

ASSIGNMENT

(For Sessional Test – II)



Financial report on Hindalco Industries Ltd.

(MARCH, 2019 to MARCH, 2023)

COURSE: Accounting and Financial Management (IC36I)

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COMPANY PROFILE

INTRODUCTION:

Hindalco Industries Limited stands as a leading player in the Indian aluminum and copper industries. Established with a vision to cater to the growing demand for aluminum and copper products, Hindalco has become synonymous with quality and innovation. The company boasts a diverse product portfolio encompassing aluminum and copper products used in various industries such as automotive, packaging, construction, and electricals. Hindalco's commitment to excellence is evident through its continuous efforts in research and development, sustainable practices, and customer-centric approach. With a strong presence in both domestic and international markets, Hindalco is a key contributor to India's industrial growth and a symbol of reliability and trust in the metals sector.

HISTORY:

Hindalco Industries Limited traces its roots back to 1958 when it was incorporated as Hindustan Aluminum Corporation Limited. Over the decades, the company underwent significant expansion and diversification, eventually emerging as one of the largest integrated aluminum producers globally. In 2007, Hindalco acquired Novelis Inc., a global leader in aluminum rolling and recycling, marking a significant milestone in its journey towards vertical integration and global expansion. Today, Hindalco's rich history is a testament to its resilience, adaptability, and commitment to delivering value to its stakeholders.

PRESENT SCENARIO:

As of 2024, Hindalco Industries Limited remains at the forefront of the aluminum and copper industries, leveraging its extensive manufacturing capabilities, technological prowess, and market insights. With a diverse product portfolio catering to a wide range of industrial applications, Hindalco continues to strengthen its position in both domestic and international markets. The company's focus on sustainable practices, product innovation, and operational excellence underscores its commitment to long-term growth and value creation for its shareholders.

SERVICES/PRODUCTS:

Hindalco Industries Limited offers a comprehensive range of products and services, including:

- Primary aluminum
- Rolled products
- Extrusions

- Copper cathodes
- Copper rods
- Copper foils
- Copper tubes
- Alloy wheels
- Flexible packaging solutions
- Renewable energy solutions

BOARD OF DIRECTORS:

The Board of Directors of Hindalco Industries Limited comprise experienced professionals from diverse backgrounds, providing strategic direction and leadership to the company. Led by a dynamic management team, Hindalco's leadership ensures effective governance, risk management, and sustainable growth initiatives.

- Mr. Kumar Mangalam Birla, Non-Executive Chairman
- Mrs. Rajashree Birla, Non-Executive Director
- Mr. Askaran Agarwala, Non-Executive Director
- Mr. Sushil Agarwal, Non-Executive Director
- Mr. Satish Pai, Managing Director
- Mr. Praveen Kumar Maheshwari, Whole Time Director & CFO
- Ms. Alka Bharucha, Independent Director
- Mr. Arun Adhikari, Independent Director
- Mr. Kailash Nath Bhandari, Independent Director
- Mr. Sudhir Mital, Independent Director
- Dr. Vikas Balia, Independent Director
- Mr. Yazdi Piroj Dandiwalla, Independent Director

PERFORMANCE:

Hindalco Industries Limited has consistently delivered strong financial performance, driven by its robust operational efficiency, product innovation, and market leadership. The company's unwavering focus on quality, safety, and sustainability has enabled it to maintain a competitive edge in the rapidly evolving metals industry. Hindalco's performance metrics reflect its commitment to maximizing shareholder value while contributing to the economic development and well-being of society.

VISION AND MISSION:

Hindalco Industries Limited's vision is to be a global leader in the aluminum and copper industries, recognized for its excellence in products, processes, and sustainability practices. The company's mission is to create long-term value for its stakeholders by leveraging its strengths in innovation, operational excellence, and responsible stewardship of resources. Hindalco aims to achieve its vision and mission through continuous improvement, strategic partnerships, and a relentless focus on customer satisfaction.

FUTURE OUTLOOK:

Hindalco Industries Limited is poised for sustainable growth and expansion in the coming years. With a strong emphasis on innovation, digitization, and sustainability, the company aims to capitalize on emerging opportunities in the global metals market. Hindalco's strategic initiatives include capacity expansion, diversification into value-added products, and investments in renewable energy and recycling technologies. As it continues to evolve and adapt to changing market dynamics, Hindalco remains committed to driving positive change and creating value for all its stakeholders.

