,204.37	21,653.56
	Deferred Tax	1,752.39	1,107.73	-654.75
	PROFIT AFTER TAX	53,490.08	25,776.01	49,992.44

Non-Current Assets

	AS ON 31st March	2020	2021	2022
NON-CURRENT ASSETS	Non-Current Assets	Rs in lakhs		
	Property, Plant & Equipment -	101,081.81	106,953.69	109,987.50
	Less: Accumulated Depreciation	-25,776.65	-32,680.58	-39,561.06
	Property, Plant & Equipment -	75,305.16	74,273.11	70,426.44
	Right of Use Assets	4,151.45	3,975.04	5,682.32
	Capital Work in Progress	4,205.85	2,149.86	4,073.18
	Intangible Assets	13,779.20	13,249.79	11,274.90
	Investment Property	0.97	0.97	0.97
	Financial Assets			
	Investments	390.43	452.26	
	Loans	300.35	251.96	203.69
	Other Financial Assets	4,676.89	4,404.11	4,085.76
	Deferred Tax Assets (net)	5,424.97	4,773.25	5,710.71
	Other Non Current Assets	2,884.57	2,745.55	2,606.53
Total Non Current Assets	111,119.84	106,275.90	104,064.50	

Note 1: Property, Plant and Equipment

(IN IN LAKHS)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION					NET CARRYING AMOUNT
	As at April 1, 2021	Additions during the year	Deductions / adjustments during the year	As at March 31, 2022	Accumulated depreciation/ amortisation as at April 1, 2021	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2022	As at March 31, 2022
Freehold Land	8,800.66	-	-	8,800.66	-	-	-	-	-	8,800.66
Buildings	32,080.67	39.19	(38.12)	32,081.74	5,747.65	1,303.28	-	-	7,050.93	25,030.81
Fencing and Compound Walls	1,311.54	96.61	-	1,408.15	1,158.14	56.86	-	-	1,215.00	193.15
Roads and Drains	1,678.83	11.57	-	1,690.40	766.70	160.49	-	140.74	1,067.93	622.47
Water Supply Installations	187.84	0.66	-	188.50	35.55	8.63	-	-	44.18	144.32
Plant, Machinery and Equipment	52,258.54	2,501.59	(33.74)	54,726.39	17,644.27	3,808.03	(13.49)	-	21,438.81	33,287.58
Furniture and Equipment	4,577.13	375.28	(25.88)	4,926.53	2,868.75	624.22	(10.03)	-	3,482.94	1,443.59
Transport Vehicles	685.01	63.28	-	748.29	435.61	70.38	-	-	505.99	242.30
Special Tools & Equipment	5,373.47	43.37	-	5,416.84	4,023.91	731.37	-	-	4,755.28	661.56
Total	106,953.69	3,131.55	(97.74)	109,987.50	32,680.58	6,763.26	(23.52)	140.74	39,561.06	70,426.44

Non-Current Assets

	AS ON 31st March	2020	2021	2022
NON-CURRENT ASSETS	Non-Current Assets	Rs in lakhs		
	Property, Plant & Equipment -	101,081.81	106,953.69	109,987.50
	Less: Accumulated Depreciation	-25,776.65	-32,680.58	-39,561.06
	Property, Plant & Equipment -	75,305.16	74,273.11	70,426.44
	Right of Use Assets	4,151.45	3,975.04	5,682.32
	Capital Work in Progress	4,205.85	2,149.86	4,073.18
	Intangible Assets	13,779.20	13,249.79	11,274.90
	Investment Property	0.97	0.97	0.97
	Financial Assets			
	Investments	390.43	452.26	
	Loans	300.35	251.96	203.69
	Other Financial Assets	4,676.89	4,404.11	4,085.76
	Deferred Tax Assets (net)	5,424.97	4,773.25	5,710.71
	Other Non Current Assets	2,884.57	2,745.55	2,606.53
	Total Non Current Assets	111,119.84	106,275.90	104,064.50

