UNDERSTANDING AND INTERPRETATION OF FINANCIAL STATEMENTS

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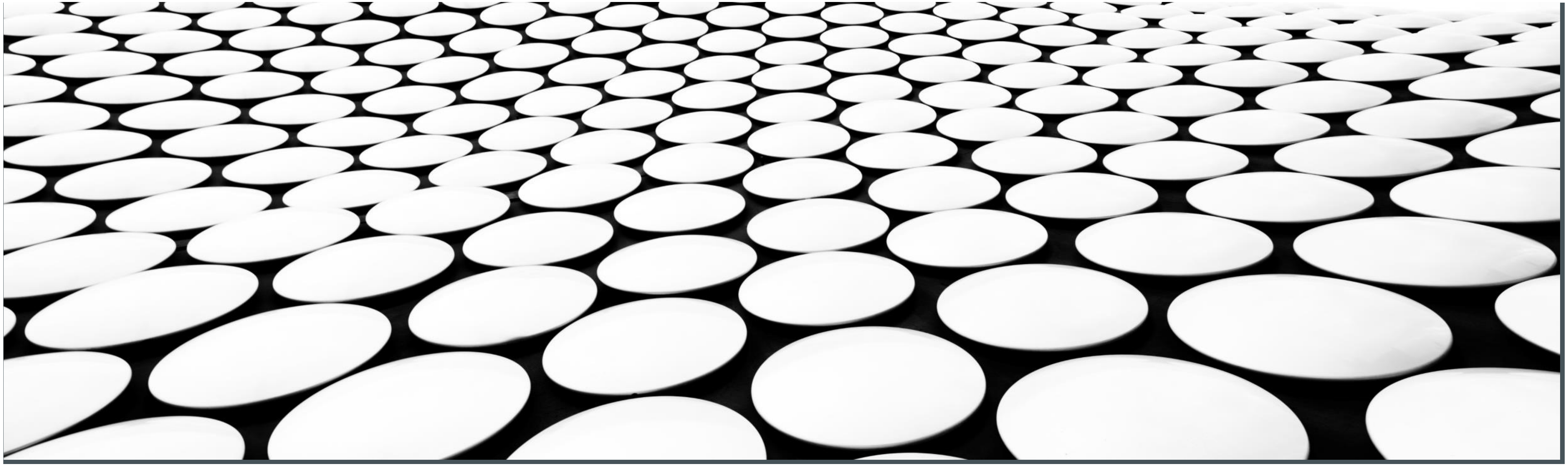
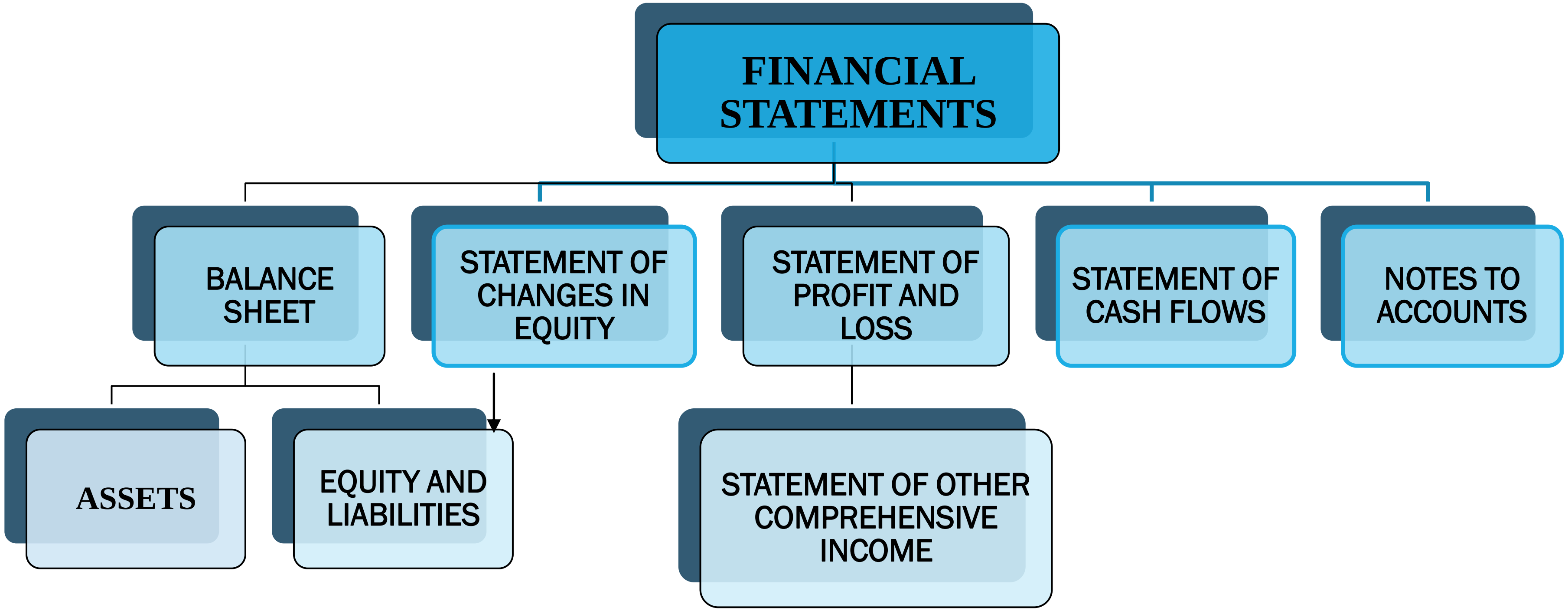


PRESENTATION ROADMAP

- ELEMENTS OF FINANCIAL STATEMENTS
- FINANCIAL PERFORMANCE
- BALANCE SHEET AND ITS COMPONENTS
- ANALYSIS OF FINANCIAL STATEMENTS
  - PROFITABILITY ANALYSIS
  - LIQUIDITY ANALYSIS
  - SOLVENCY ANALYSIS
  - ACTIVITY ANALYSIS
  - RETURN ON INVESTMENTS

ELEMENTS OF FINANCIAL STATEMENTS

FINANCIAL STATEMENTS



FINANCIAL STATEMENTS

- **Balance Sheet**: This statement represents the financial position which discloses short term and long-term solvency, which is the ability to meet the liability in the short as well as long term. According to framework Liquidity represents the availability of sufficient funds to meet the deposit withdrawals and other financial commitments as they fall due. Solvency is the availability of cash over the longer term to meet the financial commitments as they fall due.

- **Statement of Profit and Loss**: This statement reflects net financial results of an entity

- **Cash flow statement**: This statement manifests sources from where cash has been acquired and the utilisation of the same and also helps the entity to predict future cash flows.

- **Statement of changes in Equity:** Depicts movement in shareholder's equity and includes net profit or loss during the accounting period, increase or decrease in reserves and dividend payments to shareholders.

- **Notes and schedules forming part of Accounts**: These represent a summary of accounting policies, explanations and assumptions forming integral part of Accounts. Proper disclosures ensure meaning interpretation of the financial statements for users of financial statements.

ELEMENTS OF FINANCIAL STATEMENTS

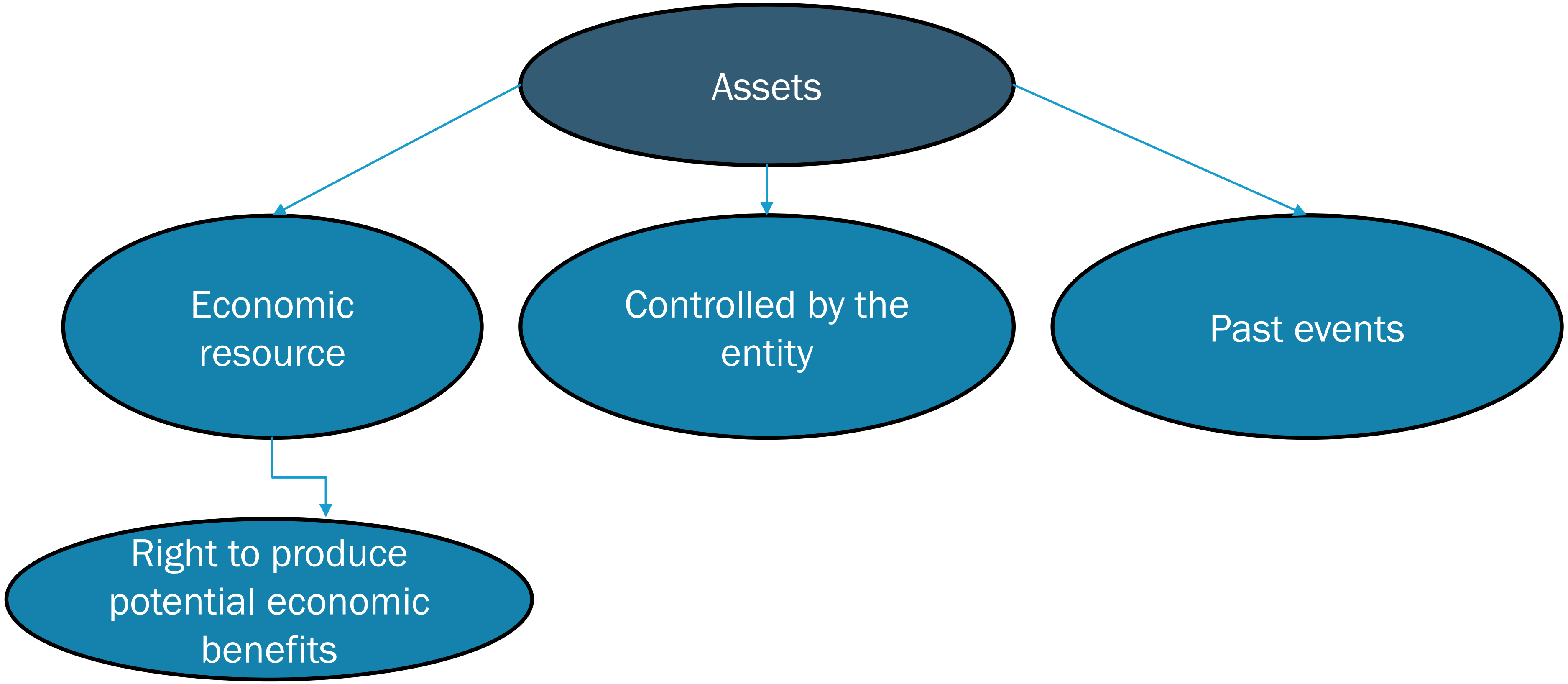
Elements of Financial Statements

Financial position
represented by
Assets
Liabilities
Equity

Financial performance
represented by
Income
Expenses

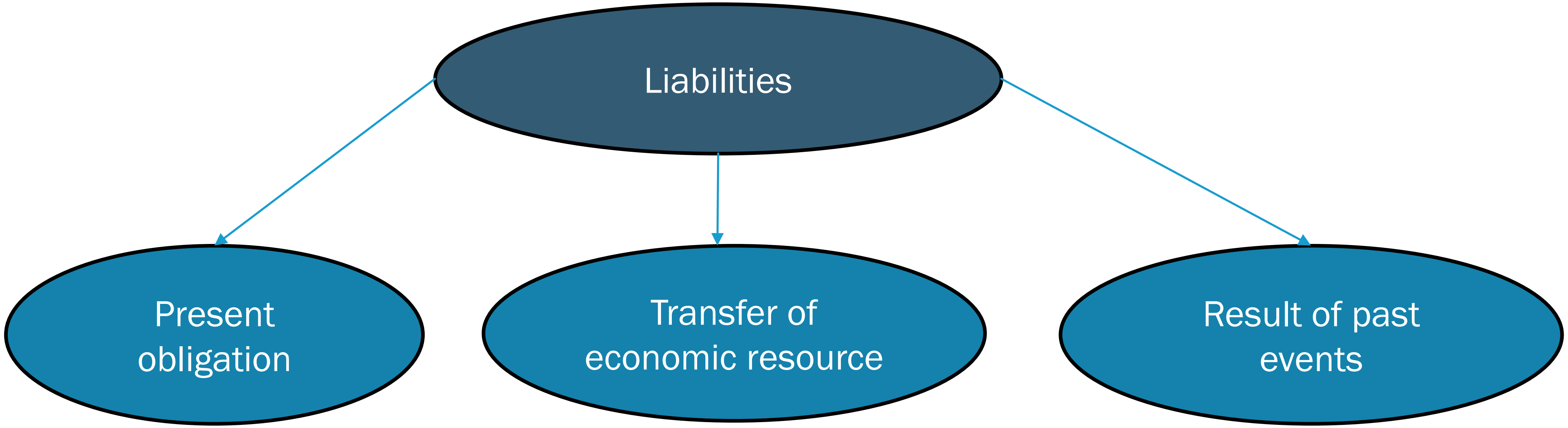
ASSETS

An asset is a present economic resource controlled by the entity as a result of past events. An economic resource is a right that has the potential to produce economic benefits - *Framework*



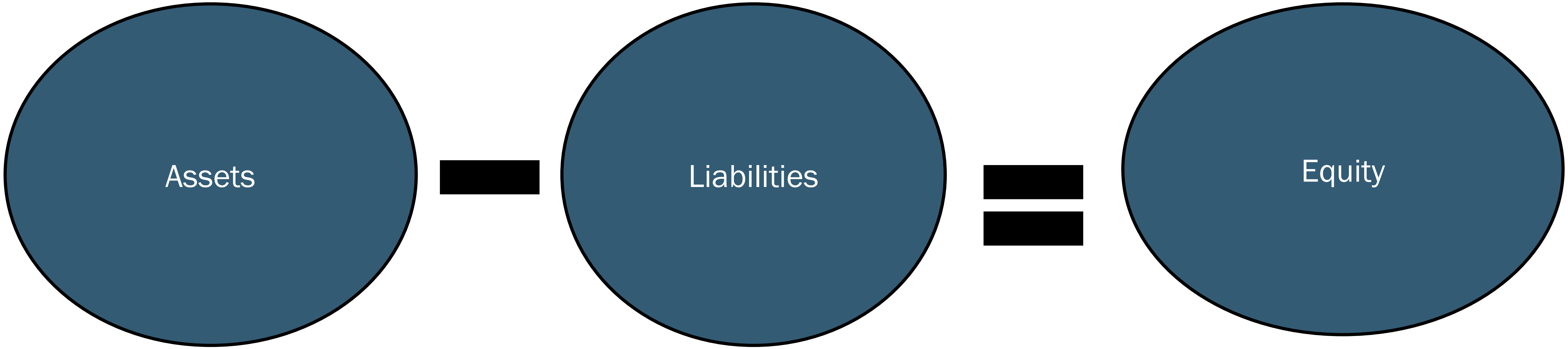
LIABILITIES

A liability is a present obligation of the entity to transfer an economic resource as a result of past events - *Framework.*

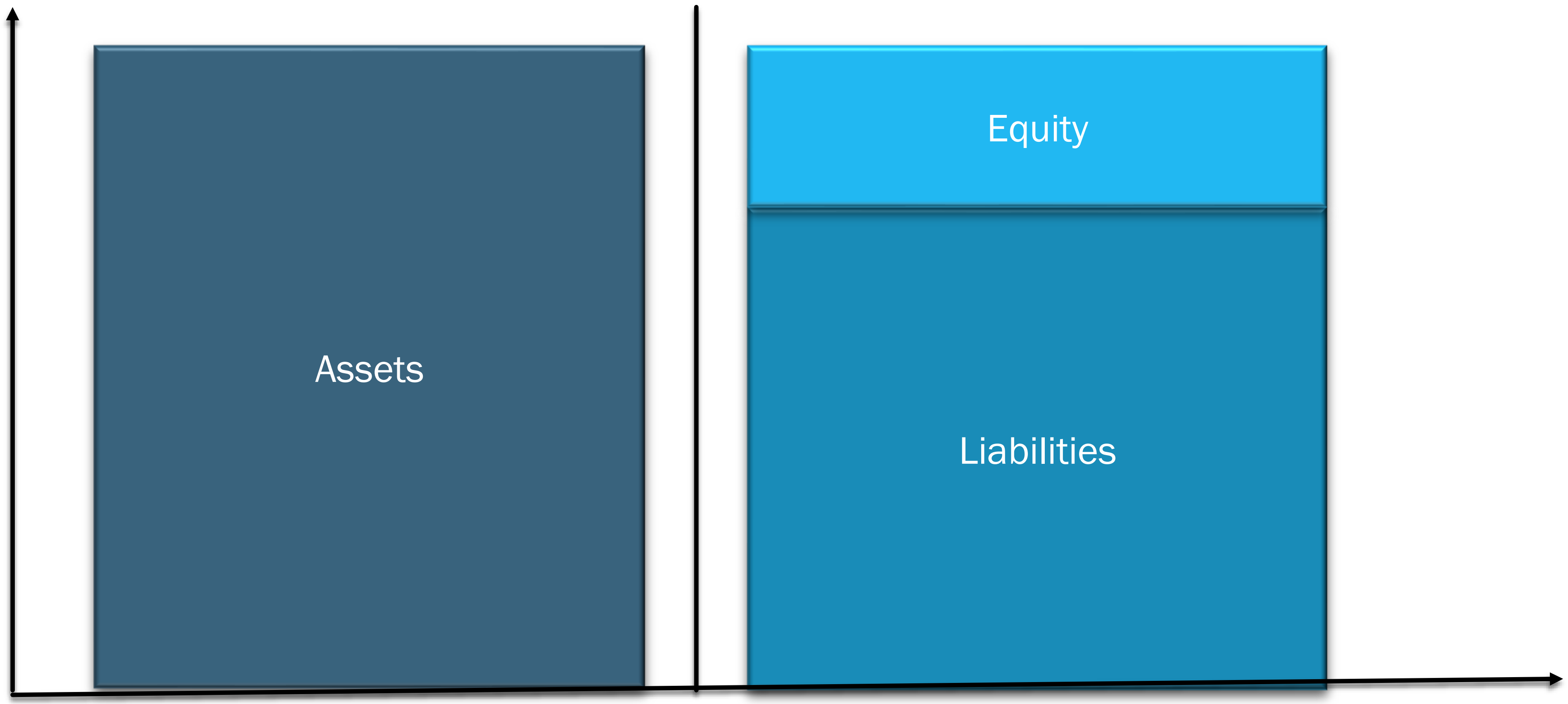


EQUITY

The residual interest in the assets of the enterprise after deducting all its liabilities - *Framework*.



