Project Report

ON

"A STUDY ON FINANCIAL PERFORMANCE ANALYSIS OF PIDILITE INDUSTRIES LIMITED"

(For the Financial Year 2017-18 to 2021-22)

Submitted to:

G. S. College of Commerce and Economics, Nagpur

(An Autonomous Institute)

Affiliated to:

Rashtrasant Tukdoji Maharaj Nagpur University, Nagpur

In Partial fulfillment for the awards of the Degree of

MASTER OF BUSINESS ADMINISTRATION

Submitted By

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Under the Guidance of

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NAAC Re-Accredited "A" Grade Autonomous Institution

For academic Year

2021-2022

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G.S. College of Commerce & Economics, Nagpur

CERTIFICATE

This is to certify that **"SWARAJ BHAD"** has submitted the Project Report Synopsis titled "**A STUDY ON FINANCIAL PERFORMANCE ANALYSIS OF PIDILITE INDUSTRIES LIMITED (For the Financial Year 2018-19 to 2021-22)**", towards partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he has ingeniously completed his/her project as prescribed by DMSR - G. S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR (NAAC Reaccredited "A" Grade Autonomous Institution) affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

Prof. Kmalesh Thote	**Dr. Sonali Gadekar**
(Project Guide)	**(Co-Ordinator)**

Place: Nagpur

Date:

G. S. College of Commerce & Economics, Nagpur

DECLARATION

I here-by declare that the project with title **"A STUDY ON FINANCIAL PERFORMANCE ANALYSIS OF PIDILITE INDUSTRIES LIMITED (For the Financial Year 2018-19 to 2021-22)**''has been completed by me in partial fulfillment of MASTER OF BUSINESS ADMINISTRATION degree examination as prescribed by DMSR - G. S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR (NAAC Reaccredited "A" Grade Autonomous Institution) affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

Place: Nagpur   Swaraj Bhad

Date:

G. S. College of Commerce & Economics, Nagpur

ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to Dr. N.Y. Khandait, and to Mr. Anand Kale, Dean, Principal, G.S. College of Commerce & Economics, Nagpur

I am extremely thankful to my Project Guide Prof. Kamlesh Thote for his guideline throughout the project. I tender my sincere regards to Co-ordinator, Dr. Sonali Gadekar for giving me guidance, suggestions and invaluable encouragement which helped me in the completion of the project.

I will fail in my duty if I do not thank the non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful.

Place: Nagpur Swaraj Bhad

Date:

INTRODUCTION

Financial analysis is the process of evaluating businesses, projects, budgets and other finance-related entities to determine their performance and suitability. Typically, financial analysis is used to analyze whether an entity is stable, solvent, liquid or profitable enough to warrant a monetary investment. When looking at a specific company, a financial analyst conducts analysis by focusing on the income statement, balance sheet and cash flow statement. Financial analysis is used to evaluate economic trends, set financial policy, build long-term plans for business activity, and identify projects or companies for investment. This is done through the synthesis of financial numbers and data.

One of the most common ways to analyze financial data is to calculate ratios from the data to compare against those of other companies or against the company's own historical performance. For example, return on assets (ROA) is a common ratio used to determine how efficient a company is at using its assets and as a measure of profitability. This ratio could be calculated for several similar companies and compared as part of a larger analysis.

Financial analysis can be conducted in both corporate finance and investment finance settings. In corporate finance, the analysis is conducted internally, using such ratios as net present value (NPV) and internal rate of return (IRR) to find projects worth executing. A key area of corporate financial analysis involves extrapolating a company’s past performance, such as gross revenue or profit margin, into an estimate of the company’s future performance. This allows the business to forecast budgets and make decisions based on past trends, such as inventory levels.

In investment finance, an outside financial analyst conducts financial analysis for investment purposes. Analysts can either conduct a top-down or bottom-up investment approach. A top-down approach first looks for macroeconomic opportunities, such as high-performing sectors, and then drills down to find the best companies within that sector. A bottom-up approach, on the other hand, looks at a specific company and conducts similar ratio analysis to corporate financial analysis, looking at past performance and expected future performance as investment indicators.

CLASSIFICATION OF RATIO BY STATEMENT

Profitability Ratios

Profitability ratios define how profitable the operations of the company are on per rupee of sales basis. It is evident that if the industry is very competitive and there are pricing pressures on the business, profitability will suffer. However, if the business is unique with significant entry barriers, or if it is an initial entrant in a sunrise industry profitability of the business would be high. A very high level of profitability will not sustain over a long period. With new entrants and competition, revenues and profits will moderate.

The profitability of a company can be evaluated at each level of P/L statement. The two main parameters of profitability are

1) EBITDA Margin
2) Net Profit Margin (NPM) or Profit After Tax margin (PAT margin)

(1) EBITDA Margin:

This ratio is useful in finding out the profitability of the company purely based upon its operations and direct costs. It is calculated as

$$\text{EBITDA} = \frac{\text{EBITDA}}{\text{Net Sales}}$$

A firm with a higher EBITDA margin, indicates that it is able to operate with greater efficiency than other peer group companies. The EBITDA margins are useful in identifying profitability trends in an industry since it is not affected by the depreciation policies, funding decisions and taxation rates of the companies.

(2) PAT Margin:

Shareholders of a business get their dues only at the end, i.e., after paying all stakeholders, including the government. Hence, they would like to know how much of the business generated by the company actually comes their way. This is found by calculating PAT Margin.

$$\text{PAT Margin} = \frac{\text{PAT}}{\text{Net Sales}}$$

A firm with a higher ratio is seen as more efficient in managing costs and earning profits. A trend of increasing margins means improving profitability.

Return Ratios

While Profitability ratios give a sense of profitability per rupee of sales by the business, they do not communicate anything on the productivity of each rupee invested in the business. This part of allocation of capital and its productivity is captured through comparing profits with the capital employed in the business. Two important ratios to look at here are

1) Return on Equity (ROE)
2) Return on Capital Employed (ROCE).

(1) Return on Equity (ROE):

This is the single most important parameter for an investor to start digging for more information about a company. ROE communicates how a business allocates its capital and generates return. An efficient allocator of capital would have high ROE and a poor quality of business would have low ROE.

ROE, sometimes also known as Return on Net-worth (RoNW), is calculated as

$$\text{ROE} = \frac{\text{PAT}}{\text{Net Worth}}$$

$$\text{Net Worth} = \text{Equity Capital } + \text{Reserves \& Surplus}$$

Higher the ROE, better the firm.

(2) Return on Capital Employed (ROCE):

This ratio uses EBIT and calculates it as a percentage of the money employed in the firm by way of both equity and debt.

$$\text{ROCE} = \frac{\text{EBIT}}{\text{Capital Employed}}$$

$$\text{Capital Employed} = \text{Total Assets } - \text{Current Laiblities}$$

Higher the ratio, better the firm since it is generating higher returns for every rupee of capital employed. Investors can use this to analyse the returns of companies with different sizes in the same industry.

Leverage Ratios

A high level of debt used in funding the operations can be risky for the business, especially in an economic downturn when revenues and profitability reduce. Leverage Ratios can be used to analyse the extent of leverage used by a business and its ability to meet the obligations arising from them. Two important parameters here are

1) Debt /Equity ratio
2) Interest coverage ratio

(1) Debt/ Equity (D/E):

As discussed earlier, high levels of debt in a business can prove to be detrimental for a company. In absence of its ability to pay to the lenders, business may have to face bankruptcy. When businesses create assets aggressively out of borrowed money, it could be quite dangerous if the assets are unable to generate the expected revenues and profitability. The liability will still have to be met.

It would be prudent for investors to avoid companies with extremely high levels of debt. On a most conservative basis, a D/E of 1 or less should be considered as the benchmark, and then depending upon the industry, track record of the company, capital required, project details, should a decision be taken. This ratio is defined as:

$$\text{Debt to Equity Ratio} = \frac{\text{Long Term Debt}}{\text{Net} - \text{worth}}$$

(2) Interest Coverage Ratio:

Companies having high debt need to pay high interest as well. Whether a company is headed for a trouble can be simply seen by comparing its earnings with the interest (we are not talking about principal repayment yet). This ratio, popularly known as Interest Coverage Ratio, tells us how many times the earnings of the business is, vis a vis its interest obligation. This is simply defined as:

$$\text{Interest Coverage Ratio} = \frac{\text{EBIT}}{\text{Interest Expense}}$$

If this ratio is high, clearly, business is in comfortable zone. The ratio will be less than one or negative in some businesses, which means that earnings are less than interest or earnings are negative and interest obligations exist. As these businesses would be either borrowing money or infusing equity to run the show, these businesses may come into significant problems if they don't turn around soon. Kingfisher Airlines is one such example.

Liquidity Ratio

It is important to see whether a business is able to honor its obligations as and when they arise. Two simple measures for the same are

1) Current Ratio
2) Quick Ratio

(1) Current Ratio:

This ratio measures the company's liquidity situation by comparing its current assets with its current liabilities. A ratio of more than 1 means that the company has current assets more than its current liabilities. This ratio is also known as Working Capital Ratio.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Laiblities}}$$

This ratio measures the ability of the company to meet its short-term liabilities. The elements that constitute the working capital of the company, trade receivables, inventory, trade payables, form an important component of this ratio. A high inventory of finished goods may mean that the sales are slowing down and high raw material inventory may mean poor production planning. High trade receivables will indicate that the company is selling on credit and not able to realize cash from its debtors. On the other hand, high trade payables may indicate the strength of the company in getting best credit terms from its suppliers. There are companies which take cash on sales and make payments on credit. Such a situation will result into a current ration less than 1, however, this is not a red flag. In fact, it is a very good situation in which the company's working is funded by the customers.

A high ratio may indicate poor use of working capital while a very low ratio may point towards deeper analysis.

(2) Quick Ratio:

This is a more stringent version of the liquidity ratio as it does not consider assets, which although current in nature, but cannot be converted into cash immediately. Prominent example of such current assets is inventories. Thus,

$$\text{Quick Ratio} = \frac{(\text{Current Assets} - \text{Inventories})}{\text{Current Laiblities}}$$

Accounts receivable, cash, investments in liquid funds, are all included in calculating quick ratio.

Higher the ratio better the liquidity, but lesser will be the returns as cash is not a great source of generating returns.

Efficiency Ratio:

It is important to see whether a business is efficient in its operations. Efficiency would also help business improve its capital allocation and so the profitability and return ratios. Some simple parameters of efficiency in a business are defined below.