Note 5: Intangible Assets

(₹ in Lakh)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
	As at April 1, 2021	Additions during the year	Deductions / adjustments during the year	As at March 31, 2022	Accumulated depreciation/ amortisation as at April 1, 2021	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2022	As at March 31, 2022
Development Expenditure	3,324.10	-	-	3,324.10	3,232.73	91.37	-	-	3,324.10	-
Computer Software	2,182.78	99.85	-	2,282.63	2,085.82	78.42	-	-	2,164.24	118.39
License Fee	19,914.69	-	-	19,914.69	6,853.23	1,904.95	-	-	8,758.18	11,156.51
Total	25,421.57	99.85	-	25,521.42	12,171.78	2,074.74	-	-	14,246.52	11,274.90

Non-Current Assets

	AS ON 31st March	2020	2021	2022
NON-CURRENT ASSETS	Non-Current Assets	Rs in lakhs		
	Property, Plant & Equipment -	101,081.81	106,953.69	109,987.50
	Less: Accumulated Depreciation	-25,776.65	-32,680.58	-39,561.06
	Property, Plant & Equipment -	75,305.16	74,273.11	70,426.44
	Right of Use Assets	4,151.45	3,975.04	5,682.32
	Capital Work in Progress	4,205.85	2,149.86	4,073.18
	Intangible Assets	13,779.20	13,249.79	11,274.90
	Investment Property	0.97	0.97	0.97
	Financial Assets			
	Investments	390.43	452.26	
	Loans	300.35	251.96	203.69
	Other Financial Assets	4,676.89	4,404.11	4,085.76
	Deferred Tax Assets (net)	5,424.97	4,773.25	5,710.71
	Other Non Current Assets	2,884.57	2,745.55	2,606.53
Total Non Current Assets	111,119.84	106,275.90	104,064.50	

	PARTICULARS	As at March 31, 2022	As at March 31, 2021
9	Other Non-current Assets		
	Capital advances	660.30	660.30
	Deferred expense*	1,946.23	2,085.25
		2,606.53	2,745.55

Non-Current Assets

	AS ON 31st March	2020	2021	2022
NON-CURRENT ASSETS	Non-Current Assets	Rs in lakhs		
	Property, Plant & Equipment -	101,081.81	106,953.69	109,987.50
	Less: Accumulated Depreciation	-25,776.65	-32,680.58	-39,561.06
	Property, Plant & Equipment -	75,305.16	74,273.11	70,426.44
	Right of Use Assets	4,151.45	3,975.04	5,682.32
	Capital Work in Progress	4,205.85	2,149.86	4,073.18
	Intangible Assets	13,779.20	13,249.79	11,274.90
	Investment Property	0.97	0.97	0.97
	Financial Assets			
	Investments	390.43	452.26	
	Loans	300.35	251.96	203.69
	Other Financial Assets	4,676.89	4,404.11	4,085.76
	Deferred Tax Assets (net)	5,424.97	4,773.25	5,710.71
	Other Non Current Assets	2,884.57	2,745.55	2,606.53
Total Non Current Assets	111,119.84	106,275.90	104,064.50	

	Other Non-current Financial Assets		
	Claims/Refunds receivable	93.00	198.18
8	Deferred Debts	3,992.76	4,205.93
		4,085.76	4,404.11

Depreciation

Asset	Useful life
Buildings	30 / 60
Fencing and Compound walls	5
Roads and Drains	10
Water supply installations	30
Plant, Machinery and Equipment	10/ 12/ 15
Furniture and Equipment	3 / 5 / 10
Transport vehicles	8 / 10

