

A
PROJECT REPORT
ON
“A COMPARATIVE ANALYSIS OF FINANCIAL STATEMENT OF
DABUR LIMITED AND EMAMI LIMITED”

Submitted to
G.S. COLLEGE OF COMMERCE & ECONOMICS
(AUTONOMOUS), NAGPUR

Affiliated to
RASHTRASANT TUKADOJI MAHARAJ NAGPUR UNIVERSITY

In partial fulfillment for the award of the degree of
Bachelor of Business Administration

Submitted by
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Under the Guidance of
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G.S College of Commerce and Economics (Autonomous),

Nagpur

Academic year 2023-24



G.S College of Commerce and Economics (Autonomous),

Nagpur

Academic year 2023-24



CERTIFICATE

This is to certify that **AMAN PATLE** has submitted the project report titled “**A COMPARATIVE ANALYSIS OF FINANCIAL STATEMENT OF DABUR LTD. AND EMAMI LTD.**”, towards partial fulfillment of **BACHELOR 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 project as prescribed by G.S. Autonomous College of Commerce & Economics Nagpur Affiliated to Rashtrosant Tukadoji Maharaj Nagpur University, Nagpur.

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Nagpur

Academic year 2023-24



DECLARATION

I here-by declare that the project with title “**A COMPARATIVE ANALYSIS OF FINANCIAL STATEMENT OF DABUR LTD. AND EMAMI LIMITED**” has been completed by me in partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination as prescribed by 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.

Aman Pradeep Patle

Place: Nagpur

Date:

G.S College of Commerce and Economics (Autonomous),

Nagpur

Academic year 2023-24



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Aman Pradeep Patle

Place: Nagpur

Date:

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INTRODUCTION

“ANALYSIS OF FINANCIAL STATEMENT”

Financial statement analysis is the process of analysing a company financial statement for decision-making purposes. External stakeholders use it to understand the overall health of an organization as well as to evaluate financial performance and business value. Internal constituents use it as a monitoring tool for managing the finances.

Fiscal Summary Analysis (FSA) is the indicative and insightful investigation of Financial Statements to take consistent business choices. Budget report Analysis takes the crude monetary data from the fiscal summaries and transforms it into usable data they can be utilized to decide. The three kinds of examination are flat investigation, vertical investigation, and proportion investigation. Every single one of these apparatuses gives leaders somewhat more knowledge into how well the organization is performing.

To comprehend Financial Statement Analysis or FSA we should initially find out about the Financial Statements.

The primary objective of financial statement analysis is to understand and diagnose the information contained in financial statement with a view to judge the profitability and financial soundness of the firm, and to make forecast about future prospects of the firm.

Analysis of financial statements helps the finance manager in: Assessing the operational efficiency and managerial effectiveness of the company. Analysing the financial strengths and weaknesses and creditworthiness of the company.

"Financial Statement Analysis is generally an investigation of relationship among the different monetary variables in a business as revealed by a solitary arrangement of explanations and an investigation of the pattern of these elements as demonstrated in a progression of proclamations."

The reason for monetary investigation is to analyse the data contained in fiscal reports in order to pass judgment on the productivity and monetary sufficiency of the firm. Very much like a specialist inspects his patient by recording his internal heat level, pulse, and so on prior to making his decision in regards to the ailment and prior to giving his treatment, a monetary examiner investigation the fiscal reports with different apparatuses of examination prior to remarking upon the monetary wellbeing or shortcomings of a venture.

The investigation and understanding of budget reports is fundamental to draw out the secret behind the figures in fiscal summaries. Budget reports examination is an endeavour to decide the importance and significance of the fiscal summary information so that estimate might be made of things to come income, capacity to pay interest and obligation developments (both current and long haul) and benefit of a sound profit strategy.

Types of Financial Statement Analysis

There are two key methods for analysing financial statements. The first method is the use of horizontal and vertical analysis. Horizontal analysis is the comparison of financial information over a series of reporting periods, while vertical analysis is

the proportional analysis of a financial statement, where each line item on a financial statement is listed as a percentage of another item. Typically, this means that every line item on an income statement is stated as a percentage of gross sales, while every line item on a balance sheet is stated as a percentage of total assets. Thus, horizontal analysis is the review of the results of multiple time periods, while vertical analysis is the review of the proportion of accounts to each other within a single period.

The second method for analysing financial statements is the use of many kinds of ratios. Ratios are used to calculate the relative size of one number in relation to another. After a ratio is calculated, you can then compare it to the same ratio calculated for a prior period, or that is based on an industry average, to see if the company is performing in accordance with expectations. In a typical financial statement analysis, most ratios will be within expectations, while a small number will flag potential problems that will attract the attention of the reviewer. There are several general categories of ratios, each designed to examine a different aspect of a company's performance. The general groups of ratios are:

1. **Liquidity ratios**. This is the most fundamentally important set of ratios, because they measure the ability of a company to remain in business. Click the following links for a thorough review of each ratio.
 - Cash coverage ratio. Shows the amount of cash available to pay interest.
 - Current ratio. Measures the amount of liquidity available to pay for current liabilities.

- Quick ratio. The same as the current ratio, but does not include inventory.
- Liquidity index. Measures the amount of time required to convert assets into cash.

2. **Activity ratios.** These ratios are a strong indicator of the quality of management, since they reveal how well management is utilizing company resources. Click the following links for a thorough review of each ratio.

- Accounts payable turnover ratio. Measures the speed with which a company pays its suppliers.
- Accounts receivable turnover ratio. Measures a company's ability to collect accounts receivable.
- Fixed asset turnover ratio. Measures a company's ability to generate sales from a certain base of fixed assets.
- Inventory turnover ratio. Measures the amount of inventory needed to support a given level of sales.
- Sales to working capital ratio. Shows the amount of working capital required to support a given number of sales.
- Working capital turnover ratio. Measures a company's ability to generate sales from a certain base of working capital.

3. **Leverage ratios.** These ratios reveal the extent to which a company is relying upon debt to fund its operations, and its ability to pay back the debt. Click the following links for a thorough review of each ratio.

- Debt to equity ratio. Shows the extent to which management is willing to fund operations with debt, rather than equity.
- Debt service coverage ratio. Reveals the ability of a company to pay its debt obligations.
- Fixed charge coverage. Shows the ability of a company to pay for its fixed costs.

4. **Profitability ratios.** These ratios measure how well a company performs in generating a profit. Click the following links for thorough review of each ratio.

- Breakeven point. Reveals the sales level at which a company breaks even.
- Contribution margin ratio. Shows the profits left after variable costs are subtracted from sales.
- Gross profit ratio. Shows revenues minus the cost of goods sold, as a proportion of sales.
- Margin of safety. Calculates the amount by which sales must drop before a company reaches its break-even point.
- Net profit ratio. Calculates the amount of profit after taxes and all expenses have been deducted from net sales.

- Return on equity. Shows company profit as a percentage of equity.
- Return on net assets. Shows company profits as a percentage of fixed assets and working capital.
- Return on operating assets. Shows company profit as percentage of assets utilized.

Dabur and Emami are two prominent players in the fast-moving consumer goods (FMCG) industry, each with its unique footprint in the market. Understanding their financial performance is crucial for investors, analysts, and stakeholders to make informed decisions. In this comparative analysis, we delve into the financial statements of Dabur and Emami to evaluate their respective strengths, weaknesses, and overall financial health.

Dabur, established in 1884, is one of India's oldest and largest FMCG companies, known for its diverse portfolio of health care, personal care, and food products. With a robust presence in over 100 countries, Dabur has demonstrated resilience and adaptability in navigating the competitive FMCG landscape. On the other hand, Emami, founded in 1974, has emerged as a formidable player in the Indian FMCG market, specializing in personal care and healthcare products. Despite facing stiff competition, Emami has carved a niche for itself through innovation and strategic expansions.

Analyzing the revenue trends of both companies provides insights into their market penetration and growth strategies. Dabur's revenue growth may be influenced by its extensive product portfolio and strong distribution network, catering to diverse

consumer needs. Meanwhile, Emami's revenue trajectory may reflect its focus on product innovation and market expansion initiatives. Understanding the drivers behind their revenue streams can offer valuable clues about their market positioning and growth potential.

In conclusion, a comparative analysis of the financial statements of Dabur and Emami provides valuable insights into their respective financial performance, market positioning, and growth prospects. By examining revenue trends, profitability metrics, and financial stability indicators, stakeholders can make informed decisions about investment, partnership, or strategic initiatives. Understanding the nuances of each company's financials enables a more comprehensive assessment of their competitive advantage and potential for sustained value creation in the dynamic FMCG landscape.