BALANCE SHEET – ACCOUNTING EQUATION



BALANCE SHEET

- This statement represents the financial position which discloses ***short term and long-term solvency***, which is the ability to meet the liability in the short as well as long term.

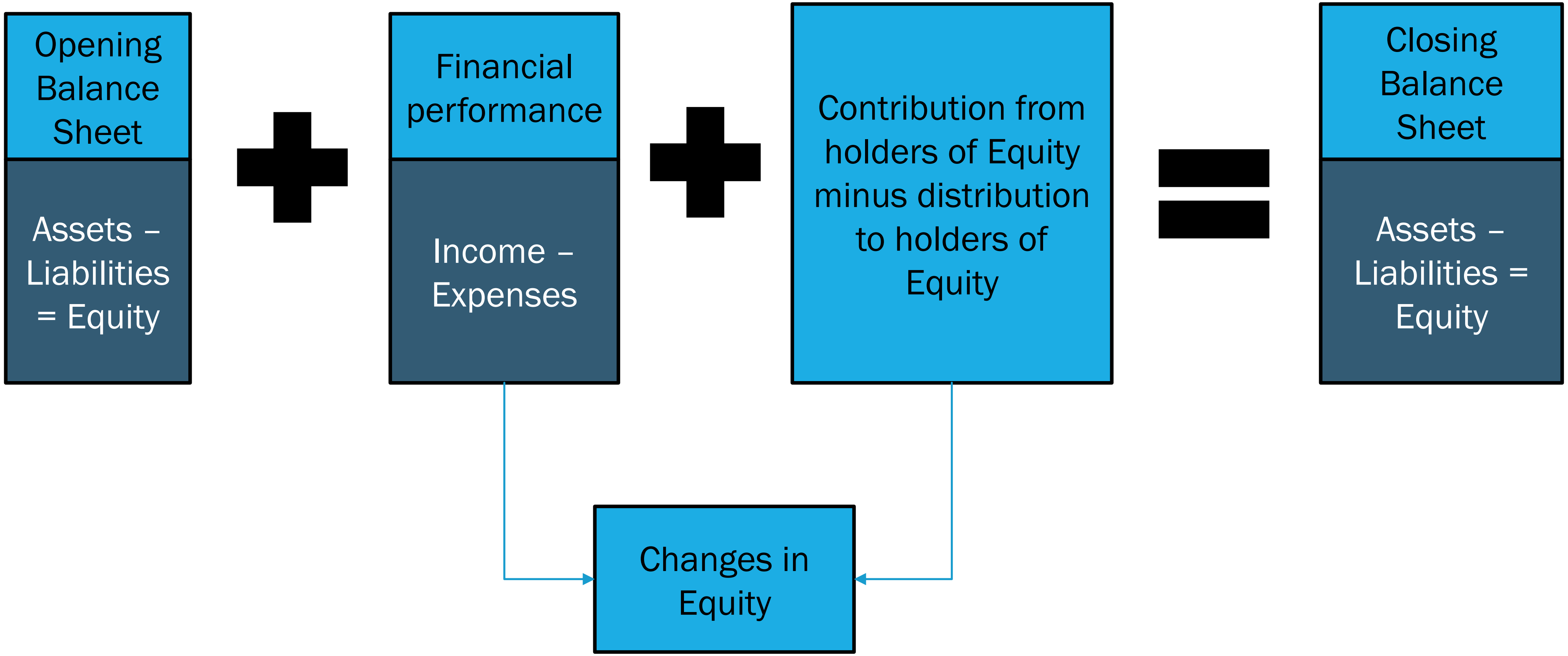
- ***Solvency*** is the availability of cash over the longer term to meet the financial commitments as they fall due.

- ***Liquidity*** represents the availability of sufficient funds to meet the deposit withdrawals and other financial commitments as they fall due.

STATEMENT OF CHANGES IN EQUITY (*FOR IND AS ENTITIES ONLY*)

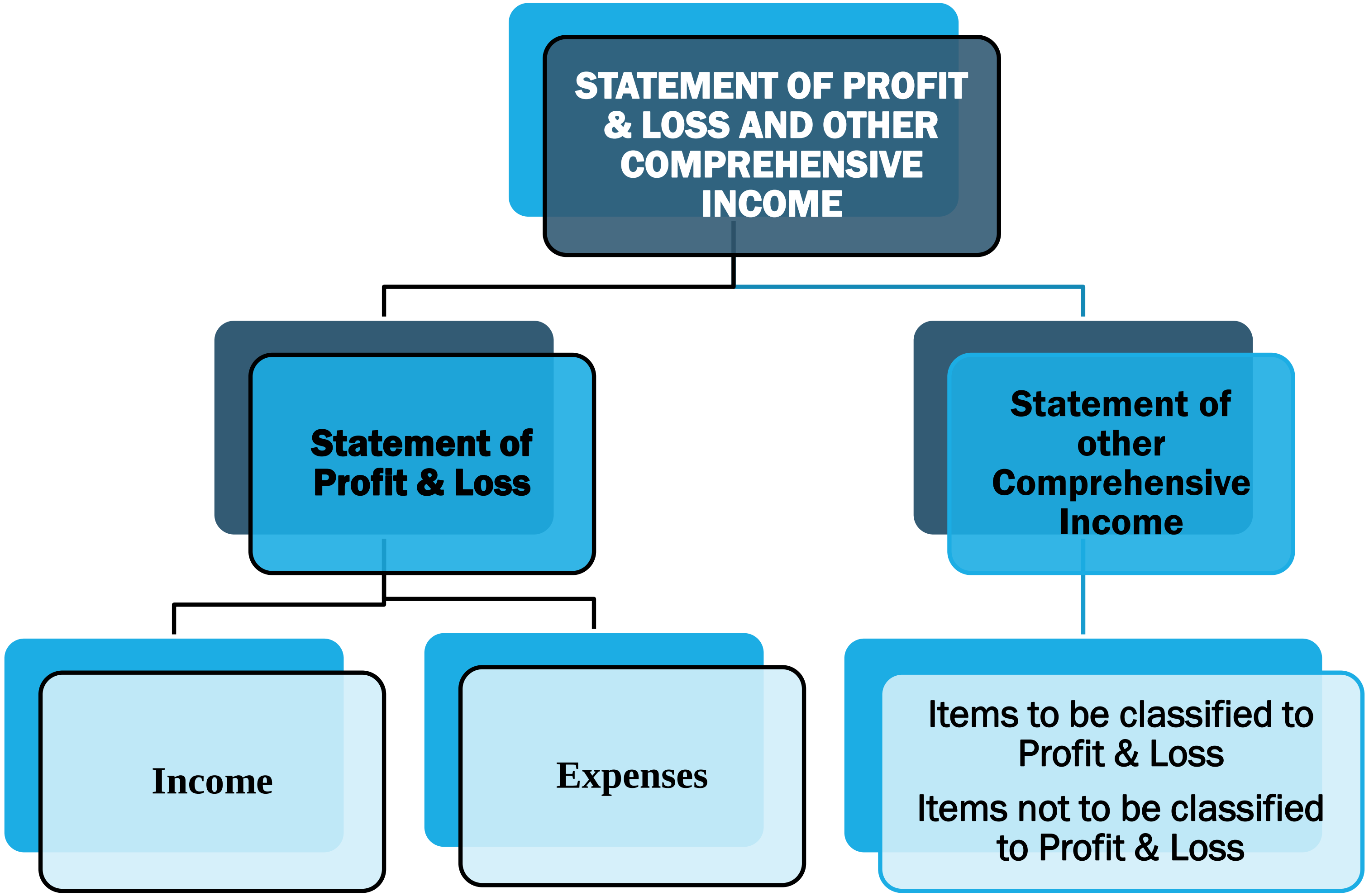
- The statement of changes in equity would reconcile opening to closing amounts for each component of equity.
- It would include reserves and surplus and items of other comprehensive income.
- Additionally, the conditions or restrictions for distribution attached to statutory reserves have to be separately disclosed in the notes as stipulated by the relevant statute.

FINANCIAL POSITION AND FINANCIAL PERFORMANCE



FINANCIAL PERFORMANCE

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME



STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

INCOME

Revenue from Operations

Other Income

Total Income

EXPENSES

Cost of material consumed

Purchases of stock-in-trade

Changes in inventories of finished goods, stock-in-trade and work-in-progress

Employees benefit expenses

Finance cost

Depreciation and Amortization expenses

Other expenses

Total Expenses

Profit/(loss) before exceptional items and tax

Exceptional items

Profit or loss before taxes

Profit or loss before taxes

Tax expenses

a) Current tax

b) Deferred tax

Profit (Loss) for the period from continuing operations

Profit/ (Loss) from discontinued operations

Tax expenses from discontinued operations

Profit / (Loss) from discontinued operations

Profit / (Loss) for the period

Other Comprehensive Income

A (i) Items that will not be reclassified to profit or loss

(ii) Income tax relating to items that will not be reclassified to profit or loss

B (i) Items that will be reclassified to profit or loss

(ii) Income tax relating to items that will be reclassified to profit or loss

Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)

↓

Earning per equity share (for continuing operations):
(1) Basic
(2) Diluted

Earning per equity share (for discontinued operations):
(1) Basic
(2) Diluted

Earning per equity share (for discontinued and continuing operations):
(1) Basic
(2) Diluted

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

GENERAL INSTRUCTIONS FOR PREPARATION OF STATEMENT OF PROFIT AND LOSS

The provisions of this Part shall apply to the income and expenditure account, in like manner as they apply to a Statement of Profit and Loss.

The Statement of Profit and Loss shall include:

(1) Profit or loss for the period;

(2) Other Comprehensive Income for the period.

The sum of (1) and (2) above is 'Total Comprehensive Income'.

Finance Costs

Finance costs shall be classified as:

(a) interest;

(b) dividend on redeemable preference shares;

(c) exchange differences regarded as an adjustment to borrowing costs;

(d) other borrowing costs (specify nature).

Other income

Other income shall be classified as:

(a) Interest Income;

(b) Dividend Income;

(c) Other non-operating income (net of expenses directly attributable to such income).

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

GENERAL INSTRUCTIONS FOR PREPARATION OF STATEMENT OF PROFIT AND LOSS

Other Comprehensive Income shall be classified into:

(A) Items that will not be reclassified to profit or loss

- (i) Changes in revaluation surplus;
- (ii) Remeasurements of the defined benefit plans;
- (iii) Equity Instruments through Other
- (iv) Comprehensive Income;
- (v) Fair value changes relating to own credit risk;
- (v) Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss;
- (vi) Others (specify nature).

(B) Items that will be reclassified to profit or loss

- (i) Exchange differences in translating the financial statements of a foreign operation;
- (ii) Debt Instruments through Other Comprehensive Income;
- (iii) The effective portion of gains and loss on hedging instruments in a cash flow hedge;
- (iv) Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent to be classified into profit or loss;
- (v) Others (specify nature).

Regulatory Deferral Account Balances shall be presented in the Statement of Profit or Loss in accordance with the relevant Indian Accounting Standards

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

REVENUE FROM OPERATIONS

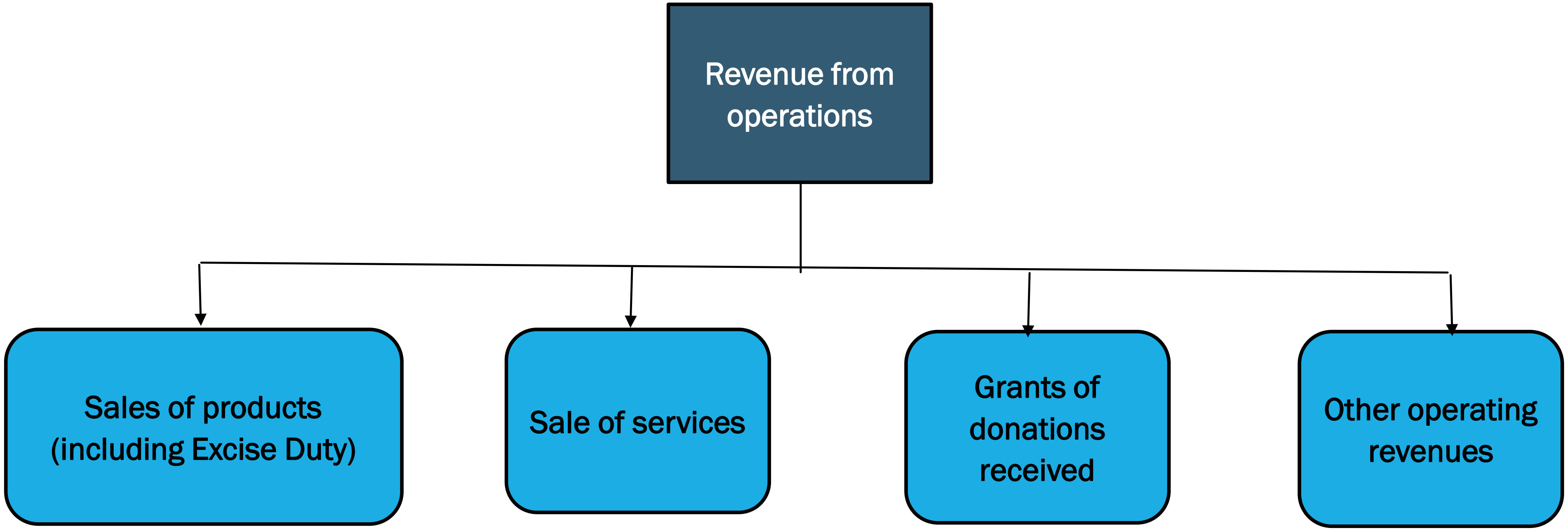
Revenue from operations shall disclose separately in the notes

(a) sale of products (including Excise Duty);

(b) sale of services;

(ba) Grants or donations received (relevant in case of section 8 companies only);

(c) other operating revenues;



NOTES TO ACCOUNTS TO STATEMENT OF PROFIT AND LOSS ACCOUNT

A company shall disclose by way of notes, additional information regarding aggregate expenditure and income on the following items:

(a) Employee Benefits expense [showing separately

- (i) salaries and wages,
- (ii) contribution to provident and other funds,
- (iii) share based payments to employees,
- (iv) staff welfare expenses.

(b) Depreciation and amortization expense;

(c) Any item of income or expenditure which exceeds one per cent of the revenue from operations or Rs.10,00,000, whichever is higher, in addition to the consideration of 'materiality' as specified in clause 7 of the General Instructions for Preparation of Financial Statements of a Company.

(d) Interest Income;

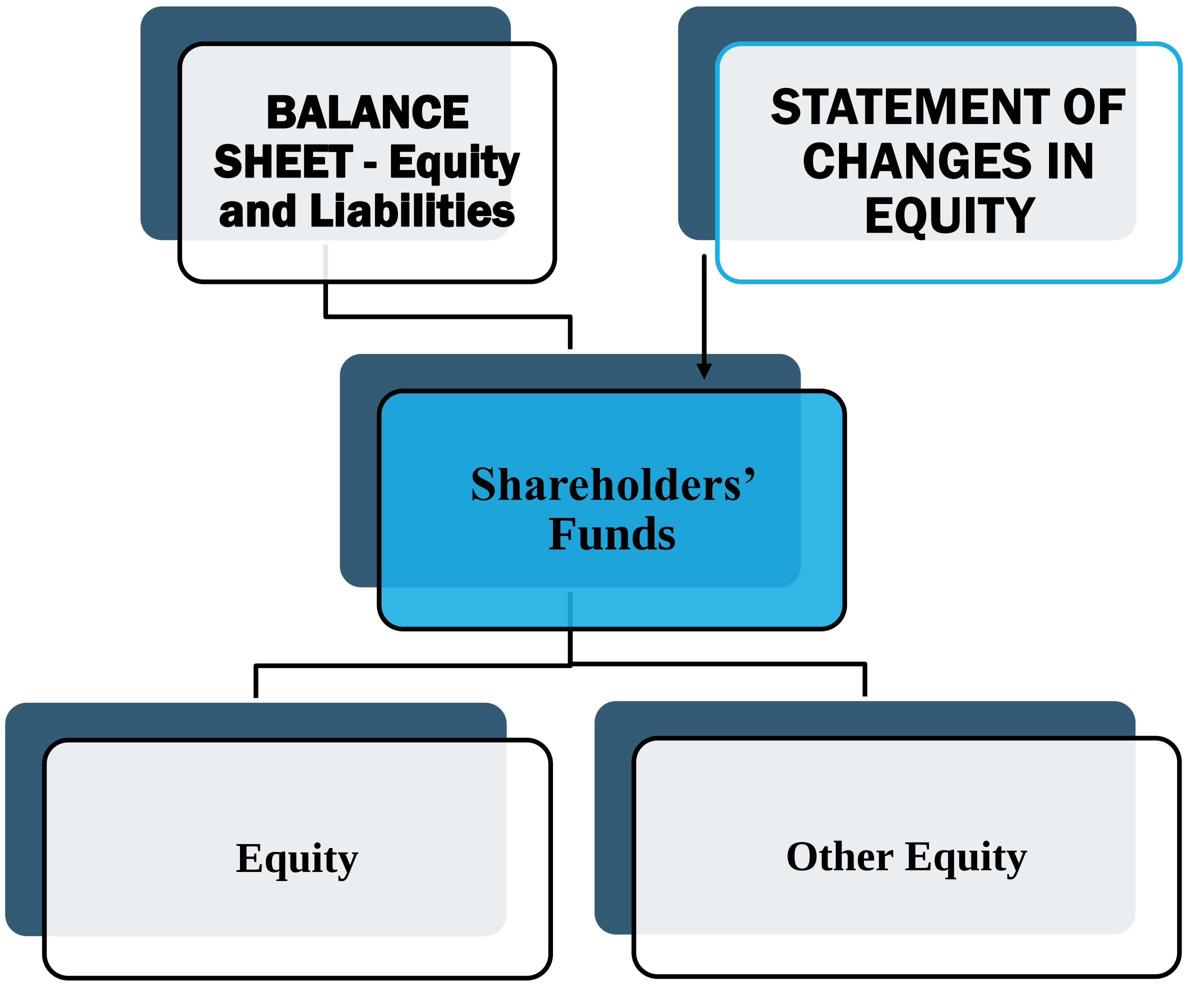
(e) Interest Expense;

NOTES TO ACCOUNTS TO STATEMENT OF PROFIT AND LOSS ACCOUNT

(f) Dividend income;
(g) Net gain/loss on sale of investments;
(h) Net gain/loss on foreign currency transaction and translation (other than considered as finance cost);
(i) Payments to the auditor as
    (a) auditor,
    (b) for taxation matters,
    (c) for company law matters,
    (d) for other services,
    (e) for reimbursement of expenses;
(j) In case of companies covered under section 135, amount of expenditure incurred on corporate social responsibility activities;
(k) Details of items of exceptional nature;
(l) Undisclosed income,
(m) Corporate social responsibility,
(n) Details of Crypto Currency or Virtual Currency

BALANCE SHEET AND ITS COMPONENTS

SHAREHOLDERS' FUNDS



SHAREHOLDERS' FUNDS - EQUITY

For each class of equity share capital:

(a) the number and amount of shares authorised;
(b) the number of shares issued, subscribed and fully paid, and subscribed but not fully paid;
(c) par value per share;
(d) a reconciliation of the number of shares outstanding at the beginning and at the end of the period;
(e) the rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital;
(f) shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate;
(g) shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held;
(h) shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts;
(i) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

- Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.
- Aggregate number and class of shares allotted as fully paid up by way of bonus shares.
- Aggregate number and class of shares bought back.

