Pacific Business Review International
Volume 5 Issue 10 (April 2013)

Depicting the Financial Performance of Heavy Electrical Equipment Industry with Reference to BHEL

Dr. Neel Kamal Purohit*

In industrial sector, heavy electrical equipment industries are facing serious problem of investment in heavy machineries. Why because this industry is highly capital intensive in nature. Earnings of BHEL increased over the year but investment and depreciation may reduce its earnings. So, this aims to attempt the financial performance of BHEL. This study aims to evaluate the financial performance of the BHEL and to identify the key measures for determining the financial performance of BHEL. This study is basically an analytical research study. Ten years of financial performance were analysed in this study. Secondary data used in this study. The major findings of this study are: PBDIT as % to total assets is also showing increasing trend. It reached at its highest level of 20.4% in the year 2006-07, highest growth in EPS happened in the year of 2010-11about Rs.122.80 and Comparing its net worth, in the year 2009-11 it is growing about 27% and 30% respectively. Major suggestions of this study are: BHEL must provide better dividend to increase the interest of the shareholders, increase the portion of debt capital. Because the debt portion of capital is low and concentrate to increase the current assets. Because of its current ratio is only at the nominal level. Finally researcher would like to conclude that BHEL mainly concentrating on wealth maximisation of its shareholders. It leads to grow the organisation in future.

Keywords: Earnings per share, wealth maximisation, profit maximisation, Net Worth, Dividend per

Introduction

BHEL is the largest engineering and manufacturing enterprise in India in the energy related/infrastructure sector. BHEL was established more than 40 years ago, ushering in the indigenous Heavy Electrical Equipment industry in India, a dream which has been more than realized with a well-recognized track record of performance. It has been earning profits continuously since 1971-72. BHEL caters to core sectors of the Indian Economy viz., Power Generation and Transmission, Industry, Transportation, Renewable Energy, Defence, etc. The wide network of BHEL's 14 manufacturing divisions, 4 power sector regional centers, 8 service centres, 15 regional offices and a large number of Project Sites spread all over India and abroad enables the Company to promptly serve its customers and provide them with suitable products, systems and services-efficiently and at competitive prices. BHEL has attained ISO 9001 certification for quality management and all the manufacturing units/divisions of BHEL have been upgraded to the latest ISO-9001: 2000 version. All the major units/divisions of BHEL have been awarded ISO-14001 certification for Environmental Management Systems and OHSAS-18001 certification for Occupational Health and Safety Management Systems. BHEL was the first Public Sector Company in the country to win the coveted 'PRIZE' for its Haridwar unit under the CII Exim Award for business excellence, as per the globally recognized model of European Foundation for Quality Management. The company received EEPC's Top Export Award for Project Exports for the seventeenth year in succession. It has also won the SCOPE Meritorious Award for R&D and Innovation 2005-06 for commendable contribution in the area of R&D and Innovation. The company achieved the perfect MoU score of 1.00 for the year 2006-07 and has also been selected for the MoU award for highest growth rate in market capitalisation among listed PSEs during 2006-07. 12 out of the 13 power stations awarded with the Ministry of Power's Meritorious Productivity Awards for 2006-07 are equipped with BHEL sets, reaffirming the quality and reliability of BHEL's equipment.

Statement of the problem

Contribution of industrial sector to the growth of the nation increased every year. But, most of the industries are struggling to face financial obligation. Especially heavy electrical equipment industries are facing serious problem of investment in heavy machineries. Why because this industry is highly capital intensive in nature. Earnings of BHEL increased over

*Assistant Professor, Department of Commerce, S. S. Jain Subodh P. G. College, Ram Bagh crossing, Jaipur-302004

the year but investment and depreciation may reduce its earnings. So, this aims to attempt the financial performance of BHEL.

Objectives of the study

- To evaluate the financial performance of the BHEL
- To identify the key measures for determining the financial performance of BHEL
- To offer valuable suggestion based on finding

Methodology

This research study is the nature of analytical in nature. Researcher analyse the information available for the particular company. Based on the information researcher analyse and identify the solution for the particular problem.

This study used secondary data for the analysis. Secondary data were collected from the books, journals, company website and annual report.

Analysis and discussion

1. The profitability of a company is depends upon large numbers of policies and decisions. The profitability ratios show the combined effect of liquidity, assets management and debt management on operating results. In table 1, we can see that absolute value of turnover and gross profit is continuously increasing. Ratio of GP is also showing marginally increasing trend. During the period of study, GP ratio reached to 20.91% in the year 2010-11 from 10.44% in the year 2001-02. During the period of 10 years the GP ratio reached at its double level. Since, it is showing a marginally increasing trend year to year ranging within 1%-2%, but in the year 2004-05, it has declined upto 4% approx from its previous year's level. In the year 2006-07, the GP ratio reached at 20.17%. The level of 20% was maintained in the next year also, but in the following year i.e. 2008-09 it went slept down and reached at a level of 17.41%. The percentage of GP is showing a reduction of 3.45% in Gross Profit ratio.

   Simultaneously, absolute value of net profit is also showing an increasing trend except the year 2002-03 during which it was reduced by Rs. 25 Crores in comparison of previous year.Net Profit ratio is also showing increasing trend in the same year in 2008-09, suddenly it slept down and went to 11.19% from 13.36% in the year 2007-08.