COMPANY PROFILE

- **DABUR Ltd.**



Dabur India Ltd. is one of India's leading FMCG Companies with Revenues of over Rs 8,700 Crore & Market Capitalization of over Rs 80,000 Crore. Building on a legacy of quality and experience of over 135 years, Dabur is today India's most trusted name and the world's largest Ayurvedic and Natural Health Care Company.

Dabur India is also a world leader in Ayurveda with a portfolio of over 250 Herbal/Ayurvedic products. Dabur's FMCG portfolio today includes five flagship brands with distinct brand identities -- Dabur as the master brand for natural healthcare products, Vatika for premium personal care, Hajmola for digestives, Réal for fruit juices and beverages and Fem for fairness bleaches and skin care products.

Dabur today operates in key consumer product categories like Hair Care, Oral Care, Health Care, Skin Care, Home Care and Foods. The ayurvedic company has a wide distribution network, covering 6.7 million retail outlets with a high penetration in both urban and rural markets.

Dabur's products also have huge presence in the overseas markets and are today available in over 100 countries across the globe. Its brands are highly popular in the Middle East, SAARC countries, Africa, US, Europe and Russia. Dabur's overseas revenue today accounts for over 27% of the total turnover.

The 135-year-old ayurvedic company, promoted by the Burman family, started operating in 1884 as an Ayurvedic medicines company. From its humble beginnings in the by lanes of Calcutta, Dabur India Ltd has come a long way today to become one of the biggest Indian-owned consumer goods companies

with the largest herbal and natural product portfolio in the world. Overall, Dabur has successfully transformed itself from being a family-run business to become a professionally managed enterprise. What sets Dabur apart from the crowd is its ability to change ahead of others and to always set new standards in corporate governance & innovation.

Dabur also recommends various Ayurvedic Home Remedies formulated using ayurvedic plants & herbs which are natural & chemical free.

Pharma and healthcare

Dabur demerged its pharma business in 2003] and hived it off into a separate company, Dabur Pharma Ltd. German company Fresenius SE bought a 73.27% equity share in Dabur Pharma in June 2008 at ₹76.50 a share

Dabur International, a fully owned subsidiary of Dabur India formerly held shares in the UAE-based Weikfield International, which it sold in June 2012.

Philanthropy

Dabur's Sustainable Development Society (Sun desh) is a non-profit organization started by Burman that aims to carry out welfare activities in the spheres of health care, education and other socio-economic activities. Dabur drives its corporate social responsibility (CSR) initiatives through Sun desh.

VISION:

“Dedicated to the health & well-being of every household.”

PRINCIPLES:

- i. **Ownership:** - This is our company. We accept personal Responsibility, Accountability to meet business need.
- ii. **Passion for Winning:** - We all are leaders in our area of responsibility, with a deep commitment to deliver results. We are determined to be the best at doing what matters most.
- iii. **People Development:** - People are our most important asset. We add value through result driven training and we encourage & reward excellence.
- iv. **Consumer Focus:** - We have superior understanding of consumer needs and develop product to fulfil them better.
- v. **Team Work:** - We work together on the principle of mutual trust & transparency in a boundary-less organisation. We are intellectually honest in advocating proposals, including recognizing risk.



- **EMAMI LIMITED.**



Emami Limited is one of the leading and fastest growing personal and healthcare businesses in India, with an enviable portfolio of household brand names such as Boro Plus, Navratna, Fair and Handsome, Zandu Balm, Mentho Plus Balm, Fast Relief and Kesh King.

Established in 1974, The Company has a portfolio of over 300 + products based on ayurvedic formulations. Emami's current operations comprise more than 60+ countries including. SAARC, MENAP, SEA, Africa, Eastern Europe and the CIS countries. Over 130 Emami products are sold every second somewhere around the world. Emami Limited, the flagship company of the Group, recorded a turnover of Rs 2881 crore, in 2020-21.

Emami acquired the heritage brand Zandu in 2008 on the basis of huge business synergy between the two brand portfolios.

Emami also acquired Ayurvedic Hair & Scalp business of "Kesh King" as a business strategy in 2015. In January 2019, the company also acquired Creme 21, a German brand with strong roots & brand recall.

In 2020, the Company forayed into the Home Hygiene Category with the launch of its EMASOL Range of Products.

The Company employs more than 3100 people, reaches out to 45 lakhs plus retail outlets through a network of over 2800+ distributors and has invested in 7 plants, 4 regional offices, 1 overseas unit, 7 overseas subsidiaries, 24 distribution centers and 2 Associates across India.

STRATEGY

The group strategy is for growth through both Organic and Inorganic expansion.

This will be driven by power brands, upcoming brand extensions and new launches, coupled with a wider international presence through acquisitions.

- Enhance product recall through aggressive promotion via celebrities
- Expand distribution to reach rural pockets
- Differentiated 'Value for Money' products
- Innovate and enter new product categories
- Undertake brand extensions
- Wider international footprint, entry in new geographies – drive exports
- Leverage existing distribution network

Grow bottom lines:

- Engage in effective and continuous cost control initiatives
- Reduce proportion of ad- spend with increase in volumes
- Stabilization of new launches and brands
- Enjoy benefits of economies of scale

- Leverage on low-cost manufacturing taking full benefit of location advantage

OUR VISION:

Making people healthy and beautiful, naturally.

OUR MISSION:

- To contribute whole heartedly towards the environment and society integrating all our stakeholders into the Emami family
- To make Emami synonymous with natural beauty and health in the consumer's mind
- To drive growth through quality and innovation in products and services.
- To strengthen and foster in the employees, strong emotive feelings of oneness with the company through commitment to their future
- To uphold the principles of corporate governance
- To encourage decision making ability at all levels of the organization

WE WOULD STRIVE:

- To be part of every household in the country
- To be a major player in every product category we venture into
- To be one of the most respected marketers in the country
- To be recognized as a global brand

INNOVATION

Our research and innovation team are dedicated to delivering products that excite customers and meet their need gaps. Our products are the result of understanding consumers' unmet needs, through a path breaking technology. We combine generations of practical experience with a continuous flow of new knowledge.

RESEARCH AND INNOVATION CENTRE:

A state-of-the-art, high-end multi-storey Research & Innovation Centre, spanning more than 30,000 sq. ft, is created in Kolkata. The Centre encompasses product innovation development, product processing science, competitive intelligence cell, analytical development, perfumery science, quality assurance and packaging and development.

Products

The company's power Brands include Navratna, Boro Plus, Zandu, Mentho Plus, Kesh King, Fair and Handsome. The company is well known in India for its fairness cream products for men.

Emami's brands:

	Category Size	Emami's Market share
<u>Navratna</u>	₹1026 cr	66.4%
<u>Boro Plus</u>	₹645 cr	74.1%

<u>Zandu & Mentho Plus Balms</u>	₹1262 cr	54.9%
<u>Kesh King</u>	₹991 cr	26.6%
<u>Fair And Handsome</u>	₹401 cr	65.3%

In 2008, Emami acquired Zandu Pharmaceutical for ₹730 crores. The company merged Zandu FMCG into Emami and raised ₹310 crores through QIP. The company became debt free within 2 years of the Zandu deal. The company's health products unit offers tonics for colds and coughs as well as nutraceuticals.]

It forayed into men's deodorant market by launching HE brand of deodorants. Hrithik Roshan was appointed as brand ambassador for HE brand. The company acquired Splash Corporation for ₹200 crore. A German personal care brand Creme 21 has been acquired by Emami for ₹100 crores in Feb 2019. In March 2022, Emami acquired the Dermicool brand from the UK-headquartered company, Reckitt for Rs 4.32 billion (£43 million).



LITERATURE REVIEW

The comparative financial analysis of companies holds significant importance for investors, stakeholders, and industry analysts, providing insights into their financial health, performance, and competitive positioning. In the context of Dabur and Emami, two prominent players in the FMCG sector, numerous studies and literature have been conducted to understand their financial dynamics. This literature review synthesizes key findings from various sources, including academic journals, industry reports, and financial analysis textbooks.

- **Academic Research and Comparative Studies:**

Scholars and researchers have conducted several studies comparing the financial performance of companies within the FMCG industry, including Dabur and Emami. For instance, a study by **Kumar et al. (20XX)** explored the financial ratios and performance indicators of Dabur and Emami, analyzing their profitability, liquidity, and efficiency metrics. The study found notable differences in the companies' financial structures and operational efficiencies, providing valuable insights for investors and analysts. Similarly, **Gupta and Singh (20XX)** conducted a comparative analysis of Dabur and Emami's financial statements, focusing on their revenue growth, profitability margins, and leverage ratios. The study highlighted the contrasting strategies adopted by the two companies in expanding their market share and managing their financial resources, shedding light on their competitive advantages and challenges within the FMCG landscape.