(j) Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date.
(k) Calls unpaid (showing aggregate value of calls unpaid by directors and officers)
(l) Forfeited shares (amount originally paid up)

SHAREHOLDERS' FUNDS – OTHER EQUITY

(i) 'Other Reserves' shall be classified in the notes as:

(a) Capital Redemption Reserve;

(b) Debenture Redemption Reserve;

(c) Share Options Outstanding Account;

(d) Others– (specify the nature and purpose of each reserve and the amount in respect thereof);

(Additions and deductions since last balance sheet to be shown under each of the specified heads)

(ii) Retained Earnings represents surplus i.e. balance of the relevant column in the Statement of Changes in Equity.

(iii) A reserve specifically represented by earmarked investments shall disclose the fact that it is so represented.

(iv) Debit balance of Statement of Profit and Loss shall be shown as a negative figure under the head 'retained earnings'. Similarly, the balance of 'Other Equity', after adjusting negative balance of retained earnings, if any, shall be shown under the head 'Other Equity' even if the resulting figure is in the negative.

(v) Under the sub-head 'Other Equity', disclosure shall be made for the nature and amount of each item.

STATEMENT OF CHANGES IN EQUITY

In the ***Statement of Changes in Equity***, the portion for 'Equity Share Capital' provides reconciliation for current/previous reporting periods:

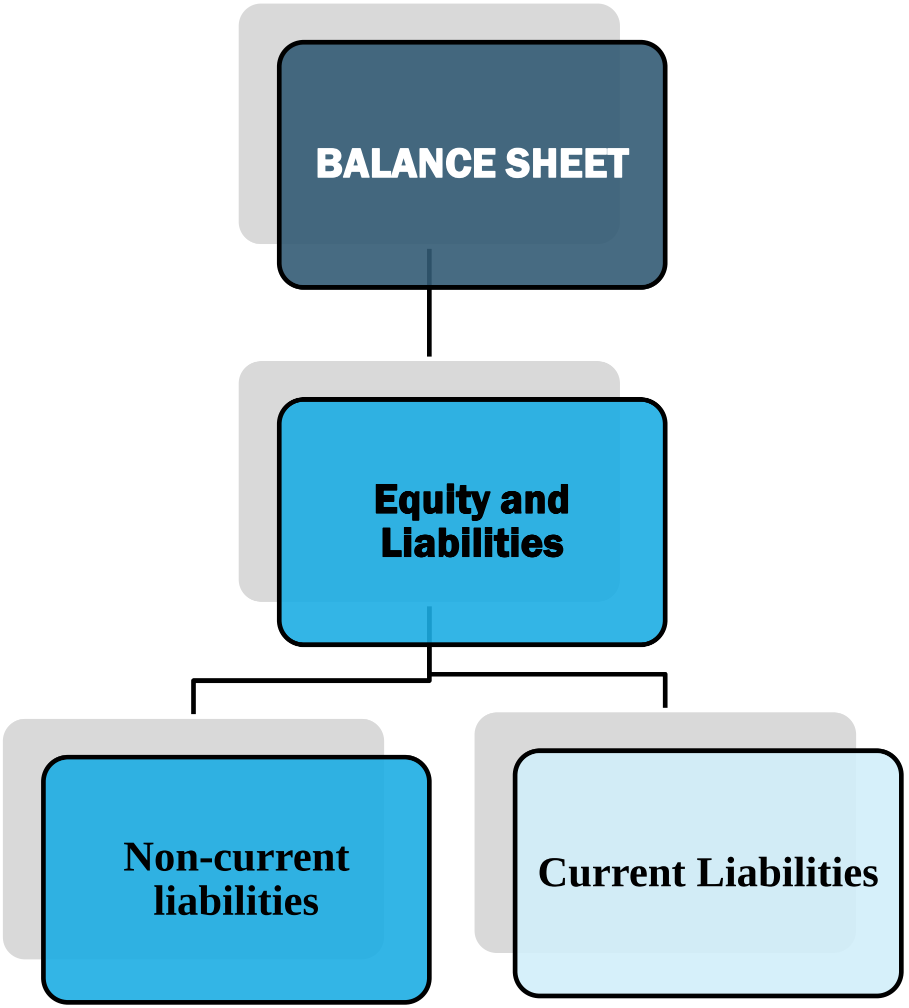
(a) Balance at the beginning of the current/previous reporting period;
(b) Changes in Equity Share Capital due to prior period errors;
(c) Restated balance at the beginning of the current/previous reporting period
(d) Changes in equity share capital during the current/previous year;
(e) Balance at the end of the current/previous reporting period

STATEMENT OF CHANGES IN EQUITY

The items included in columnar form are listed as under:

- (a) Share application money pending allotment;
- (b) Equity component of compound financial instruments;
- (c) Reserves and Surplus:
  - (i) Capital Reserve;
  - (ii) Securities Premium;
  - (iii) Other Reserves (specify nature);
  - (iv) Retained Earnings;
- (d) Debt instruments at fair value through other comprehensive income;
- (e) Equity instruments at fair value through other comprehensive income;
- (f) Effective portion of Cash Flow Hedges;
- (g) Revaluation Surplus;
- (h) Exchange differences on translating the financial statements of a foreign operation;
- (i) Other items of other comprehensive income (specify nature);
- (j) Money received against share warrants;
- (k) Non-controlling interests (for Statement of Changes in Equity of Consolidated Financial Statements.

NON CURRENT LIABILITIES



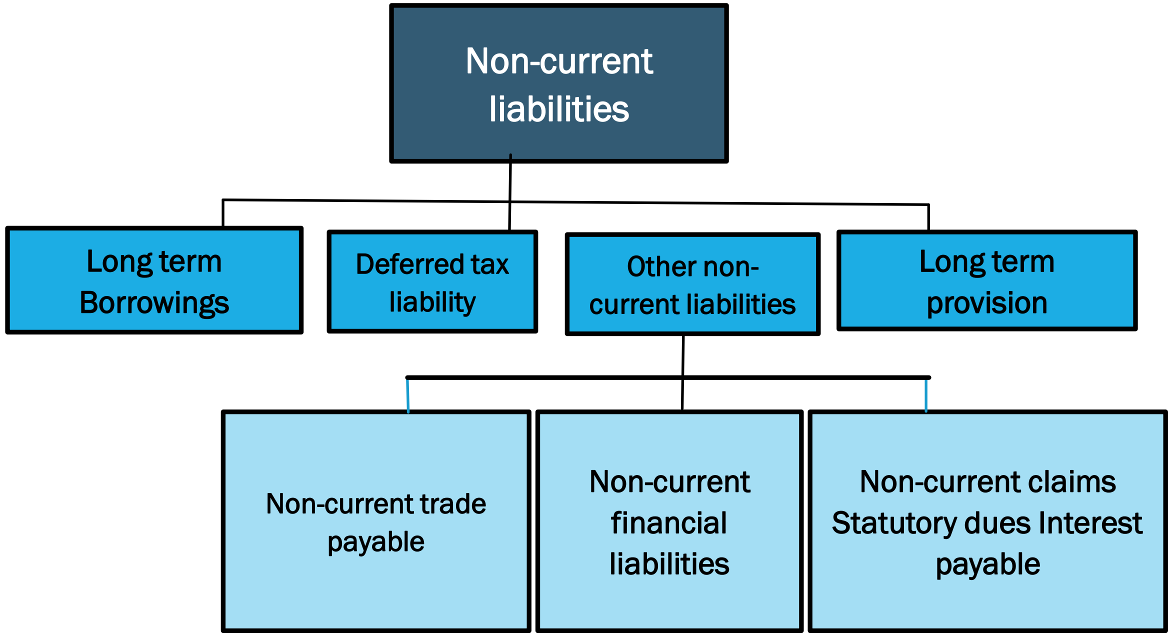
NON CURRENT LIABILITIES – CURRENT/NON CURRENT CLASSIFICATION

An entity shall classify a liability as non-current if it belongs to any category apart from the ones categorized below.

(a) it expects to settle the liability in its normal ***operating cycle***;
(b) it holds the liability primarily for trading;
(c) the liability is due to be settled within twelve months after the reporting period; or
(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

COMPONENTS OF NON CURRENT LIABILITIES



NON CURRENT LIABILITIES

I. Borrowings

(i) Borrowings shall be classified as:

- (a) Bonds/debentures
- (b) Term loans
  - I from banks.
  - II from other parties.
- (c) Deferred payment liabilities.
- (d) Deposits.
- (e) Loans from related parties.
- (f) Long term maturities of finance lease obligations
- (g) Liability component of compound financial instruments
- (h) Other loans (specify nature).

(ii) Borrowings shall further be sub-classified as secured and unsecured. Nature of security shall be specified separately in each case.

NON CURRENT LIABILITIES (CONTINUED)

I. Borrowings (Continued)

(iii) Where loans have been guaranteed by directors or others, the aggregate amount of such loans under each head shall be disclosed.

(iv) Bonds/debentures (along with the rate of interest, and particulars of redemption or conversion, as the case may be) shall be stated in descending order of maturity or conversion, starting from farthest redemption or conversion date, as the case may be. Where bonds/debentures are redeemable by instalments, the date of maturity for this purpose must be reckoned as the date on which the first instalment becomes due.

(v) Particulars of any redeemed bonds/ debentures which the company has power to reissue shall be disclosed.

(vi) Terms of repayment of term loans and other loans shall be stated.

(vii) Period and amount of default as on the balance sheet date in repayment of borrowings and interest shall be specified separately in each case.

NON CURRENT LIABILITIES (CONTINUED)

II. Other non-current liabilities

(a) Advances

(b) Others (specify nature)

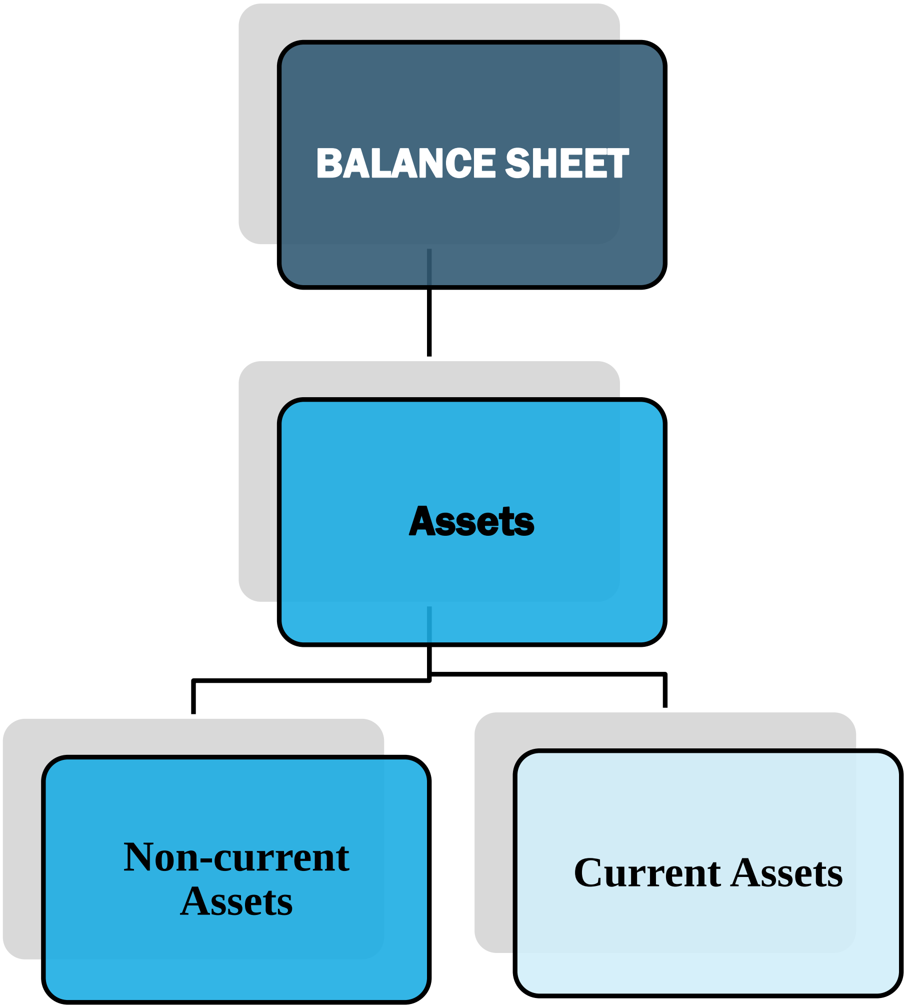
III. Provisions

The amounts shall be classified as:

(a) Provision for employee benefits.

(b) Others (specify nature).

NON CURRENT ASSETS



NON CURRENT ASSETS – CURRENT/NON CURRENT CLASSIFICATION

In accordance with IFRS and Ind AS, non-current assets have been defined by default as under:

Any asset which does not fall within the categories of assets highlighted below are treated as non-current assets.

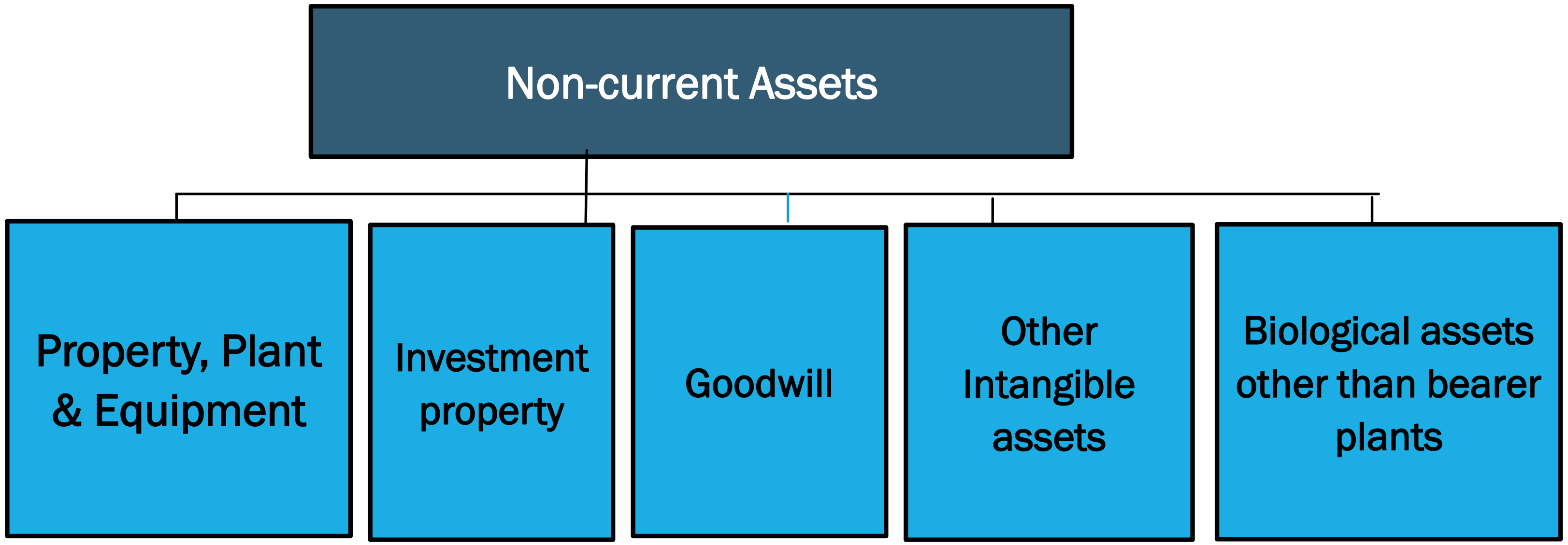
(a) it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle,

(b) it holds the asset primarily for trading,

(c) it expects to realize the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

COMPONENTS OF NON CURRENT ASSETS



NON CURRENT ASSETS

Property, Plant and Equipment

(i) Classification shall be given as:

(a) Land.
(b) Buildings.
(c) Plant and Equipment.
(d) Furniture and Fixtures.
(e) Vehicles.
(f) Office equipment.
(g) Bearer Plants
(h) Others (specify nature).

(ii) Assets under lease shall be separately specified under each class of assets.

(iii) A reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations, amount of change due to revaluation (if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment) and other adjustments and the related depreciation and impairment losses or reversals shall be disclosed separately.