1) Accounts Receivable Turnover
2) Accounts Payable Turnover
3) Asset Turnover
4) Inventory Turnover

(1) Accounts Receivable Turnover:

This ratio indicates how fast company converts its sale in to cash. Higher the ratio, better the firm, as it means that very small portion of its revenues are in the form of credit. On the other hand, if the ratio is low, it means that the company is giving too easy credit or may be even facing difficulties in recovering money from its distributors/clients.

$$\text{Accounts Receivable Turnover} = \frac{\text{Revenue}}{\text{Accounts Receivable}}$$

(2) Asset Turnover:

This ratio indicates how many times assets of the business are churned / put to use to generate revenues for the business. Clearly, if assets are lying idle, that is not good for the business as capital is deployed but it is not generating revenue. On the other hand, if asset is continuously churned / put to use to produce goods and services, it would improve the revenues and the profits. Therefore, higher the ratio, better the firm.

$$\text{Asset Turnover} = \frac{\text{Net Sales}}{\text{Total Assets}}$$

(3) Inventory Turnover:

This ratio gives the number of times inventory is rolled over by a company Hence, higher the ratio, better is the business. Inventory, if not converted into sales fast, would mean money is locked in the business. Also, perishable goods may start deteriorating if inventory is not turned into sales fast. This ratio would be high for FMCG companies whereas low for capital goods companies.

$$\text{Inventory Turnover} = \frac{\text{Sales}}{\text{Inventory}}$$

COMPANY PROFILE

Pidilite Industries Limited is an Indian adhesives manufacturing company based in Andheri (East), Mumbai. The company is the dominant and leading adhesives company in India. Pidilite also manufactures products across verticals such as art materials and stationery; food and fabric care; car products, adhesives, and sealants; and speciality industrial products like adhesives, pigments; textile resins, leather chemicals, and construction chemicals.

Pidilite markets the Fevicol range of adhesives. Its other brands are FeviKwik, Dr. Fixit, Roff, Cyclo, Ranipal, Hobby Ideas, M-seal, and Acron. It also markets and manufactures WD-40 in India.

The company has manufacturing facilities across India including in Mahad (Maharashtra), Vapi (Gujarat), Baddi and Kala Amb (both in Himachal Pradesh)

Pidilite is a consumer centric company committed to quality and innovation. For decades, we have been pioneering products for small to large applications, at home and industry, which have forged strong bonds with people from all walks of life.

From adhesives, sealants, waterproofing solutions and construction chemicals to arts & crafts, industrial resins, polymers and more, our product portfolio is as diverse as it is ever-evolving. Today, Pidilite brands are trusted household and industrial names, and They are the market leader in adhesives.

A robust and growing network makes products accessible across demographics and geographies.

REVIEW OF LITERATURE

Review of Literature refers to the collection of the results of the various researches relating to the present study. It takes into consideration the research of the previous researchers which are related to the present research in any way. Here are the reviews of the previous researches related with the present study:

Bollen (1999) conducted a study on Ratio Variables on which he found three different uses of ratio variables in aggregate data analysis: (1) as measures of theoretical concepts, (2) as a means to control an extraneous factor, and (3) as a correction for heteroscedasticity. In the use of ratios as indices of concepts, a problem can arise if it is regressed on other indices or variables that contain a common component. For example, the relationship between two per capita measures may be confounded with the common population component in each variable. Regarding the second use of ratios, only under exceptional conditions will ratio variables be a suitable means of controlling an extraneous factor. Finally, the use of ratios to correct for heteroscedasticity is also often misused. Only under special conditions will the common form forgers soon with ratio variables correct for heteroscedasticity. Alternatives to ratios for each of these cases are discussed and evaluated.

Cooper (2000) conducted a study on Financial Intermediation on which he observed that the quantitative behavior of business-cycle models in which the intermediation process acts either as a source of fluctuations or as a propagator of real shocks. In neither case do we find convincing evidence that the intermediation process is an important element of aggregate fluctuations. For an economy driven by intermediation shocks, consumption is not smoother than output, investment is negatively correlated with output, variations in the capital stock are quite large, and interest rates are procyclical. The model economy thus fails to match unconditional moments for the U.S. economy. We also structurally estimate parameters of a model economy in which intermediation and productivity shocks are present, allowing for the intermediation process to propagate the real shock. The unconditional correlations are closer to those observed only when the intermediation shock is relatively unimportant.

Gerrard (2001) conducted a study on The Financial Performance on which he found that Using ratio analysis the financial performance of a sample of independent single-plant engineering firms in Leeds is examined with regard to structural and locational differences in establishments. A number of determinants of performance are derived and tested against the constructed data base. Inner-city engineering firms perform relatively less well on all indicators of performance compared with outer-city firms. The study illustrates the importance of using different measures of performance since this affects the magnitude and significance of the results. Financial support is necessary to sustain engineering in the inner city in the long run.

Schmidgall (2003) conducted a study on Financial Analysis Using the Statement of Cash Flows on which he observed that Managers use many financial ratios to judge the health of their businesses. With the recent requirement of a statement of cash flow (SCF) by the Financial Accounting Standards Board, managers now have a new set of ratios that will give a realistic picture of the business. The ratios include cash flow-interest coverage, cash flow-dividend coverage, and cash flow from operations to cash flow in investments. These ratios are particularly useful because they show changes in a hotel or restaurant's cash position over time. rather than at a given moment, as is the case with many other ratios.

Murinde (2003) conducted study on Corporate Financial Structures on which he observed that the financial structure of a sample of Indian non-financial companies using a new and unique dataset consisting of a panel containing the published accounts of almost 900 companies that published a full set of accounts every year during 1989-99. In a new departure in the literature, the dataset includes quoted and unquoted companies. We compare the sources-uses approach to analyzing company financial structures with the asset-liability approach. We use both approaches to characterize and to compare the financial structures of Indian companies over time; between quoted and unquoted companies; and between companies which belong to a business group and those that do not. Finally, we compare our results to those obtained previously for India and for the industrial countries.

McMahon (2005) conducted a study on Financial Information on which he found that financial statements mean little to the uninitiated. This paper, explains, in layman's terms, how to understand financial information. It covers measures of profitability. The second article will cover measures of company liquidity and the use of financial ratios. This paper continues to explain how to interpret and understand financial information. It deals with measures of liquidity, solvency and fund flows and describes how to establish standards against which a company's financial ratios can be compared.

Lee (2008) conducted a study on Financial Risk on which he observed that financial researchers, including those concentrating on the lodging industry, use various financial risk measures for their studies. Examples of those risk measures are beta, earnings variability, bankruptcy probability, debt-to-equity ratio and book-to-market ratio. The purpose of this study is, first, to descriptively investigate various financial risk measures used in the lodging financial literature by performing factor analysis and identifying four distinct risk groups. Second, this study examines the predictive ability of the four risk groups for lodging firm performance. The findings of this study suggest that strategic and stock performance risk factors better represent a lodging firm's financial risk than do bankruptcy and firm performance risk factors, and also, ROA than ROE better estimates lodging firm performance in terms of their relationships with financial risk factors.

Johnson (2009) conducted a study on Financial Ratio patterns on which he found that the properties and characteristics of financial ratios have received considerable attention in recent years with interest primarily focused on determining the predictive ability of financial ratios and related financial data. Principal areas of investigation have included the prediction of corporate bond ratings, and the anticipation of financial impairment]. Related studies have examined the characteristics of merged firms the differences in financial ratio averages among industries whether firms seek to adjust their financial ratios toward industry averages the relationship between accounting-determined and market-determined risk measures, and the influence of financial ratios on analysts' judgments about impending bankruptcy The general conclusion to emerge from these various research efforts is that a number of financial ratios have predictive and descriptive utility when properly employed.

To summarize the literature, Ratio analysis is a key dimension of financial management, suggesting a relationship between profit and loss as mentioned in the balance sheet of an organization. Its appropriate use will go toward giving a true picture of the financial health of the unit. Its benefits can be seen in areas of management, production, marketing, personnel management etc.

OBJECTIVES OF THE STUDY

1) To Analyze the Profitability of the company using Ratios.

2) To Analyze Operational Efficiency of the company using Ratios.

3) To Analyze Overall Financial Performance of the company.

HYPOTHESIS

Hypothesis 1:

H_0 –There is No significant increase in Profit of PIDILITE INDUSTRIES LIMITED in last five years.

H_1 – There is significant increase in Profit of PIDILITE INDUSTRIES LIMITED in last five years.

Hypothesis 2:

H_0 – PIDILITE INDUSTRIES LIMITED has not shown good Financial Strength for the last five years.

H_1 – PIDILITE INDUSTRIES LIMITED has shown good Financial Strength for last five years.

SCOPE OF THE STUDY

The scope of the study is identified after and during the study is conducted. The main scope of the study was to put into practical the theoretical aspect of the study into real life work experience. The study of Ratio analysis further the study is based on last 5 years Annual Reports of PIDILITE INUDSTRIES.

RESEARCH METHODOLOGY

Research is essentially a logical and an organized enquiry seeking facts through objective verifiable methods in order to discover the relationship among them and to refer from the board principles or laws. It is really a method of critical thinking.

Research may be defined as a systematic and objective analysis and recording of controlled observation that may land to the development of generalization of principles and theories resulting in prediction and possibly ultimate control of events.

Methodology is often used in a narrow sense to refer to methods, technology or tools employed for the collection of data as well as its processing. This is also used sometimes to designate data collected to been done. It provides answers to some of the major questions while search like what must be done, how it will be done, what data will be needed, what data gathering devices will be employed, how sources of data will be analyzed at the conclusion.

DIFFERENT TYPE OF RESEARCH METHODS:

Success of conducting research depends over the result that is gained by the researcher at the end of the research. These obtained results are affected by the used methods to conduct research. In this way, there are

Two Types of Methods:

A) Primary Method

B) Secondary Method

A) Primary Method: All the data that are collected at first time are included under the primary data collection method. Three approaches or methods are comprised under the primary data methods such as:

1. Observation method

2. In-depth interview and

3. Survey through questionnaire.

Under the primary data collection method, most of the researchers prefer to use direct communication with the respondents to reach at the result of the research.