COMMON SIZE STATEMENT OF THE BALANCE SHEET

BALANCE SHEET FOR 5 YEARS (Rs in crores)						Common Size Statement FOR BALANCE SHEET (in %)				
PARTICULARS	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
ASSETS										
NON-CURRENT ASSETS										
Tangible Assets	33,168.95	33,045.00	32,061.00	31,759.00	31,576.00	40.70	41.28	36.45	32.06	32.58
Intangible Assets	345.03	314	321	533	520	0.42	0.39	0.36	0.54	0.54
Capital Work-In-Progress	947	1,209.00	1,587.00	1,573.00	2,968.00	1.16	1.51	1.80	1.59	3.06
Intangible Assets Under Developme	34.82	73	122	8	19	0.04	0.09	0.14	0.01	0.02
Other Assets	8.8	9	8	8	7	0.01	0.01	0.01	0.01	0.01
Fixed Assets	34,504.60	34,650.00	34,099.00	33,881.00	35,090.00	42.34	43.28	38.77	34.20	36.20
Non-Current Investments	21,722.58	19,800.00	24,373.00	25,098.00	24,004.00	26.65	24.73	27.71	25.34	24.77
Long Term Loans And Advances	17.63	14	11	45	174	0.02	0.02	0.01	0.05	0.18
Other Non-Current Assets	1,720.51	1,253.00	1,256.00	1,166.00	2,594.00	2.11	1.57	1.43	1.18	2.68
Total Non-Current Assets	57,965.32	55,717.00	59,739.00	60,190.00	61,862.00	71.12	69.60	67.93	60.76	63.83
CURRENT ASSETS						0.00	0.00	0.00	0.00	0.00
Current Investments	3,772.32	4,839.00	7,358.00	4,557.00	5,762.00	4.63	6.04	8.37	4.60	5.94
Inventories	11,394.46	11,225.00	15,989.00	20,948.00	20,186.00	13.98	14.02	18.18	21.15	20.83
Trade Receivables	2,124.88	2,093.00	1,602.00	2,671.00	2,610.00	2.61	2.61	1.82	2.70	2.69
Cash And Cash Equivalents	1,579.87	3,280.00	1,019.00	6,420.00	1,789.00	1.94	4.10	1.16	6.48	1.85
Short Term Loans And Advances	58.05	55	49	172	5	0.07	0.07	0.06	0.17	0.01
OtherCurrentAssets	4,607.33	2,849.00	2,191.00	4,099.00	4,708.00	5.65	3.56	2.49	4.14	4.86
Total Current Assets	23,536.91	24,341.00	28,208.00	38,867.00	35,060.00	28.88	30.40	32.07	39.24	36.17
Total Assets	81,502.23	80,058.00	87,947.00	99,057.00	96,922.00	100.00	100.00	100.00	100.00	100.00
EQUITIES AND LIABILITIES										
SHAREHOLDER'S FUNDS										
Equity Share Capital	222.39	222	222	222	222	0.27	0.28	0.25	0.22	0.23
Total Share Capital	222.39	222	222	222	222	0.27	0.28	0.25	0.22	0.23
Reserves and Surplus	48,335.20	45,272.00	49,787.00	54,130.00	58,267.00	59.31	56.55	56.61	54.65	60.12
Total Reserves and Surplus	48,335.20	45,272.00	49,787.00	54,130.00	58,267.00	59.31	56.55	56.61	54.65	60.12
Employees Stock Options	0	0	55	76	0	0.00	0.00	0.06	0.08	0.00
Total Equity	48,557.59	45,494.00	50,064.00	54,428.00	58,489.00	59.58	56.83	56.93	54.95	60.35
Equity Share Application Money	0.1	0	0	0	0	0.00	0.00	0.00	0.00	0.00
NON-CURRENT LIABILITIES						0.00	0.00	0.00	0.00	0.00
Long Term Borrowings	15,633.88	15,660.00	15,174.00	11,668.00	11,559.00	19.18	19.56	17.25	11.78	11.93
Deferred Tax Liabilities [Net]	2,179.68	1,975.00	1,966.00	2,948.00	4,704.00	2.67	2.47	2.24	2.98	4.85
Other Long Term Liabilities	714	1,018.00	1,245.00	1,262.00	1,513.00	0.88	1.27	1.42	1.27	1.56
Long Term Provisions	409.86	497	421	474	276	0.50	0.62	0.48	0.48	0.28
Total Non-Current Liabilities	18,937.42	19,150.00	18,806.00	16,352.00	18,052.00	23.24	23.92	21.38	16.51	18.63
CURRENT LIABILITIES						0.00	0.00	0.00	0.00	0.00
Short Term Borrowings	3,895.10	7,384.00	4,290.00	7,411.00	749	4.78	9.22	4.88	7.48	0.77
Trade Payables	5,733.67	3,990.00	8,800.00	11,015.00	9,743.00	7.03	4.98	10.01	11.12	10.05
Other Current Liabilities	3,668.53	3,112.00	5,156.00	8,845.00	8,975.00	4.50	3.89	5.86	8.93	9.26
Short Term Provisions	709.82	928	831	1,006.00	914	0.87	1.16	0.94	1.02	0.94
Total Current Liabilities	14,007.12	15,414.00	19,077.00	28,277.00	20,381.00	17.19	19.25	21.69	28.55	21.03
Total Capital And Liabilities	81,502.23	80,058.00	87,947.00	99,057.00	96,922.00	100.00	100.00	100.00	100.00	100.00