   Now, we have to concentrate on the year 2008-09, during this year company is showing reduction in both GP and NP ratio. During the study period of 10 years, the EBDIT is also showing declining trend and sales showing increasing trend consequently, GP and NP both showing an increasing trend. But, from 2007-08 to 2008-09 EBDIT is increased and reached at 90.85% of gross turnover from 83.74% in the year 2007-08.T*he company noticed or reported during the year except in case of HPEP – Hyderabad where a fraud / irregularity in respect of one of the stores has been noticed. As the documents such as material issue vouchers and material requisition slips etc., were manipulated and some documents such as bin cards, stores issue vouchers were destroyed, to ascertain the impact of fraud/misappropriation on the unit, the matter needs more detailed investigation. As per the information made available to us, the quantum of fraud / misappropriation in respect of stores may be approximately Rs. 6 Crore. The amount to the extent of fraud has been booked in the consumption during earlier years as such has no bearing in the current year's consumption. According to the explanations given to us by the management, appropriate action has been taken by the company in this regard.*

   During the year the turnover increased by 30.99% to Rs.28033 crore from Rs. 21401 crore in the previous year. The Turnover increased by 35.78% fromRs.19305 Crore in 2007-08 to Rs. 26212 crore in 2008-09.Profit before Tax for the year 2008-09 is placed at Rs. 4849crore as against Rs. 4430 crore during 2007-08. Profit After Tax is placed at Rs. 3138 crore as against Rs. 2859 Crore during 2007-08. Profit before tax has grown by 9.46% only impacted mainly by increase in material cost and additional wage revision provision. The provision made for wage revision in 2008-09 is Rs. 1729 crore (includes Rs. 600 crore paid as ad-hoc and 50% DA merger) as against Rs. 737 crore (includes Rs. 199crore paid as ad-hoc) in 2007-08. The provision for wage revision for the year 2008-09 includes Rs. 661 crore provided for additional provision for gratuity due to enhancement in ceiling limit from Rs. 3.5 lacs to Rs. 10 lacs based on guidelines issued by DPE. Further, during 2007-08 there was an interest income (net) of Rs. 252 crore towards Income Tax refund. Profit after tax registered an increase of 9.76% to Rs. 3138 crore as against Rs. 2859 crore in the previous year. Net Worth of the company has gone up from Rs.10774 crore toRs.12939 crore registering an increase of 20%. per share has increased from Rs. 220.11 in 2007-08 to Rs. 264.32 in 2008-09.

2. Turnover of the company is also showing an increasing trend in its absolute values. Turnover reaches Rs. 433.33 billion in the year 2010-11 in comparison of Rs. 72.87 billion in the year 2001-02. It is approx. 6 times higher than the base year turnover which is showing tremendous growth in company's performance. But, if we see year wise growth of turnover, it is showing uneven trend. Highest growth in turnover was in the year 2005-06. In this year company has achieved 40.53% growth in its turnover in comparison of

previous year. But, in succeeding 2 years it is showing considerable declining trend. In the year 2007-08 company shows a growth of 14.20% from its previous year level. Consequently, gross profit and net profit are also showing a declining trend in the period from 2006-07 to 2008-09.

PBDIT as % to total assets is also showing increasing trend. It reached at its highest level of 20.4% in the year 2006-07. But, in following 2 years this ratio is declined and reached at 15.08% in the year 2008-09. Since the absolute value of PBDIT and Total assets is continuously increased during the study period. The reason of declining trend in aforesaid two years may be that the company has invested a large amount in assets and made a provision for depreciation of Rs. 4.58 billion in the year 2008-09 and of Rs. 5.44 billion in the year 2009-10 which are maximum amounts of depreciation of the study period. Provision for Depreciation is made without making a technical assessment of useful lives of the assets, which is inconsistent with the Accounting Policy No.6.

3. PBDIT is also showing increasing trend in its absolute value. But, PBDIT as percentage to Total assets is continuously increased up to the year 2006-07 and it reached at the level of 20.4% from the level of 10.3% in the inception of study period. After that in following two years it is going to declining trend and touch at a level of 15.08% in 2008-09. But, in next two years the graph of this ratio is in upward direction.

4. Earning on Capital employed shows that at what extent of capital has been optimally used and what return has been received by the investors. In this case, percentage of gross profit to capital is showing increasing trend ranging from 16.7% in the year 2001-2002 to 61.73% in 2010-11. But, again in the year 2008-09 it is also declined and went to 51.47%. It is approx 3% less than preceding year ratio i.e. 54.1%. I following year it jumped and reached to 57.45% and in 2010-11 it reached its top level at 61.73%.

5. BHEL continuously increasing value of its gross block. Total amount invested in gross block by the company was Rs. 31.82 billion in the year 2001-02 and Rs. 80.50 billion at the end of the study period. The absolute value has become approx 3 times higher at the end of the study period from the beginning of the period, which is showing tremendous growth in company assets. But, if we analyse gross block as percentage to gross turnover it is showing declining trend. The ratio of gross block to turnover is continuously slipping down and at the beginning of the study period it was43.67%, it reached at 18.57% at the end of the study period. Since, volume of turnover is also increased rapidly at touched 6 times high at the end of the study period as it was in the beginning of the study. The ratio is showing good performance of management in its operating activities. It shows that the company is doing well planned and optimal use of its assets to running the operating activities.

6. Management of any corporate unit wants to maximize wealth or value of the corporate entity. The use of wealth maximization objective or net present value maximization objective has been advocated as an appropriate and operationally feasible criterion to choose among the alternative financial actions. The performance of a corporation is better judged in terms of its Earnings per share (EPS).For an investor EPS plays very important role as best base to take their investment decisions. In this case, BHEL is showing a tremendous growth in its EPS. In 2001-02 the EPS was Rs.19.1 and it reached at Rs. 98.7 in the year 2006-07. In next year company issued bonus share in the ratio of 1:1. Consequently, numbers of shares are doubled now but doesn't matter the EPS of the company in this year was Rs. 58.4 (which is equal to Rs. 116.8 in previous years' situation). Company showed a great performance in respect of EPS and unbelievably the EPS went to its highest level of RS. 122.80in the year 2010-11. Continuous growth in EPS shows financial soundness of the company and faith of investors will be increased.

7. Earnings per share are the earning capacity per share. Total amount of revenue after deducting all the expenses is divided by the number of outstanding equity share holders is called as EPS. Table 7 depict the relationship of EPS over the period of time. EPS rapidly growing in the first 6 years of the study period. After that it's having volatile movement and has down trend in the 7^{th} year. After that is drastically growing. In the year of 2007-08, due to the economic crisis all industries of economy faced serious problem. Also BHEL expanded its operation. It split its share into two. It is also the major reason to reduce the earnings per share. Highest growth in EPS happened in the year of 2010-11 Rs.122.80.