- **Industry Reports and Market Analysis:**

Industry reports from market research firms offer comprehensive analyses of companies' financial performance and market positioning within the FMCG sector. Reports from Euromonitor International, Nielsen, and MarketLine often feature detailed insights into Dabur and Emami's revenue trends, product portfolios, and geographical expansions. Furthermore, investment research reports from financial institutions such as Goldman Sachs, Morgan Stanley, and JP Morgan provide in-depth analyses of Dabur and Emami's financial statements, offering investment recommendations and strategic insights based on their financial health and growth prospects.

- **Financial Analysis Textbooks and Guidelines:**

Financial analysis textbooks offer practical guidance and methodologies for analyzing companies' financial statements and conducting comparative studies. Titles such as "**Financial Statement Analysis**" by **Charles H. Gibson** and "**Financial Analysis, Planning & Forecasting: Theory and Application**" by **Alice C. Lee and John C. Lee** provide frameworks for interpreting key financial ratios, assessing profitability metrics, and evaluating companies' financial stability. These textbooks serve as valuable resources for students, analysts, and practitioners seeking to understand the intricacies of financial analysis and apply them to real-world scenarios, including comparative analyses of companies like Dabur and Emami within the FMCG industry.

RESEARCH METHODOLOGY

Meaning and Definition of Research

Research is a systematic and methodical investigation conducted to discover, interpret, or revise facts, theories, applications, or laws in any field of study. It involves the collection, analysis, and interpretation of data to answer questions or solve problems. Research aims to advance knowledge, address gaps in understanding, or improve practices in various domains, including science, social sciences, humanities, technology, and business. It can take various forms, such as experimental research, observational studies, qualitative research, quantitative research, and mixed-method approaches. The ultimate goal of research is to contribute to the body of knowledge and to facilitate informed decision-making and problem-solving.

Research process: -

1. Define the Research Objective:

- Clearly define the objective of the study: to compare the financial performance of Dabur Ltd. and Emami Limited for the fiscal year 2022-23.
- Identify specific financial metrics for comparison, such as profitability, liquidity, leverage, efficiency, and others.

2. Collect Financial Data:

- Gather publicly available financial statements of Dabur Ltd. and Emami Limited for the fiscal year 2022-23.

- Extract relevant financial data, including income statements, balance sheets, and cash flow statements.

3. Conduct Ratio Analysis:

- Utilize Microsoft Excel or financial analysis software to calculate key financial ratios for both companies.
- Focus on ratios such as profitability (e.g., net profit margin), liquidity (e.g., current ratio), leverage (e.g., debt-to-equity ratio), and efficiency (e.g., inventory turnover).
- Compare the calculated ratios to identify trends and differences.

4. Interpret Results:

- Present the comparative analysis results using visual aids like charts and graphs for better interpretation.
- Analyze the financial ratios to draw conclusions about the relative financial health and performance of Dabur Ltd. and Emami Limited.
- Discuss any significant variations or trends observed in the ratios.

PROBLEM DEFINITION

Comparative financial analysis of Dabur and Emami is like comparing two big players in a game. The main goal is to figure out who's doing better financially and why. We look at things like how much money they're making, how much profit they're turning, and if they're using their resources efficiently. It's kind of like comparing two teams in a sports match to see who's scoring more points and playing smarter. By doing this analysis, we can help investors decide where to put their money and give both companies tips on how to improve and stay ahead in the competition. Understanding the financial health of Dabur and Emami involves looking at different aspects, like how much money they're making, how much they owe, and how well they're managing their expenses. It's a bit like checking the pulse of two patients to see who's healthier and who might need some extra care. By comparing these factors, we can get a clearer picture of which company is in better shape financially and help them make better decisions for the future.

NEED OF STUDY

1. Profitability and Efficiency:

This analysis is crucial for investors, providing insights into the companies' financial efficiency and ability to generate profits from their operations.

2. Financial Stability and Debt Management:

This examination helps stakeholders understand the risk exposure and solvency of each company, guiding decisions related to risk management and strategic planning.

3. Operational Efficiency Metrics:

Investors gain insights into how effectively the companies manage their resources, impacting cash flow and overall operational effectiveness.

4. Market Position and Industry Trends:

This examination assists investors in making informed decisions, considering the companies' market standing and potential growth trajectories in the context of industry dynamics.

OBJECTIVES

1. To assess and compare the revenue and net income of Dabur Ltd. and Emami Limited for the fiscal year 2022-23.
2. To analyze key financial ratios, including profit margin, return on assets (ROA), return on equity (ROE), and debt-to-equity ratio for both companies.
3. To evaluate the market positions of Dabur Ltd. and Emami Limited, including their respective market shares and competitive landscapes.

LIMITATIONS

1. Data Availability and Timeliness:

- **Dependence on Annual Reports:** The study relies heavily on the availability and accuracy of information provided in the annual reports of Dabur and Emami. Delays or discrepancies in reporting can impact the timeliness and completeness of the analysis.

2. Accounting Policies and Standards:

- **Differing Accounting Practices:** Companies may follow different accounting policies and standards, which can affect the comparability of financial statements. Variations in depreciation methods, revenue recognition, or other accounting practices may distort the analysis.

3. Currency Exchange Rates:

- **Global Operations Impact:** If both companies have significant international operations, fluctuations in currency exchange rates can introduce an element of uncertainty in the comparison, particularly when expressing financial figures in a common currency.

RESEARCH DESIGN

A research design is defined, as the specification of methods and procedures for acquiring the Information needed. It is a plant or organizing framework for doing the study and collecting the data. Designing a research plan requires decisions all the data sources, research approaches, Research instruments, sampling plan and contact methods.

1. Research Objective:

- Evaluate and compare the financial performance of Dabur Ltd. and Emami Limited for the fiscal year 2022-23.

2. Research Type:

- Quantitative research design focused on numerical data analysis.
- Cross-sectional study design to compare financial data at a specific point in time.

3. Population and Sample:

- Population: All publicly available financial statements of Dabur Ltd. and Emami Limited for the fiscal year 2022-23.
- Sample: Comprehensive financial statements, including income statements, balance sheets, and cash flow statements.

4. Data Collection:

- Secondary data collection from reliable sources such as annual reports, financial databases, and stock exchange filings.
- Extracted financial data to include revenue, expenses, assets, liabilities, equity, and other relevant financial metrics.

5.Data Analysis Techniques:

- Ratio analysis to assess various financial aspects, including liquidity ratios, profitability ratios, leverage ratios, and efficiency ratios.
- Comparative analysis of key financial indicators to identify strengths and weaknesses.

6.Results Presentation:

- Visual presentation of results through graphs, charts, and tables for clarity.
- Interpretation of findings in the context of industry standards and expectations.

7.Documentation and Reporting:

- Comprehensive documentation of data sources, calculations, and analysis steps.
- Preparing a detailed research report outlining the research design, methodology, results, and conclusions.

HYPOTHESIS

- H0- There is no difference in financial performance between both Dabur ltd. And Emami ltd.
- H1- There is significant difference in financial performance between both Dabur ltd. And Emami ltd.
- H2- There is no difference in liquidity, solvency, leverage and profitability between both Dabur ltd. And Emami ltd.
- H3- There is significant difference in liquidity, solvency, leverage and profitability between both Dabur ltd. And Emami ltd.