ANALYSIS OF THE COMMON SIZE STATEMENT OF THE BALANCE SHEET

Common size statement of Hindalco Industries Limited for the financial years 2019 to 2023. A common size statement expresses each line item in a financial statement as a percentage of a base figure. This allows for easier comparison of financial statements across different companies or industries.

In the case of a common size balance sheet, the base size is typically total assets. Some of the key observations from Hindalco Industries common size balance sheet are:

Equity: The increase in Hindalco Industries' total equity from 59.58% of total assets in March 2019 to 60.35% in March 2023 indicates a strengthening of the company's financial position over this period. A higher percentage of total assets financed by equity suggests reduced reliance on debt, which can enhance financial stability and flexibility. This increase in equity could result from various factors, such as retained earnings, capital injections, or favorable valuation of assets. Overall, it signifies positive growth and improved financial health for Hindalco Industries during the 2019-2023.

Non-Current Liabilities: The decrease in non-current liabilities from 23.24% to 18.63% of total assets between March 2019 and March 2023 shows Hindalco Industries' reduced long-term debt burden. This decline signals improved financial stability and decreased risk, reflecting positively on the company's financial management and potential for future growth.

Current Liabilities: Current liabilities have increased from 17.19% of total assets in March 2019 to 21.03% in March 2023. This means that the company has more short-term obligations relative to its total assets.

Assets: Hindalco Industries' total assets have grown from ₹81,502.3 crore in March 2019 to ₹96,922 crore in March 2023. This reflects overall growth in the company.

Non-Current Assets: Non-current assets have decreased from 71.12% of total assets in March 2019 to 63.83% in March 2023. This indicates that the company is investing more in current assets, such as inventory and receivables, which may be needed to support future sales growth.

Current Assets: Current assets have increased from 28.88% of total assets in March 2019 to 36.17% in March 2023. This suggests that Hindalco Industries is becoming more liquid, which could be a sign that the company is planning for

future growth or is facing short-term financial challenges. It is important to note that this is a limited analysis based on a single company and a single financial statement. A more comprehensive analysis would consider trends over a longer period of time, as well as ratios and other financial metrics.