B) Secondary Method: Secondary Data Collection Method Data that are collected on the basis of previous data or research is included under the secondary data collection method. In this way, several types of approaches can be used such as:

1. Case study
2. Documentation review
3. Articles
4. Projects etc.

Research Methodology used in this Project:

The study is based on only secondary data. In the case study approach of the secondary data collection method, I have collected the data from annual reports, analyzed information which is available on web-sites of the **PIDILITE INDUSTRIES LIMITED**

Research Methodology- The study is based on secondary data which have been collected from:

(1) Annual Reports of the company

(2) Articles and Research papers

(3) Internet

(4) Books

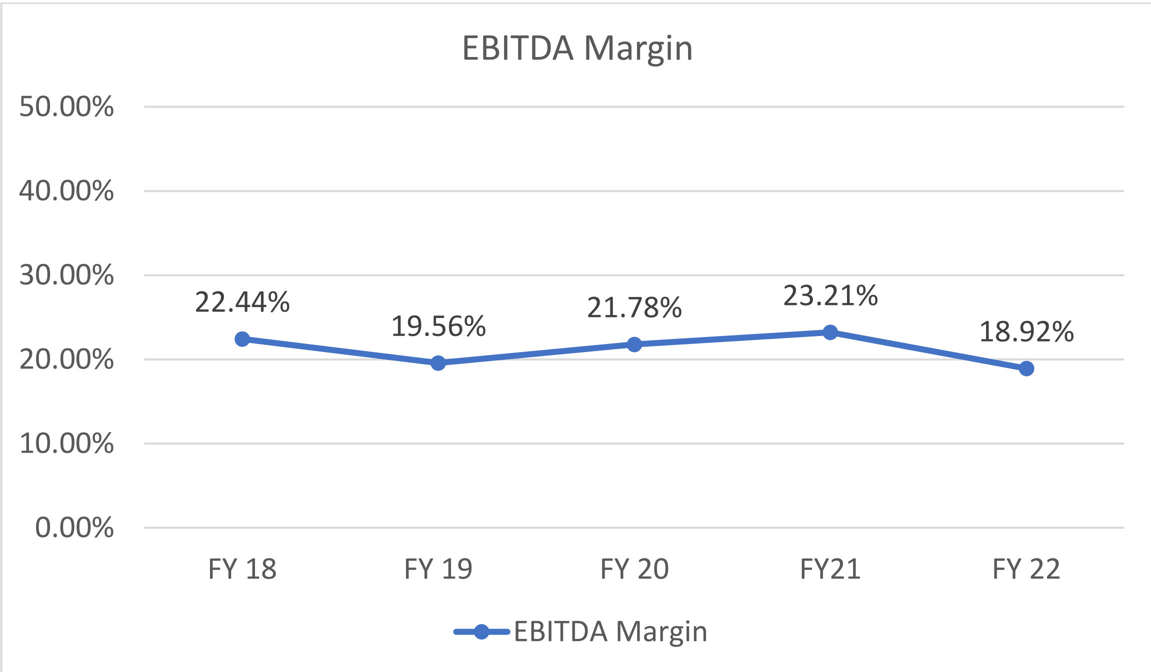
DATA ANALYSIS & INTERPRETATION OF DATA

A. Profitability Ratios

(1) EBITDA Margin:

$$\text{EBITDA} = \frac{\text{EBITDA}}{\text{Net Sales}}$$

Year	EBITDA	Net Sales	EIBTDA Margin
FY 2018	1,344 Cr	5,989 Cr	22.44%
FY 2019	1,376 Cr	7,035 Cr	19.56%
FY 2020	1,580 Cr	7,254 Cr	21.78%
FY 2021	1,683 Cr	7,251 Cr	23.21%
FY 2022	1,869 Cr	9,880 Cr	18.92%



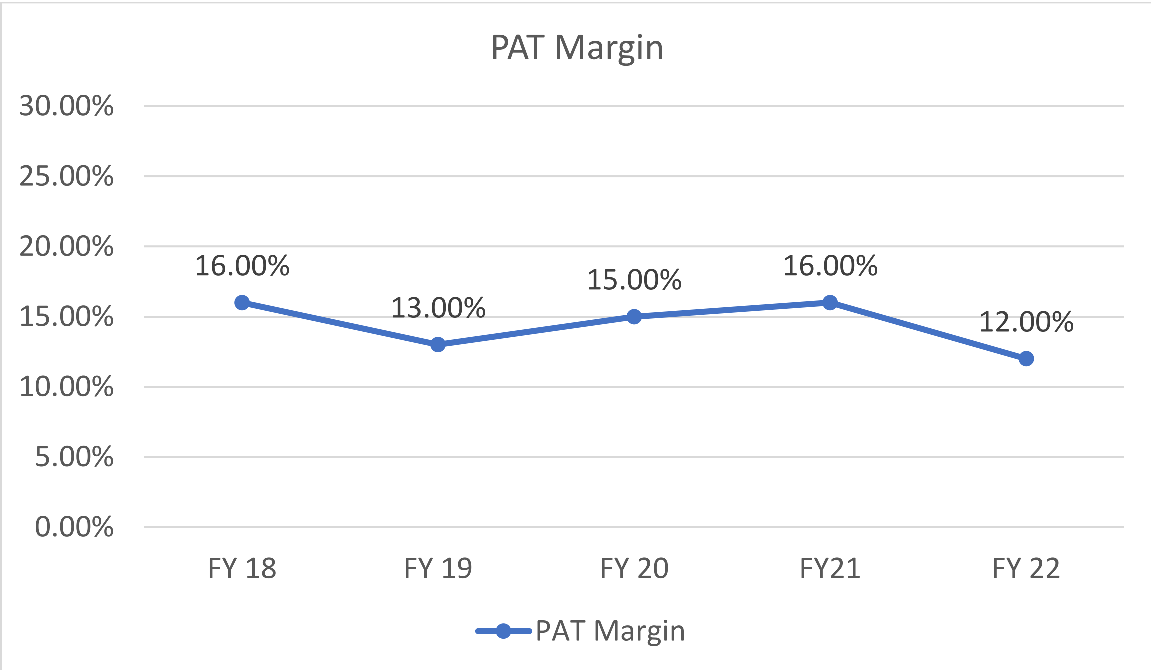
Interpretation:

EBITDA Margin of the Co. is very low in FY 22. We see in this chart that after FY 19 the EBITDA Margin is growing YOY but in FY 22 suddenly decrease in EBITDA Margin. This happens because of High input cost (Raw Material) and 2nd wave of Covid 19. And it's also realized that the EBITDA Margin of FY 22 is below average of last 5 Year and the average of last 5 year is 21.18.

(2) PAT Margin:

$$\text{PAT Margin} = \frac{\text{PAT}}{\text{Net Sales}}$$

Year	PAT	Net Sales	PAT Margin
FY 2018	9,66 Cr	5,989 Cr	16%
FY 2019	9,28 Cr	7,035 Cr	13%
FY 2020	1,122 Cr	7,254 Cr	15%
FY 2021	1,126 Cr	7,251 Cr	16%
FY 2022	1,207 Cr	9,880 Cr	12%



Interpretation:

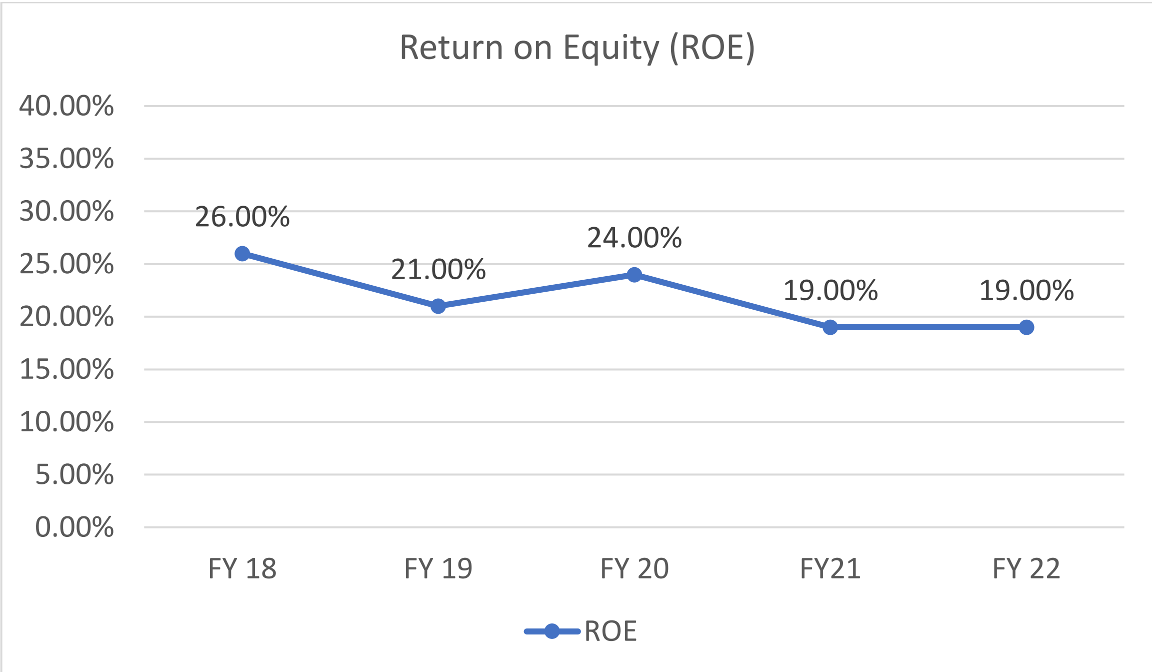
PAT margin of the Co. After FY19 increasing YOY but after FY21 there is a significantly decrease in PAT margin. This happens because of High input cost (raw material cost) and co also not increase the MRP that effect realised in their PAT margin in FY22. And it's also realized that the PAT Margin of FY 22 is below average of last 5 Year and the average of last 5 year of PAT margin is 14.4.

B. Return Ratios

(1) Return on Equity (ROE):

$$ROE = \frac{PAT}{Net\ Worth}$$

Year	PAT	Net Worth	ROE
FY 2018	9,66 Cr	3,749 Cr	26%
FY 2019	9,28 Cr	4,355 Cr	21%
FY 2020	1,122 Cr	4,671 Cr	24%
FY 2021	1,126 Cr	5,833 Cr	19%
FY 2022	1,207 Cr	6,404 Cr	19%



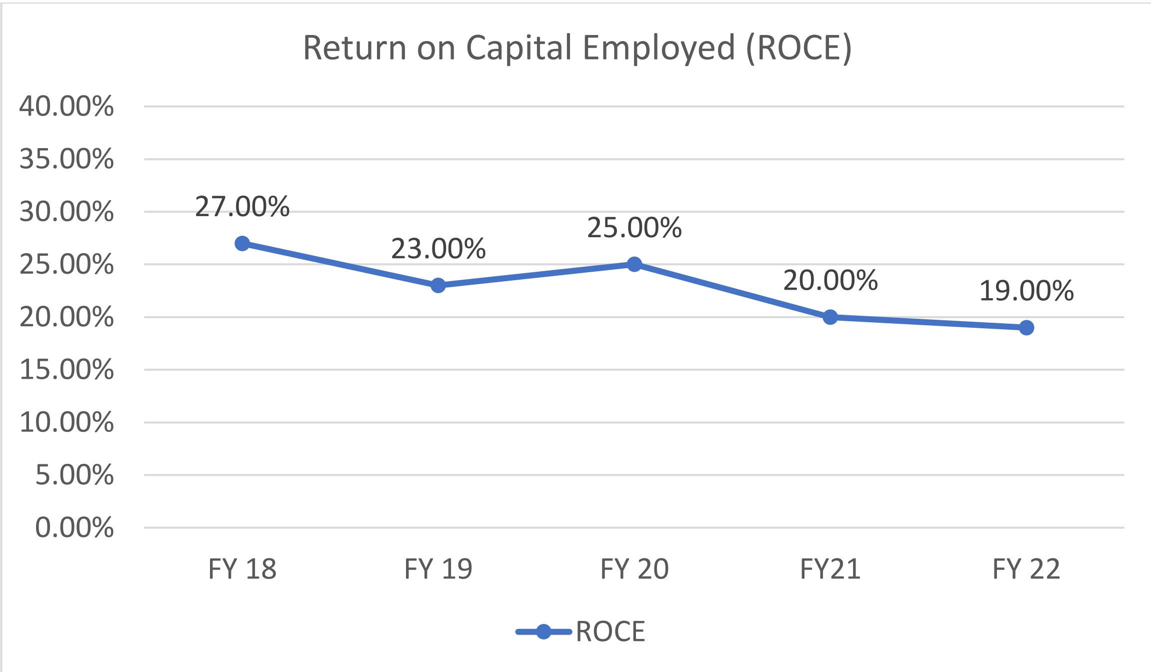
Interpretation:

ROE of the co. slightly low in FY 21 and FY 22 but its average ROE of last 5 year is above 22% and its lowest ROE is 19%. But it's very good ROE as per top fund Managers. And they maintain their ROE above 19% but we see in this chart that lots of up down in their ROE.