NON CURRENT ASSETS (CONTINUED)

Investment Property

A reconciliation of the gross and net carrying amounts of each class of property at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations and other adjustments and the related amortisation and impairment losses/reversals shall be disclosed separately.

Goodwill

A reconciliation of the gross and net carrying amount of goodwill at the beginning and end of the reporting period showing additions, impairments, disposals and **other adjustments**

NON CURRENT ASSETS (CONTINUED)

Other Intangible assets

(i) Classification shall be given as:

- (a) Brands /trademarks.
- (b) Computer software.
- (c) Mastheads and publishing titles.
- (d) Mining rights.
- (e) Copyrights, patents, other intellectual property rights, services and operating rights.
- (f) Recipes, formulae, models, designs and prototypes.
- (g) Licenses and franchises.
- (h) Others (specify nature).

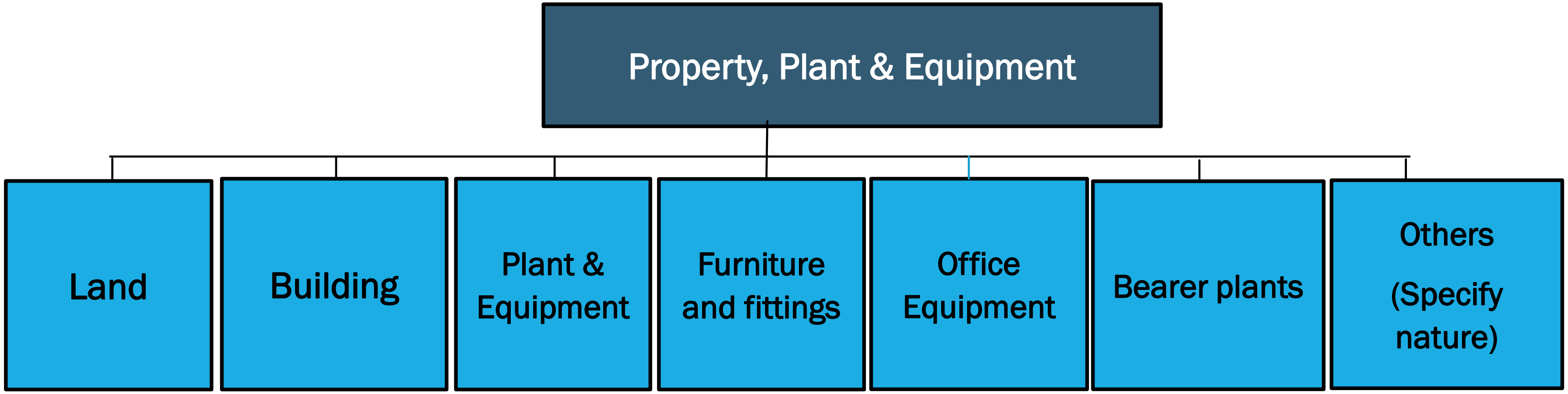
(ii) A reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations, amount of change due to revaluation (if change is 10% or more in the aggregate of the net carrying value of each class of intangible assets) and other adjustments and the related amortization and impairment losses or reversals shall be disclosed separately.

NON CURRENT ASSETS (CONTINUED)

Biological Assets other than bearer plants

A reconciliation of the carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations and other adjustments shall be disclosed separately.

PROPERTY, PLANT AND EQUIPMENT



INVESTMENTS

Investments

(i) Investments shall be classified as:

- (a) Investments in Equity Instruments;
- (b) Investments in Preference Shares;
- (c) Investments in Government or trust securities;
- (d) Investments in debentures or bonds;
- (e) Investments in Mutual Funds;
- (f) Investments in partnership firms;
- (g) Other investments (specify nature).

Under each classification, details shall be given of names of the bodies corporate that are

(i) subsidiaries,
(ii) associates,
(iii) joint ventures, or
(iv) structured entities, in whom investments have been made and the nature and extent of the investment so made in each such body corporate (showing separately investments which are partly-paid). Investments in partnership firms along with names of the firms, their partners, total capital and the shares of each partner shall be disclosed separately.

(ii) The following shall also be disclosed:
(a) Aggregate amount of quoted investments and market value thereof;
(b) Aggregate amount of unquoted investments;
(c) Aggregate amount of impairment in value of investments.

LONG TERM TRADE RECEIVABLES

Trade Receivables

(i) Trade receivables shall be sub-classified as:

  (a) Secured, considered good;

  (b) Unsecured considered good;

  (c) Doubtful.

(ii) Allowance for bad and doubtful debts shall be disclosed under the relevant heads separately.

(iii) Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

LONG TERM LOANS

Loans

(i) Loans shall be classified as:
- (a) Security Deposits;
- (b) Loans to related parties (giving details thereof);
- (c) Other loans (specify nature).

(ii) The above shall also be separately sub-classified as:
- (a) Secured, considered good;
- (b) Unsecured, considered good;
- (c) Doubtful.

(iii) Allowance for bad and doubtful loans shall be disclosed under the relevant heads separately.

(iv) Loans due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

Bank deposits with more than 12 months maturity shall be disclosed under ‘Other financial assets’;

NON CURRENT ASSETS - OTHERS

Other non-current assets

Other non-current assets shall be classified as-

(i) Capital Advances;

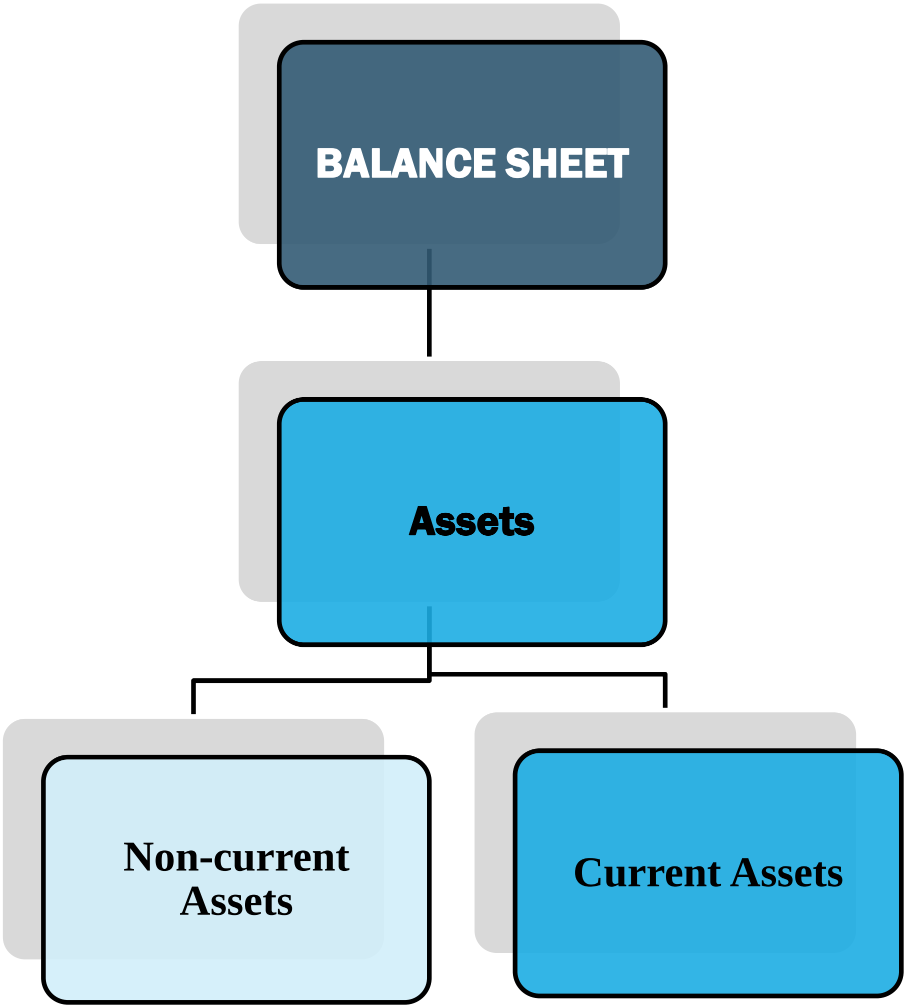
(ii) Advances other than capital advances;

1. Advances other than capital advances shall be classified as:
   (a) Security Deposits;
   (b) Advances to related parties (giving details thereof);
   (c) Other advances (specify nature).

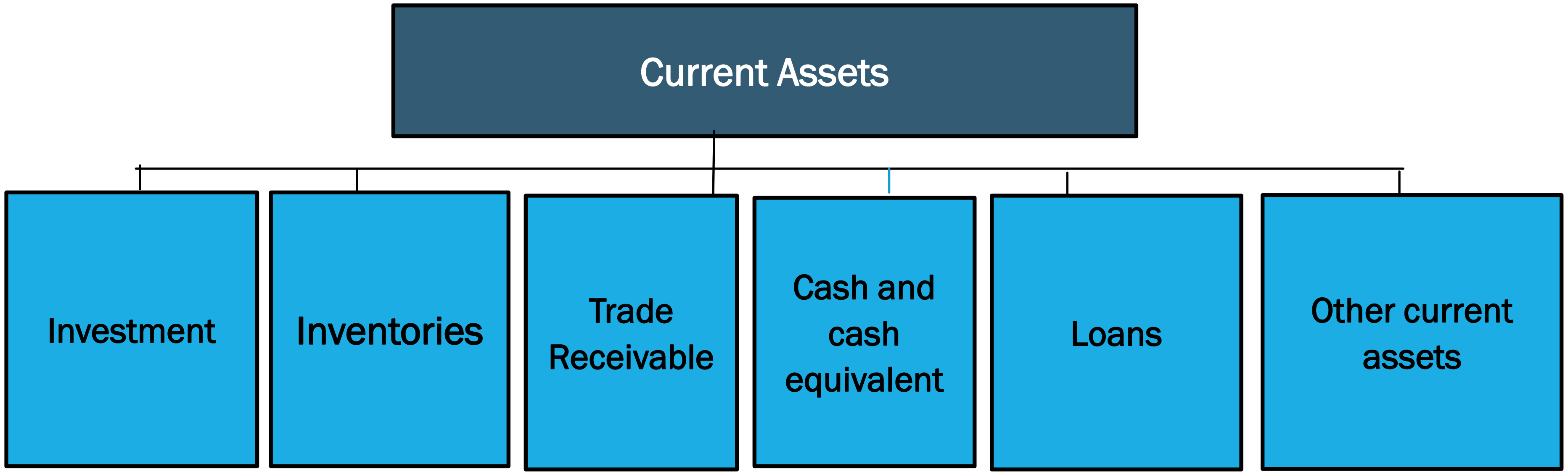
2. Advances to directors or other officers of the company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member should be separately stated. In case advances are of the nature of a financial asset as per relevant Ind AS, these are to be disclosed under 'other financial assets' separately.

(iii) Others (specify nature).

CURRENT ASSETS



COMPONENTS OF NON CURRENT ASSETS



CURRENT ASSETS

Investments

(i) Investments shall be classified as:

- (a) Investments in Equity Instruments;
- (b) Investments in Preference Shares;
- (c) Investments in Government or trust securities;
- (d) Investments in debentures or bonds;
- (e) Investments in Mutual Funds;
- (f) Investments in partnership firms;
- (g) Other investments (specify nature).

Under each classification, details shall be given of names of the bodies corporate that are

(i) subsidiaries,
(ii) associates,
(iii) joint ventures, or
(iv) structured entities, in whom investments have been made and the nature and extent of the investment so made in each such body corporate (showing separately investments which are partly-paid).

(ii) The following shall also be disclosed:

(a) Aggregate amount of quoted investments and market value thereof;
(b) Aggregate amount of unquoted investments;
(c) Aggregate amount of impairment in value of investments.

CURRENT ASSETS

Inventories

(i) Inventories shall be classified as:

(a) Raw materials;

(b) Work-in-progress;

(c) Finished goods;

(d) Stock-in-trade (in respect of goods acquired for trading);

(e) Stores and spares;

(f) Loose tools;

(g) Others (specify nature).

(ii) Goods-in-transit shall be disclosed under the relevant sub-head of inventories.

(iii) Mode of valuation shall be stated.

CURRENT ASSETS

Trade Receivables

(i) Trade receivables shall be sub-classified as:

- (a) Secured, considered good;
- (b) Unsecured considered good;
- (c) Doubtful.

(ii) Allowance for bad and doubtful debts shall be disclosed under the relevant heads separately.

(iii) Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

CURRENT ASSETS

Cash and cash equivalents

Cash and cash equivalents shall be classified as:

(a) Balances with Banks (of the nature of cash and cash equivalents);

(b) Cheques, drafts on hand;

(c) Cash on hand;

(d) Others (specify nature).

Cash and bank balances: The following disclosures with regard to cash and bank balances shall be made:

(a) Earmarked balances with banks (for example, for unpaid dividend) shall be separately stated.

(b) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments shall be disclosed separately.

c. Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.

CURRENT ASSETS

Loans

(i) Loans shall be classified as:

(a) Security deposits;

(b) Loans to related parties (giving details thereof);

(c) Others (specify nature).

(ii) The above shall also be sub-classified as:

(a) Secured, considered good;

(b) Unsecured, considered good;

(c) Doubtful.

(iii) Allowance for bad and doubtful loans shall be disclosed under the relevant heads separately.

(iv) Loans due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member shall be separately stated.

Other current assets (specify nature)

This is an all-inclusive heading, which incorporates current assets that do not fit into any other asset categories.

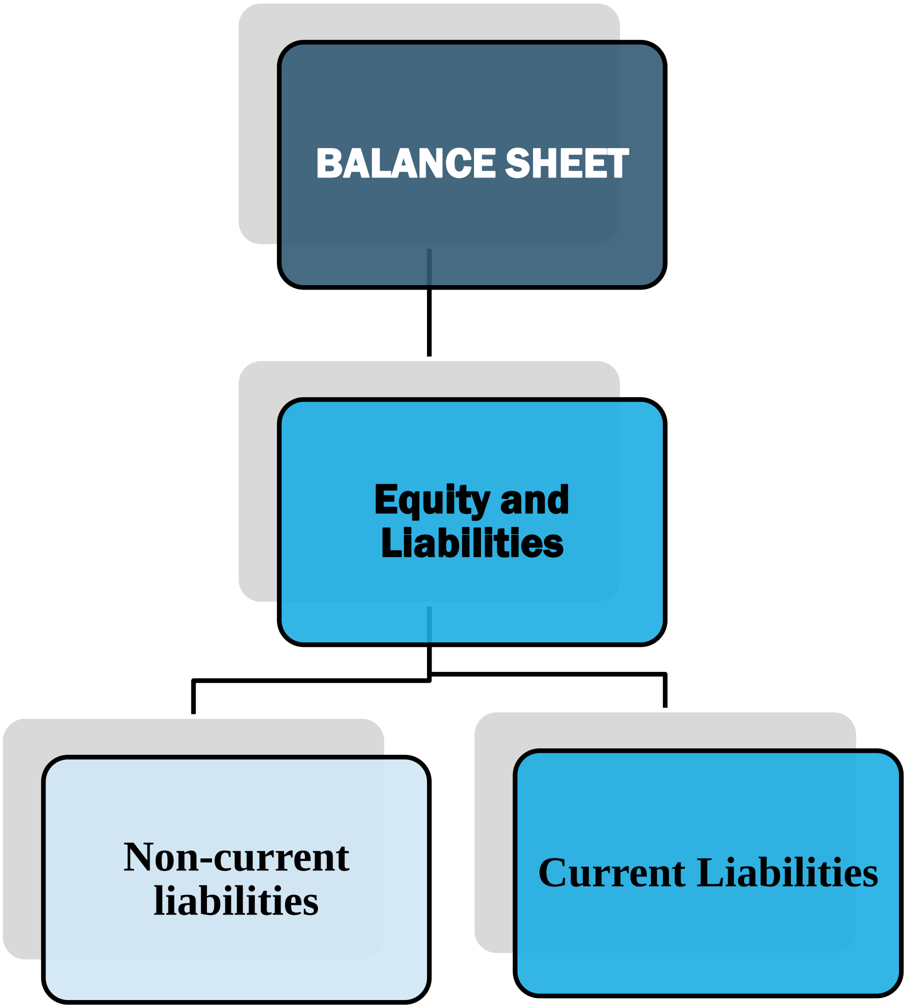
Other current assets shall be classified as-

(i) Advances other than capital advances

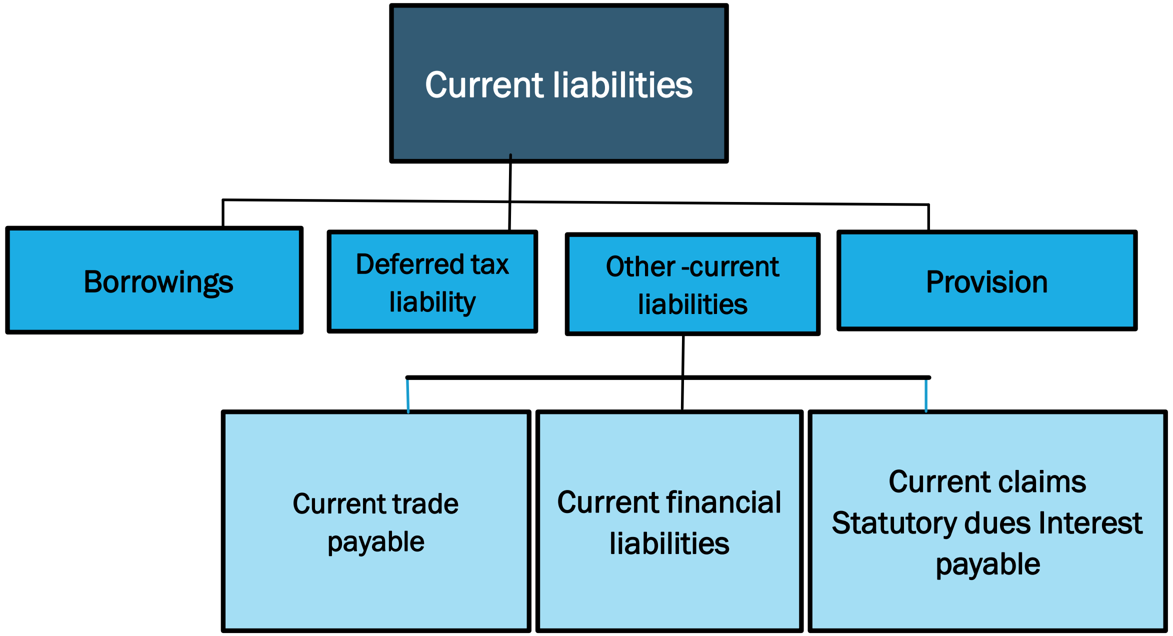
1. Advances other than capital advances shall be classified as:
   - (a) Security Deposits;
   - (b) Advances to related parties (giving details thereof);
   - (c) Other advances (specify nature).
2. Advances to directors or other officers of the company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