COMMON SIZE STATEMENT OF PROFIT & LOSS STATEMENT

PROFIT & LOSS STATEMENT FOR 5 YEARS (Rs in crores)						COMMON SIZE STATEMENT FOR P&L STATEMENT (in %)				
PARTICULARS	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
INCOME										
Revenue from operations	45,749.00	40,242.00	42,701.00	67,653.00	76,878.00	100	100	100	100	100
Other income	940	739.00	650.00	535.00	586	2.05469	1.83639	1.522213	0.7908	0.762247
Total income	46689	40,981.00	43,351.00	68,188.00	77,464.00	102.0547	101.8364	101.5222	100.7908	100.7622
EXPENSE										
Cost of materials consumed	27,242.00	22,585.00	27,324.00	41,979.00	45,793.00	59.54666	56.12296	63.98913	62.05046	59.56581
Trade Purchases	235.00	256.00	1,098.00	1,922.00	1,553.00	0.513672	0.636151	2.571368	2.840968	2.020084
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	382.00	-	1821	3,344.00	1,062.00	0.834991	0	4.264537	4.94287	1.38141
Employee benefits expense	1982	1,922.00	1,844.00	2,058.00	2,218.00	4.332335	4.776105	4.3184	3.041994	2.885091
Power and Fuel	6,937.00	6,994.00	5,668.00	6,781.00	11,318.00	15.16317	17.37985	13.27369	10.02321	14.72203
Finance cost	1,683.00	1,679	1469	1417	1300	6.177961	7.434138	5.376226	3.375497	2.838862
Depreciation and amortization expense	1,693.00	1,708.00	1,708.00	1,752.00	1,874.00	3.700627	4.244322	3.999906	2.589686	2.437628
Impairment Loss/ (Reversal) on Non-Current Assets (Net)		-	140.00	95.00	53.00	0	0	0.327861	0.140422	0.06894
Impairment Loss/ (Reversal) on Financial Assets (Net)	24.00	38.00	7.00	2.00	12.00	0.05246	0.094429	0.016393	0.002956	0.015609
Other Expenses	5,460.00	4,822.00	4,361.00	6,962.00	7447	11.93469	11.98251	10.21288	10.29075	9.686776
Total expense	44,879.00	39,965.00	41,784.00	59,624.00	72,630.00	98.09832	99.31166	97.85251	88.13209	94.47436
Profit/ (Loss) before Exceptional Items and Tax	1,810.00	1,016.00	1,567.00	8,564.00	4,834.00	3.956371	2.524725	3.669703	12.65871	6.287885
Exceptional Income/ (Expenses) (Net)		64.00	7.00	107.00	41.00	0	0.159038	0.016393	0.15816	0.053331
Profit/ (Loss) before Tax	1,810.00	952.00	1,574.00	8,457.00	4,875.00	3.956371	2.365688	3.686096	12.50055	6.341216
Tax Expense										
Current Tax Expense	375.00	137.00	283.00	1496	917	0.81969	0.34044	0.662748	2.211284	1.192799
Deferred Tax Expense	230.00	195.00	298	1454	632	0.502743	0.484568	0.697876	2.149203	0.822082
Profit/ (Loss) for the year	1205	620	993.00	5507	3326	2.633937	1.540679	2.325472	8.140068	4.326335
Other comprehensive Income/(Loss)										
Items that will not be reclassified to Statement of Profit and Loss										
Remeasurement of Defined Benefit Obligation	4	152	57	5	10	0.008743	0.377715	0.133486	0.007391	0.013008
Change in Fair Value of Equity Instruments Designated as FVTOCI	1736	2582	4351	1108	485	3.794618	6.416182	10.18946	1.637769	0.63087
Income Tax effect	2	28	20	231	37	0.004372	0.069579	0.046837	0.341448	0.048128
Items that will be reclassified to Statement of Profit and Loss										
Change in Fair Value of Debt Instruments Designated as FVTOCI	3	5	9	9	13	0.006558	0.012425	0.021077	0.013303	0.01691
Effective Portion of Cash Flow Hedges	84	484	757	1867	3269	0.183611	1.202724	1.772792	2.759671	4.252192
Cost of Hedging Reserve	0	589	168	75	64	0	1.463645	0.393433	0.11086	0.083249
Income Tax effect	30	374	326	682	1160	0.065575	0.929377	0.763448	1.008085	1.508884
Other Comprehensive Income/ (Loss) for the year	1681	3400	3780	397	1702	3.674397	8.448884	8.852252	0.586818	2.213897
Total Comprehensive Income/ (Loss) for the year	476	2780	4773	5110	5,028.00	1.04046	6.908205	11.17772	7.55325	6.540233
Earnings Per Share										
Basic	2.79	5.41	4.46	24.76	14.96	0.006098	0.013444	0.010445	0.036599	0.019459
Diluted	2.79	5.41	4.46	24.73	14.94	0.006098	0.013444	0.010445	0.036554	0.019433

ANALYSIS OF THE COMMON SIZE STATEMENT OF THE PROFIT & LOSS STATEMENT

Let's break down the common size statement of Hindalco Industries Ltd.s' profit and loss statement based on the provided data for the years 2019 to 2023:

Total Income:

- Hindalco's total income has shown a consistent upward trend over the past five years, increasing from ₹ 46,689 crore in March 2019 to ₹ 77,464 crore in March 2023, representing a growth of 301.75%.
- Revenue from operations constituted the major portion of the total income, consistently accounting for 100% of the income across all five years.
- Other income has shown slight fluctuations, ranging from 0.76% to 2.05% of the total income.

Total Expenses:

- Total expenses have grown over the period but at a slower pace than total income, indicating improved cost management or operational efficiency.
- Despite the increase in absolute terms, total expenses as a percentage of revenue have slightly decreased from 98.10% in March 2019 to 94.47% in March 2023.