8. Net worth is calculated by majorly adding paid up capital and reserves and surplus. Net worth is the current value of accumulated capital. Reserves and surplus is the portion of accumulated profit. It is used for the purpose of meet out the future financial obligations. In the last decade net worth of the concern increased more than 10% consistently year on year. In the year 2010-11 net worth increased by 27%. It is high when compared to all the years of the last decade.

9. Current ratio indicates the firm's capacity to fulfil its current obligation. Current ratio is calculated by dividing current assets by current liability. If the current ratio is 1, it means that firm having the capacity fulfil its

current operational requirements. If it is more than of that is normally preferable. Even though some eminent argue that too much of current ratio going to reduce the firms long term decision. Why because some portion of funds may locked in the firm of current assets. Table 9 depicts the relationship of current ration over the years. In 2008-2011 company reduced current ratio into 1.3. Debt equity ratio explains the relationship of insiders fund with outsiders' fund. Insiders always are an owner of the organisation i.e. the fund in the form of equity capital. Outsiders always are debtors. This ratio explains the relationship of debtor and the ownership capital. Most of the eminent people argued that less ratio required to expanding the power of ownership. Debt capital in BHEL reduced over the year. 2006-07 BHEL maintained the ratio of 0.01 year on year.

10. Net profit after tax is the real income realised by the organisation. Net worth of the organisation is the real worth after adding and deducting certain item with the paid up capital. Percentage of net profit to net worth shows the real growth of the organisation. It is clearly shows in table 10; it depicts that income generated with the net worth having volatile over the period. In the year 2002-03 it is less performance to the organisation. Because only 9.4% of profit only generated by comparing its net worth. In the year 2009-11 it is growing about 27% and 30% respectively.

11. Payout ratio is calculated by subtracting dividend along with the tax on dividend and divide with the net profit. Net profit divided into two major proportions like one portion may converted into surplus to meet out the future financial obligations and the rest of the portion may paid to the equity share holders. Surplus may increase the wealth of the shareholders and dividend may increase the interest of the shareholders. In the last four years from 2007-2011 BHEL provides average of 30 %. Payout percentage is increasing year on year except in 2004-05 as 23%.

12. Dividend is the portion distributed to the real owners of the organisation. Equity share holders are the residual claimants and real owner of the organisation. When compared to the dividend portion of the organisation, it is clearly depicts that low amount of dividend in year on year in 2001-05 it is very low like Rs.0.4, 0.45, 0.68, 0.91 respectively. Remaining years, it is somewhat moderate.

Findings of the study

- During the period of study, GP ratio reached to 20.91% in the year 2010-11 from 10.44% in the year 2001-02.
- Net Profit ratio is also showing increasing trend in the same year in 2008-09, suddenly it slept down and went to 11.19% from 13.36% in the year 2007-08.
- The Turnover increased by 35.78% from Rs.19305 Crore in 2007-08 to Rs. 26212 crore in 2008-09.
- PBDIT as % to total assets is also showing increasing trend. It reached at its highest level of 20.4% in the year 2006-07.
- PBDIT as percentage to Total assets is continuously increased upto the year 2006-07 and it reached at the level of 20.4% from the level of 10.3% in the inception of study period.
- Percentage of gross profit to capital is showing increasing trend ranging from 16.7% in the year 2001-2002 to 61.73% in 2010-11.
- The ratio of gross block to turnover is continuously slipping down and at the beginning of the study period it was 43.67%, it reached at 18.57% at the end of the study period
- In 2007-08 company issued bonus share in the ratio of 1:1. Consequently, numbers of shares are doubled now but doesn't matter the EPS of the company in this year was Rs. 58.4 (which is equal to Rs. 116.8 in previous years' situation)
- Highest growth in EPS happened in the year of 2010-11about Rs.122.80.
- In the last decade net worth of the concern increased more than 10% consistently year on year. In the year 2010-11 net worth increased by 27%. It is high when compared to all the years of the last decade.
- In 2008-2011 company reduced current ratio into 1.3.
- Debt capital in BHEL reduced over the year. 2006-07 BHEL maintained the ratio of 0.01 year on year.
- Comparing its net worth, in the year 2009-11 it is growing about 27% and 30% respectively.
- In the last four years from 2007-2011 BHEL provides average of 30 %. Payout percentage is increasing year on year except in 2004-05 as 23%.
- It is clearly depicts that low amount of dividend in year on year in 2001-05 it is very low like Rs.0.4, 0.45, 0.68, 0.91 respectively.

Suggestions of the study

- BHEL must provide better dividend to increase the interest of the shareholders.
- BHEL must increase the portion of debt capital. Because the debt portion of capital is low
- BHEL must concentrate to increase the current assets. Because of its current ratio only at the nominal level
- BHEL must maintain transparency in accounting

system. Non-maintenance of transparency may lead to reduce the fraud or misleading activities.

Conclusion

Key resource for running the successful organisation is the effective maintenances of funds. Financial performance is the key area for the organisation. Also it makes inquisitiveness for other organisation may know the performance of our own concern. Number of indicators may use to analysing the performance of organisation over the period. This study attempts to evaluate the financial performance of BHEL over the last decade. Based on the analysis, BHEL increased its profit ratio over the period, net worth increased due to the accumulation of surplus, and better payout may offered by this concern, but dividend yield is low. Finally researcher would like to suggest that BHEL must increase its dividend ratio, increase its debt capital and maintain proper and transparency in accounting. Finally researcher would like to conclude that BHEL mainly concentrating on wealth maximisation of its shareholders. It leads to grow the organisation in future.

References

Annual Reports of BHEL of relevant year

Croxton Frederick E., Crowden Dudley J. and Klein Sidney, “AppliedGenral Statistics”, Prentice Hall Pvt. Ltd., New Delhi, 1969.