(ii) Others (specify nature)

CURRENT LIABILITIES



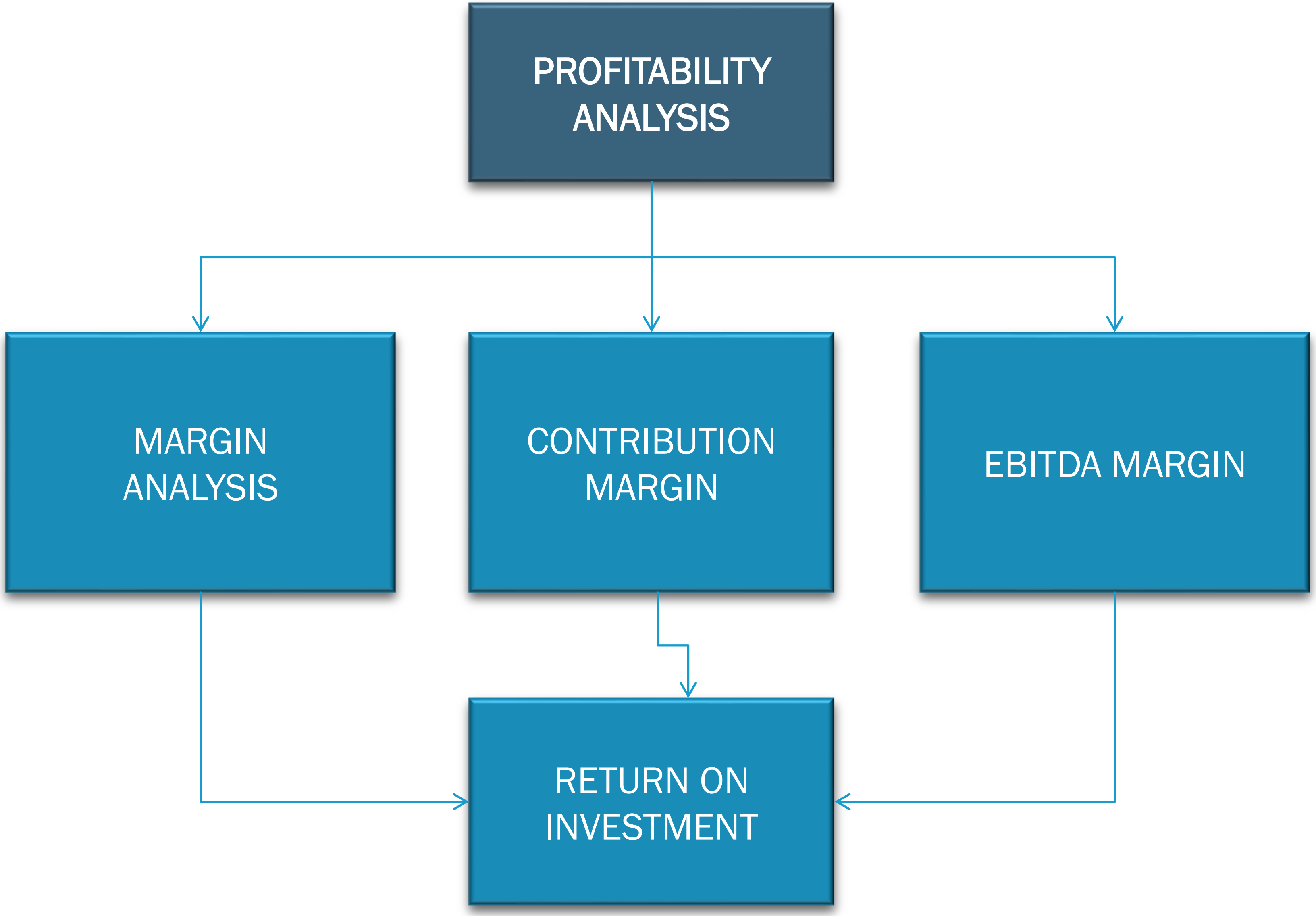
COMPONENTS OF CURRENT LIABILITIES



ANALYSIS OF FINANCIAL STATEMENTS

PROFITABILITY ANALYSIS

DRILL DOWN OF PROFITABILITY ANALYSIS

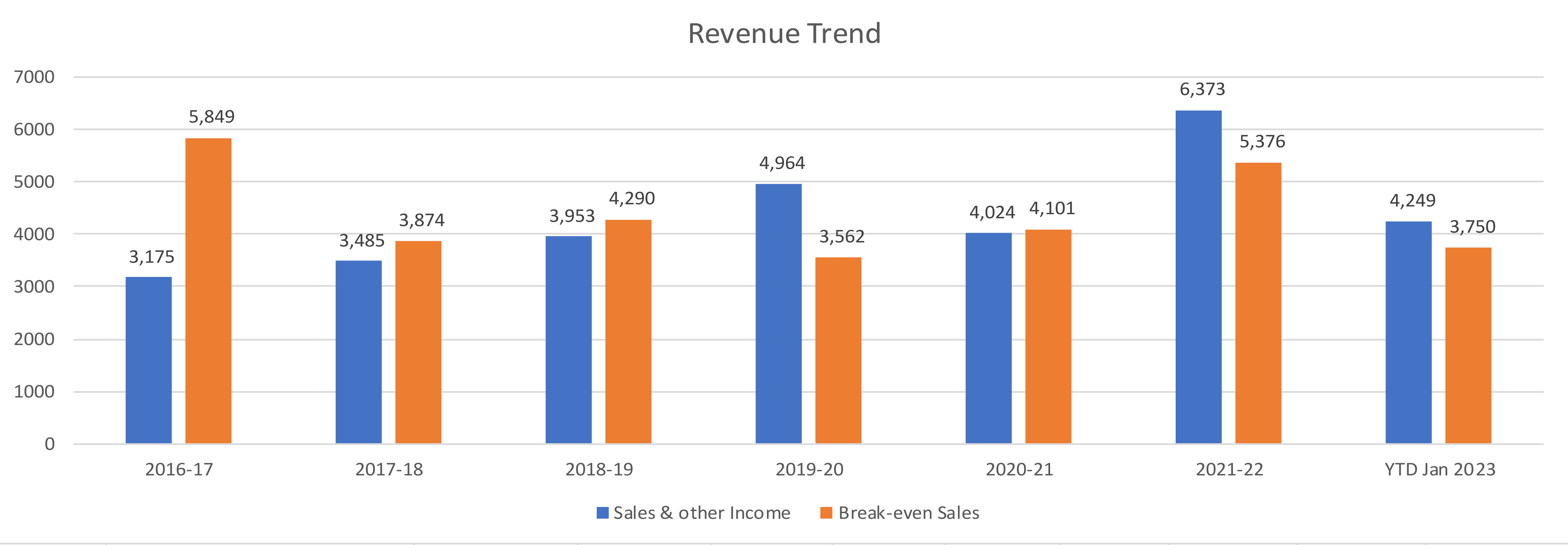


PROFITABILITY ANALYSIS

Year	2019-20	% on Sales	2020-21	% on Sales	2021-22	% on Sales	YTD Jan 2023	% on Sales
Sales & other income	**4,964**		**4,024**		**6,373**		**4,249**	
Medical Consumables	809	16%	761	19%	1,332	21%	707	17%
Changes in inventory	(1)	0%	83	2%	3	0%	19	0%
Personnel expenses	807	16%	794	20%	1,033	16%	824	19%
Operating expenses	1,658	33%	1,624	40%	2,691	42%	1,808	43%
Other expenses	654	13%	505	13%	623	10%	449	11%
Expenses	**3,926**	79%	**3,767**	94%	**5,683**	89%	**3,806**	90%
EBITDA	**1,038**	21%	**257**	6%	**691**	11%	**443**	10%
EBITDA/Sales %	21%		8%		11%		10%	0%
Depreciation	193	4%	166	4%	179	3%	158	4%
EBIT	**844**	17%	**175**	4%	**511**	8%	**285**	7%
Finance Cost	140	3%	121	3%	147	2%	176	4%
PBT	**704**	14%	**53**	1%	**365**	6%	**109**	3%
Extra-ordinary items	-		-		-		-	0%
Tax	-		-		-		-	0%
PAT	**704**	14%	**53**	1%	**365**	6%	**109**	3%

REVENUE TREND

Revenue Trend							Rs Lakhs
Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	YTD Jan 2023
Sales & other Income	3,175	3,485	3,953	4,964	4,024	6,373	4,249
Break-even Sales	5,849	3,874	4,290	3,562	4,101	5,376	3,750



PROFITABILITY RATIOS

Profitability ratios

Gross profit margin

(Gross Profit/ Sales)x 100

EBITDA Margin

(Earnings before Interest, Tax Depreciation, Amortization/Sales)x 100

Net Profit Margin

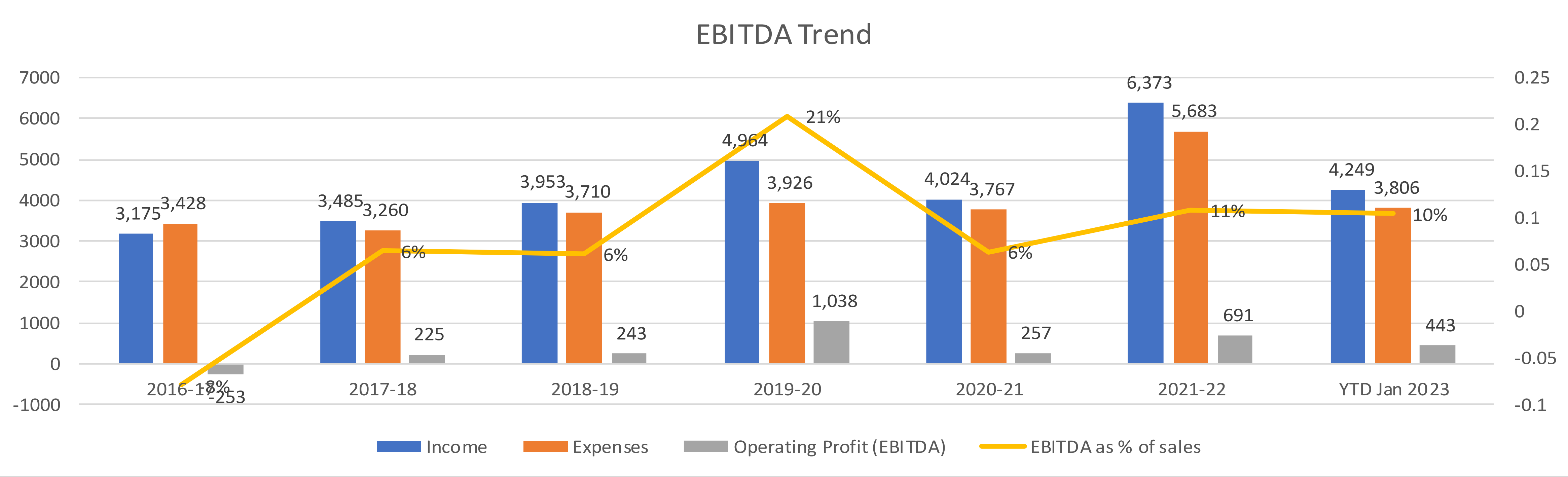
Net Profit after interest and tax / Sales)x 100

PROFITABILITY RATIOS

Ratio	Rationale
$\text{Gross profit margin} = \dfrac{\text{Gross Profit} \times 100}{\text{Sales}}$	This ratio measures the profit in relation to sales. This ratio is measured with the benchmark ratio prevalent in the industry for inter-firm comparison purposes.
EBITDA margin $= \dfrac{\text{Earnings before Interest depreciation, amortisation and tax} \times 100}{\text{Sales}}$	This is a very critical ratio which is looked at by the outside world including bankers to measure the profitability of the enterprise in the short term and also used as a benchmark for valuation for the medium to long term.
$\text{Net Profit margin} = \dfrac{\text{Net Profit after interest and tax} \times 100}{\text{Sales}}$	This ratio measures the net profit of the enterprise with respect to sale.
Or, $= \dfrac{\textit{Net Profit after tax before interest} \times 100}{\textit{Sales}}$	This ratio measures the net profit of the enterprise with respect to sale. Both these ratios are used to compare with benchmark industry average to evaluate the profitability of the enterprise.

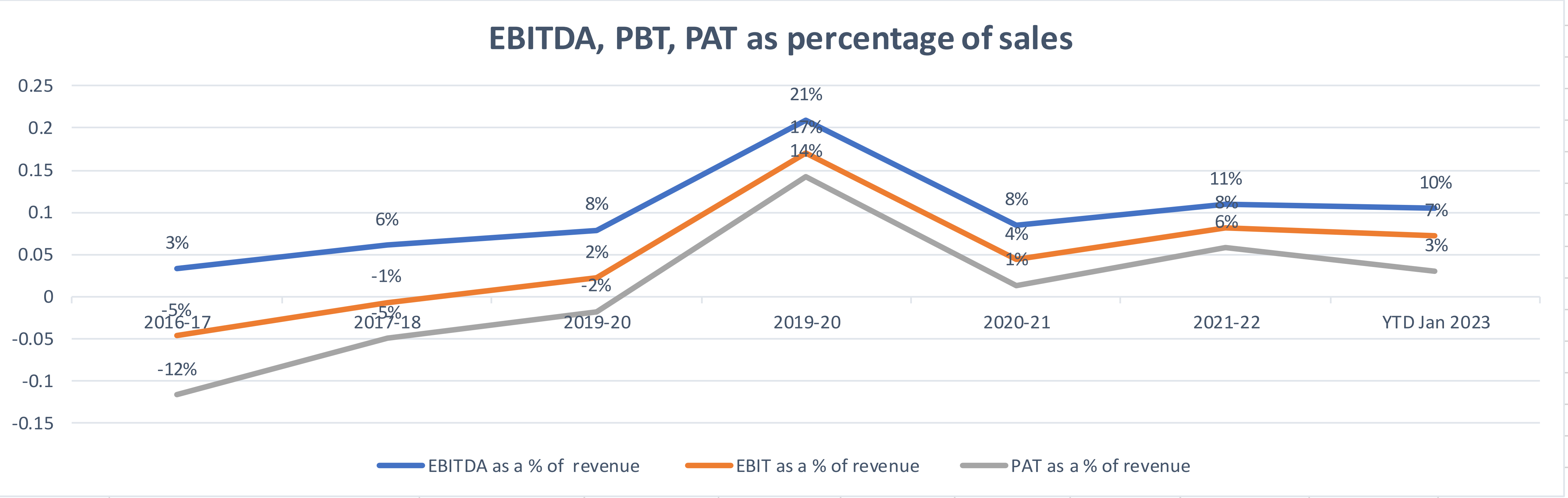
EBITDA MARGIN BASED ON TREND

EBITDA Trend							Rs Lakhs
Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	YTD Jan 2023
Income	3,175	3,485	3,953	4,964	4,024	6,373	4,249
Expenses	3,428	3,260	3,710	3,926	3,767	5,683	3,806
Operating Profit (EBITDA)	-253	225	243	1,038	257	691	443
EBITDA as % of sales	-8%	6%	6%	21%	6%	11%	10%



EBITDA, PBT AND PAT ANALYSIS

Year	2016-17	2017-18	2019-20	2019-20	2020-21	2021-22	YTD Jan 2023
EBITDA as a % of revenue	3%	6%	8%	21%	8%	11%	10%
EBIT as a % of revenue	-5%	-1%	2%	17%	4%	8%	7%
PAT as a % of revenue	-12%	-5%	-2%	14%	1%	6%	3%



EXPENSES RATIOS

Operating ratio

(Cost of goods sold + other expenses)/Sales

Cost of goods sold ratio

Cost of goods sold / Sales

Other expenses ratio

Other expenses / Sales

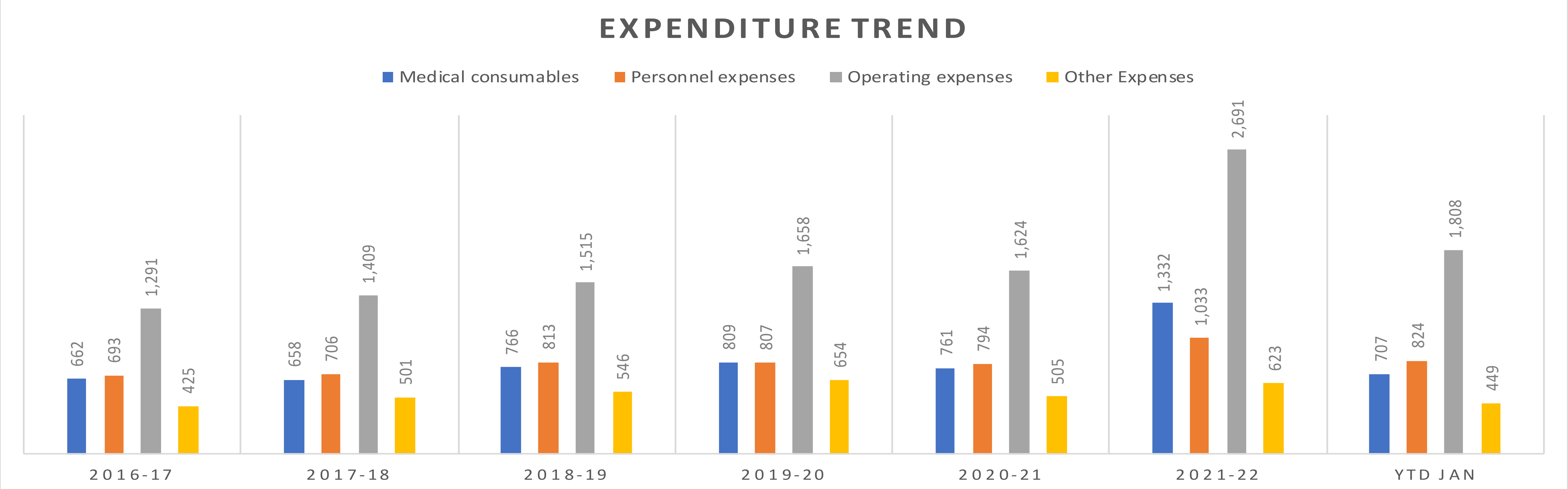
Specific expenses / Sales

EXPENSE RATIOS

Ratio	Rationale
$$\text{Operating ratio} = \frac{\text{Cost of goods sold} + \text{other expenses}}{\text{Sales}}$$	This ratio is an effective measure to depict the operational efficiency of the business.
$$\text{Cost of goods sold ratio} = \frac{\text{Cost of goods sold}}{\text{Sales}}$$	Lower operating ratio would depict higher profitability and higher operating ratio would signify lower profitability. It measures the cost of goods sold per sale.
$$\text{Specific expenses ratio} = \frac{\text{Specific expenses}}{\text{Sales}}$$	It measures specific expenses per sale.