Current Assets

CURRENT ASSETS	Current Assets			
	Inventories	85,651.77	139,701.00	165,445.13
	Raw Materials	56,627.51	96,833.06	113,765.32
	Work in Progress	26,962.15	40,236.32	46,303.39
	Finished Goods	427.69	518.21	3,144.20
	Stores & Spares	1,634.42	2,113.41	2,232.22
	Financial Assets			
	Trade Receivables	33,836.80	32,269.27	30,416.13
	Cash and Cash Equivalents	29,749.47	45,691.67	26,504.37
	Bank Balances	36,600.00	110,403.80	163,449.00
	Loans	236.96	196.87	183.74
	Other Financial Assets	242,550.43	121,594.31	129,162.31
	Other Current Assets	28,780.84	40,042.79	37,162.84
	Total Current Assets	457,406.27	489,899.71	552,323.52

16	Other Current Assets		
	Advances other than capital advances:		
	Advances to vendors		
	- Secured, considered good	389.95	1,361.76
	- Unsecured, considered good	29,427.63	28,381.59
	- Unsecured, considered doubtful	1.71	1.71
	Less: Provision for doubtful advances	(1.71)	(1.71)
	Prepaid expenses	369.60	255.28
	Deposits	3,817.79	5,621.63
	Deferred Expense*	139.02	139.02
	Earmarked balances with banks for unpaid dividend	101.05	60.25
	CSR Expenditure available for setoff #	5.75	
	Total Current Assets	34,250.79	35,819.53

Current Assets

CURRENT ASSETS	Current Assets			
	Inventories	85,651.77	139,701.00	165,445.13
	Raw Materials	56,627.51	96,833.06	113,765.32
	Work in Progress	26,962.15	40,236.32	46,303.39
	Finished Goods	427.69	518.21	3,144.20
	Stores & Spares	1,634.42	2,113.41	2,232.22
	Financial Assets			
	Trade Receivables	33,836.80	32,269.27	30,416.13
	Cash and Cash Equivalents	29,749.47	45,691.67	26,504.37
	Bank Balances	36,600.00	110,403.80	163,449.00
	Loans	236.96	196.87	183.74
	Other Financial Assets	242,550.43	121,594.31	129,162.31
	Other Current Assets	28,780.84	40,042.79	37,162.84
	Total Current Assets	457,406.27	489,899.71	552,323.52

15	Other Current Financial Assets		
	Claims/Refunds receivable	7,384.87	3,969.40
	Less: Provision for doubtful claims (Refer Note below)	(21.47)	(21.47)
	Deferred Debts*	347.85	347.85
	Unbilled Revenue#	119,119.48	115,251.21
	Interest accrued on Deposits	2,317.85	2,022.42
	Interest accrued - Others	13.45	24.62
	Other Assets held for sale	0.28	0.28
	Total Other Current Financial Assets	129,162.31	121,594.31

Equity

	AS ON 31st March	2020	2021	2022
		Rs in lakhs		
EQUITY	EQUITY			
	Equity Share Capital	18,328.12	18,328.12	18,328.12
	Other Equity			
	General Reserve	223,135.54	248,135.54	282,062.94
	Retained Earnings	19,219.31	2,011.06	2,664.68
	Other Equity	242,354.85	250,146.60	284,727.62
	TOTAL EQUITY	260,682.97	268,474.72	303,055.74

	PARTICULARS	As at March 31, 2022	As at March 31, 2021
18	Other Equity		
	General Reserve	288,135.54	248,135.54
	Capital redemption Reserve	-	-
	Retained Earnings	2,664.68	7,243.10
	Other Comprehensive Income - Remeasurement of the defined benefit plans	(6,072.60)	(5,232.04)
	Balance at end of year	284,727.62	250,146.60

NON-CURRENT LIABILITIES

NON CURRENT LIABILITIES	Non Current Liabilities			
	Financial Liabilities			
	Lease Liabilities	771.19	652.71	520.75
	Other Financial Liabilities	4,540.38	4,325.39	4,106.16
	Provisions	29.13	2,906.82	4,465.64
	Other Non-Current Liabilities	71,036.09	67,718.87	86,133.95
	Total Non Current Liabilities	76,376.79	75,603.79	95,226.50

(IN MILLION)