Goode William J. and Hart Paul K., “Methods in Social Research”,McGraw Hill Book Company, New York, 1952.

Kothari C.R., “Research Methodology – Methods & Techniques, Wishawa Prakashan, New Delhi, 2003.

Lundberg, G. A., “Social Research”, Longmans Green and Company,New York, 1982.

Levin Richard I., “Statistics for Management”, Prantice Hall of India Pvt.Ltd. New Delhi, 1979.

Metcalf, R. W. and P. L. Titard, “Principles of Accounting”, W. B.Saunders, (Philadelphia) 1976.

Meigs, W. B. and others, “Intermediate Accounting”, McGraw – Hill, New York, 1978.

Sancheti D.C. & Kappoor V.K., “Statistics - Theory, Methods &Application, Sultan Chand & Sons, Educational Publisher, New Delhi, 1999.

Webster's New Collegiate Dictionary, 8th Ed., Springfield, Mass:G & C,Merriam, 1975.

Weessel Robert H., Willet Edward R., and Simone Albert J., “Statistics as Applied to Economics and Business”, Kolt Rinehart and Winston, New York, 1965.

Annexure

Table-1

Statement showing relationship between Expenses, Gross Profit & Net Profit to Gross Turnover (Rs. In Crore)

Years	Gross Turnover	EBDIT	% of Expenses to Turnover	Gross Profit	% of GP to Turnover	Net Profit after tax	% of NP to Turnover
2001-02	7287	7090	97.29	761	10.44	469	6.44
2002-03	7482	7233	96.67	857	11.45	444	5.93
2003-04	8662	7872	90.89	1074	12.40	657	7.58
2004-05	10336	9650	93.36	1663	16.09	953	9.22
2005-06	14525	12589	86.67	2623	18.06	1679	11.56
2006-07	18739	15692	83.74	3779	20.17	2415	12.89
2007-08	21401	18911	88.36	4465	20.86	2859	13.36
2008-09	28033	25468	90.85	4880	17.41	3138	11.19
2009-10	34154	29507	86.39	6624	19.39	4311	12.62
2010-11	43337	35560	82.05	9061	20.91	6011	13.87

GP = Net Profit after Depreciation but before Interest & Tax

EBDIT- Expenses before depreciation, Interest & Tax

Table-2

Comparison of profit margin and turnover during the last decade (Rs. In Crore)

Years	Gross Turnover	+ or – in Turnover	% change in Turnover	Gross Profit	+ or – in GP	% change in GP	Net Profit	+ or – in NP	% change in NP
2001-02	7287	-	-	761	-	-	469	-	-
2002-03	7482	+195	2.68	857	+96	12.61	444	(25)	(5.33)
2003-04	8662	+1180	15.77	1074	+217	25.32	657	+213	47.97
2004-05	10336	+1674	19.33	1663	+589	54.84	953	+296	45.05
2005-06	14525	+4189	40.53	2623	+960	57.72	1679	+726	76.10
2006-07	18739	+4214	29.01	3779	+1156	44.07	2415	+736	43.83
2007-08	21401	**+2662**	14.20	**4465**	**+686**	18.15	2859	**+444**	18.38
2008-09	28033	**+6632**	**30.99**	**4880**	**+415**	9.29	3138	**+279**	9.76
2009-10	34154	+6121	21.83	6624	**+1744**	35.73	4311	**+1173**	37.38
2010-11	43337	+9183	26.88	9061	+2437	36.79	6011	+1700	39.43

Table-3

Comparison of deprecation with gross block during the last decade (Rs. In Crore)

Years (1)	Gross Block (2)	Depreciation (3)	% of dep. To Gross Block (4)	Accumulated Depreciation (5)	Difference in Accumulated Depreciation (6)	Lease Adjustments (3)-(6)= (7)
2001-02	3182	169	5.31	2005	-	-
2002-03	3349	185	5.52	2179	174	11
2003-04	3460	198	5.72	2365	186	12
2004-05	3629	219	6.03	2585	220	-1
2005-06	3822	246	6.44	2840	255	-9
2006-07	4135	273	6.60	3146	306	-33
2007-08	4443	297	6.68	3462	316	-19
2008-09	5225	334	6.39	3754	292	42
2009-10	6580	458	6.96	4165	411	47
2010-11	8050	544	6.76	4649	484	60

Table-4

Comparison of profit with total assets during the last decade. (Rs. In Crore)

Years	PBDIT	Total Assets	% of PBDIT to Total Assets
2001-02	930	9298	10.3
2002-03	1042	9587	11.00
2003-04	1272	11658	12.00
2004-05	1882	14491	14.4
2005-06	2869	17506	17.9
2006-07	4052	22280	20.4
2007-08	4762	29554	18.40
2008-09	5214	39581	15.08
2009-10	7082	46960	16.37
2010-11	9605	57097	18.46

Table-5

Comparison gross profit to capital employed during the last decade (Rs. In Crore)

Years	GP	Capital Employed	% of GP to Capital Employed
2001-02	761	4527	16.7
2002-03	857	4772	18.4
2003-04	1074	5212	21.5
2004-05	1663	5950	29.8
2005-06	2623	7001	40.5
2006-07	3779	7640	51.6
2007-08	4465	8873	54.1
2008-09	4880	10091	51.47
2009-10	6624	12968	57.45
2010-11	9061	16391	61.73

Table-6

Comparison of gross block to gross turnover during the last decade (Rs. In Crore)

Years	Gross Turnover	Gross Block	Gross Block to Turnover
2001-02	7287	3182	43.67
2002-03	7482	3349	44.76
2003-04	8662	3460	39.94
2004-05	10336	3629	35.11
2005-06	14525	3822	26.31
2006-07	18739	4135	22.06
2007-08	21401	4443	20.76
2008-09	28033	5225	18.64
2009-10	34154	6580	19.27
2010-11	43337	8050	18.57