EXPENDITURE TREND

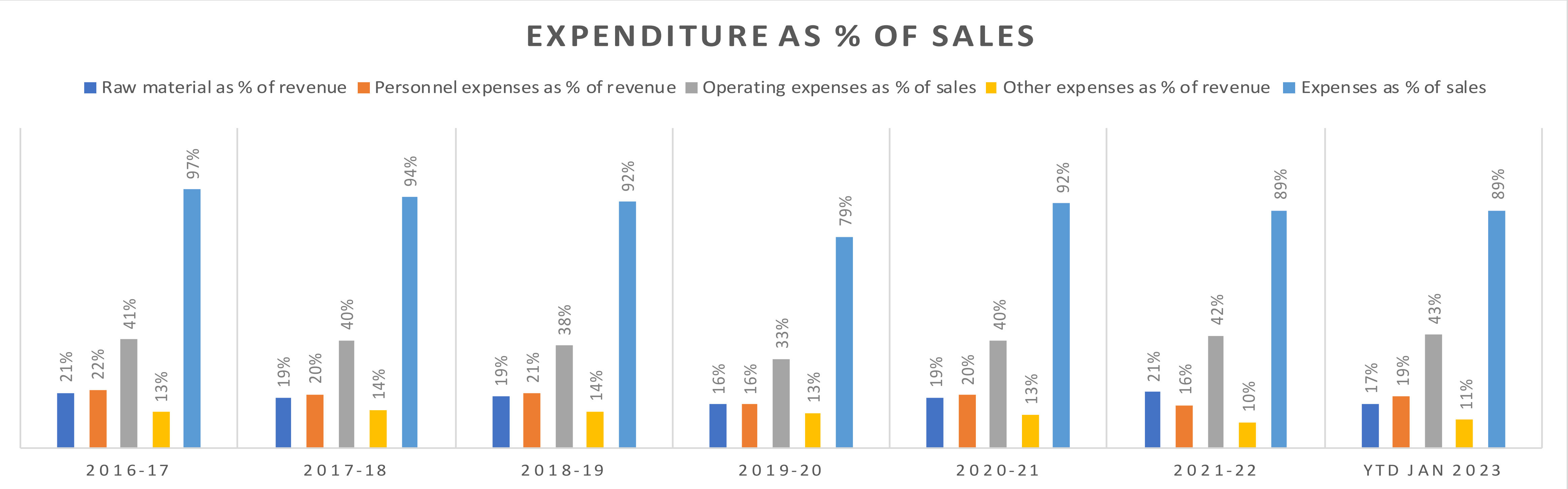
Expenditure Trend							Rs Lakhs
Year	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**YTD JAN**
Medical consumables	662	658	766	809	761	1,332	707
Personnel expenses	693	706	813	807	794	1,033	824
Operating expenses	1,291	1,409	1,515	1,658	1,624	2,691	1,808
Other Expenses	425	501	546	654	505	623	449
Total	**3,071**	**3,274**	**3,641**	**3,927**	**3,683**	**5,680**	**3,787**



EXPENDITURE AS A PERCENTAGE OF SALES

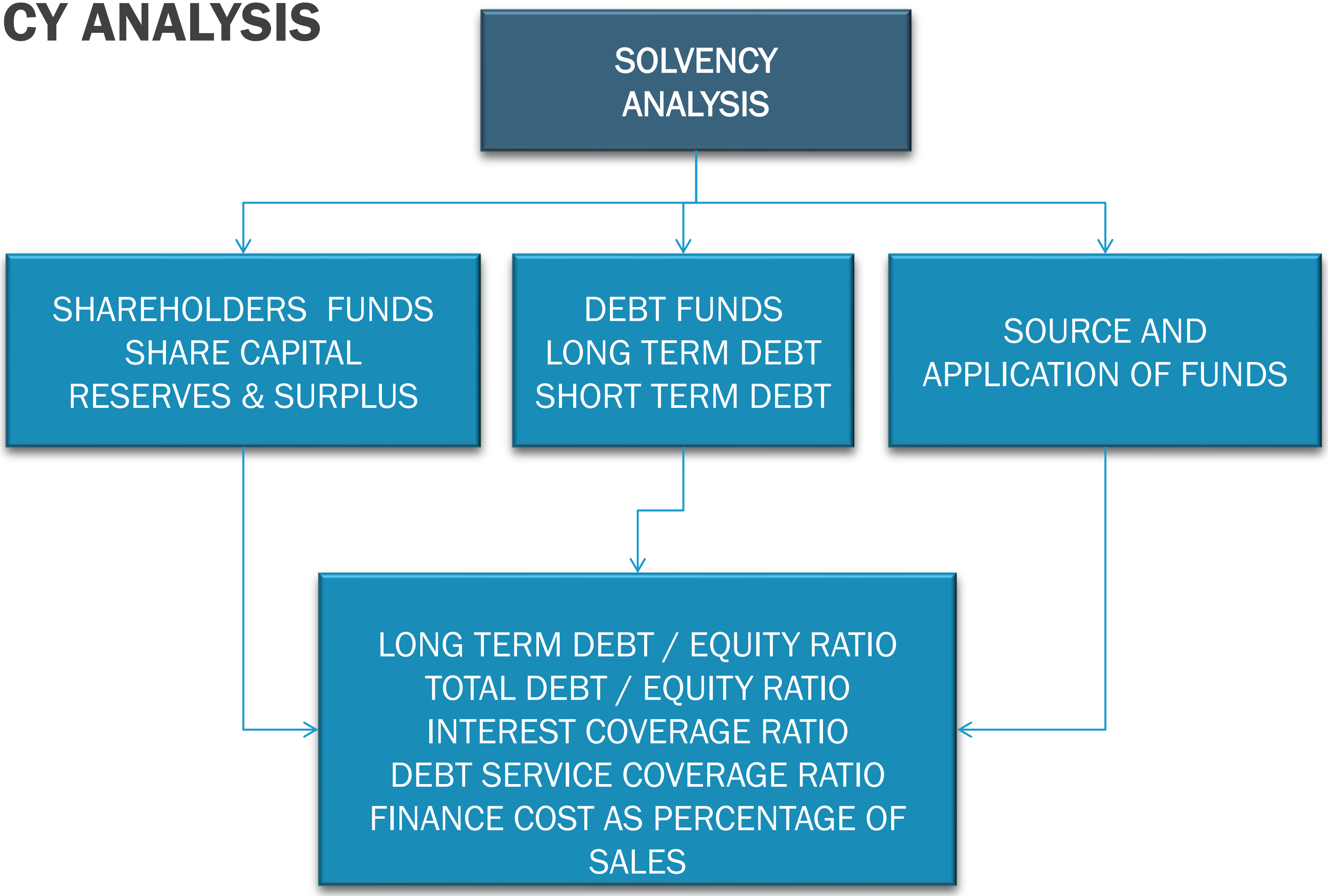
Expenditure as % of sales

Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	YTD Jan 2023
Raw material as % of revenue	21%	19%	19%	16%	19%	21%	17%
Personnel expenses as % of revenue	22%	20%	21%	16%	20%	16%	19%
Operating expenses as % of sales	41%	40%	38%	33%	40%	42%	43%
Other expenses as % of revenue	13%	14%	14%	13%	13%	10%	11%
Expenses as % of sales	97%	94%	92%	79%	92%	89%	89%

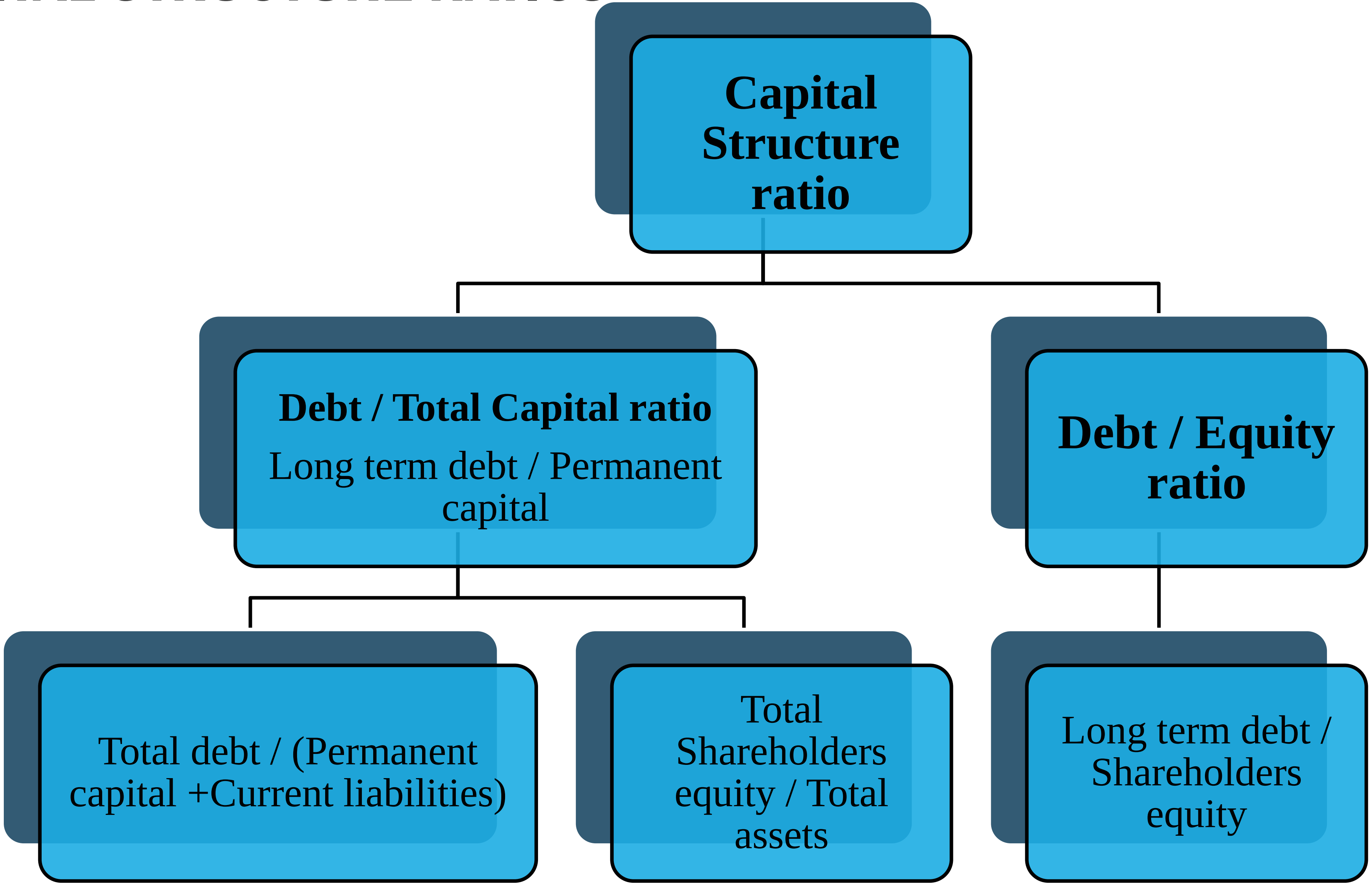


SOLVENCY ANALYSIS

SOLVENCY ANALYSIS



CAPITAL STRUCTURE RATIOS



CAPITAL STRUCTURE RATIOS

Ratio	Rationale
$$\text{Debt equity ratio} = \frac{\text{Long term debt}}{\text{Shareholders' equity}}$$	This is a very important ratio which depicts the relative proportion of debt and equity in financing the assets of an enterprise. A ratio of 1:1 is considered adequate. If the debt content is higher the enterprise is considered highly geared and if the equity content is higher, then the enterprise is considered low geared. This ratio is also a determinant based on which weighted average cost of capital is calculated. (WACC)
$$\text{Debt to total capital ratio} = \frac{\text{Long term debt}}{\text{Permanent capital}}$$ Or	This ratio indicates what proportion of the permanent capital of the enterprise is funded out of long-term debt. A ratio of 1:2 is considered adequate.
$$= \frac{\text{Total debt}}{\text{Permanent capital} + \text{Current liabilities}}$$ Or $$= \frac{\text{Total Shareholders' equity}}{\text{Total assets}}$$	It measures the proportion of total assets financed by outside funds. A low ratio is low risk specially for outsiders like creditors It depicts the proportion of total assets funded by owners' equity.

CAPITAL EMPLOYED

Capital employed source

Rs Lakhs

Year	2016-17	2017-18	2017-18	2019-20	2020-21	2021-22	YTD Jan 2023
Share capital	340	340	340	340	340	340	340
Profit & Loss account	(70)	(244)	(313)	395	435	781	882
Share premium	744	744	744	744	744	744	744
Reserve & surplus	674	500	431	1,139	1,179	1,525	1,626
Net Worth	1,015	841	771	1,479	1,520	1,866	1,967
Secured borrowings	3,192	3,121	2,924	963	929	1,611	1,661
Unsecured borrowings	8	9	40	1,223	1,377	-	680
Total borrowings	3,200	3,130	2,964	2,186	2,306	1,611	2,341
Capital Employed	**4,215**	**3,971**	**3,736**	**3,665**	**3,825**	**3,476**	**4,308**

Capital Employed Application

Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	YTD jan 2023
Net block (Including capital WIP)	2,902	2,754	2,780	2,783	2,809	3,142	3,080
Non-current investment	-	-	-	-	-	-	-
Deffered tax assets	380	380	380	385	373	351	322
Long term loans & advances	151	152	155	150	150	143	144
Net current assets	781	685	421	347	493	(160)	762
Capital Employed	**4,215**	**3,971**	**3,736**	**3,665**	**3,825**	**3,476**	**4,308**

COVERAGE RATIOS

Total Coverage ratio

Earnings before Interest and Tax / Total fixed charges

Interest coverage ratio

Earnings before Interest and Tax / Interest

Dividend coverage ratio

Earnings after tax / Preference Dividend

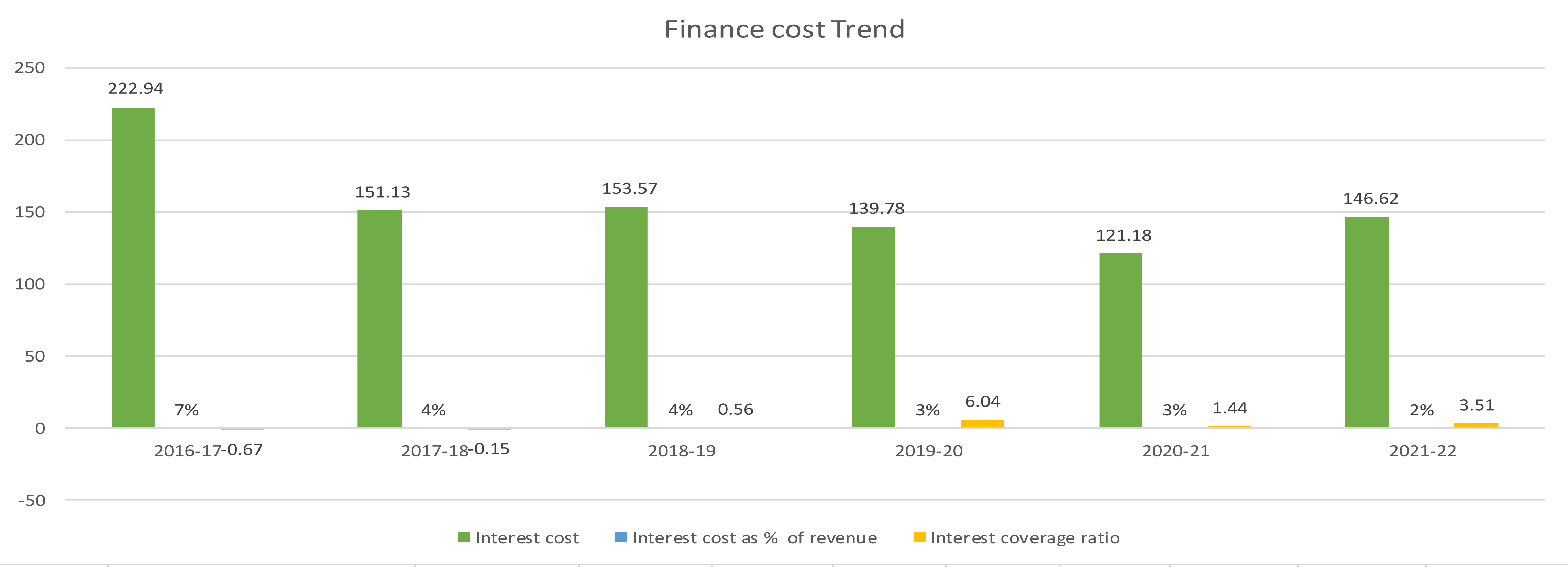
COVERAGE RATIOS

Ratio	Rationale
$$\textbf{Interest coverage} = \frac{\text{Earnings before interest and tax}}{\text{Interest}}$$	This is a ratio used to ascertain how easily an enterprise can pay its outstanding dues. A ratio of 1:5 is considered satisfactory.
$$\textbf{Dividend coverage} = \frac{\textbf{Earnings after tax}}{\textbf{Preference dividend}}$$	This ratio measures the ability of the enterprise to pay dividend on preference shares. A high ratio indicates better ability.
$$\textbf{Total coverage} = \frac{\textbf{Earnings before interest and tax}}{\textbf{Total fixed charges}}$$	It shows the overall ability of the enterprise to fulfil the liabilities. A high ratio is better for creditors.