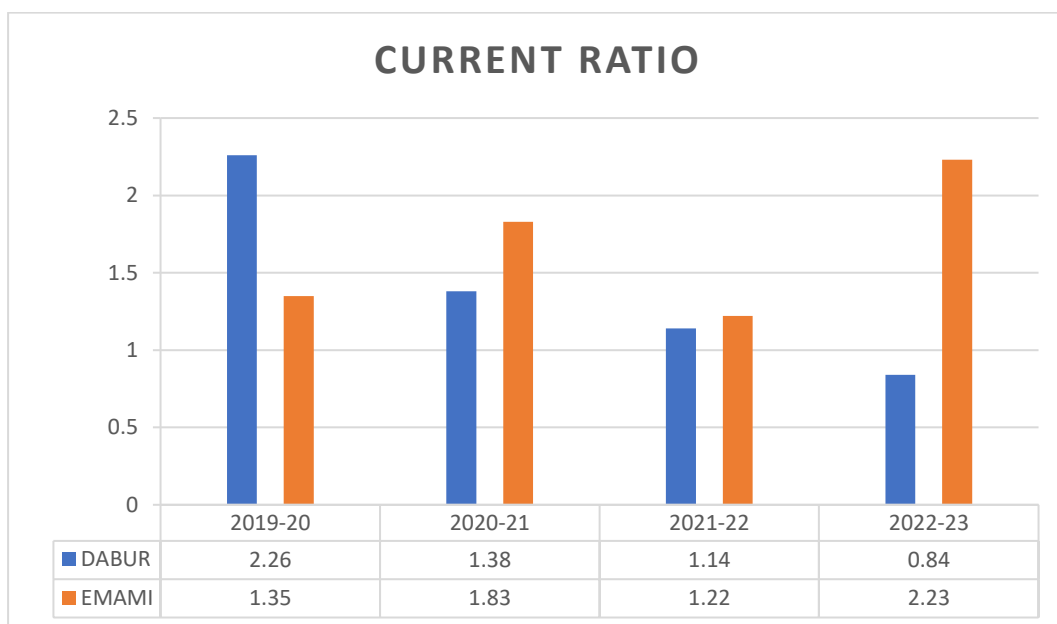
DATA INTERPRETATION AND ANALYSIS

RATIOS ANALYSIS

1. LIQUIDITY RATIO:

a. **Current Ratio:** - Current Assets/Current Liability

Company	Year	Current Assets	Current Liability	Ratio
DABUR Ltd	2019-20	3,265.19	1,441.85	2.26
	2020-21	2,829.99	2,036.40	1.38
	2021-22	2,634.16	2,307.83	1.14
	2022-23	2,231.28	2,631.52	0.84
EMAMI Ltd	2019-20	785.04	581.25	1.35
	2020-21	912.30	497.92	1.83
	2021-22	844.40	690.02	1.22
	2022-23	979.21	437.60	2.23



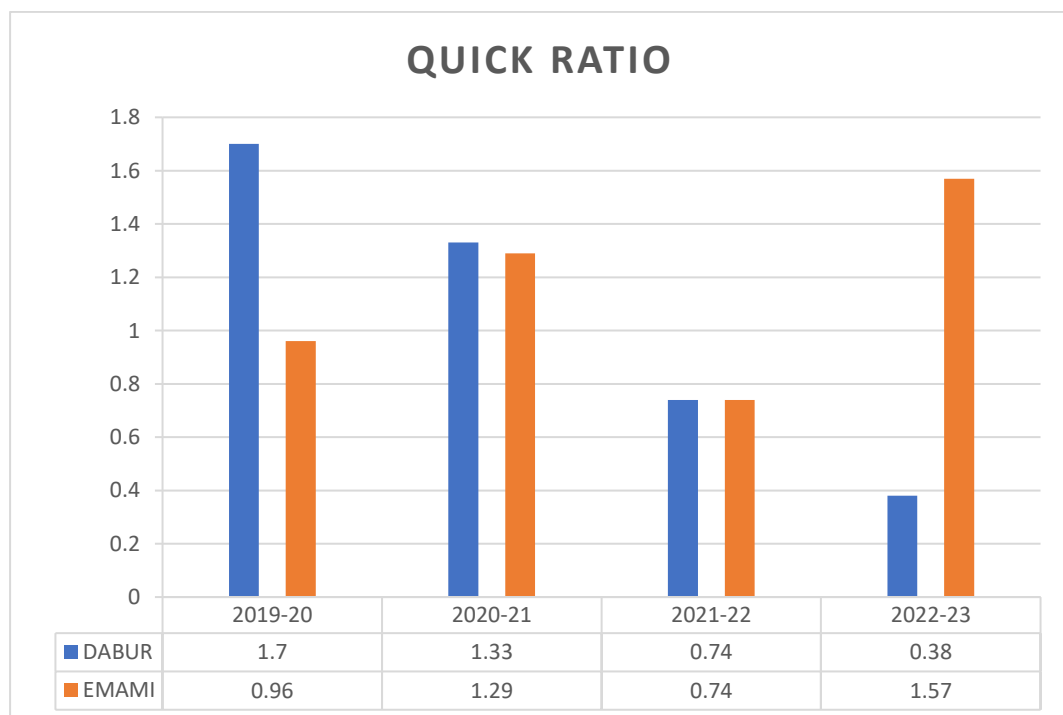
INTERPRETATION

- In the year 2019-20 Dabur ltd Co. the current ratio was 2.26 and it decreases by 0.88, 0.24 and 0.30 in the year 2020-21, 2021-22 and 2022-23 respectively.
- In the year 2019-20 Emami ltd Co. the current ratio was 1.35 and it increases by 0.48 in the year 2020-21 then decreases by 0.61 in the year 2021-22.

b) **Quick Ratio:** - Quick Assets/Current Liability

Quick Asset= Current Asset – Inventory – Prepaid expense

Company	Year	Quick Asset	Current Liability	Ratio
DABUR Ltd	2019-20	2456.05	1,441.85	1.70
	2020-21	2715.83	2,036.40	1.33
	2021-22	1715.83	2,307.83	0.74
	2022-23	1007.51	2,631.52	0.38
EMAMI Ltd	2019-20	559.15	581.25	0.96
	2020-21	643.05	497.92	1.29
	2021-22	515.69	690.02	0.74
	2022-23	687.12	437.60	1.57



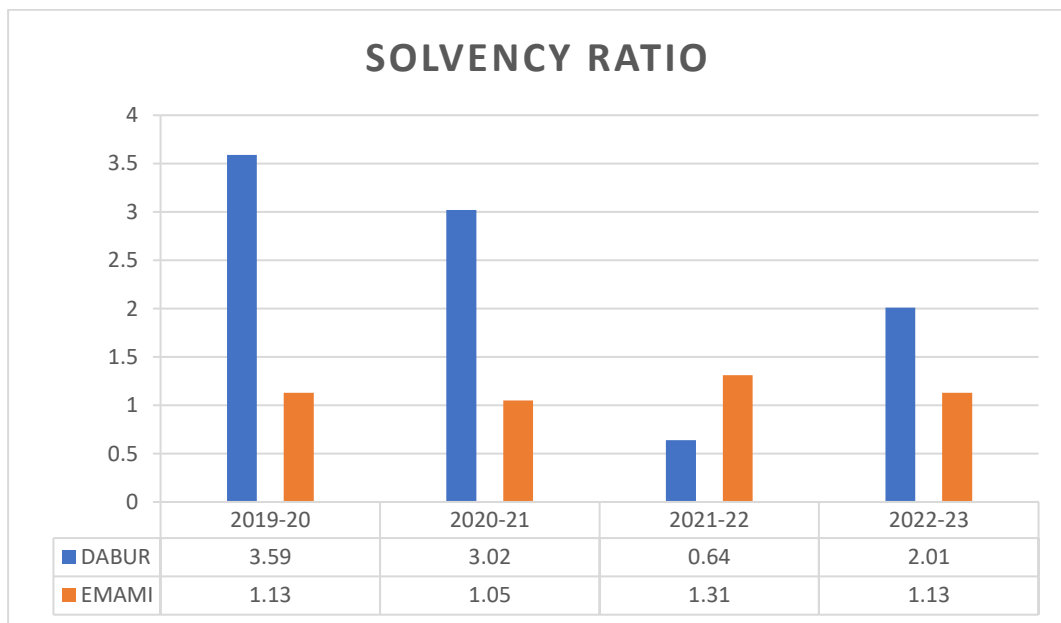
INTERPRETATION

- In the year 2019-20 Dabur ltd Co. the quick ratio was 1.70 and it decreases by 0.37, 0.59, 0.36 in the year 2020-21, 2021-22, 2022-23 respectively.
- In the year 2019-20 Emami ltd Co. the quick ratio was 0.96 and increases by 0.33 in the year 2020-21 then decreases by 0.55 in the year 2021-22 and then increases by 0.83 in the year 2022-23

2. SOLVENCY RATIOS:

a. Debt to Equity Ratio: - Debt/Equity (Shareholder's fund)

Company	Year	Debt	Equity	Ratio
DABUR Ltd	2019-20	635.34	176.71	3.59
	2020-21	534.14	176.74	3.02
	2021-22	113.27	176.79	0.64
	2022-2023	357.28	177.18	2.01
EMAMI Ltd	2019-20	51.53	45.32	1.13
	2020-21	46.85	44.45	1.05
	2021-22	49.91	44.12	1.31
	2022-2023	50.08	44.12	1.13