	PARTICULARS	As at March 31, 2022	As at March 31, 2021
22	Other Non - Current Liabilities		
	Advances from Customers-\$		
	Ministry of Defence (MoD)	63,462.98	12,276.37
	Others	9,857.22	43,892.72
	Deferred Income*	2,001.51	2,144.48
	Deferred Revenue #	10,812.24	9,405.30
		86,133.95	67,718.87

NON-CURRENT LIABILITIES

NON CURRENT LIABILITIES	Non Current Liabilities			
	Financial Liabilities			
	Lease Liabilities	771.19	652.71	520.75
	Other Financial Liabilities	4,540.38	4,325.39	4,106.16
	Provisions	29.13	2,906.82	4,465.64
	Other Non-Current Liabilities	71,036.09	67,718.87	86,133.95
	Total Non Current Liabilities	76,376.79	75,603.79	95,226.50

21	Non-current Provisions		
	Asset Retirement Obligation	34.16	31.54
	Employee benefits		
	Accrued Leave	-	-
	Gratuity	-	-
	Provident Fund	4,431.48	2,875.28
		4,465.64	2,906.82
Refer note 38(3) : Employee Benefit Obligations			

NON-CURRENT LIABILITIES

NON CURRENT LIABILITIES	Non Current Liabilities			
	Financial Liabilities			
	Lease Liabilities	771.19	652.71	520.75
	Other Financial Liabilities	4,540.38	4,325.39	4,106.16
	Provisions	29.13	2,906.82	4,465.64
	Other Non-Current Liabilities	71,036.09	67,718.87	86,133.95
	Total Non Current Liabilities	76,376.79	75,603.79	95,226.50

19	Non- Current Lease Liabilities		
	Lease Liabilities	520.75	652.71
		520.75	652.71
20	Other Non - Current Financial Liabilities		
	Deferred Credit	1,674.19	1,731.28
	Embedded derivative liability (Deferred liability)	2,431.97	2,594.11
		4,106.16	4,325.39

CURRENT LIABILITIES

CURRENT LIABILITIES	Current Liabilities			
	Financial Liabilities			
	Borrowings	216.63		
	Trade Payables	34,548.53	74,260.11	55,246.98
	Lease Liabilities	106.10	118.48	131.96
	Other Financial Liabilities	16,554.62	14,417.85	16,436.59
	Other Current Liabilities	147,415.56	140,302.58	155,359.65
	Provisions	32,624.91	22,998.08	30,930.60
	Total Current Liabilities	231,466.35	252,097.10	258,105.78

28	Current Provisions		
	Employee benefits		
	- Gratuity	-	-
	- Accrued leave	-	-
	- Provident Fund	967.97	122.86
	Warranty	10,061.84	7,322.28
	Onerous contract	785.03	789.64
	CSR & Sustainable development	-	637.06
	Future charges	1,870.84	4,270.63
	Others	17,244.92	9,855.61
		30,930.60	22,998.08