INTEREST COVERAGE RATIO

Finance cost trend

Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	YTD JAN
Interest cost	222.94	151.13	153.57	139.78	121.18	146.62	176.45
Interest cost as % of revenue	7%	4%	4%	3%	3%	2%	4%
Interest coverage ratio	-0.67	-0.15	0.56	6.04	1.44	3.51	1.72



LIQUIDITY ANALYSIS

LIQUIDITY RATIOS

Liquidity Ratios

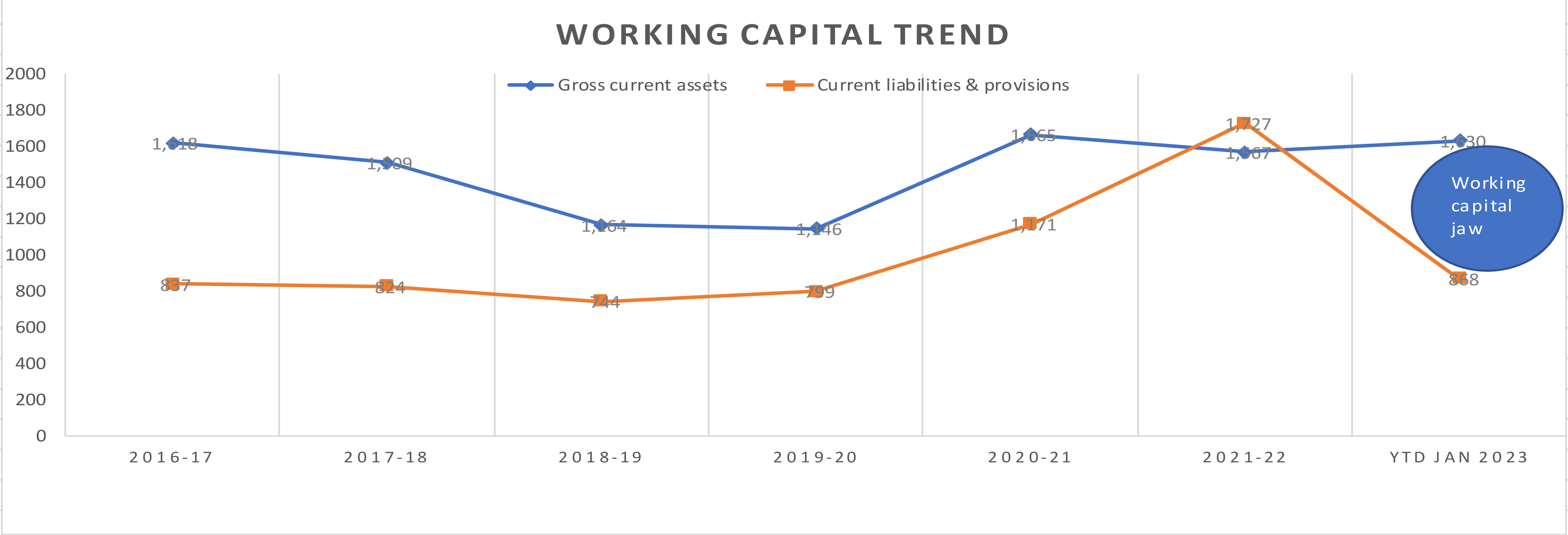
- **Net Working Capital ratio**
  Gross Current Assets/Current liabilities
  - **Current Ratio**
    Current Assets / Current Liabilities
  - **Liquid Ratio**
    (Current Assets - Inventories) / Current Liabilities

LIQUIDITY RATIOS

Ratio	Rationale
$\text{Net working capital} = \dfrac{\text{Gross Current assets}}{\text{Current liabilities}}$	It measures the liquidity of an enterprise
$\text{Current ratio} = \dfrac{\text{Current assets}}{\text{Current liabilities}}$	It reflects the short-term liquidity position of the enterprise. In general ratio of 2:1 is considered adequate. If it is lower, then it depicts tightness in liquidity. If it is higher, then there is adequate liquidity, but it may also be possible that funds are tied up in obsolete/slow moving inventories and overdue debts
$\text{Liquid ratio/Acid test ratio} = \dfrac{\text{Quick assets}}{\text{Current liabilities}}$	Quick assets are current assets less inventories, and this ratio is a measure of the liquidity position of the enterprise. In general, a ratio of 1: 1 would be considered adequate, as it would signify that the enterprise has enough cash to pay off all its current liabilities

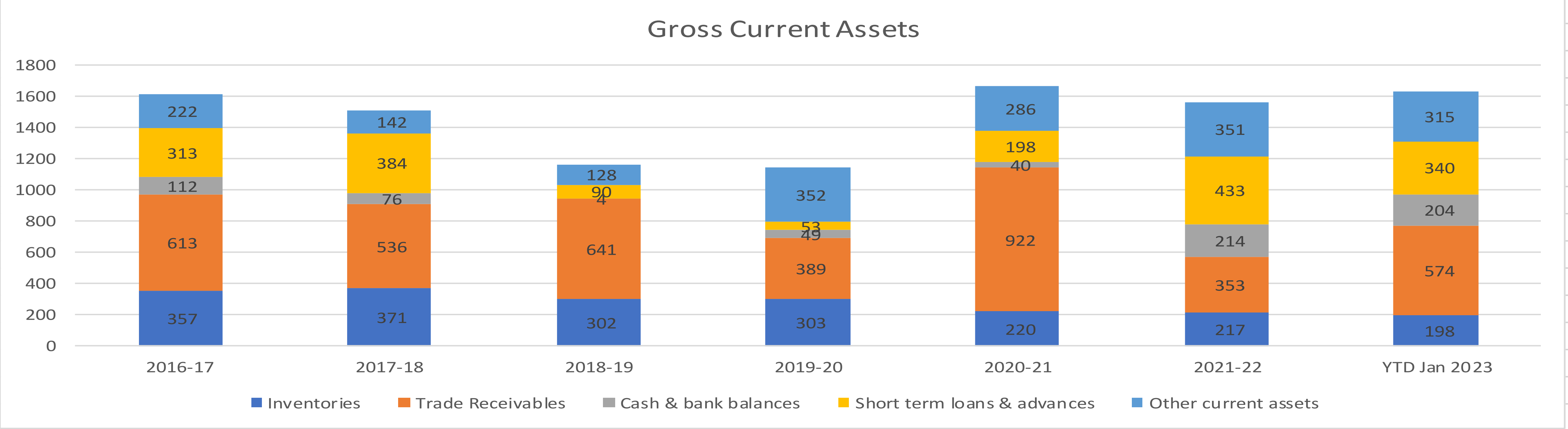
NET CURRENT ASSET TREND

Working capital trend							Rs Lakhs
Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	YTD Jan 2023
Gross current assets	1,618	1,509	1,164	1,146	1,665	1,567	1,630
Current liabilities & provisions	837	824	744	799	1,171	1,727	868
Working capital	**781**	**685**	**421**	**347**	**493**	**(160)**	**762**



GROSS CURRENT ASSET TREND

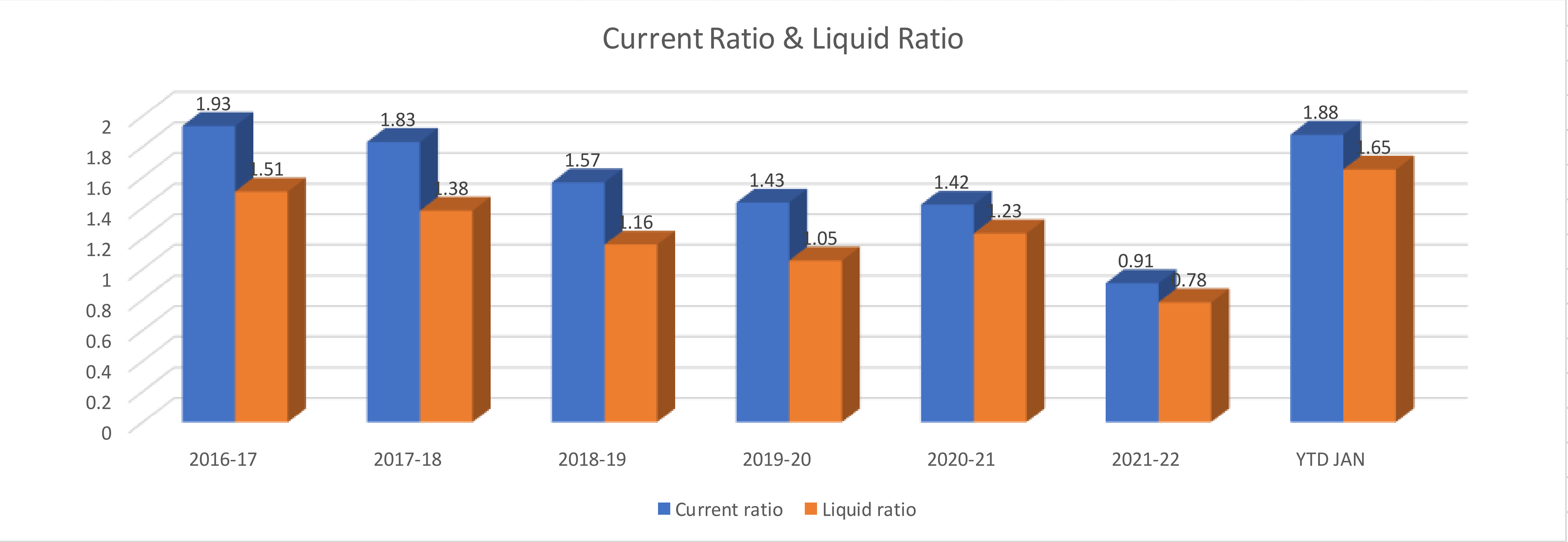
Gross current assets							Rs Lakhs
Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	YTD Jan 2023
Inventories	357	371	302	303	220	217	198
Trade Receivables	613	536	641	389	922	353	574
Cash & bank balances	112	76	4	49	40	214	204
Short term loans & advances	313	384	90	53	198	433	340
Other current assets	222	142	128	352	286	351	315
Gross current assets	**1,618**	**1,509**	**1,164**	**1,146**	**1,665**	**1,567**	**1,630**



CURRENT RATIO AND LIQUID RATIO

Current Ratio & Liquid Ratio

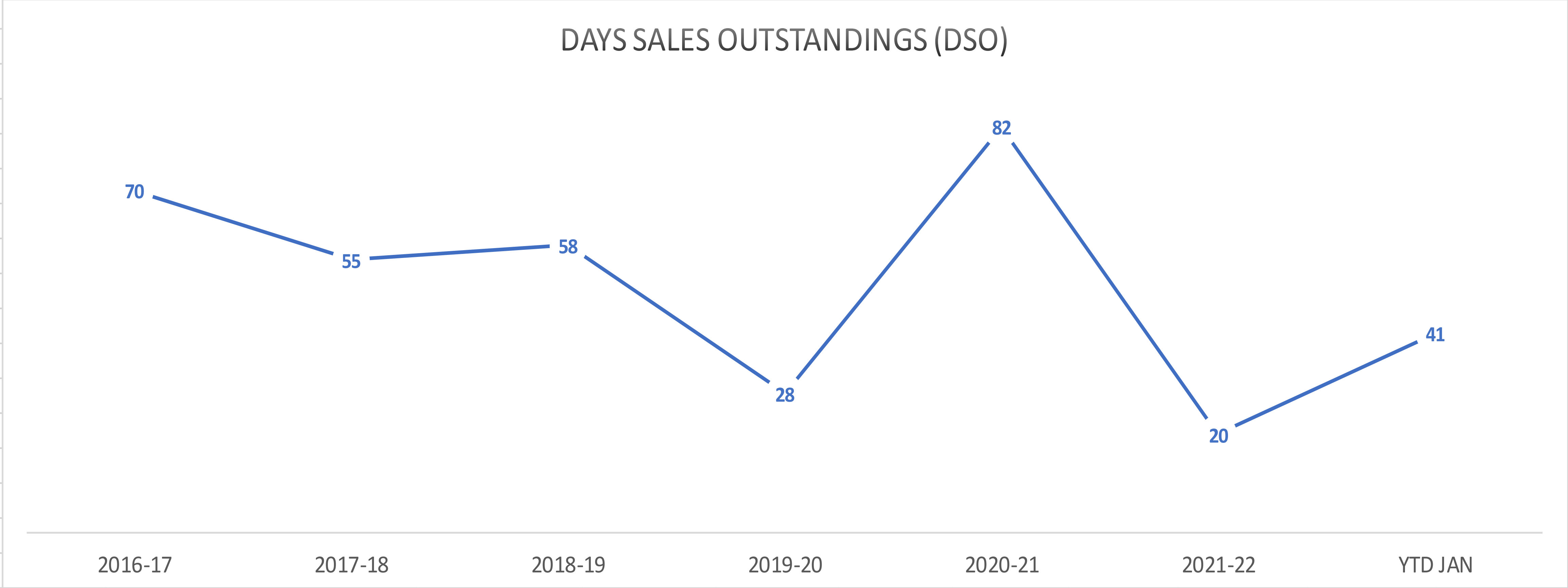
Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	YTD JAN
Current ratio	1.93	1.83	1.57	1.43	1.42	0.91	1.88
Liquid ratio	1.51	1.38	1.16	1.05	1.23	0.78	1.65



DAYS SALES OUTSTANDING

Days sales Outstandings

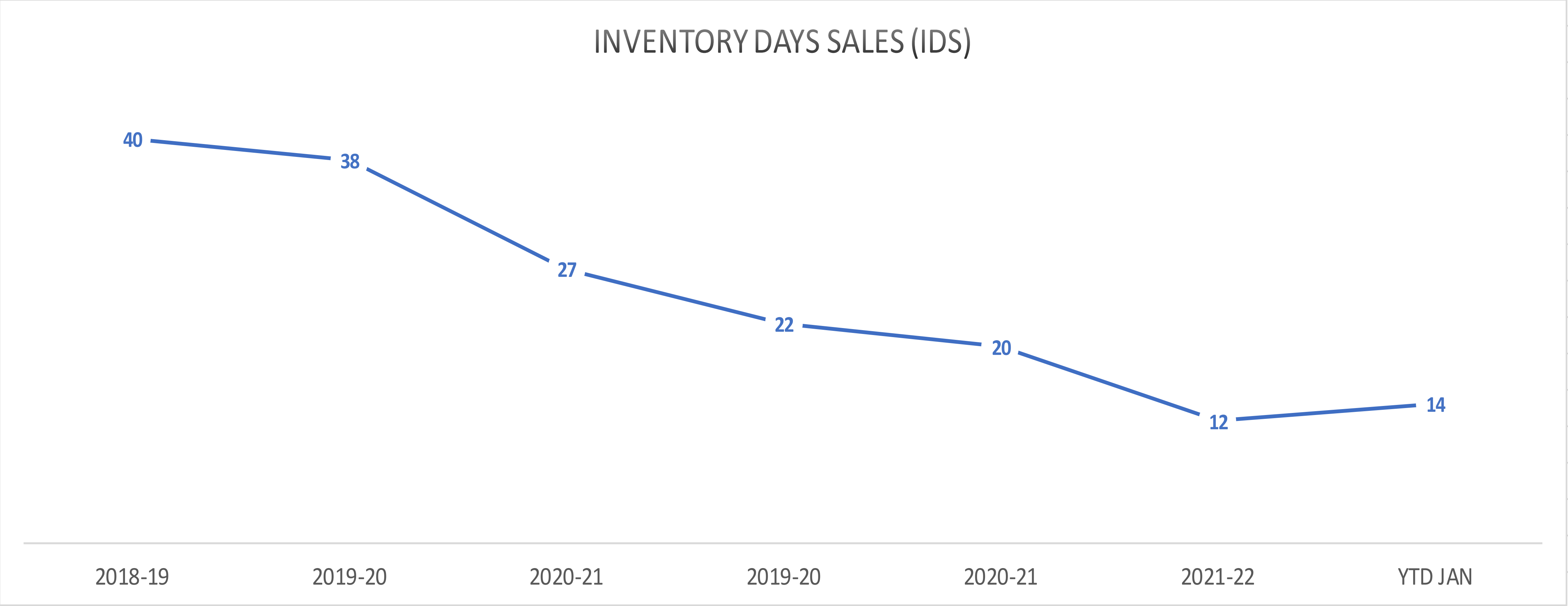
Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	YTD JAN
Days sales Outstandings (DSO)	70	55	58	28	82	20	41



