

Glossary of Financial Terms

PROFITABILITY RATIOS

EBITDA Margin

EBITDA / Net Revenue from Operations

EBIT Margin

EBIT / Net Revenue from Operations

EBT Margin

PBT / Net Revenue from Operations

Net Profit Margin

Net Profit / Net Revenue from Operations

RETURN RATIOS

Return on Assets

$[\text{Net Profit} + \text{Finance Costs} * (1 - \text{Marginal Tax rate})] / \text{Average Total Assets}$

Return on Net Worth

Net Profit / Average Net Worth

Return on Capital Employed

EBIT / Average Capital Employed

ACTIVITY RATIOS

Fixed Asset Turnover

Net Revenue from Operations / Average Net Fixed Assets

GWC % of Sales

Average Gross Working Capital / Net Revenue from Operations

NWC % of Sales

Average Net Working Capital / Net Revenue from Operations

LIQUIDITY RATIOS

Current Ratio

Current Assets / Current Liabilities

Quick Ratio

(Current Assets – Inventories) / Current Liabilities

SOLVENCY RATIOS

Total Debt to Equity

Total Loan Funds / Net Worth

Net Debt to Equity

(Total Loan Funds – Cash & Short-term Investments) / Net Worth

Total Debt to EBITDA

Total Loan Funds / EBITDA

Net Debt to EBITDA

(Total Loan Funds – Cash & Short-term Investments) / EBITDA

EBITDA Coverage

EBITDA / Finance costs

INVESTMENT RATIOS

Earnings per Share (EPS)

Net Profit / Number of Shares Outstanding

Dividend per Share

Dividends Paid / Number of Shares Outstanding

Dividend Payout Ratio

Dividend per Share / Earnings per Share

Book Value per Share (BVPS)

Net Worth / Number of Shares Outstanding

GENERAL TERMS

Current Assets

Note: Current Assets are as per old Schedule VI format to make the Balance Sheet like-to-like.

Current Liabilities

Note: Current Liabilities are as per old Schedule VI format to make the Balance Sheet like-to-like.

Net Worth

Share Capital + Share Warrants + Reserves & Surplus

Total Loan Funds

Long-term Borrowings + Short-term Borrowings + Current Portion of Long-term Debt

Capital Employed (Total Funds Employed)

Net Worth + Minority Interest + Deferred Tax Liabilities (Net) + Total Loan Funds

Cash & Short-term Investments

Cash & Bank balances + Current Investments

Gross Working Capital

Current Assets – Cash & Bank balances

Net Working Capital

Current Assets – Cash & Bank balances – Current Liabilities

Total Assets

Total Capital Utilized + Current Liabilities

Note: Total Assets is net of Deferred Tax Assets/Liabilities

Marginal Tax Rate

33%