Table-7

Comparison of Earnings Per share over the period (Rs. In Crore)

Years	Profit after Tax	No. of Shares	Earnings Per Share (Rs.)
2001-02	469	245	19.1
2002-03	444	245	18.2
2003-04	657	245	26.9
2004-05	953	245	39.0
2005-06	1679	245	68.6
2006-07	2415	245	98.7
2007-08	2859	490	58.4
2008-09	3138	490	64.11
2009-10	4311	490	88.06
2010-11	6011	490	122.80

Table-8

Comparison of Net worth per share over the period (Rs. In Crore)

Years	Net Worth	No. of Shares	Net Worth Per Share
2001-02	4221	245	172.43
2002-03	4708	245	192.36
2003-04	5278	245	215.64
2004-05	6027	245	246.24
2005-06	7301	245	298.31
2006-07	8788	245	359.0
2007-08	10775	490	220.1
2008-09	12939	490	264.32
2009-10	15917	490	325.16
2010-11	20154	490	411.71

Table-9

Comparison of ratio to debt equity ratio during the last decade (Rs. In Crore)

Years	Current Assets	Current Liabilities	Current Ratio	Debts	Net Worth	Debt Equity Ratio
2001-02	8054	4714	1.7	666	4221	0.16
2002-03	8348	4756	1.8	531	4708	0.11
2003-04	10425	6337	1.7	540	5278	0.10
2004-05	13343	8446	1.6	537	6027	0.09
2005-06	16331	10320	1.6	558	7301	0.08
2006-07	20980	14337	1.5	89	8788	0.01
2007-08	27906	20022	1.4	95	10775	0.01
2008-09	36901	28333	1.30	149	12939	0.01
2009-10	42915	32442	1.32	128	15917	0.01
2010-11	51495	38944	1.32	163	20154	0.01

Table-10

Comparison of net profit to net worth during the last decade (Rs. In Crore)

Years	Net Profit after tax	Net Worth	% of Net Profit to Net Worth
2001-02	469	4221	11.1
2002-03	444	4708	9.4
2003-04	657	5278	12.5
2004-05	953	6027	15.8
2005-06	1679	7301	23.0
2006-07	2415	8788	27.5
2007-08	2859	10775	26.5
2008-09	3138	12939	24.26
2009-10	4311	15917	27.08
2010-11	6011	20154	29.83

Table 11

Comparison of payout ratio over the period

Years	Dividend	Net Profit after tax	Pay-out ratio
2001-02	97.90	469	0.21
2002-03	110.45	444	0.25
2003-04	165.86	657	0.25
2004-05	222.45	953	0.23
2005-06	404.67	1679	0.24
2006-07	692.49	2415	0.29
2007-08	873	2859	0.31
2008-09	973	3138	0.31
2009-10	1332	4311	0.31
2010-11	1774	6011	0.30

Table 12

Comparison of dividend per share over the period

Years	Dividend	No. of Shares	Dividend Per Share
2001-02	97.90	245	0.40
2002-03	110.45	245	0.45
2003-04	165.86	245	0.68
2004-05	222.45	245	0.91
2005-06	404.67	245	1.65
2006-07	692.49	245	2.83
2007-08	873	490	1.78
2008-09	973	490	1.99
2009-10	1332	490	2.72
2010-11	1774	490	3.62