INVENTORIES DAYS SALES

Inventory Days Sales

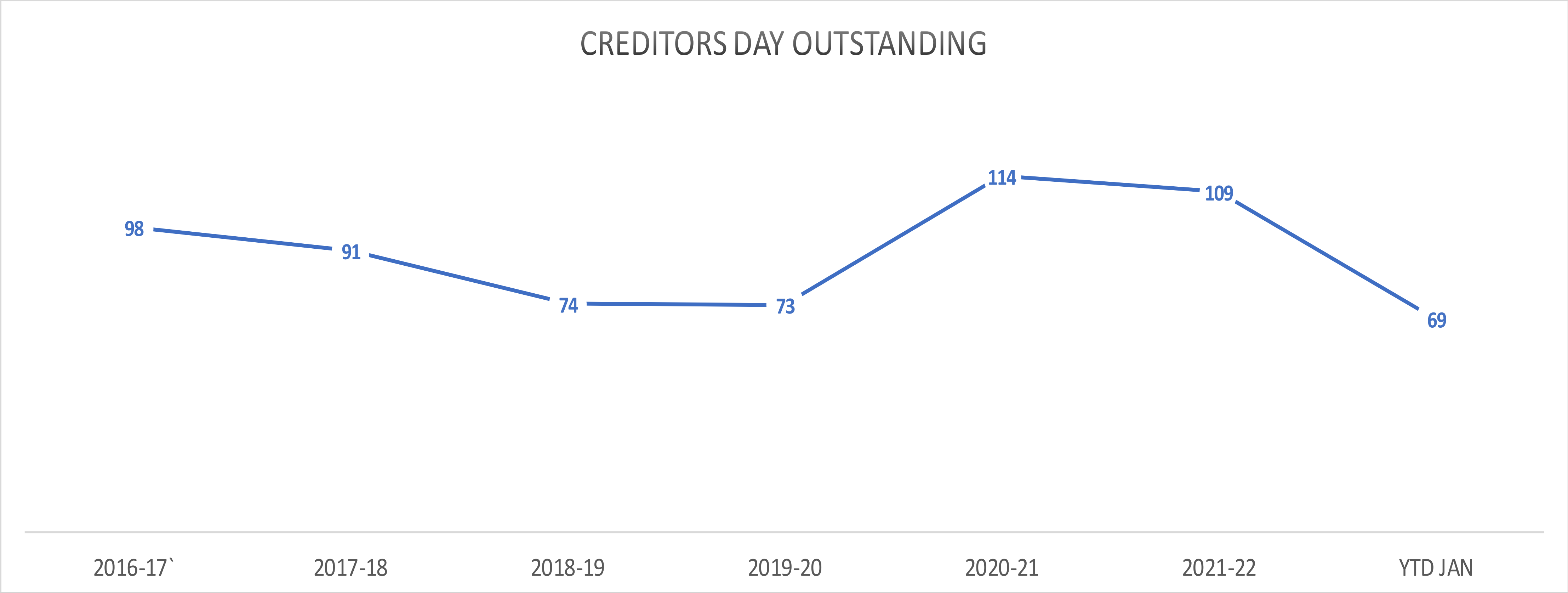
Year	2018-19	2019-20	2020-21	2019-20	2020-21	2021-22	YTD JAN
Inventory Days Sales (IDS)	40	38	27	22	20	12	14



CREDITORS DAYS OUTSTANDING

Creditors Day Analysis

Year	2016-17`	2017-18	2018-19	2019-20	2020-21	2021-22	YTD JAN
Creditors day outstanding	98	91	74	73	114	109	69



ACTIVITY ANALYSIS

CAPITAL TURNOVER RATIOS

Capital Turnover ratio

Net Sales / (Non-current Assets + Net Current Assets)

Non-current assets Turnover ratio

Net Sales /Non-current Assets

Working capital turnover ratio

Net Sales /(Gross current assets - current liabilities)

CAPITAL TURNOVER RATIOS

Ratio	Rationale
$$\text{Total Assets turnover ratio} = \frac{\text{Net Sales}}{\text{Total assets}}$$ $$\text{Capital turnover ratio} = \frac{\text{Net Sales}}{\text{Capital employed}}$$ $$\text{Non}-\text{current Assets turnover ratio} = \frac{\text{Net Sales}}{\text{Non}-\text{current assets}}$$ $$\text{Current Assets turnover ratio} = \frac{\text{Net Sales}}{\text{Current assets}}$$ $$\text{Working capital turnover ratio} = \frac{\text{Net Sales}}{\text{Net current assets}}$$	It measures the degree of efficiency of an enterprise in utilising its assets during the operations of the enterprise. The higher the ratio, better is the efficiency and effectiveness of the enterprise in managing its assets. This turnover ratio is cascaded down to Non-current assets, Current assets and working capital turnover ratios.

ACTIVITY RATIOS

- **Activity Ratios**
  - **Inventory turnover ratio**
    (Cost of goods sold/average inventory)
    - **Raw material turnover ratio**
      (Cost of raw material used / Average raw material)
    - **Work in progress turnover ratio**
      (Cost of goods manufactured / Average work-in-progress)
  - **Debtors Turnover Ratio**
    (Net credit sales / Net average debtors)
    - **Creditors Turnover ratio**
      (Net credit purchase / Average creditors)

ACTIVITY RATIOS

Ratio	Rationale
$$\textbf{Debtors turnover ratio} = \frac{\textbf{Net credit Sales}}{\textbf{Average net debtors}}$$	This reflects how quickly receivables are converted into cash.
$$\textbf{Inventory turnover ratio} = \frac{\textbf{\textit{Cost of goods sold}}}{\textbf{\textit{Average inventories}}}$$	This reflects how quickly inventories are sold a converted into cash. This would depend on the nature of industry and can be benchmarked accordingly.
$$\textbf{Raw material turnover ratio} = \frac{\text{Cost of raw material used}}{\text{Average raw material inventory}}$$	This reflects how quickly raw material inventories are converted into finished goods. If the ratio is high, it would be mean that the enterprise is converting raw material into finished goods very efficiently. If it is other way round, it would mean there are inefficiencies in the production process which needs to be weeded out. The yard stick is the benchmark ratio of the industry in which the enterprise belongs.
$$\textbf{Work in progress turnover ratio} = \frac{\text{Cost of goods manufactured}}{\text{Average work in progress inventory}}$$	Same as above
$$\textbf{Creditors turnover ratio} = \frac{\text{Net credit purchase}}{\text{Average creditors}}$$	This reflects how quickly the enterprise settles its trade payables. Higher the ratio, it would be indication that the enterprise has enough liquidity to pay off its trade payables.

RETURN ON INVESTMENT

RETURN ON INVESTMENT

- **Return on Capital employed**
  Earnings before interest and tax / Capital employed (Non-current assets + Net current assets)
  - **Net Sales / Capital employed**
    (Non-current assets + current assets)
    - **Non-current asset turnover ratio**
      Net Sales / Non-Current assets
    - **Working capital turnover ratio**
      Net Sales / Net current assets
  - **Earnings before interest and tax / Net Sales**

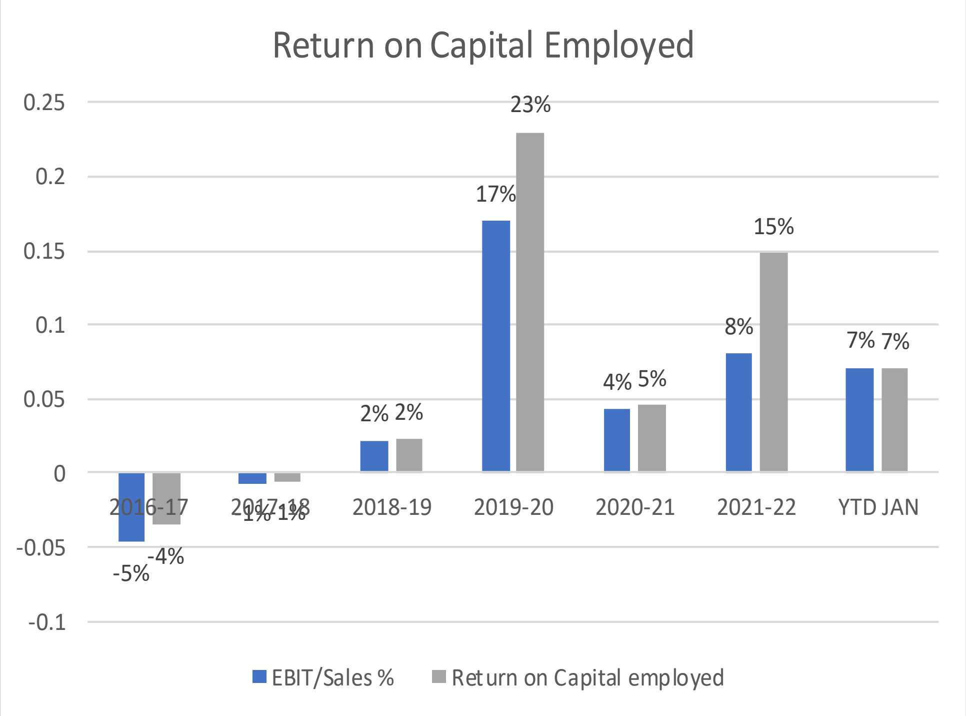
RETURN ON INVESTMENT

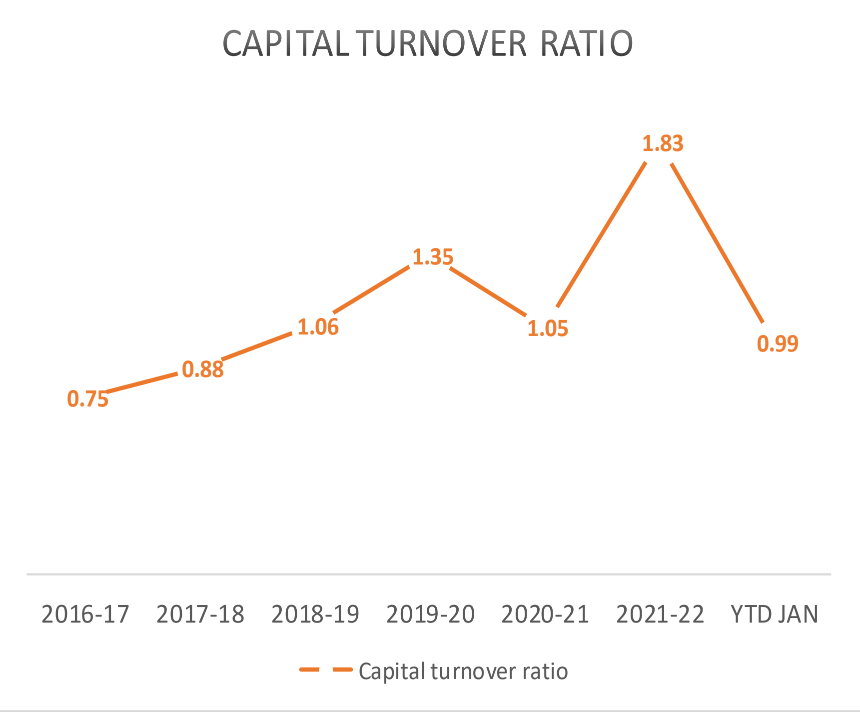
Ratio	Rationale
$\textbf{Return on Assets (ROA)} = \frac{(\text{Net Profit after tax}) \times 100}{\text{Total assets}}$ Or, $= \frac{(\text{Net Profit after tax} + \text{Interest}) \times 100}{\text{Tangible assets}}$ $= \frac{(\text{Net Profit after tax} + \text{Interest}) \times 100}{\text{Tangible assets}}$ Or, $= \frac{(\text{Net Profit after tax} + \text{Interest}) \times 100}{\text{Fixed assets}}$	This ratio is a measure of return on the funds invested in the total assets of the enterprise. The higher the ratio, it signifies more efficient use of the total assets.
$\textbf{Return on capital employed (ROCE)} = \frac{(\text{Net Profit after tax}) \times 100}{\text{Total capital employed}}$ Or, $= \frac{(\text{Net Profit after tax} + \text{Interest}) \times 100}{\text{Total capital employed}}$ Or, $= \frac{(\text{Net Profit after tax} + \text{Interest}) \times 100}{\text{Total capital employed} - \text{Intangible assets}}$	This ratio is a measure of return on the funds invested in the capital employed of the enterprise. The higher the ratio, it signifies more efficient use of the total capital employed.

RETURN ON INVESTMENT

Return on Capital employed

Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	YTD JAN
EBIT/Sales %	-5%	-1%	2%	17%	4%	8%	7%
Capital turnover ratio	0.75	0.88	1.06	1.35	1.05	1.83	0.99
Return on Capital employed	-4%	-1%	2%	23%	5%	15%	7%





SHAREHOLDERS' RATIOS

Shareholders' ratios

Earning per share
Earnings yield
Price earnings ratio

Earnings per share =
Net profit of equity shareholders / No. of equity shares

Earnings yield =
Earnings per share / Market price per shared

Price Earnings ratio =
Market price per share / Earnings per share

Return on net worth
(Net profit after tax / Total Shareholders' equity) x 100

Return on equity
(Net profit after tax - preference dividend) / Equity shareholders' equity) x 100

SHAREHOLDERS' RATIOS

Ratio	Rationale
$$\textbf{Return on total shareholders' Equity} = \frac{(\text{Net Profit after tax}) \times 100}{\text{Total shareholders' equity}}$$	This ratio depicts the return on total shareholders' fund deployed in the enterprise. Higher the return, it would signify better return on total shareholders' fund.
$$\textbf{Return on total ordinary shareholders' Equity} = \frac{(\text{Net Profit after tax}) \times 100}{\text{Total shareholders' equity}}$$ $$= \frac{(\text{Net Profit after tax and preference dividend}) \times 100}{\text{Ordinary shareholders' equity}}$$	This ratio depicts the return on ordinary shareholders' fund deployed in the enterprise. Higher the return, it would signify better return on equity from ordinary shareholders.
$$\textbf{Earnings per share (EPS)} = \frac{\text{Net Profit of equity holders}}{\text{Number of Ordinary shares}}$$	The ratio measures the profit available to the equity holders on a per share basis.
$$\textbf{Dividend per share (DPS)} = \frac{\text{Net Profit after interest and preference dividend paid to ordinary shareholders}}{\text{Number of Ordinary Share outstanding}}$$	The ratio measures the profit distributed as dividend to the equity holders on a per share basis.

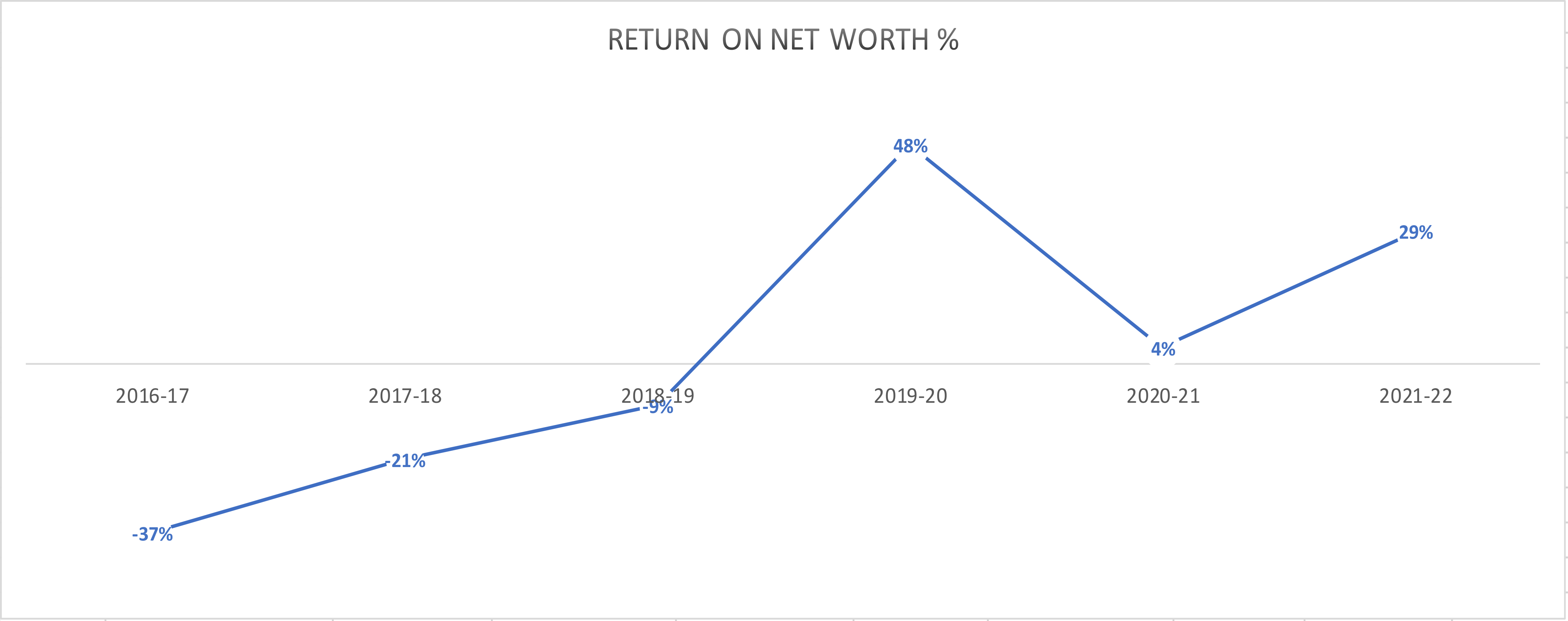
SHAREHOLDERS' RATIOS

Ratio	Rationale
$\textbf{Dividend pay − out ratio (D/P)} = \dfrac{\text{Total dividend to equity holders}}{\text{Total net profit of equity Holders}}$ Or, $= \dfrac{\text{Dividend per ordinary share}}{\text{Earnings per share}}$	This ratio is a measure of percentage share of net profit paid out as dividend to equity shareholders. The higher the D/P ratio, more attractive it is for the investor.
$\textbf{Earnings yield} = \dfrac{\text{Earnings per share}}{\text{Market value per share}}$	This ratio is a measure of percentage of each rupee invested in the stock that has been earned by the enterprise
$\textbf{Dividend yield} = \dfrac{\text{Dividend per share}}{\text{Market value per share}}$	This ratio is a measure of percentage dividend paid out by the enterprise each year in relation to its share price
$\textbf{Price earnings ratio (P/E)} = \dfrac{\text{Market value per share}}{\text{Earnings per share}}$	This ratio is a measure which signifies the price currently paid by the investor for each rupee of EPS. Higher the ratio more expensive is the stock price and more market capitalization for the owners.
$\textbf{Earning power} = \dfrac{\text{Net profit after tax}}{\text{Total assets}}$	The ratio is a measure of the earning power of the enterprise as it depicts overall profitability and operational efficiency of an enterprise.

RETURN ON NET WORTH

Shareholder Returns

Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Return on Net worth %	-37%	-21%	-9%	48%	4%	29%



THANK YOU!