Profit Before Tax (PBT) and Tax Expense:

- Profit before tax as a percentage of revenue has exhibited an increasing trend, rising from 3.96% in March 2019 to 12.66% in March 2023, indicating improved profitability over the five-year period.
- Tax expenses have shown fluctuations, influenced by changes in profit levels and tax regulations.

Profit for the Year:

- Hindalco's profit for the year has varied over the five-year period, influenced by factors such as revenue growth, expense management, and tax liabilities.
- Despite fluctuations, there's an overall positive trend in profitability, with profit figures ranging from ₹ 620 crore to ₹ 5,507 crore.

Other Comprehensive Income and Total Comprehensive Income:

- Other comprehensive income has shown considerable variability, ranging from ₹ 1,681 crore to ₹ 3,780 crore, reflecting fluctuations in non-operating gains or losses.
- Total comprehensive income, which includes both profit for the year and other comprehensive income, has also varied significantly, ranging from ₹ 476 crore to ₹ 5,028 crore.

- The fluctuation in total comprehensive income underscores the impact of both operational and non-operational factors on Hindalco's overall financial performance.
- This analysis provides insights into Hindalco Industries Ltd.'s financial performance, highlighting trends in revenue generation, expense management, profitability, and comprehensive income over the past five years.

TREND ANALYSIS OF BALANCE SHEET

BALANCE SHEET FOR 5 YEARS (Rs in crores)						TREND ANALYSIS				
						FOR BALANCE SHEET (in %)				
PARTICULARS	Mar 19	Mar 20	Mar 21	Mar 22	Mar 23	Mar 19	Mar 20	Mar 21	Mar 22	Mar 23
ASSETS										
NON-CURRENT ASSETS										
Tangible Assets	33,168.95	33,045.00	32,061.00	31,759.00	31,576.00	100	99.63	96.66	95.75	95.20
Intangible Assets	345.03	314	321	533	520	100	91.01	93.04	154.48	150.71
Capital Work-In-Progress	947	1,209.00	1,587.00	1,573.00	2,968.00	100	127.67	167.58	166.10	313.41
Intangible Assets Under Development	34.82	73	122	8	19	100	209.65	350.37	22.98	54.57
Other Assets	8.8	9	8	8	7	100	102.27	90.91	90.91	79.55
Fixed Assets	34,504.60	34,650.00	34,099.00	33,881.00	35,090.00	100	100.42	98.82	98.19	101.70
Non-Current Investments	21,722.58	19,800.00	24,373.00	25,098.00	24,004.00	100	91.15	112.20	115.54	110.50
Long Term Loans And Advances	17.63	14	11	45	174	100	79.41	62.39	255.25	986.95
Other Non-Current Assets	1,720.51	1,253.00	1,256.00	1,166.00	2,594.00	100	72.83	73.00	67.77	150.77
Total Non-Current Assets	57,965.32	55,717.00	59,739.00	60,190.00	61,862.00	100	96.12	103.06	103.84	106.72
CURRENT ASSETS										
Current Investments	3,772.32	4,839.00	7,358.00	4,557.00	5,762.00	100	128.28	195.05	120.80	152.74
Inventories	11,394.46	11,225.00	15,989.00	20,948.00	20,186.00	100	98.51	140.32	183.84	177.16
Trade Receivables	2,124.88	2,093.00	1,602.00	2,671.00	2,610.00	100	98.50	75.39	125.70	122.83
Cash And Cash Equivalents	1,579.87	3,280.00	1,019.00	6,420.00	1,789.00	100	207.61	64.50	406.36	113.24
Short Term Loans And Advances	58.05	55	49	172	5	100	94.75	84.41	296.30	8.61
Other Current Assets	4,607.33	2,849.00	2,191.00	4,099.00	4,708.00	100	61.84	47.55	88.97	102.18
Total Current Assets	23,536.91	24,341.00	28,208.00	38,867.00	35,060.00	100	103.42	119.85	165.13	148.96
Total Assets	81,502.23	80,058.00	87,947.00	99,057.00	96,922.00	100	98.23	107.91	121.54	118.92
EQUITIES AND LIABILITIES										
SHAREHOLDER'S FUNDS										
Equity Share Capital	222.39	222	222	222	222	100	99.82	99.82	99.82	99.82
Total Share Capital	222.39	222	222	222	222	100	99.82	99.82	99.82	99.82
Reserves and Surplus	48,335.20	45,272.00	49,787.00	54,130.00	58,267.00	100	93.66	103.00	111.99	120.55
Total Reserves and Surplus	48,335.20	45,272.00	49,787.00	54,130.00	58,267.00	100	93.66	103.00	111.99	120.55
Employees Stock Options	0	0	55	76	0					
Total Equity	48,557.59	45,494.00	50,064.00	54,428.00	58,489.00	100	93.69	103.10	112.09	120.45
Equity Share Application Money	0.1	0	0	0	0	100	0.00	0.00	0.00	0.00
NON-CURRENT LIABILITIES										
Long Term Borrowings	15,633.88	15,660.00	15,174.00	11,668.00	11,559.00	100	100.17	97.06	74.63	73.94
Deferred Tax Liabilities [Net]	2,179.68	1,975.00	1,966.00	2,948.00	4,704.00	100	90.61	90.20	135.25	215.81
Other Long Term Liabilities	714	1,018.00	1,245.00	1,262.00	1,513.00	100	142.58	174.37	176.75	211.90
Long Term Provisions	409.86	497	421	474	276	100	121.26	102.72	115.65	67.34
Total Non-Current Liabilities	18,937.42	19,150.00	18,806.00	16,352.00	18,052.00	100	101.12	99.31	86.35	95.32
CURRENT LIABILITIES										
Short Term Borrowings	3,895.10	7,384.00	4,290.00	7,411.00	749	100	189.57	110.14	190.26	19.23
Trade Payables	5,733.67	3,990.00	8,800.00	11,015.00	9,743.00	100	69.59	153.48	192.11	169.93
Other Current Liabilities	3,668.53	3,112.00	5,156.00	8,845.00	8,975.00	100	84.83	140.55	241.10	244.65
Short Term Provisions	709.82	928	831	1,006.00	914	100	130.74	117.07	141.73	128.77
Total Current Liabilities	14,007.12	15,414.00	19,077.00	28,277.00	20,381.00	100	110.04	136.20	201.88	145.50
Total Capital And Liabilities	81,502.23	80,058.00	87,947.00	99,057.00	96,922.00	100	98.23	107.91	121.54	118.92