Fig. 1

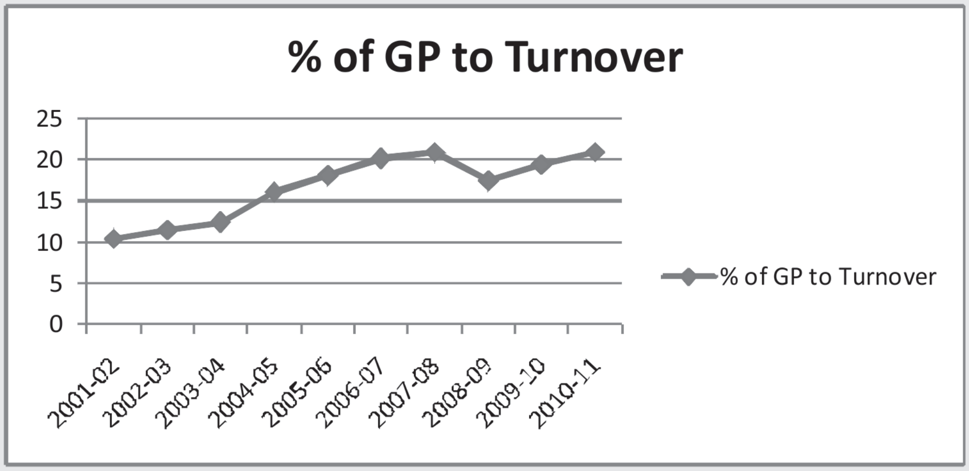


Fig. 2

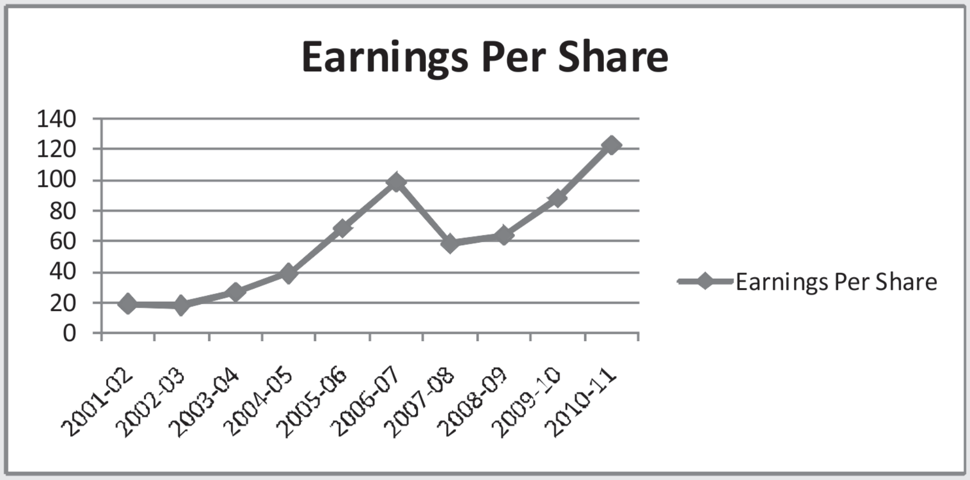


Fig. 3

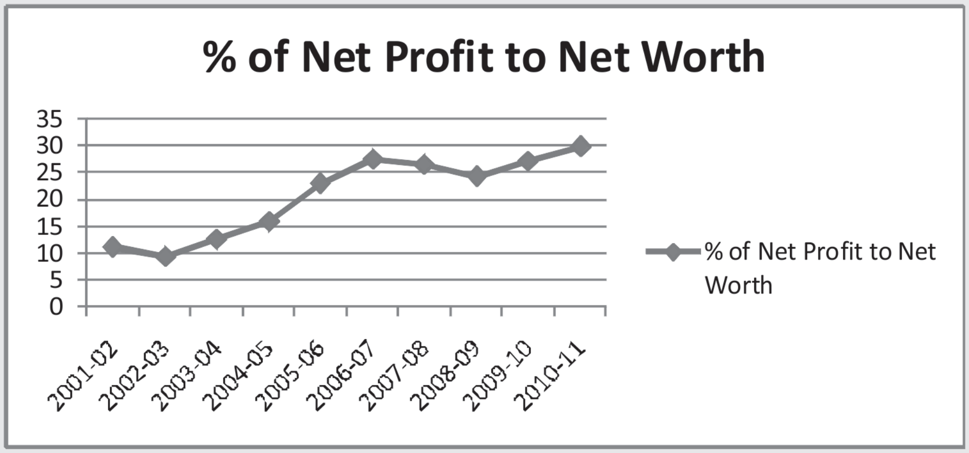


Fig. 4

Growth in Gross Profit and Net Profit

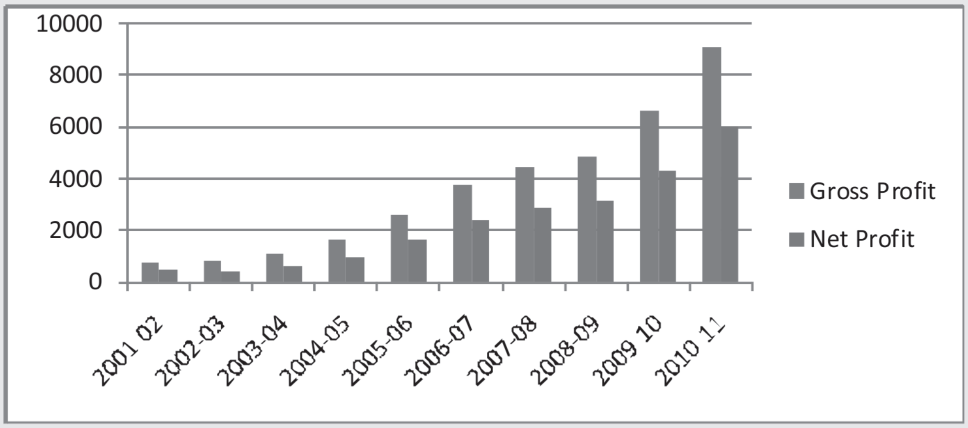


Fig. 5

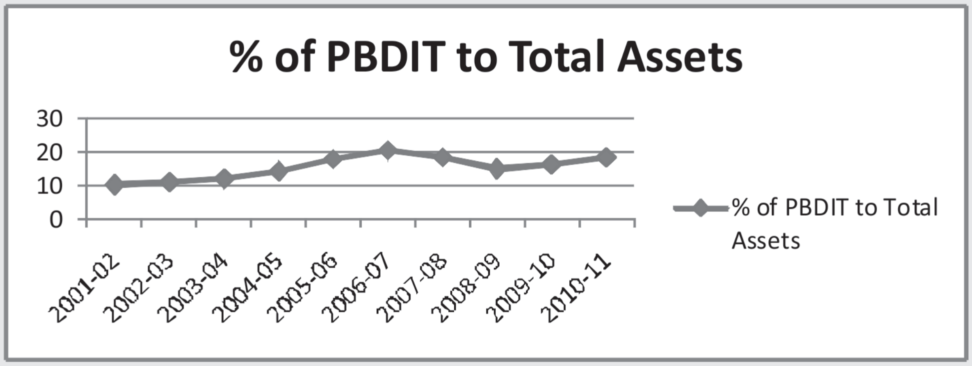


Fig. 6

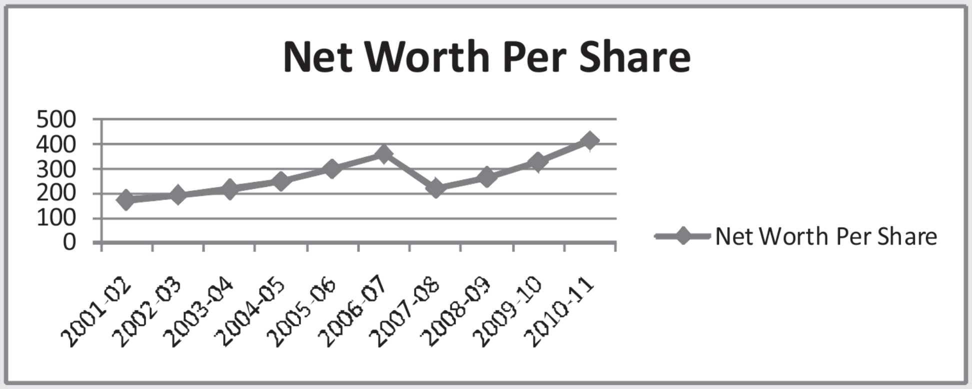


