Annexure I

DEFINITIONS OF FINANCIAL PARAMETERS

1.	Gross Margin	Excess of income over expenditure before providing for depreciation, interest on loans, taxes (including deferred taxes), extra ordinary items, prior period adjustments and appropriations to reserves.
2.	Gross Profit	Excess of income over expenditure before providing for interest, taxes (including deferred taxes), extra ordinary items, prior period adjustments and appropriations to reserves.
3.	Net Profit	Excess of operating income over expenditure after providing for depreciation, interest, taxes (including deferred taxes), extra ordinary items, prior period adjustments but before providing for appropriations to reserves.
4.	Profit before taxes including deferred taxes and EP (PBTEP)	Excess of income over expenditure before proving for taxes (including deferred taxes), extra ordinary items, prior period adjustments and appropriations to reserves.
5.	Profit before EP (PBEP)	Excess of income over expenditure after providing for depreciation, interest, taxes but before providing for extra ordinary items, prior period adjustments and appropriations to reserves.
6.	Net Worth	Paid-up capital, share application money pending allotment and reserves less accumulated losses and deferred revenue expenditure to the extent not written off.
7.	Gross Block	Original cost of procuring and erecting fixed assets as appearing in the annual accounts of the CPSEs at the end of the accounting year and takes into account additions thereto and deductions there from by way of sales and transfers.
8.	Capital Employed	Gross Block of fixed assets less accumulated depreciation plus working capital.
9.	Working Capital	All current assets, loans and advances less current liabilities and provisions excluding cash credits and bank overdrafts.
10.	Gross Sales	The total turnover and includes elements of excise duty, commission and discounts, etc.
11.	Turnover/ Operating Income	The aggregate amount for which sales are affected by the company including excise duty and receipts from operations / services rendered.
12.	Added Value	The residual after meeting the due returns to labour, capital and materials that reflects the overall efficiency of the CPSEs. Added value may be computed as gross margin less returns to capital, which in turn may be computed as capital recovery factor @ 4% capital employed for social sector CPSEs and @ 10% for all other CPSEs.
13.	Net Loss	Excess of expenditure (including depreciation, interest, taxes, extra ordinary items, prior period adjustments but before providing appropriations to reserves) over operating income.
14.	Return on Equity	Computed by deducting dividend on preference shares from Net Profit and divided by Net Worth as adjusted by the amount of preference share capital.
15.	Earning per Share	Computed by dividing Net Profit with Paidup Capital and multiplying it by face value of each share i.e. Rs. 10/- .
16.	Refining Cost	Refining Cost is excluding interest, depreciation, Planned Shutdown/RTA and marketing & selling expenses.