CURRENT LIABILITIES

CURRENT LIABILITIES	Current Liabilities			
	Financial Liabilities			
	Borrowings	216.63		
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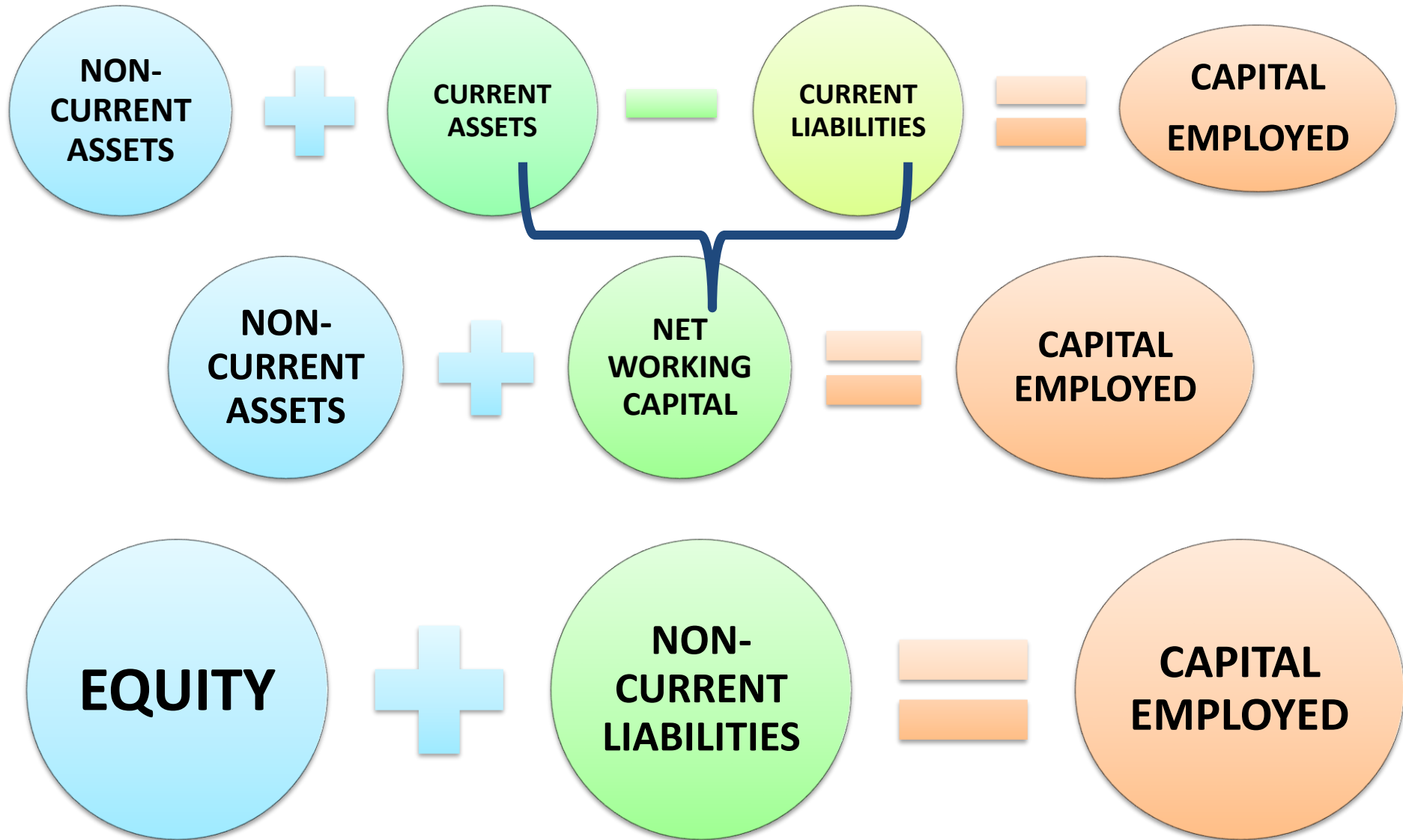
27	Other Current Liabilities		
	Advances from Customers:#		
	- Ministry of Defence (MoD)	82,761.24	95,671.28
	- Others	60,115.76	37,575.06
	Deferred Income*	142.97	142.97
	Deferred Revenue	1,456.66	1,993.93
	Statutory remittances	10,883.02	4,919.34
		155,359.65	140,302.58

CURRENT LIABILITIES

CURRENT LIABILITIES	Current Liabilities			
	Financial Liabilities			
	Borrowings	216.63		
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	Provisions	32,624.91	22,998.08	30,930.60
	Total Current Liabilities	231,466.35	252,097.10	258,105.78

	PARTICULARS	As at March 31, 2022	As at March 31, 2021
26	Other Current Financial Liabilities		
	Current maturities of Deferred credit*	357.73	357.73
	Deposits	1,413.42	1,810.04
	Creditors for expenses	6,828.34	4,245.51
	Employee benefits payable	6,388.29	6,603.49
	Capital works	1,146.22	946.57
	Others	302.59	454.51
		16,436.59	14,417.85