(2) Return on Capital Employed (ROCE):

$$ROCE = \frac{EBIT}{\text{Capital Employed}}$$

Year	EBIT	Capital Employed	ROCE
FY 2018	1,375 Cr	3,996 Cr	27%
FY 2019	1,367 Cr	4,614 Cr	23%
FY 2020	1,504 Cr	4,921 Cr	25%
FY 2021	1,559 Cr	6,395 Cr	20%
FY 2022	1,656 Cr	7,191 Cr	19%



Interpretation:

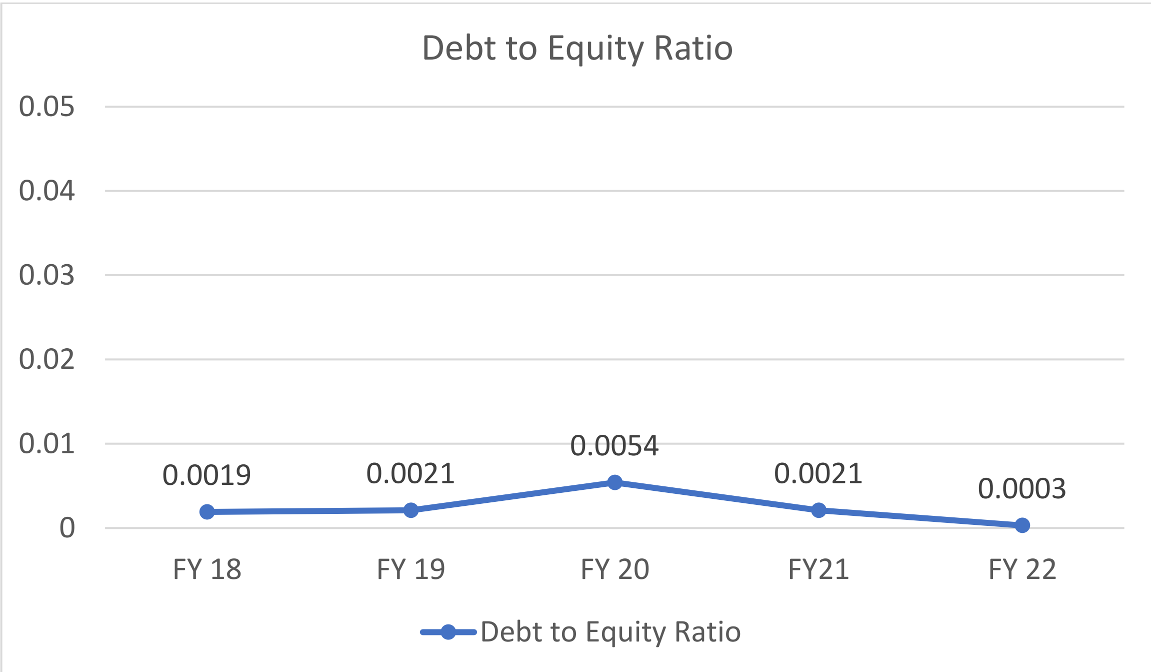
ROCE of the co. is decreasing YOY from FY 18 to FY22 Except in FY22. So, we realized that they are not utilized their capital that they employed. And that's effect we see in there ROCE.

C. Leverage Ratios

(1) Debt/ Equity (D/E):

$$\text{Debt to Equity Ratio} = \frac{\text{Long Term Debt}}{\text{Net} - \text{worth}}$$

Year	Long Term Debt	Net-worth	Debt to Equity Ratio
FY 2018	7 Cr	3,749 Cr	0.0019
FY 2019	9 Cr	4,355 Cr	0.0021
FY 2020	25 Cr	4,671 Cr	0.0054
FY 2021	12 Cr	5,833 Cr	0.0021
FY 2022	2 Cr	6,404 Cr	0.0003



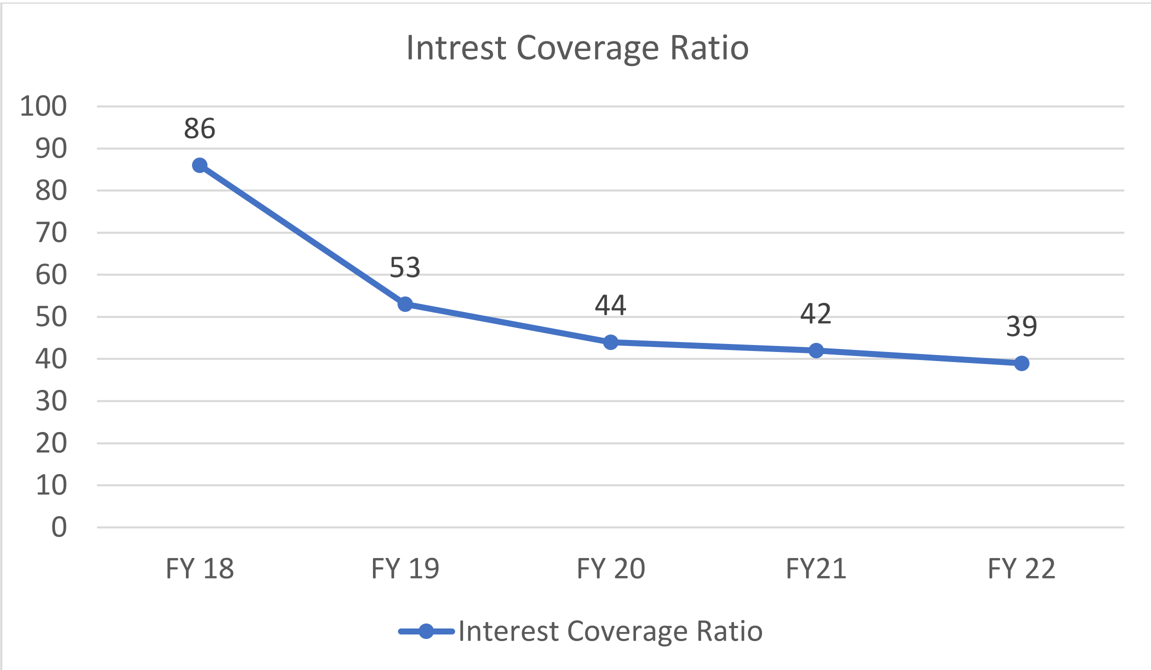
Interpretation:

Debt to Equity Ratio of the co. is well Maintain. And company is Net Debt Free. In FY22 the company debt is only 2 cr.

(2) Interest Coverage Ratio:

$$\text{Interest Coverage Ratio} = \frac{\text{EBIT}}{\text{Interest Expense}}$$

Year	EBIT	Interest Expense	Interest Coverage Ratio
FY 2018	1,375 Cr	16 Cr	86
FY 2019	1,367 Cr	26 Cr	53
FY 2020	1,504 Cr	34 Cr	44
FY 2021	1,559 Cr	37 Cr	42
FY 2022	1,656 Cr	42 Cr	39



Interpretation:

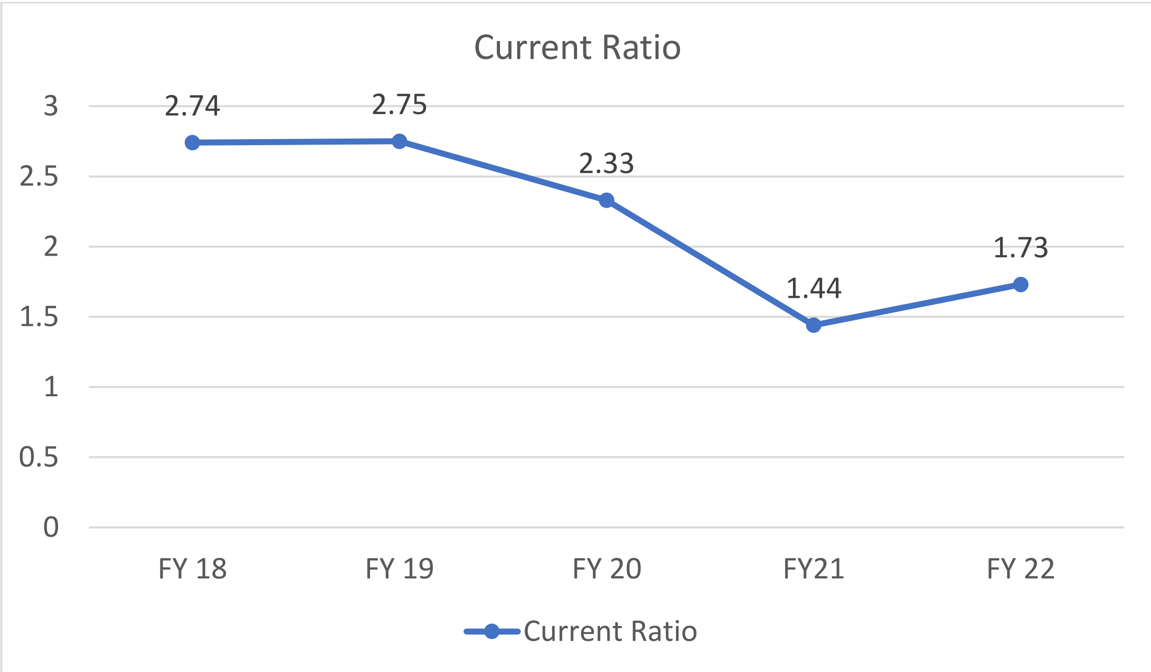
Interest Coverage Ratio of the Company is so High, clearly, business is in comfortable zone. Because earnings are more than Interest.