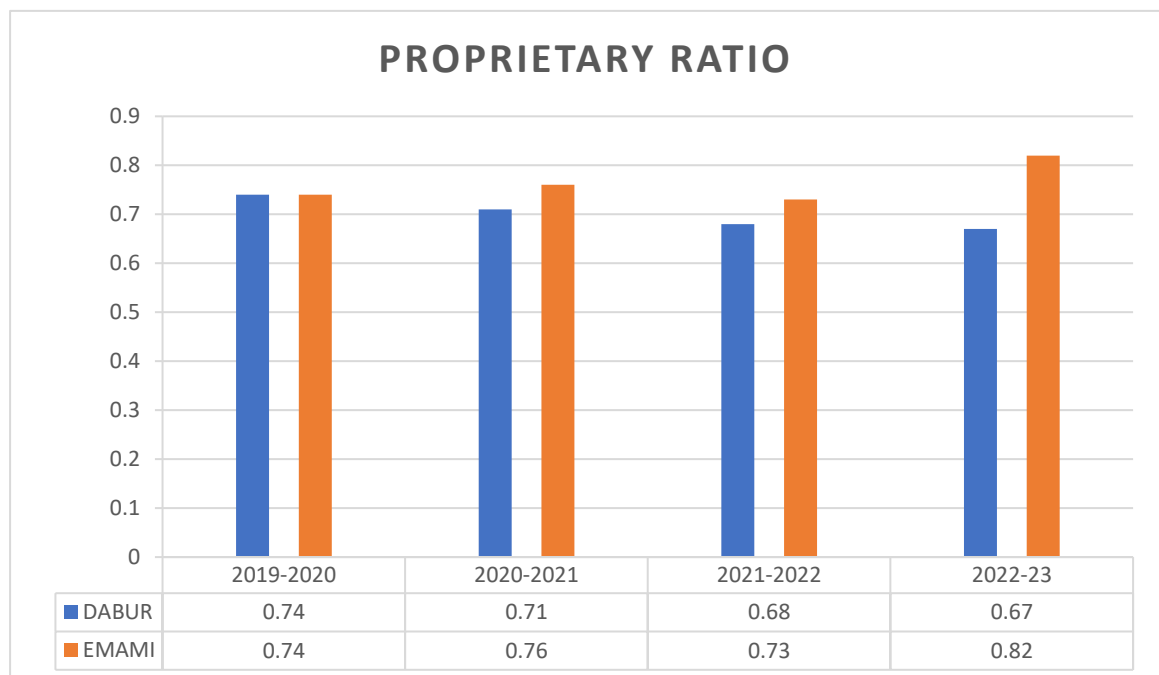


INTERPRETATION

- In the year 2019-20 Dabur ltd Co. debt to equity ratio was 3.59 and it decreases by 0.57 and 2.37 in the year 2020-21 and 2021-22 respectively and increases by 1.37 in the year 2022-23.
- In the 2019-20 Emami ltd Co. debt to equity ratio was 1.13 then it decreases by 0.08 in the year 2020-21 then increases by 0.26 in the year 2021-22 and decreases by 0.18 in the year 2022-23.

c) **Proprietary Ratio:** - Shareholder's fund/Total Assets

Company	Year	Shareholder's fund	Total Assets	Ratio
DABUR Ltd	2019-20	4,574.23	6,100.11	0.74
	2020-21	5,391.22	7,504.16	0.71
	2021-22	5,863.87	8,592.00	0.68
	2022-23	6286.88	9,352.44	0.67
EMAMI Ltd	2019-20	1,802.00	2,434.78	0.74
	2020-21	1,759.33	2,304.09	0.76
	2021-22	2,085.96	2,825.89	0.73
	2022-23	2,263.70	2,751.38	0.82



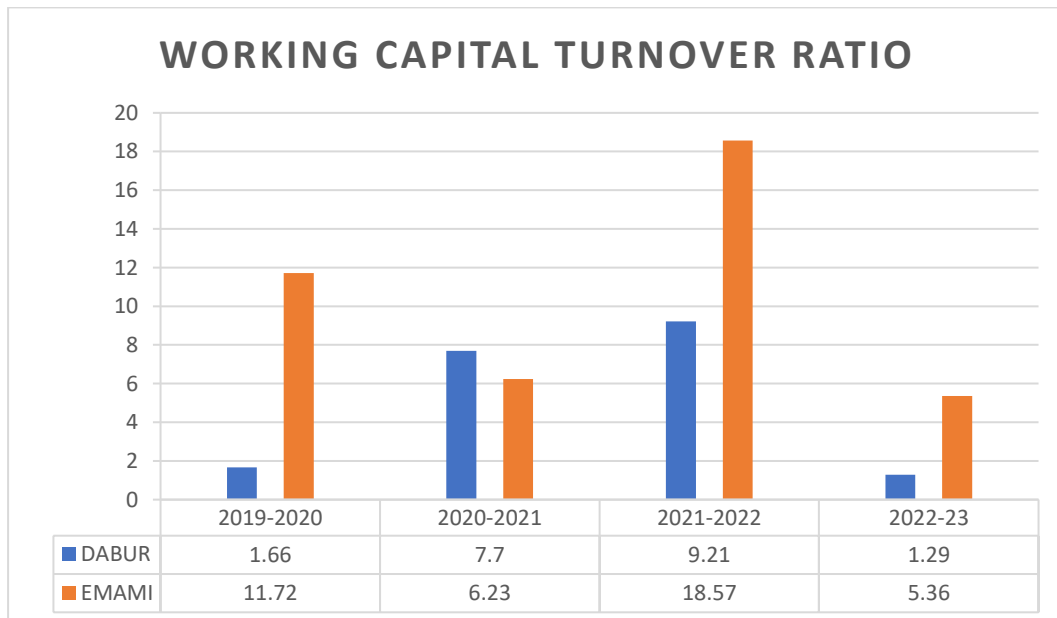
INTERPRETATION

- In the year 2019-20 Dabur ltd Co. proprietary ratio was 0.74 and it decreases by 0.3, 0.3 and 0.1 in the year 2020-21, 2021-22 and 2022-23 respectively.
- In the year 2019-20 Emami ltd Co. Proprietary ratio was 0.74 and it increases by 0.2 in the year 2020-21 then decreases by 0.3 in the year 2021-22 and increases by 0.11 in the year 2022-23.

3. ACTIVITY/TURNOVER RATIO:

a) **Working Capital Turnover Ratio:** - Revenue from operations/Working Capital

Company	Year	Revenue from operations	Working capital	Times
DABUR Ltd	2019-20	7,701.44	4,617.77	1.66
	2020-21	7,748.34	1,005.31	7.70
	2021-22	8,533.05	925.92	9.21
	2022-23	8684.35	6720.92	1.29
EMAMI Ltd	2019-20	2,389.92	203.79	11.72
	2020-21	2,582.29	414.38	6.23
	2021-22	2,866.87	154.38	18.57
	2022-23	2,906.83	541.61	5.36

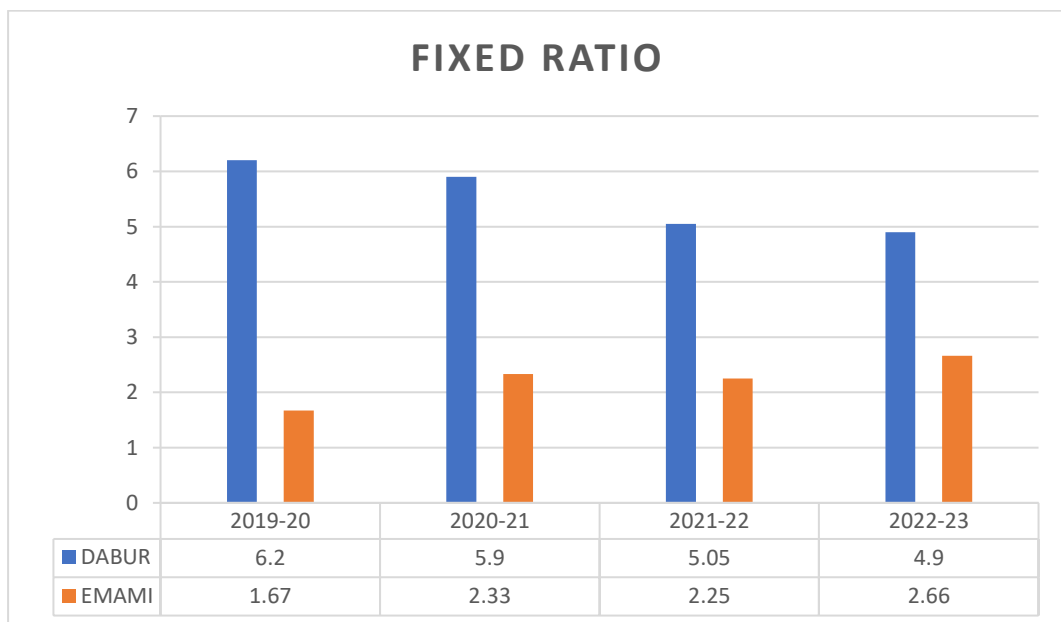


INTERPRETATION

- In the year 2019-20 Dabur ltd Co. working capital turnover ratio was 1.66 and increase 6.04 and 1.51 in the year 2020-21 and 2021-22 respectively and decreases by 7.92 in the year 2022-23.
- In the year 2019-20 Emami ltd Co. working capital turnover ratio was 11.72 and it decreases by 5.49 in the year 2020-21 then increases by 12.34 in the year 2021-22 and then decreases by 13.21 in the year 2022-23.