CAPITAL EMPLOYED



Return on Capital Employed

$$\text{ROI} = \frac{\text{Income} - \text{Expenditure}}{\text{Assets}}$$

$$= \frac{\text{Income} - \text{Expenditure}}{\text{Liabilities} + \text{Equity}}$$

$$\text{Capital Employed} = \text{Liab} + \text{Equity}$$

Return on Capital Employed

$$\text{ROCE} = \frac{\text{Income} - \text{Expenditure}}{\text{NonCurrent Liab} + \text{Equity}}$$

1. EQUITY
2. NON-CURRENT LIABILITIES
3. INTEREST BEARING CURRENT LIABILITIES
- Less:
1. DEFERRED TAX ASSETS

1. EQUITY =
2. NON-CURRENT LIABILITIES=
3. INTEREST BEARING CURRENT LIABILITIES=
- Less:
4. DEFERRED TAX ASSETS =

CAPITAL EMPLOYED =

		Rs in lakhs		
EQUITY	EQUITY			
	Equity Share Capital	18,328.12	18,328.12	18,328.12
	Other Equity			
	General Reserve	223,135.54	248,135.54	282,062.94
	Retained Earnings	19,219.31	2,011.06	2,664.68
	Other Equity	242,354.85	250,146.60	284,727.62
	TOTAL EQUITY	260,682.97	268,474.72	303,055.74
LIABILITIES				
NON CURRENT LIABILITIES	Non Current Liabilities			
	Financial Liabilities			
	Lease Liabilities	771.19	652.71	520.75
	Other Financial Liabilities	4,540.38	4,325.39	4,106.16
	Provisions	29.13	2,906.82	4,465.64
	Other Non-Current Liabilities	71,036.09	67,718.87	86,133.95
	Total Non Current Liabilities	76,376.79	75,603.79	95,226.50

Revenue

PARTICULARS		March 31, 2022	March 31, 2021
30	Revenue from Operations		
	Sale of products		
	Finished Goods	229,809.12	156,188.18
	Spares	18,015.01	11,511.42
	Miscellaneous	2,244.27	1,237.55
	LD refunded / (levied) by Customers #	9,598.53	(3,585.74)
		259,666.93	165,351.41
	Sale of services*		
	Repairs and Overhauls	3,407.14	7,154.92
	Training	-	-
	Job Works	8,328.17	8,075.59
	Miscellaneous	-	293.56
	LD refunded / (levied) by Customers	(176.05)	(128.69)
		11,559.26	15,395.38
	Other operating revenue		
	Construction Contracts	-	-
	Sale of Scrap	73.18	29.11
	Deferred revenue on customer provided assets	2,654.32	1,344.62
	Solar Power	772.60	1,327.51
	Provisions no longer required, written back	1,474.64	722.62
	Other Claims	5,754.19	7,205.30
	LD refunded / (levied) by Customers	(214.84)	-
		10,514.09	10,629.16
	Total	281,740.28	191,375.95

See note 38(4): Construction Contracts

ROCE

ROCE

Return

Capital
Employed

Return on Capital Employed
 = Profit ??????
 Equity + Non-Current Liabilities
 OR
 Non-Current Assets + Net Working
 Capital