D. Liquidity Ratio

(1) Current Ratio:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Laiblities}}$$

Year	Current Assets	Current Liabilities	Current Ratio
FY 2018	3,309 Cr	1,208 Cr	2.74
FY 2019	3,582 Cr	1,301 Cr	2.75
FY 2020	3,761 Cr	1,651 Cr	2.33
FY 2021	3,515 Cr	2,435 Cr	1.44
FY 2022	4,016 Cr	2,325 Cr	1.73



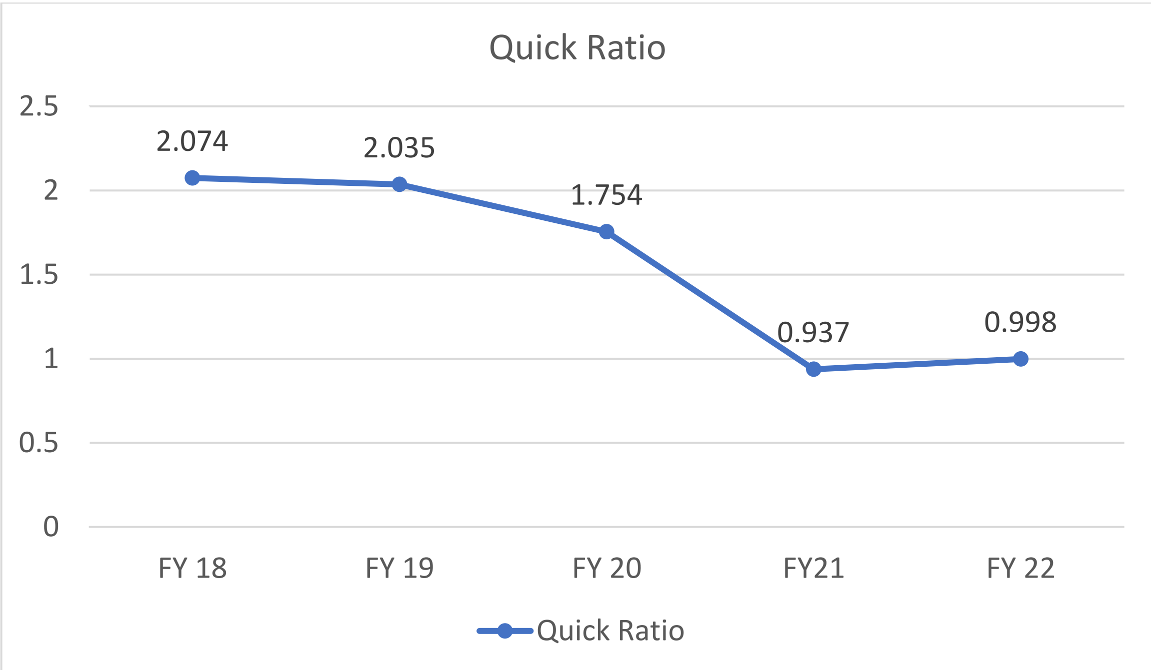
Interpretation:

Current Ratio of the Company is Decreasing from FY19 to FY21. But in there is increase in FY22. But the best part of the company is they maintain their Current Ratio above 1.7 except in FY21 because of Covid-19.

(2) Quick Ratio:

$$\text{Quick Ratio} = \frac{(\text{Current Assets} - \text{Inventories})}{\text{Current Laiblities}}$$

Year	(Current Assets – Inventories)	Current Labilities	Quick Ratio
FY 2018	2,505 Cr	1,208 Cr	2.074
FY 2019	2,648 Cr	1,301 Cr	2.035
FY 2020	2,832 Cr	1,615 Cr	1.754
FY 2021	2,281 Cr	2,435 Cr	0.937
FY 2022	2,321 Cr	2,325 Cr	0.998



Interpretation:

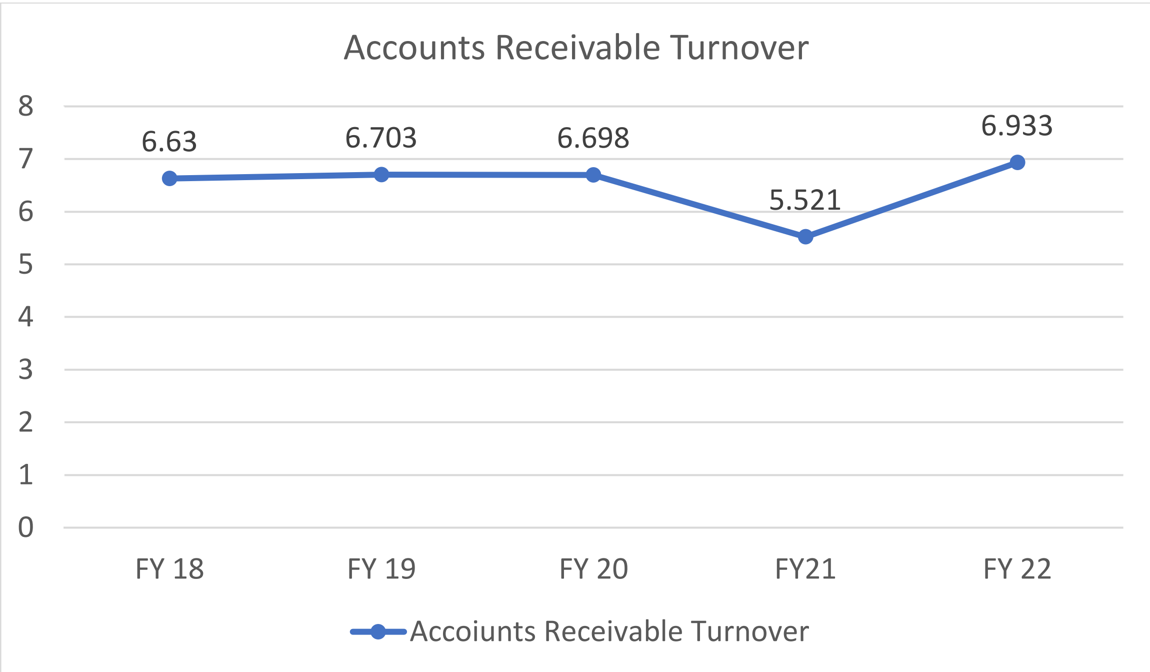
Quick Ratio of the Company is decreasing YOY from FY18 to FY21 but after FY21 there is increase in Quick Ratio.

E. Efficiency Ratio:

(1) Accounts Receivable Turnover:

$$\text{Accounts Receivable Turnover} = \frac{\text{Revenue}}{\text{Accounts Receivable}}$$

Year	Revenue	Accounts Receivable	Accounts Receivable Turnover
FY 2018	6,219 Cr	938 Cr	6.630
FY 2019	7,078 Cr	1,056 Cr	6.703
FY 2020	7,294 Cr	1,089 Cr	6.698
FY 2021	7,293 Cr	1,321 Cr	5.521
FY 2022	9,921 Cr	1,431 Cr	6.933



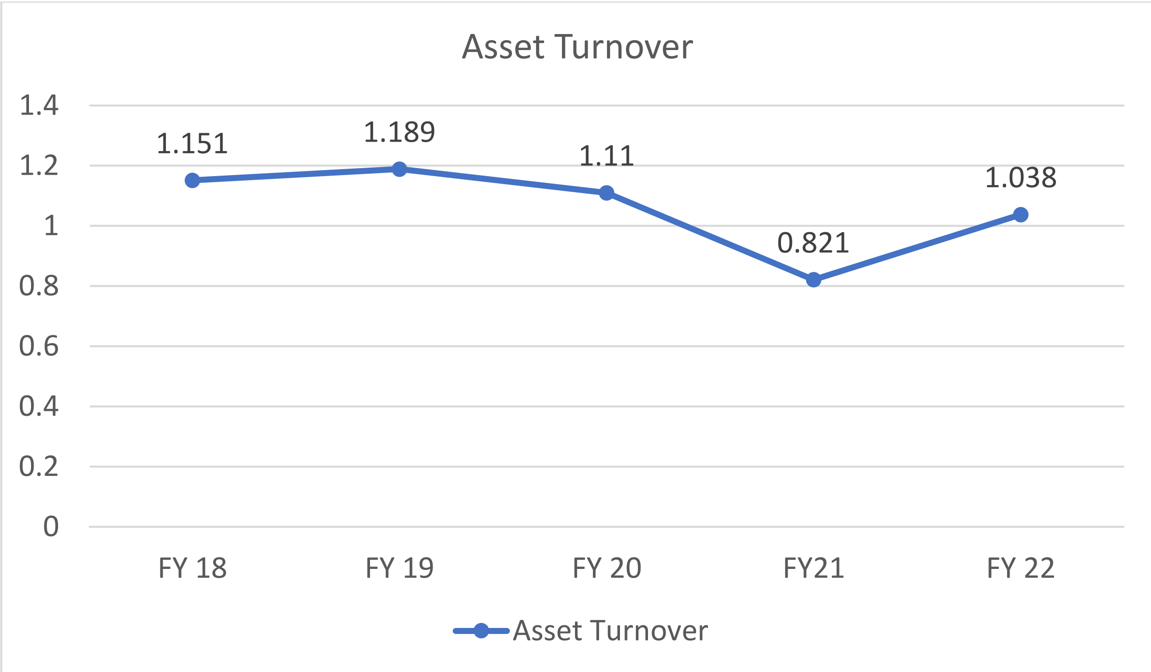
Interpretation:

Accounts Receivable Turnover of the company is very well maintained and always above 6.5 but in FY21 there is decrease in their Accounts Receivable Turnover. But after FY21 there significantly increased in Account Receivable. Means company converts its sale in to cash very fast.