Fig. 7

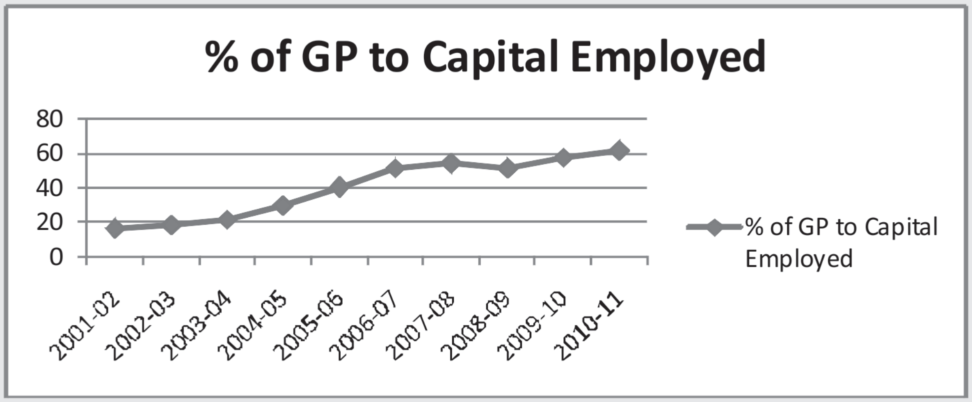


Fig. 8

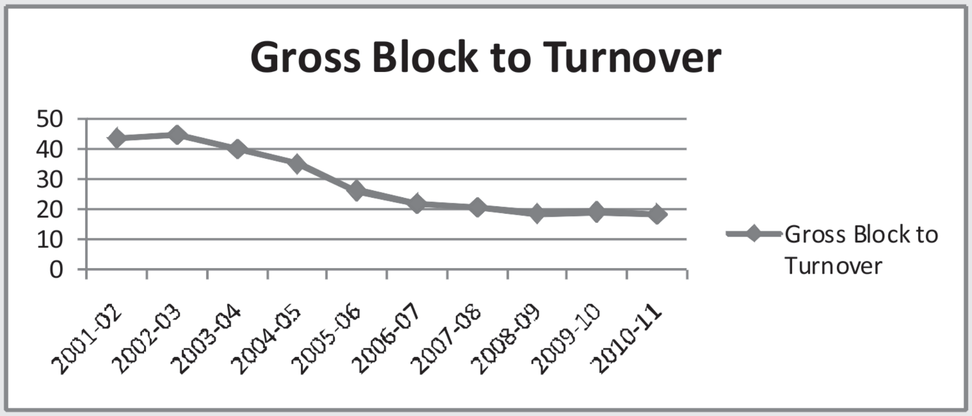


Fig. 9

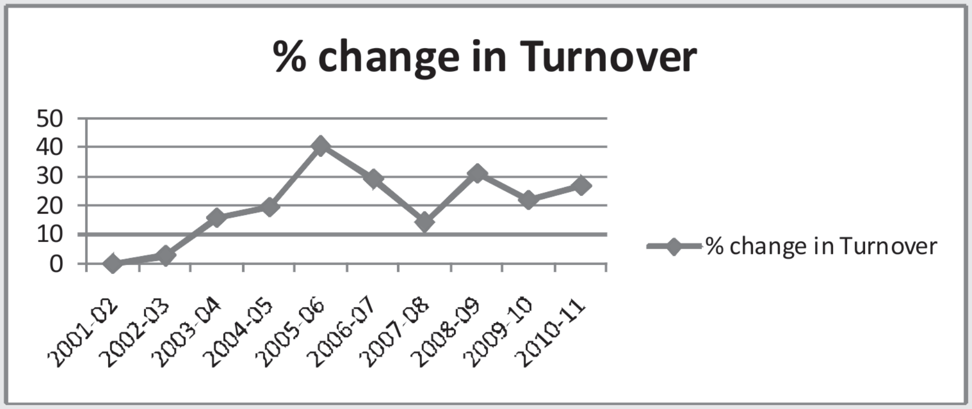


Fig. 10

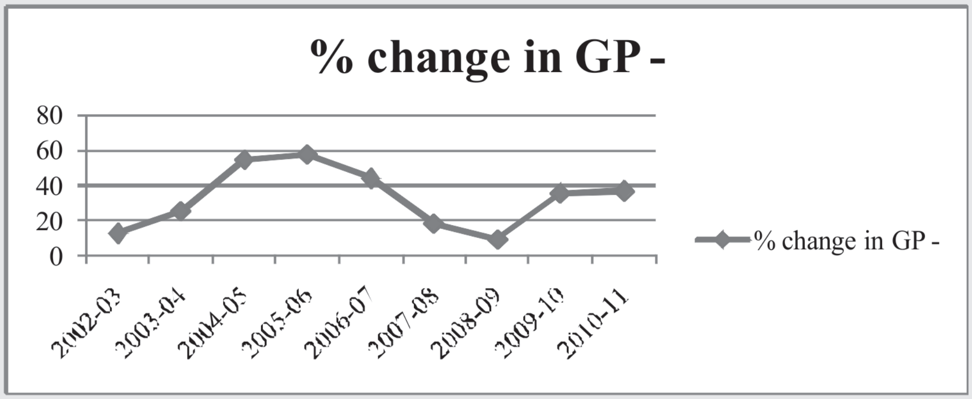


Fig. 11

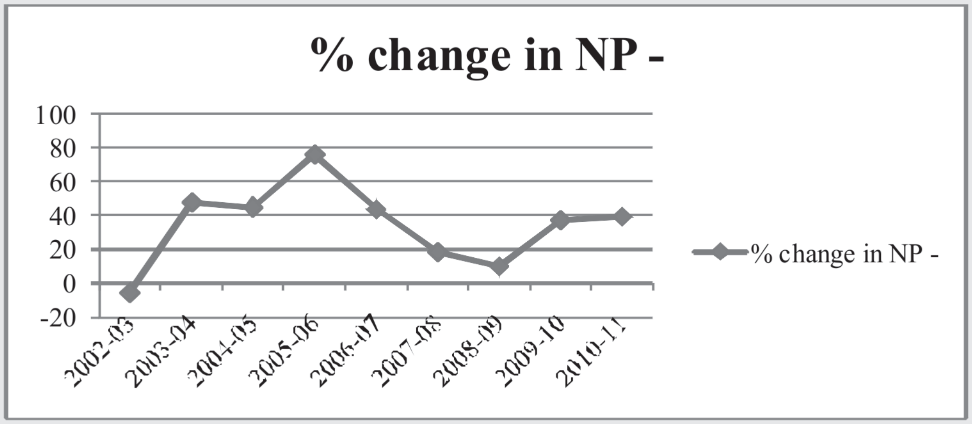


Fig. 12

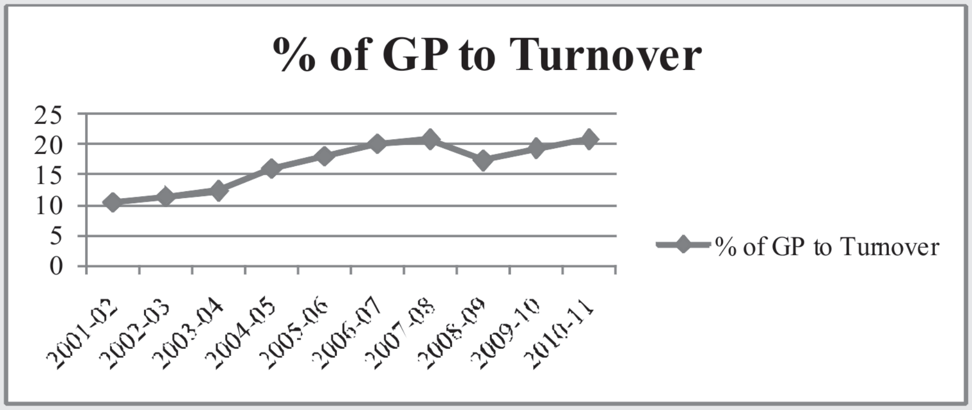


Fig. 13

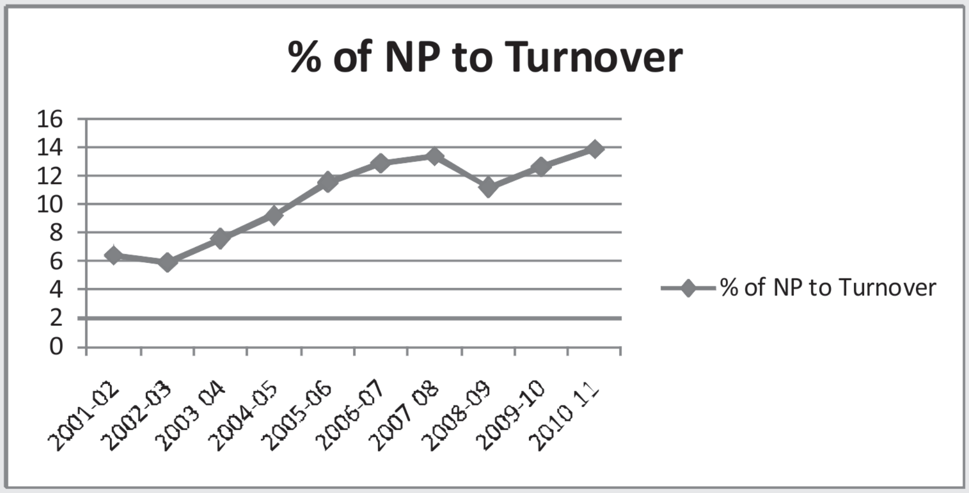