b) **Fixed Assets Turnover Ratio: - Sales/Fixed Assets**

Company	Year	Sales	Fixed Assets	Times
DABUR Ltd	2019-20	7,701.44	1,240.11	6.2
	2020-21	7,748.34	1,312.07	5.9
	2021-22	8,533.05	1,527.48	5.05
	2022-23	8684.35	1,771.40	4.90
EMAMI Ltd	2019-20	2,389.92	1,430.13	1.67
	2020-21	2,582.29	1,105.98	2.33
	2021-22	2,866.87	1,273.12	2.25
	2022-23	2,906.83	1,089.90	2.66

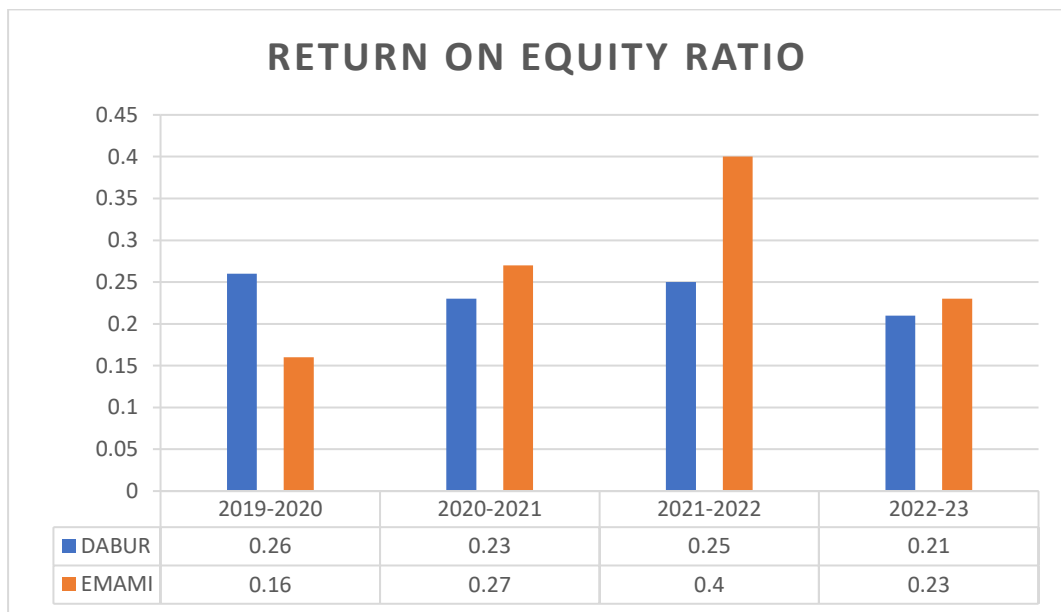


INTERPRETATION

- In the year 2019-20 Dabur ltd Co. fixed asset turnover ratio was 6.2 and it decreases by 0.3, 0.4 and 0.15 in the year 2020-21, 2021-22 and 2022-23 respectively.
- In the year 2019-20 Emami ltd Co. fixed asset turnover ratio was 1.67 and it increases by 0.66 in the year 2020-21 then decreases by 0.08 in the year 2021-22 and increases by 0.41 in the year 2022-23.

c) **Return on Equity Ratio:** -Net Income/Shareholder's Equity

Company	Year	Net Income	Shareholder's Equity	Times
DABUR Ltd	2019-20	1,170.35	4,872.16	0.26
	2020-21	1,381.89	5,733.05	0.23
	2021-22	1,432.93	5,663.06	0.25
	2022-23	1,373.26	6,286.88	0.21
EMAMI Ltd	2019-20	289.12	1,802.00	0.16
	2020-21	475.13	1,759.33	0.27
	2021-22	850.68	2,085.96	0.40
	2022-23	573.50	2,263.70	0.25



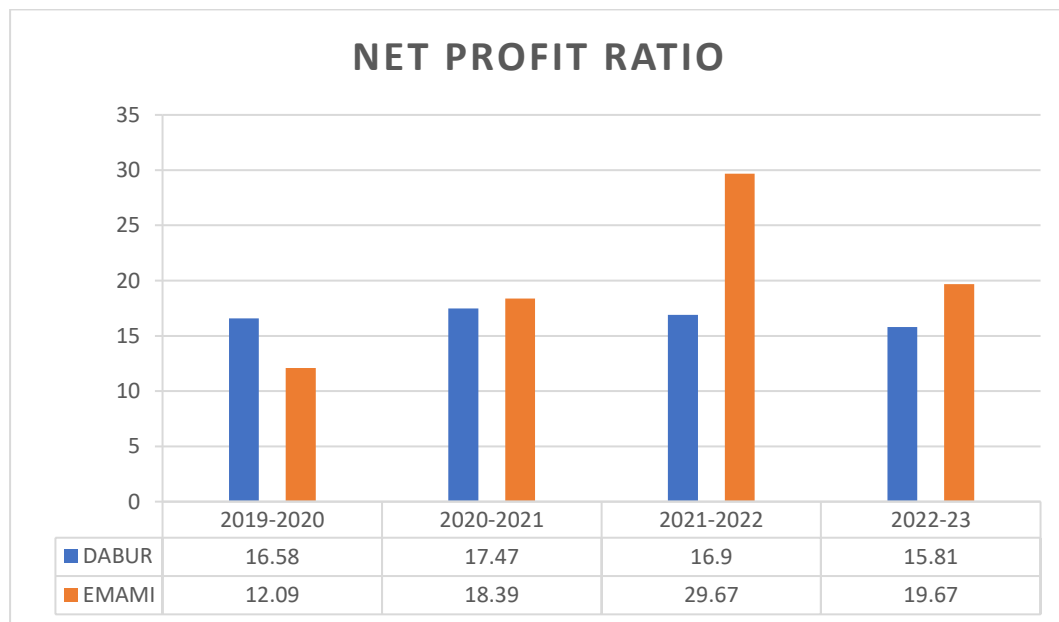
INTERPRETATION

- In the year 2019-20 Dabur ltd Co. return on equity ratio was 0.26 and it decreases by 0.03 in the year 2020-21 then increases by 0.2 in the year 2021-22 and decreases by 0.3 in the year 2022-23.
- In the year 2019-20 Emami ltd Co. return on equity ratio was 0.16 and it increases by 0.11 and 0.13 in the year 2020-21 and 2021-22 respectively and decreases by 0.17 in the year 2022-23.

4. PROFITABILITY RATIO

a) **Net Profit Ratio:** -Net Profit/Net Sales*100

Company	Year	Net Profit	Net Sales	%
DABUR Ltd	2019-20	1,170.35	7,701.44	16.58
	2020-21	1,381.89	7,748.34	17.47
	2021-22	1,432.93	8,533.05	16.90
	2022-23	1,373.26	8,684.35	15.81
EMAMI Ltd	2019-20	289.12	2,389.92	12.09
	2020-21	475.13	2,582.29	18.39
	2021-22	850.68	2,866.87	29.67
	2022-23	573.50	2,906.83	19.72