(2) Asset Turnover:

$$\text{Asset Turnover} = \frac{\text{Net Sales}}{\text{Total Assets}}$$

Year	Net Sales	Total Assets	Asset Turnover
FY 2018	5,989 Cr	5,204 Cr	1.151
FY 2019	7,035 Cr	5,915 Cr	1.189
FY 2020	7,254 Cr	6,536 Cr	1.110
FY 2021	7,251 Cr	8,830 Cr	0.821
FY 2022	9,880 Cr	9,516 Cr	1.038



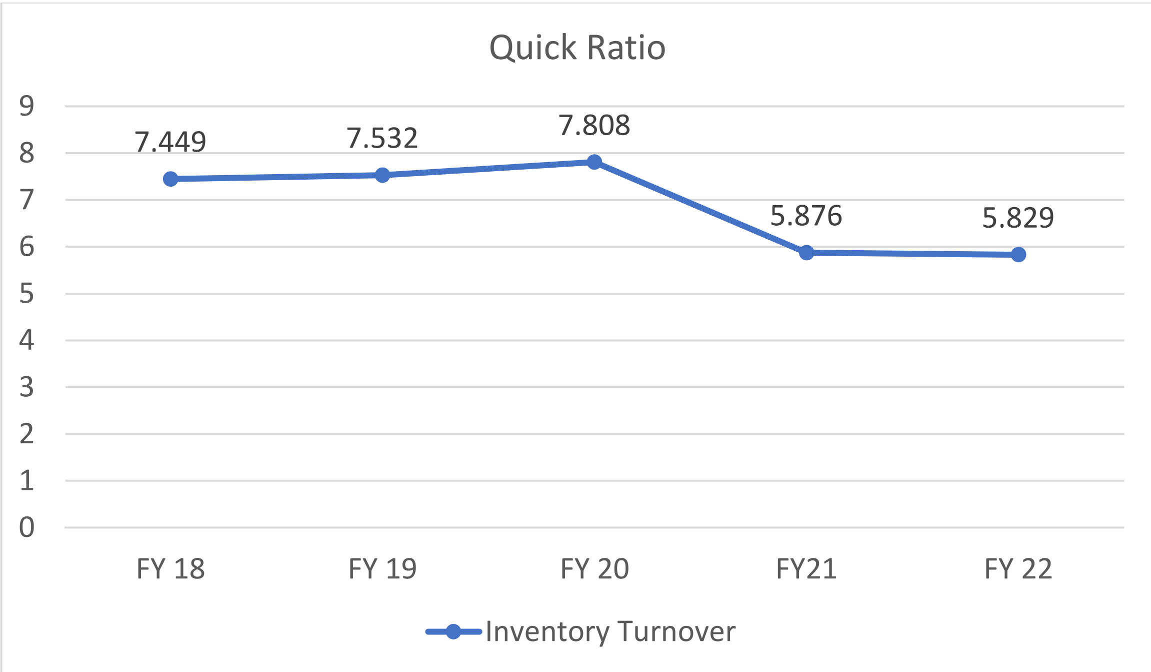
Interpretation:

Asset Turnover Ratio of the company that indicates that company maintain Asset Turnover Ratio above 1.1 except in FY21. Because of Covid-19 but there in increase after FY21.

(3) Inventory Turnover:

$$\text{Inventory Turnover} = \frac{\text{Sales}}{\text{Inventory}}$$

Year	Sales	Inventory	Inventory Turnover
FY 2018	5,989 Cr	804 Cr	7.449
FY 2019	7,035 Cr	934 Cr	7.532
FY 2020	7,254 Cr	929 Cr	7.808
FY 2021	7,251 Cr	1,234 Cr	5.876
FY 2022	9,880 Cr	1,695 Cr	5.829



Interpretation:

Inventory Turnover Ratio of the company is constant in FY18 to FY20. But after FY20 there is Decrease in Inventory Turnover Ratio. But overall, the Ratio is High.

HYPOTHESIS TESTING

Hypothesis 1:

H_0 –There is No significant increase in Profit of PIDILITE INDUSTRIES LIMITED in last five years.

H_1 – There is significant increase in Profit of PIDILITE INDUSTRIES LIMITED in last five years.

Interpretation: From the above Research study it is found that within Hypothesis No.1. The Null Hypothesis i.e., "There is No significant increase in Profit of PIDILITE INDUSTRIES LIMITED in last five years". Is found that to true. Hence accepted. Whereas alternate Hypothesis i.e., "There is significant increase in Profit of PIDILITE INDUSTRIES LIMITED in last five years". Is rejected.

Hypothesis 2:

H_0 – PIDILITE INDUSTRIES LIMITED has not shown good Financial Strength for the last five years.

H_1 – PIDILITE INDUSTRIES LIMITED has shown good Financial Strength for last five years.

Interpretation: From the above Research study it is found that within Hypothesis No.1. The Null Hypothesis i.e., "PIDILITE INDUSTRIES LIMITED has not shown good Financial Strength for the last five years.". Is Rejected. Whereas alternate Hypothesis i.e., "PIDILITE INDUSTRIES LIMITED has shown good Financial Strength for last five years.". Is found that True. Hence Accepted.

FINDINGS

Some Finding of the Analysis and Interpretation:

- **Profitability Ratio:** Overall Profitability of the company from FY19 to FY21 is increasing YOY but in FY22 the Profitability of the company is significantly decreased the reason behind this, that we analyzed is High Input Cost (Raw Material Cost) and 2nd wave of covid.
- **Return Ratio:** ROE and ROCE of the company is decreasing from FY18 to FY22 except in FY20. But they maintain ROE and ROCE above 18%. That is a good sign as per Top Fund Managers.
- **Leverage Ratio:** Leverage Ratio of the company very well maintained. Because of company is Net Debt Free and in FY22 Long Term Debt of the company is only 2cr.
- **Efficiency Ratio:** The overall efficiency of the company is well Maintained**.**

SUGGESTION

1. Company should focus on Input cost. The company input cost is high that's why their profitability is decreasing.
2. Company should focus on supply chain. That will effect on their increment in sales.

CONCLUSION

The study undertaken has brought into the light of following conclusions.

The financial Statement plays a crucial role in development of any company. So, this research focus on it.

This study develops and empirically tests a number of methods of analyzing financial ratios to predict “PIDILITE INDUSTRIES” success or loss. Methods of analysis found useful are: - **Profitability Ratio, Return Ratio, Leverage Ratio, Efficiency Ratio.**

Overall conclusion of the company is good. Except in Profitability of the company.

BIBLIOGRAPHY

WEBSITE

https://www.pidilite.com/about-pidilite/

https://www.screener.in/company/PIDILITIND/consolidated/

https://zerodha.com/varsity/module/fundamental-analysis/

BOOK

NISM XV Research Analyst

ANNEXURE

CONSOLIDATED BALANCE SHEET

as at 31st March 2018

(₹ in crores)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	**802.59**	789.12
(b) Capital Work-In-Progress	4	**227.73**	147.71
(c) Goodwill	5	**177.42**	133.83
(d) Other Intangible Assets	5	**362.18**	352.30
(e) Investments accounted for using equity method	6	**25.03**	22.02
(f) Financial Assets			
(i) Investments	7	**105.99**	31.27
(ii) Loans	10	**5.91**	8.43
(iii) Other Financial Assets	12	**38.81**	34.30
(g) Income Tax Assets (net)	17	**64.82**	42.10
(h) Deferred Tax Assets (net)	53	**5.86**	3.76
(i) Other Non-Current Assets	18	**79.34**	75.36
Total Non-Current Assets		**1,895.68**	1,640.20
2 Current Assets			
(a) Inventories	16	**804.33**	720.86
(b) Financial Assets			
(i) Investments	8	**1,114.92**	1,389.81
(ii) Trade Receivables	9	**938.13**	768.54
(iii) Cash and Cash Equivalents	14	**149.34**	90.37
(iv) Bank balances other than (iii) above	15	**14.24**	9.57
(v) Loans	11	**11.85**	13.03
(vi) Other Financial Assets	13	**65.49**	48.99
(c) Current Tax Assets (net)	19	**28.64**	0.28
(d) Other Current Assets	20	**175.49**	92.54
(e) Assets held for Sale		**6.35**	-
Total Current Assets		**3,308.78**	3,133.99
TOTAL ASSETS		**5,204.46**	4,774.19
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	21	**50.78**	51.27
(b) Other Equity	22	**3,523.26**	3,419.64
Equity attributable to owners of the Company		**3,574.04**	3,470.91
Non-Controlling Interests	41	**175.01**	127.32
Total Equity		**3,749.05**	3,598.23
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	**7.11**	4.85
(ii) Other Financial Liabilities	26	**91.24**	24.45
(b) Provisions	28	**38.17**	32.78
(c) Deferred Tax Liabilities (net)	53	**110.66**	91.47
Total Non-Current Liabilities		**247.18**	153.55
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	**115.44**	92.66
(ii) Trade Payables	25	**543.81**	390.32
(iii) Other Financial Liabilities	27	**443.12**	418.29
(b) Other Current Liabilities	31	**79.09**	90.04
(c) Provisions	29	**13.07**	14.14
(d) Current Tax Liabilities (net)	30	**13.70**	16.96
Total Current Liabilities		**1,208.23**	1,022.41
TOTAL LIABILITIES		**1,455.41**	1,175.96
TOTAL EQUITY AND LIABILITIES		**5,204.46**	4,774.19
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

B. P. SHROFF
Partner

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

P GANESH
Chief Financial Officer

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 24th May 2018

Place: Mumbai
Date: 24th May 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2018

(₹ in crores)

Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
INCOME			
Revenue from Operations	32	**6,218.76**	6,062.31
Other Income	33	**148.41**	112.25
Total Income		**6,367.17**	6,174.56
EXPENSES			
Cost of Materials Consumed	34	**2,565.02**	2,270.43
Purchases of Stock-in-Trade		**318.86**	399.86
Changes in inventories of Finished Goods Work-in-Progress and Stock-in-Trade	35	**3.77**	(30.73)
Excise Duty on sale of goods		**140.35**	445.52
Employee Benefits Expense	36	**712.40**	645.27
Finance Costs	37	**15.54**	13.93
Depreciation and Amortisation Expense	38	**119.88**	115.14
Other Expenses	39	**1,137.14**	1,072.17
Total Expenses		**5,012.96**	4,931.59
Share of Profit in Associate	40(a)	**4.75**	3.53
Share of Profit in Joint Venture	40(b)	**(0.16)**	1.77
Profit before Tax		**1,358.80**	1,248.27
Tax Expense			
Current Tax	53	**374.08**	375.28
Deferred Tax	53	**18.63**	9.77
Net Tax Expense		**392.71**	385.05
Profit for the year		**966.09**	863.22
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		**(0.02)**	(2.21)
Income tax relating to items that will not be reclassified to profit or loss		**-**	0.04
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operation		**(1.52)**	-
Total Other Comprehensive Loss		**(1.54)**	(2.17)
Total Comprehensive Income for the year		**964.55**	861.05
Total Profit for the year Attributable to:			
Shareholders of the Company		**962.35**	859.99
Non-Controlling Interest	41	**3.74**	3.23
Other Comprehensive Income Attributable to:			
Shareholders of the Company		**(1.70)**	(2.17)
Non-Controlling Interest	41	**0.16**	-
Total Comprehensive Income for the year Attributable to:			
Shareholders of the Company		**960.65**	857.82
Non-Controlling Interest		**3.90**	3.23
Earnings Per Equity Share:			
Basic (₹)	45	**18.95**	16.77
Diluted (₹)		**18.94**	16.77
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

P GANESH
Chief Financial Officer

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 24th May 2018

Place: Mumbai
Date: 24th May 2018

CONSOLIDATED STATEMENT OF BALANCE SHEET

as at 31st March 2019

(₹ in crores)

