Other disclosures

A. Key financial ratios

	Standalone		Consolidated	
	FY 24-25	FY 23-24	FY 24-25	FY 23-24
Debtors' turnover ratio	16.22	20.36	8.52	10.05
Inventory turnover ratio	13.12	13.35	10.62	9.95
Interest coverage ratio	8.70	6.77	7.02	0.06
Current ratio	0.97	0.90	1.06	0.99
Debt equity ratio	0.31	0.21	0.32	0.25
Operating profit margin (%)	23.57	26.68	20.91	21.78
Net profit margin (%)	15.32	7.83	12.97	- 4.01
Return on net worth (%)	15.07	6.83	15.06	- 4.25

Reasons for change in standalone ratios

- Change in the debt-equity ratio is due to increase in short term borrowings
- All profit based ratios have undergone signifcant change due to exceptional loss reported for the previous year

Reasons for change in consolidated ratios

- All profit based ratios have undergone signifcant change due to loss reported for the previous year
- Inventory turnover ratio has increased due to increase in revenue by ~2% and slight decline in average inventroy
- Current ratio has increased due to significant increase in short term investments , there by increasing overall current assets by ~32% with a corresponding increase in current liabilities by ~24%
- Debt equity ratio has increased mainly due to increase in short term borrowings

Formulae used for calculation of the ratios

Debtor turnover ratio	Net Sales / Average of opening & closing trade receivables
Inventory turnover ratio	Net sales/average of opening and closing inventories
Interest coverage ratio	(PAT + finance cost + depreciation and amortization expense + (profit)/loss on the sale of fixed assets)/finance cost
Current ratio	Current assets/current liabilities
Debt equity ratio (including financial liabilities)	Non-current + current borrowings/total equity
Operating profit margin (%)	(Profit before depreciation, interest, tax, exceptional items and foreign exchange gain/loss less other income)/total revenue from operations
Net profit margin (%)	Profit after tax/net sales
Return on net worth (%)	Profit after tax/average equity

B. Internal control systems and their adequacy

We've set up an internal system to make sure all our assets are protected from unauthorized use or loss, and that our transactions are properly authorized, recorded, and reported. This system includes controls over financial reporting to ensure our financial statements are accurate and to minimize the risk of fraud. Our Corporate Audit and Assurance department provides clear guidelines and controls to track any significant changes in activities or processes from start to finish.

As part of the audits, they also review the design of key processes from the point of view of adequacy of controls. As part of continuous monitoring, periodic reports are generated to analyse data. The internal controls are tested for their design and operating effectiveness across all our locations and functions by the Corporate Audit team; control failures are reviewed by the management from time to time for corrective action.

Controls with respect to authorisation in underlying IT systems are also reviewed periodically to ensure that users have access to only those transactions that their roles require. Our head office in Mumbai, offices across India, and all major factories follow an Information Security Management System and are ISO/IEC 27001:2013 certified.