	FOR THE YEAR ENDED 31 Mar	2020	2021	2022
	INCOME	Rs in lakhs		
	Revenue from Operations	310,487.20	191,375.95	281,740.28
	Other Income	8,805.03	9,461.36	11,121.04
	TOTAL INCOME	319,292.23	200,837.31	292,861.32
OPERATING	EXPENDITURE			
	Cost of Materials Consumed	101,408.85	97,008.31	126,336.55
	Stock Adjustments	50,366.33	-12,890.75	-8,435.58
	Employee Benefits Expenses	53,403.07	50,108.86	57,066.27
	Power & Fuel	2,261.58	1,858.84	2,084.29
	Repairs & Miantenance	2,582.17	2,368.26	2,733.30
	Other Operating Expenses	14,510.16	9,484.10	11,362.90
	Other Expenses	10,405.26	8,966.46	17,985.87
	TOTAL EXPENDITURE	234,937.42	156,904.08	209,133.60
		PROFIT BEFORE DEPRECIATION & AMORTISATION, INTEREST AND TAX (EBITDA)	84,354.81	43,933.23
	Less : Depreciation & Amortisation	9,643.84	9,453.84	9,035.47
	PROFIT BEFORE INTEREST AND TAX (OPERATING PROFIT)	74,710.97	34,479.39	74,692.25
	Less: Finance Cost			
	Interest & Bank Charges	326.55	252.26	203.41
	Others	139.02	139.02	139.02
	PROFIT BEFORE EXCEPTIONAL ITEMS & TAX	74,245.40	34,088.11	74,349.82
	Less : Impairment Loss			-3,358.57
	PROFIT BEFORE TAX	74,245.40	34,088.11	70,991.25
	Less : Tax Expenses			
	Current Tax	19,002.93	7,204.37	21,653.56
	Deferred Tax	1,752.39	1,107.73	654.75
	PROFIT AFTER TAX	53,490.08	25,776.01	49,992.44

Profit Before Interest & Tax
 = Operating Profit

Return on Capital Employed

		2020	2021	2022
Return on Capital Employed (%)	<u>PBIT</u>	<u>74710.97</u>	<u>34479.39</u>	<u>74692.25</u>
ROCE	Capital employed	331851.42	339305.26	392571.53
		22.51%	10.16%	19.03%
Capital Employed =	Total Equity +	260683	268475	303056
	Non Current Liabilities+	76377	75604	95227
	Short Term Borrowings -	217	0	0
	Deferred Tax Assets	-5425	-4773	-5711
		331851	339305	392572

ROCE DECOMPOSITION

$$\text{ROCE} = \frac{\text{Profit Before Interest \& Tax (PBIT)}}{\text{Invested Capital}}$$