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	**913.32**	802.59
(b) Capital Work-In-Progress	4	**242.13**	227.73
(c) Goodwill	5	**184.99**	177.42
(d) Other Intangible Assets	5	**349.30**	362.18
(e) Investments accounted for using equity method	6	**24.43**	25.03
(f) Financial Assets			
(i) Investments	7	**371.87**	105.99
(ii) Loans	10	**3.06**	5.91
(iii) Other Financial Assets	12	**41.74**	38.81
(g) Income Tax Assets (net)	17	**102.06**	64.82
(h) Deferred Tax Assets (net)	53	**10.72**	5.86
(i) Other Non-Current Assets	19	**88.89**	79.34
Total Non-Current Assets		**2,332.51**	1,895.68
2 Current Assets			
(a) Inventories	16	**934.45**	804.33
(b) Financial Assets			
(i) Investments	8	**1,151.40**	1,114.92
(ii) Trade Receivables	9	**1,056.01**	938.13
(iii) Cash and Cash Equivalents	14	**128.12**	149.34
(iv) Bank balances other than (iii) above	15	**62.31**	14.24
(v) Loans	11	**12.12**	11.85
(vi) Other Financial Assets	13	**71.61**	65.49
(c) Current Tax Assets (net)	18	**2.62**	28.64
(d) Other Current Assets	20	**163.36**	175.49
(e) Assets held for Sale		**-**	6.35
Total Current Assets		**3,582.00**	3,308.78
TOTAL ASSETS		**5,914.51**	**5,204.46**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	21	**50.80**	50.78
(b) Other Equity	22	**4,097.29**	3,523.26
Equity attributable to owners of the Company		**4,148.09**	3,574.04
Non-Controlling Interests	41(b)	**207.15**	175.01
Total Equity		**4,355.24**	3,749.05
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	**8.51**	7.11
(ii) Other Financial Liabilities	26	**85.98**	91.24
(b) Provisions	29	**43.93**	38.17
(c) Deferred Tax Liabilities (net)	53	**120.14**	110.66
Total Non-Current Liabilities		**258.56**	247.18
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	**102.54**	115.44
(ii) Trade Payables	25		
- Total Outstanding Dues of Micro Enterprise and Small Enterprises		**31.55**	22.33
- Total Outstanding Dues of Creditors other than Micro Enterprise and Small Enterprises		**549.09**	521.48
(iii) Other Financial Liabilities	27	**497.22**	443.12
(b) Other Current Liabilities	28	**89.55**	79.09
(c) Provisions	30	**19.79**	13.07
(d) Current Tax Liabilities (net)	31	**10.97**	13.70
Total Current Liabilities		**1,300.71**	1,208.23
TOTAL LIABILITIES		**1,559.27**	1,455.41
TOTAL EQUITY AND LIABILITIES		**5,914.51**	**5,204.46**
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 14th May 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

P GANESH
Chief Financial Officer

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 14th May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2019

(₹ in crores)

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
INCOME			
Revenue from Operations	32	7,078.74	6,218.76
Other Income	33	146.64	148.41
Total Income		7,225.38	6,367.17
EXPENSES			
Cost of Materials Consumed	34	3,265.51	2,565.02
Purchases of Stock-in-Trade		396.28	318.86
Changes in inventories of Finished Goods Work-in-Progress and Stock-in-Trade	35	(75.21)	3.77
Excise Duty on sale of goods		-	140.35
Employee Benefits Expense	36	836.66	712.40
Finance Costs	37	26.07	15.54
Depreciation, Amortisation and Impairment Expense	38	132.74	119.88
Other Expenses	39	1,287.29	1,137.14
Total Expenses		5,869.34	5,012.96
Profit before share of profit/ (loss) of Associate and Joint Venture, Exceptional Items and Tax		1,356.04	1,354.21
Share of Profit in Associate (net of tax)	41(a)	3.60	4.75
Share of Profit/ (Loss) in Joint Venture (net of tax)	41(a)	-	(0.16)
Total share of profit/ (loss) of Associate and Joint Venture		3.60	4.59
Profit before Exceptional Items and Tax		1,359.64	1,358.80
Exceptional Items	40	18.02	-
Profit before Tax		1,341.62	1,358.80
Tax Expense			
Current Tax	53	406.58	374.08
Deferred Tax	53	6.65	18.63
Net Tax Expense		413.23	392.71
Profit for the year		928.39	966.09
Attributable to:			
Shareholders of the Company		924.91	962.35
Non-Controlling Interest	41(b)	3.48	3.74
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		(6.29)	(0.02)
Income tax relating to items that will not be reclassified to profit or loss		1.83	-
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operation		7.23	(1.52)
Total Other Comprehensive Profit/ (Loss)		2.77	(1.54)
Attributable to:			
Shareholders of the Company		2.82	(1.70)
Non-Controlling Interest	41(b)	(0.05)	0.16
Total Comprehensive Income for the year		931.16	964.55
Attributable to:			
Shareholders of the Company		927.73	960.65
Non-Controlling Interest		3.43	3.90
Earnings Per Equity Share:			
Basic (₹)	45	18.21	18.95
Diluted (₹)		18.20	18.94
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 14th May 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

P GANESH
Chief Financial Officer

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 14th May 2019

CONSOLIDATED STATEMENT OF BALANCE SHEET

as at 31st March 2020

(₹ in crores)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
ASSETS			
1 **Non-Current Assets**			
(a) Property, Plant and Equipment	4	**1,141.95**	913.32
(b) Right of Use Assets	5	**147.00**	-
(c) Capital Work-In-Progress	4	**259.33**	242.13
(d) Goodwill	6	**184.03**	184.99
(e) Other Intangible Assets	6	**333.73**	349.30
(f) Investments accounted for using equity method	7	**25.30**	24.43
(g) Financial Assets			
(i) Investments	8	**441.16**	371.87
(ii) Loans	11	**4.09**	3.06
(iii) Other Financial Assets	13	**42.85**	41.74
(h) Income Tax Assets (net)	18	**109.53**	102.06
(i) Deferred Tax Assets (net)	53	**13.00**	10.72
(j) Other Non-Current Assets	20	**72.78**	88.89
Total Non-Current Assets		**2,774.75**	2,332.51
2 **Current Assets**			
(a) Inventories	17	**929.47**	934.45
(b) Financial Assets			
(i) Investments	9	**719.73**	1,151.40
(ii) Trade Receivables	10	**1,088.50**	1,056.01
(iii) Cash and Cash Equivalents	15	**692.23**	128.12
(iv) Bank balances other than (iii) above	16	**11.02**	62.31
(v) Loans	12	**17.38**	12.12
(vi) Other Financial Assets	14	**103.18**	71.61
(c) Current Tax Assets (net)	19	**1.93**	2.62
(d) Other Current Assets	21	**197.51**	163.36
Total Current Assets		**3,760.95**	3,582.00
TOTAL ASSETS		**6,535.70**	**5,914.51**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	22	**50.81**	50.80
(b) Other Equity	23	**4,404.80**	4,097.29
Equity attributable to owners of the Company		**4,455.61**	4,148.09
Non-Controlling Interests	42(b)	**215.65**	207.15
Total Equity		**4,671.26**	4,355.24
LIABILITIES			
1 **Non-Current Liabilities**			
(a) Financial Liabilities			
(i) Borrowings	24	**25.13**	8.51
(ii) Lease Liabilities	54	**83.08**	-
(iii) Other Financial Liabilities	27	**7.26**	85.98
(b) Provisions	29	**51.95**	43.93
(c) Deferred Tax Liabilities (net)	53	**82.29**	120.14
Total Non-Current Liabilities		**249.71**	258.56
2 **Current Liabilities**			
(a) Financial Liabilities			
(i) Borrowings	25	**143.99**	102.54
(ii) Trade Payables	26		
- Total Outstanding Dues of Micro Enterprise and Small Enterprises		**23.13**	31.55
- Total Outstanding Dues of Creditors other than Micro Enterprise and Small Enterprises		**597.88**	549.09
(ii) Lease Liabilities	54	**28.39**	-
(iii) Other Financial Liabilities	28	**668.74**	497.22
(b) Other Current Liabilities	31	**122.34**	89.55
(c) Provisions	30	**21.59**	19.79
(d) Current Tax Liabilities (net)	32	**8.67**	10.97
Total Current Liabilities		**1,614.73**	1,300.71
TOTAL LIABILITIES		**1,864.44**	1,559.27
TOTAL EQUITY AND LIABILITIES		**6,535.70**	**5,914.51**
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 17th June 2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

PRADIP KUMAR MENON
Chief Financial Officer

M B PAREKH
Executive Chairman
DIN: 00180955

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 17th June 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2020

(₹ in crores)

Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
INCOME			
Revenue from Operations	33	**7,294.47**	7,077.96
Other Income	34	**149.43**	146.64
Total Income		**7,443.90**	7,224.60
EXPENSES			
Cost of Materials Consumed	35	**2,997.71**	3,265.51
Purchases of Stock-in-Trade		**383.57**	396.28
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	36	**21.22**	(75.21)
Employee Benefits Expense	37	**927.22**	836.66
Finance Costs	38	**33.60**	26.07
Depreciation, Amortisation and Impairment Expense	39	**169.92**	132.74
Other Expenses	40	**1,388.73**	1,286.51
Total Expenses		**5,921.97**	5,868.56
Profit before Share of profit/ (loss) of Associate and Joint venture, Exceptional Items and Tax		**1,521.93**	1,356.04
Share of Profit in Associate (net of tax)	42(a)	**3.03**	3.60
Total Share of profit/ (loss) of Associate and Joint Venture		**3.03**	3.60
Profit before Exceptional Items and Tax		**1,524.96**	1,359.64
Exceptional Items	41	**55.19**	18.02
Profit before Tax		**1,469.77**	1,341.62
Tax Expense			
Current Tax	53	**383.99**	406.58
Deferred Tax	53	**(36.27)**	6.65
Net Tax Expense		**347.72**	413.23
Profit for the year		**1,122.05**	928.39
Attributable to:			
Shareholders of the Company		**1,116.42**	924.91
Non-Controlling Interest	42(b)	**5.63**	3.48
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		**(14.63)**	(6.29)
Income tax relating to items that will not be reclassified to profit or loss		**3.58**	1.83
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operation		**14.59**	7.23
Total Other Comprehensive (Loss)/ Income		**3.54**	2.77
Attributable to:			
Shareholders of the Company		**3.42**	2.82
Non-Controlling Interest	42(b)	**0.12**	(0.05)
Total Comprehensive Income for the year		**1,125.59**	931.16
Attributable to:			
Shareholders of the Company		**1,119.84**	927.73
Non-Controlling Interest		**5.75**	3.43
Earnings Per Equity Share:	46		
Basic (₹)		**21.98**	18.21
Diluted (₹)		**21.97**	18.20
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 17th June 2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