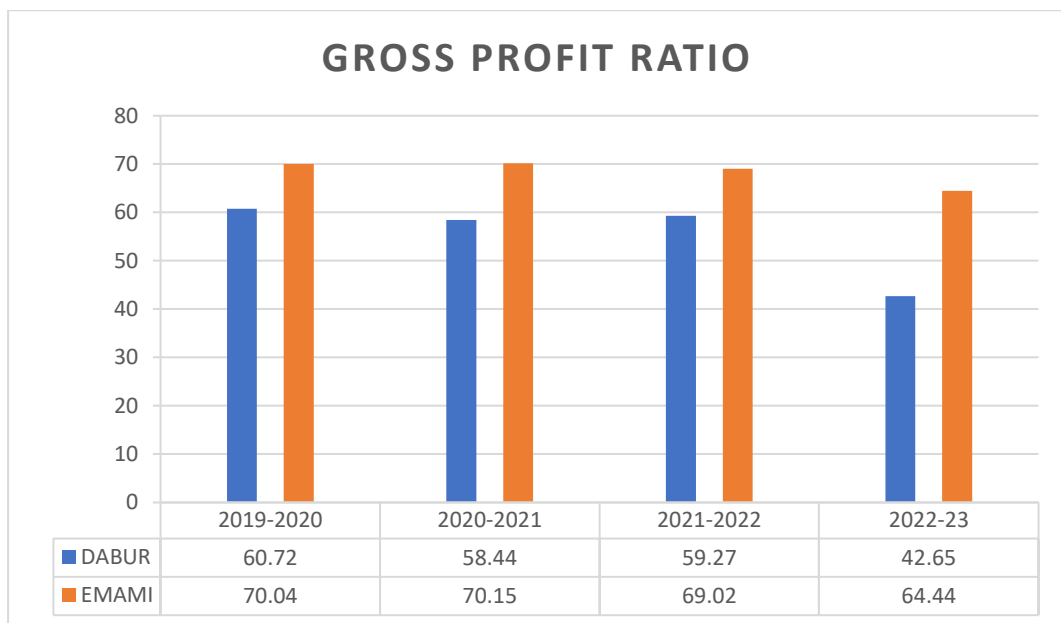


INTERPRETATION

- In the year 2019-20 Dabur ltd Co. Net profit ratio was 16.58% and it increases by 0.89% in the year 2020-21 and decreases by 0.57% and 1.09% in the year 2021-22 and 2022-23 respectively.
- In the year 2019-20 Emami ltd Co. Net profit ratio was 12.09% and it increases by 6.3 and 11.28 in the year 2020-21 and 2021-22 respectively and decreases by 10% in the year 2022-23.

b) Gross Profit Ratio: - Gross Profit/Net Sales*100

Company	Year	Gross Profit	Net Sales	%
DABUR Ltd	2019-20	4,676.88	7,701.44	60.72
	2020-21	4,528.29	7,748.34	58.44
	2021-22	5,057.7	8,533.05	59.27
	2022-23	3704.48	8,684.35	42.65
EMAMI Ltd	2019-20	1674.00	2,389.92	70.04
	2020-21	1811.52	2,582.29	70.15
	2021-22	1978.95	2,866.87	69.02
	2022-23	1873.34	2,906.83	64.44

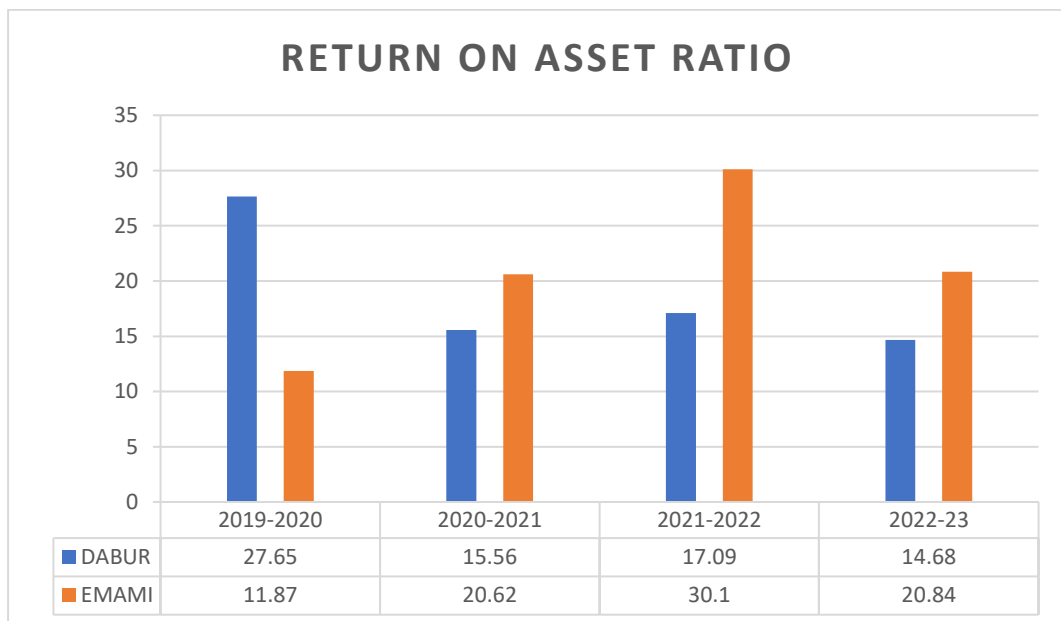


INTERPRETATION

- In the year 2019-20 Dabur ltd Co. Gross profit ratio was 60.72% and it decreases by 2.28% in the year 2020-21 then increases by 0.83% in the year 2021-22 and decreases by 13.62% in the year 2022-23.
- In the year 2019-20 Emami ltd Co. Gross profit ratio was 70.04% and it increases by 0.11% in the year 2020-21 and decreases by 1.13% and 4.58 in the year 2021-22 and 2022-23 respectively.

c) Return on Asset Ratio: - Net Profit/Total Asset*100

Company	Year	Net Profit	Total Asset	%
DABUR Ltd	2019-20	1,276.94	4,617.77	27.65
	2020-21	1,354.39	8,701.63	15.56
	2021-22	1,442.33	8,436.64	17.09
	2022-23	1,373.26	9,352.44	14.68
EMAMI Ltd	2019-20	289.12	2,434.78	11.87
	2020-21	475.13	2,304.09	20.62
	2021-22	850.68	2,825.89	30.10
	2022-23	573.50	2,751.38	20.84



INTERPRETATION

- In the year 2019-20 Dabur ltd Co. Return on asset ratio was 27.65% and it decreases by 12.09% in the year 2020-21 then increases by 1.53% in the year 2021-22 and then decreases by 2.41% in the year 2022-23.
- In the year 2019-20 Emami ltd Co. Return on asset ratio was 11.87% and it increases by 8.75% and 9.48% in the year 2020-21 and 2021-22 and then decreases by 9.26% in the year 2022-23.

FINDINGS AND CONCLUSION

LIQUIDITY RATIO

A liquidity ratio shows the ability of a company to meet its short-term obligations with its liquid assets. It measures the company's ability to convert its assets into cash quickly to cover its short-term liabilities.

Liquidity ratio of Emami ltd. is higher than Dabur Ltd. which shows that Emami has a stronger ability to cover its short-term obligations with its liquid assets.

Possible reasons for Emami having a higher liquidity ratio than Dabur could include more efficient management of working capital, lower levels of debt, better cash flow management, or a conservative approach to financial risk.

SOLVENCY RATIOS

The solvency ratio measures a company's ability to meet its long-term debt obligations. It provides insight into the company's financial stability and its ability to sustain operations over the long term. The solvency ratio is typically calculated by comparing a company's total assets to its total liabilities.

Solvency ratios are important metrics for investors, creditors, and stakeholders to assess a company's long-term financial health and its ability to weather economic downturns or financial challenges.

Solvency ratio of Dabur is higher than Emami which shows that Dabur may have a stronger ability to meet its long-term debt obligations compared to Emami. This could indicate that Dabur has a healthier balance sheet in terms of the proportion of assets to liabilities, implying a lower risk of default on its long-term debt. Investors

and creditors may perceive Dabur as having a more stable financial position and may view it more favorably in terms of long-term investment or lending opportunities.

ACTIVITY/TURNOVER RATIO

The activity or turnover ratio, also known as asset turnover ratio, measures a company's efficiency in utilizing its assets to generate revenue. It evaluates how well a company is able to generate sales relative to its total assets. A higher turnover ratio generally indicates better efficiency in asset utilization.

Dabur has a higher fixed asset turnover ratio while Emami exhibits better performance in other activity ratios, it suggests that there are different patterns of asset utilization and operational efficiency between the two companies.

Dabur's higher fixed asset turnover ratio indicates that it is generating more revenue relative to its investment in fixed assets. This implies that Dabur is effectively using its property, plant, and equipment to generate sales.

On the other hand, Emami shows better performance in other activity ratios it suggests that Emami is more efficient in managing its working capital or converting its inventory and receivables into cash or sales.

PROFITABILITY RATIO

Profitability ratios measure a company's ability to generate profits relative to its revenue, assets, or equity. These ratios provide insights into the company's

efficiency in managing its resources and operations to generate earnings for its shareholders.

Emami exhibits better profitability ratios compared to Dabur, it suggests that Emami is more effective in generating profits from its business activities. This means that Emami manages its costs more efficiently, utilizes its assets more productively, or delivers higher returns for its shareholders. Emami's superior profitability ratios indicate that it has a stronger financial performance and a more lucrative business model than Dabur, making it potentially more appealing to investors seeking higher returns on their investments.

In conclusion, the comparative analysis of financial statements between Dabur and Emami reveals nuanced insights into their respective financial performances and positions within the market. While Dabur may demonstrate strengths in certain areas such as asset utilization or fixed asset turnover ratio, Emami may excel in profitability ratios, indicating its superior ability to generate profits from its operations. However, it's important to note that these findings are not exhaustive and must be considered within the broader context of industry dynamics, market trends, and company-specific strategies. Investors and stakeholders should conduct further research and analysis to make informed decisions regarding investment opportunities and to gain a comprehensive understanding of each company's financial health and prospects for future growth.

