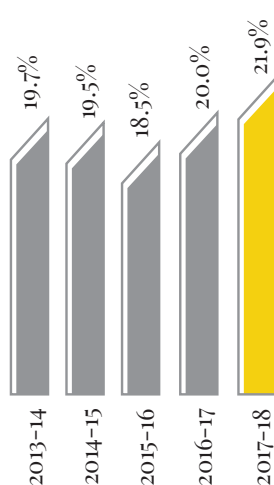


EBIDTA margin (%)

**Definition**

EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency

Why is this measured?

The EBITDA margin gives an idea of how much a company earns (before accounting for depreciation, amortisation interest and taxes) on each rupee of sales.

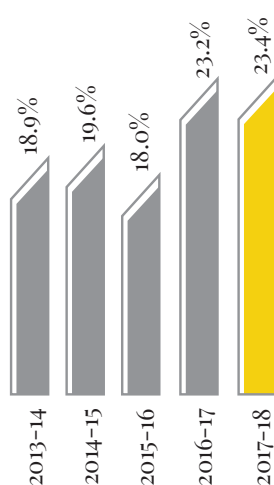
What does it mean?

Demonstrates adequate buffer in the business, which, when multiplied by scale, enhances surpluses.

Value impact

The Company reported a 185 bps increase in EBITDA margin during FY2017-18.

ROCE (%)

**Definition**

It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business

Why is this measured?

ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

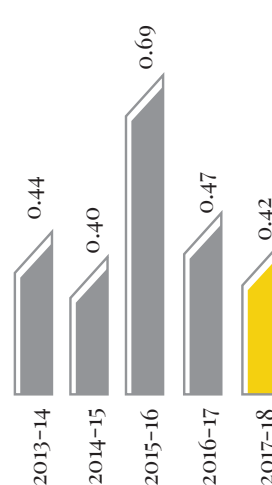
What does it mean?

Enhanced ROCE can potentially drive valuations and perception.

Value impact

The Company reported a 23 bps increase/in ROCE during FY2017-18.

Gearing (x)

**Definition**

This is derived through the ratio of net debt to net worth (less revaluation reserves)

Why is this measured?

This is one of the defining measures of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the Company to sustain growth in profits, margins and shareholder value.

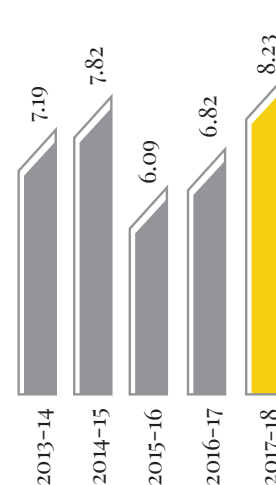
What does it mean?

Adds value in the hands of the shareholders by keeping the equity side constant and boosts flexibility by progressively moderating debt costs.

Value impact

The Company's gearing stood at 0.42 in FY2017-18 compared to 0.47 in FY2016-17. This ratio should ideally be read in conjunction with net debt/operating profit (a reduction indicating greater ease in terms of servicing debt).

Interest cover (x)

**Definition**

This is derived through the division of EBITDA by interest outflow

Why is this measured?

Interest cover indicates the Company's comfort in servicing interest – the higher the better.

What does it mean?

A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important factors in guaranteeing sizeable returns to shareholders.

Value impact

The Company strengthened its interest cover from 6.82 in FY2016-17 to 8.23 in FY2017-18.