PRADIP KUMAR MENON
Chief Financial Officer

M B PAREKH
Executive Chairman
DIN: 00180955

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 17th June 2020

Consolidated Statement of Balance Sheet

as at 31st March 2021

(₹ in crores)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	**1,285.03**	1,141.95
(b) Right of Use Assets	5	**157.81**	147.00
(c) Capital Work-In-Progress	4	**293.87**	259.33
(d) Goodwill	6	**1,283.95**	184.03
(e) Other Intangible Assets	6	**1,691.13**	333.73
(f) Investments accounted for using equity method	7	**32.47**	25.30
(g) Financial Assets			
(i) Investments	8	**307.04**	441.16
(ii) Loans	11	**4.85**	4.09
(iii) Other Financial Assets	13	**51.06**	42.85
(h) Income Tax Assets (net)	18	**97.12**	109.53
(i) Deferred Tax Assets (net)	53	**16.59**	13.00
(j) Other Non-Current Assets	20	**94.13**	72.78
Total Non-Current Assets		**5,315.05**	2,774.75
2 Current Assets			
(a) Inventories	17	**1,234.15**	929.47
(b) Financial Assets			
(i) Investments	9	**176.46**	719.73
(ii) Trade Receivables	10	**1,321.02**	1,088.50
(iii) Cash and Cash Equivalents	15	**442.65**	692.23
(iv) Bank balances other than (iii) above	16	**8.81**	11.02
(v) Loans	12	**16.89**	17.38
(vi) Other Financial Assets	14	**85.26**	103.18
(c) Current Tax Assets (net)	19	**3.13**	1.93
(d) Other Current Assets	21	**227.00**	197.51
Total Current Assets		**3,515.37**	3,760.95
TOTAL ASSETS		**8,830.42**	6,535.70
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	22	**50.82**	50.81
(b) Other Equity	23	**5,542.14**	4,404.80
Equity attributable to owners of the Company		**5,592.96**	4,455.61
Non-Controlling Interests	42(b)	**240.04**	215.65
Total Equity		**5,833.00**	4,671.26
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	**12.39**	25.13
(ii) Lease Liabilities		**80.68**	83.08
(iii) Other Financial Liabilities	27	**13.63**	7.26
(b) Provisions	29	**57.98**	51.95
(c) Deferred Tax Liabilities (net)	53	**398.03**	82.29
Total Non-Current Liabilities		**562.71**	249.71
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	**201.51**	143.99
(ii) Trade Payables	26		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		**86.03**	23.13
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		**920.71**	597.88
(iii) Lease Liabilities		**27.71**	28.39
(iv) Other Financial Liabilities	28	**1,034.04**	668.74
(b) Other Current Liabilities	31	**114.73**	122.34
(c) Provisions	30	**24.96**	21.59
(d) Current Tax Liabilities (net)	32	**25.02**	8.67
Total Current Liabilities		**2,434.71**	1,614.73
TOTAL LIABILITIES		**2,997.42**	1,864.44
TOTAL EQUITY AND LIABILITIES		**8,830.42**	6,535.70
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 12th May 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

PRADIP KUMAR MENON
Chief Financial Officer

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 12th May 2021

Consolidated Statement of Profit and Loss

for the year ended 31st March 2021

(₹ in crores)

Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
INCOME			
Revenue from Operations	33	**7,292.71**	7,294.47
Other Income	34	**79.40**	149.43
Total Income		**7,372.11**	7,443.90
EXPENSES			
Cost of Materials Consumed	35	**3,017.82**	2,997.71
Purchases of Stock-in-Trade		**477.17**	383.57
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	36	**(118.32)**	21.22
Employee Benefits Expense	37	**980.86**	927.22
Finance Costs	38	**37.23**	33.60
Depreciation, Amortisation and Impairment Expense	39	**200.66**	169.92
Other Expenses	40	**1,254.56**	1,388.73
Total Expenses		**5,849.98**	5,921.97
Profit before Share of profit/ (loss) of Associate and Joint venture, Exceptional Items and Tax		**1,522.13**	1,521.93
Share of Profit in Associate (net of tax)	42(a)	**3.98**	3.03
Total Share of profit of Associate and Joint Venture		**3.98**	3.03
Profit before Exceptional Items and Tax		**1,526.11**	1,524.96
Exceptional Items	41	**3.62**	55.19
Profit before Tax		**1,522.49**	1,469.77
Tax Expense			
Current Tax	53	**399.88**	383.99
Deferred Tax	53	**(3.52)**	(36.27)
Net Tax Expense		**396.36**	347.72
Profit for the year		**1,126.13**	1,122.05
Attributable to:			
Shareholders of the Company		**1,131.21**	1,116.42
Non-Controlling Interest	42(b)	**(5.08)**	5.63
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		**(0.99)**	(14.63)
Income tax relating to items that will not be reclassified to profit or loss		**0.28**	3.58
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operation		**(10.15)**	(14.59)
Total Other Comprehensive Income/ (Loss)		**(10.86)**	3.54
Attributable to:			
Shareholders of the Company		**(11.22)**	3.42
Non-Controlling Interest	42(b)	**0.36**	0.12
Total Comprehensive Income for the year		**1,115.27**	1,125.59
Attributable to:			
Shareholders of the Company		**1,119.99**	1,119.84
Non-Controlling Interest		**(4.72)**	5.75
Earnings Per Equity Share:	46		
Basic (₹)		**22.26**	21.98
Diluted (₹)		**22.24**	21.97
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 12th May 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

PRADIP KUMAR MENON
Chief Financial Officer

PUNEET BANSAL
Company Secretary
Place: Mumbai
Date: 12th May 2021

CONSOLIDATED BALANCE SHEET

as at 31st March 2022

(₹ in crores)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	**1,554.86**	1,285.03
(b) Right of Use Assets	5	**202.93**	157.81
(c) Capital Work-In-Progress	4	**225.42**	293.87
(d) Goodwill	6	**1,286.83**	1,283.95
(e) Other Intangible Assets	6	**1,658.64**	1,691.13
(f) Investments accounted for using equity method	7	**60.66**	32.47
(g) Financial Assets			
(i) Investments	8	**224.43**	307.04
(ii) Loans	11	**5.05**	4.85
(iii) Other Financial Assets	13	**64.45**	51.06
(h) Income Tax Assets (net)	18	**140.08**	97.12
(i) Deferred Tax Assets (net)	53	**21.28**	16.59
(j) Other Non-Current Assets	20	**55.38**	94.13
Total Non-Current Assets		**5,500.01**	5,315.05
2 Current Assets			
(a) Inventories	17	**1,695.09**	1,234.15
(b) Financial Assets			
(i) Investments	9	**173.52**	176.46
(ii) Trade Receivables	10	**1,430.54**	1,321.02
(iii) Cash and Cash Equivalents	15	**352.07**	442.65
(iv) Bank balances other than (iii) above	16	**3.10**	8.81
(v) Loans	12	**17.22**	16.89
(vi) Other Financial Assets	14	**86.01**	85.26
(c) Current Tax Assets (net)	19	**2.95**	3.13
(d) Other Current Assets	21	**255.11**	227.00
Total Current Assets		**4,015.61**	3,515.37
TOTAL ASSETS		**9,515.62**	8,830.42
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	22	**50.83**	50.82
(b) Other Equity	23	**6,352.88**	5,542.14
Equity attributable to owners of the Company		**6,403.71**	5,592.96
Non-Controlling Interests	42(b)	**198.90**	240.04
Total Equity		**6,602.61**	5,833.00
LIABILITIES			
1 **Non-Current Liabilities**			
(a) Financial Liabilities			
(i) Borrowings	24	**1.72**	12.39
(ii) Lease Liabilities		**96.04**	80.68
(iii) Other Financial Liabilities	27	**19.94**	13.63
(b) Provisions	29	**71.83**	57.98
(c) Deferred Tax Liabilities (net)	53	**398.45**	398.03
Total Non-Current Liabilities		**587.98**	562.71
2 **Current Liabilities**			
(a) Financial Liabilities			
(i) Borrowings	25	**285.62**	210.22
(ii) Trade Payables	26		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		**89.50**	86.03
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		**959.79**	920.71
(iii) Lease Liabilities		**32.45**	27.71
(iv) Other Financial Liabilities	28	**780.32**	1,025.33
(b) Other Current Liabilities	31	**120.92**	114.73
(c) Provisions	30	**42.69**	24.96
(d) Current Tax Liabilities (net)	32	**13.74**	25.02
Total Current Liabilities		**2,325.03**	2,434.71
TOTAL LIABILITIES		**2,913.01**	2,997.42
TOTAL EQUITY AND LIABILITIES		**9,515.62**	8,830.42
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 18th May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

MANISHA SHETTY
Company Secretary

Place: Mumbai
Date: 18th May 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2022

(₹ in crores)

Particulars	Note No.	For the year ended 31st March 2022	For the year ended 31st March 2021
INCOME			
Revenue from Operations	33	**9,920.96**	7,292.71
Other Income	34	**36.30**	79.40
Total Income		**9,957.26**	7,372.11
EXPENSES			
Cost of Materials Consumed	35	**5,040.74**	3,017.82
Purchases of Stock-in-Trade		**648.40**	477.17
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	36	**(244.96)**	(118.32)
Employee Benefits Expense	37	**1,112.36**	980.86
Finance Costs	38	**42.08**	37.23
Depreciation, Amortisation and Impairment Expense	39	**239.61**	200.66
Other Expenses	40	**1,517.13**	1,254.56
Total Expenses		**8,355.36**	5,849.98
Profit before Share of profit / (loss) of Associate and Joint venture, Exceptional Items and Tax		**1,601.90**	1,522.13
Share of Profit in Associate (net of tax)	42(a)	**11.88**	3.98
Total Share of profit of Associate and Joint Venture		**11.88**	3.98
Profit before Exceptional Items and Tax		**1,613.78**	1,526.11
Exceptional Items	41	**-**	3.62
Profit before Tax		**1,613.78**	1,522.49
Tax Expense			
Current Tax	53	**407.94**	399.88
Deferred Tax	53	**(0.92)**	(3.52)
Net Tax Expense		**407.02**	396.36
Profit for the year		**1,206.76**	1,126.13
Attributable to:			
Shareholders of the Company		**1,207.56**	1,131.21
Non-Controlling Interest	42(b)	**(0.80)**	(5.08)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		**(12.88)**	(0.99)
Income tax relating to items that will not be reclassified to profit or loss		**3.23**	0.28
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operation		**(12.46)**	(10.15)
Total Other Comprehensive Income / (Loss)		**(22.11)**	(10.86)
Attributable to:			
Shareholders of the Company		**(20.63)**	(11.22)
Non-Controlling Interest	42(b)	**(1.48)**	0.36
Total Comprehensive Income for the year		**1,184.65**	1,115.27
Attributable to:			
Shareholders of the Company		**1,186.93**	1,119.99
Non-Controlling Interest		**(2.28)**	(4.72)
Earnings Per Equity Share:	46		
Basic (₹)		**23.76**	22.26
Diluted (₹)		**23.75**	22.24
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 18th May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

MANISHA SHETTY
Company Secretary

Place: Mumbai
Date: 18th May 2022