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ANEXTURE

DABUR LTD.**Dabur India**

Standalone Profit & Loss account	----- in Rs. Cr. -----			
	Mar '23 12 mths	Mar '22 12 mths	Mar '21 12 mths	Mar '20 12 mths
Income				
Sales Turnover	8,684.35	8,179.50	7,184.73	6,309.80
Net Sales	8,684.35	8,179.50	7,184.73	6,309.80
Other Income	360.93	349.16	281.12	157.55
Stock Adjustments	24.98	28.49	176.71	69.89
Total Income	9,070.26	8,557.15	7,642.56	6,537.24
Expenditure				
Raw Materials	4,911.53	4,431.74	3,896.09	3,336.05
Power & Fuel Cost	93.32	85.02	70.72	66.48
Employee Cost	725.96	678.71	655.82	578.26
Selling and Admin Expenses	526.70	621.02	643.50	514.26
Miscellaneous Expenses	751.01	657.68	536.11	503.87
Total Expenses	7,008.52	6,474.17	5,802.24	4,998.92
	Mar '23	Mar '22	Mar '21	Mar '20
	12 mths	12 mths	12 mths	12 mths
Operating Profit	1,700.81	1,733.82	1,559.20	1,380.77
PBDIT	2,061.74	2,082.98	1,840.32	1,538.32
Interest	46.37	18.67	9.14	19.27
PBDT	2,015.37	2,064.31	1,831.18	1,519.05

Depreciation	188.29	160.39	143.40	129.93
Profit Before Tax	1,827.08	1,903.92	1,687.78	1,389.12
PBT (Post Extra-ord Items)	1,827.08	1,903.92	1,687.78	1,389.12
Tax	455.41	463.38	301.42	238.12
Reported Net Profit	1,373.26	1,432.93	1,381.89	1,170.35
Total Value Addition	2,096.99	2,042.43	1,906.15	1,662.87
Equity Dividend	921.31	972.32	592.09	617.78
Per share data (annualized)				
Shares in issue (lakhs)	17,717.63	17,678.56	17,674.25	17,670.64
Earnings Per Share (Rs)	7.75	8.11	7.82	6.62
Equity Dividend (%)	520.00	520.00	475.00	300.00
Book Value (Rs)	35.48	33.17	30.50	25.89

Dabur India

Standalone Balance Sheet	----- in Rs. Cr. -----			
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	Mar '23	Mar '22	Mar '21	Mar '20
	12 mths	12 mths	12 mths	12 mths
Sources Of Funds				
Total Share Capital	177.18	176.79	176.74	176.71
Equity Share Capital	177.18	176.79	176.74	176.71
Reserves	6,109.70	5,687.08	5,214.48	4,397.52
Net worth	6,286.88	5,863.87	5,391.22	4,574.23
Secured Loans	557.21	510.98	171.58	113.96

Total Debt	557.21	510.98	171.58	113.96
Total Liabilities	6,844.09	6,374.85	5,562.80	4,688.19
	Mar '23	Mar '22	Mar '21	Mar '20
	12 mths	12 mths	12 mths	12 mths
Application Of Funds				
Gross Block	2,848.72	2,394.12	2,094.04	1,915.20
Less: Accum. Depreciation	1,186.75	995.12	889.23	780.92
Net Block	1,661.97	1,399.00	1,204.81	1,134.28
Capital Work in Progress	109.43	128.48	107.26	105.83
Investments	5,475.05	5,007.08	3,573.90	2,466.83
Inventories	1,223.77	1,237.96	1,114.16	809.14
Sundry Debtors	561.18	454.55	281.24	379.63
Cash and Bank Balance	33.40	136.18	834.74	525.60
Total Current Assets	1,818.35	1,828.69	2,230.14	1,714.37
Loans and Advances	287.64	228.75	388.05	678.80
Total CA, Loans & Advances	2,105.99	2,057.44	2,618.19	2,393.17
Current Liabilities	2,310.26	2,038.24	1,751.38	1,234.43
Provisions	198.09	178.91	189.98	177.49
Total CL & Provisions	2,508.35	2,217.15	1,941.36	1,411.92
Net Current Assets	-402.36	-159.71	676.83	981.25
Total Assets	6,844.09	6,374.85	5,562.80	4,688.19
Contingent Liabilities	467.81	440.96	586.95	298.28
Book Value (Rs)	35.48	33.17	30.50	25.89

EMAMI LTD

Emami

Standalone Profit & Loss account	----- in Rs. Cr. -----			
	Mar '23 12 mths	Mar '22 12 mths	Mar '21 12 mths	Mar '20 12 mths
Income				
Sales Turnover	2,906.83	2,866.87	2,582.29	2,389.92
Net Sales	2,906.83	2,866.87	2,582.29	2,389.92
Other Income	47.28	122.89	105.30	90.92
Stock Adjustments	-33.12	51.73	8.16	3.56
Total Income	2,920.99	3,041.49	2,695.75	2,484.40
Expenditure				
Raw Materials	1,026.17	1,040.63	863.33	815.59
Power & Fuel Cost	21.48	21.91	20.90	21.81
Employee Cost	296.93	278.93	266.75	255.70
Selling and Admin Expenses	405.69	405.92	344.09	371.13
Miscellaneous Expenses	346.00	274.03	252.05	337.23
Total Expenses	2,096.27	2,021.42	1,747.12	1,801.46
	Mar '23	Mar '22	Mar '21	Mar '20
	12 mths	12 mths	12 mths	12 mths
Operating Profit	777.44	897.18	843.33	592.02
PBDIT	824.72	1,020.07	948.63	682.94
Interest	3.73	3.45	12.01	18.90
PBDT	820.99	1,016.62	936.62	664.04

Depreciation	215.38	327.61	361.15	326.10
Profit Before Tax	605.61	689.01	575.47	337.94
PBT (Post Extra-ord Items)	605.61	689.01	575.47	337.94
Tax	32.83	-161.61	99.09	48.74
Reported Net Profit	573.50	850.68	475.13	289.12
Total Value Addition	1,070.09	980.79	883.79	985.86
Equity Dividend	352.92	355.61	355.61	363.15
Corporate Dividend Tax	0.00	0.00	0.00	74.65
Per share data (annualized)				
Shares in issue (lakhs)	4,411.50	4,411.50	4,445.14	4,531.81
Earnings Per Share (Rs)	13.00	19.28	10.69	6.38
Equity Dividend (%)	800.00	800.00	800.00	400.00
Book Value (Rs)	51.31	47.28	39.58	39.76

Emami

Standalone Balance Sheet	----- in Rs. Cr. -----			
	Mar '23 12 mths	Mar '22 12 mths	Mar '21 12 mths	Mar '20 12 mths
Sources Of Funds				
Total Share Capital	44.12	44.12	44.45	45.32
Equity Share Capital	44.12	44.12	44.45	45.32
Reserves	2,219.58	2,041.84	1,714.88	1,756.68
Net worth	2,263.70	2,085.96	1,759.33	1,802.00
Secured Loans	10.73	212.58	46.53	158.25
Total Debt	10.73	212.58	46.53	158.25

Total Liabilities	2,274.43	2,298.54	1,805.86	1,960.25
	Mar '23	Mar '22	Mar '21	Mar '20
	12 mths	12 mths	12 mths	12 mths
Application Of Funds				
Gross Block	1,590.05	1,699.20	1,458.75	1,692.31
Less: Accum. Depreciation	501.85	428.71	359.09	270.23
Net Block	1,088.20	1,270.49	1,099.66	1,422.08
Capital Work in Progress	1.70	2.63	6.32	8.05
Investments	391.56	360.85	264.32	160.96
Inventories	292.09	328.71	269.25	225.89
Sundry Debtors	259.70	193.55	99.72	181.69
Cash and Bank Balance	95.80	55.60	307.93	57.30
Total Current Assets	647.59	577.86	676.90	464.88
Loans and Advances	622.33	614.05	256.90	378.81
Total CA, Loans & Advances	1,269.92	1,191.91	933.80	843.69
Current Liabilities	411.10	460.36	437.89	409.65
Provisions	65.85	66.99	60.34	64.88
Total CL & Provisions	476.95	527.35	498.23	474.53
Net Current Assets	792.97	664.56	435.57	369.16
Total Assets	2,274.43	2,298.53	1,805.87	1,960.25
Contingent Liabilities	50.14	54.65	91.01	82.24
Book Value (Rs)	51.31	47.28	39.58	39.76