$$\frac{\text{PBIT}}{\text{Sales}}$$

Operating Profit Margin



$$\frac{\text{Sales}}{\text{Capital Employed}}$$

Productivity of Capital Employed

Operating Margin (OPM) Decomposition

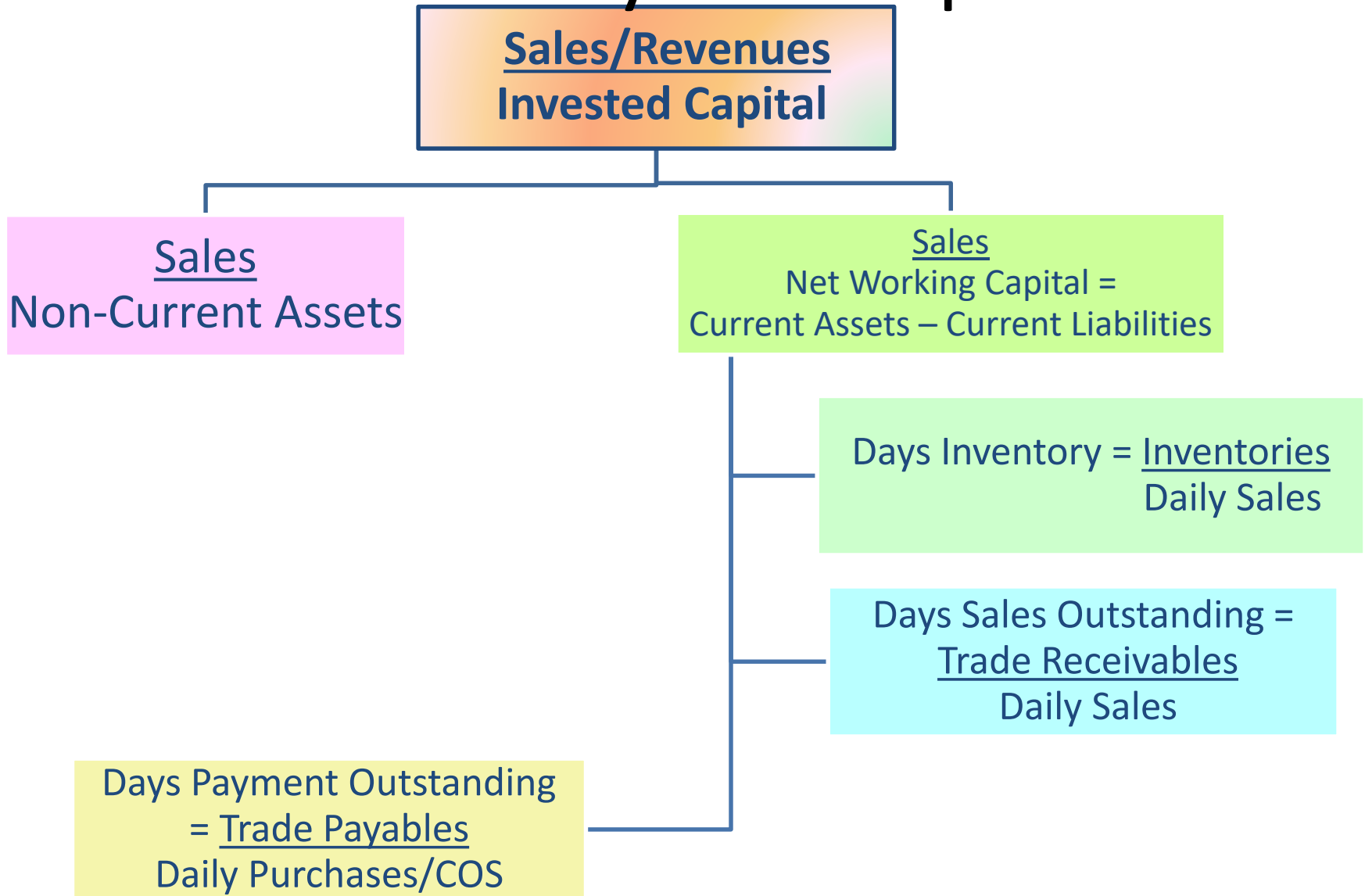
$$\frac{\text{PBIT}}{\text{Revenue}} = \frac{\text{Revenue} - \text{Opex}}{\text{Revenue}}$$

Material Cost
Sales

Employee
Expenses
Sales

Other Operating
Expenses
Sales

Productivity Decomposition



$$\text{Return on Equity} = \frac{\text{Profit After Tax (PAT)}}{\text{Total Equity}}$$

PAT
Sales
Net profit
Margin



Sales
Assets
Productivity
of Assets



Assets
Equity
Leverage

Looking Beyond Profitability

SURVIVAL



CASH FLOW

SUCCESS



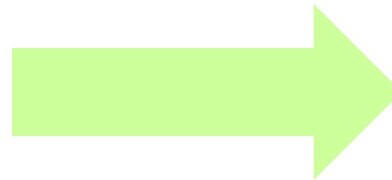
PROFIT

PROSPERITY



**PROFIT GROWTH
ROIC**

VALUE CREATION



**Economic Value
Added
ROIC > COIC**

Connecting Managerial Decisions with

ROI

INVESTMENT DECISIONS

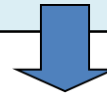
FINANCING DECISIONS

- Sources of Capital Employed
- Liabilities
- Equity



Assets

- Tangible Assets – Fixed & Current
- Intangible Assets - Fixed
- Financial Assets- Fixed & Current



OPERATING DECISIONS

- Income
- Expenditure
- Profit Before Interest & Tax
- Profit After Tax

$$\text{ROI} = \frac{\text{PROFIT}}{\text{ASSETS} = \text{LIABILITIES} + \text{EQUITY}}$$

$$\text{ROE} = \frac{\text{PROFIT AFTER TAX}}{\text{EQUITY}}$$

$$\text{ROCE} = \frac{\text{PROFIT BEFORE INTEREST AND TAX}}{\text{NON CURRENT LAIBILITIES} + \text{EQUITY}}$$