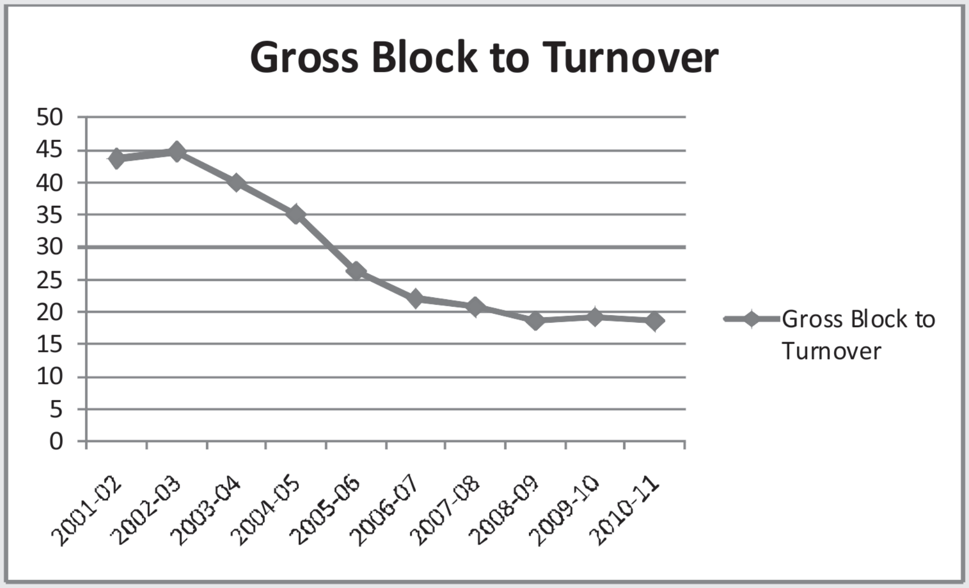

% of NP to Turnover
16
14
12
10
8
6
4
2
0
2001-02
2002-03
2003 04
2004-05
2005-06
2006-07
2007 08
2008-09
2009-10
2010 11
% of NP to Turnover

Fig. 14


Gross Block to Turnover
50
45
40
35
30
25
20
15
10
5
0
2001-02
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
Gross Block to Turnover