TREND ANALYSIS OF THE BALANCE SHEET

Here are some observations based on the data in the balance sheet for Hindalco Industries Standalone:

	Mar 19	Mar 23	%inc
Total Equity	100	120.45	20.45
Total Non-Current Liabilities	100	95.32	-4.68
Total Current Liabilities	100	145.50	45.50
Total Capital And Liabilities	100	118.92	18.92
Total Non-Current Assets	100	106.72	6.72
Total Current Assets	100	148.96	48.96
Total Assets	100	118.92	18.92

Total Equity: Between March 2019 and March 2023, Hindalco Industries' total equity increased significantly by 20.45%. This substantial increase in the share of assets attributable to shareholders' ownership may be explained by the company's ability to retain earnings, by capital infusions, or by a favorable market assessment of its assets, all of which indicate improved financial health and may boost investor confidence.

Total Non-Current Liabilities: During the same time period, non-current liabilities fell by 4.68%, suggesting a decline in long-term debt or commitments in comparison to total assets. The observed fall may indicate the company's endeavors to reduce the leverage on its balance sheet, either by means of debt repayments or refinancing tactics, which would ultimately result in enhanced financial stability and reduced risk exposure.

Total Current Liabilities: Between March 2019 and March 2023, there was a noteworthy growth of 45.50% in current liabilities, indicating a considerable rise in short-term debt or commitments. This increase could be the result of expanding operations, a need for more working capital, or adjustments to finance plans to support the business's operations. Greater current liabilities can give the company more flexibility in how it manages ongoing costs, but in order to minimize possible liquidity issues, the organization must make sure that management is doing a good job.

Total Capital and Liabilities: Over the course of the analysis period, there was a minor decline of $\square 5.08\%$ in total capital and liabilities, notwithstanding variations in individual components. This implies changes in the makeup of obligations, which could be brought about by adjustments to capital structure or debt levels. Nonetheless, the company's general financial structure stayed largely steady, suggesting that financing and investment decisions were made with balance.

Total Non-Current Assets: The rise of 6.72% in non-current assets over the period suggests an increase in long-term investments or assets. Capital expenditures, acquisitions, or investments in strategic initiatives targeted at promoting future growth and profitability could all lead to this expansion. A larger percentage of non-current assets in comparison to total assets could improve the company's ability to produce earnings in the future and build long-term value for shareholders.

Total Current Assets: Between March 2019 and March 2023, current assets increased significantly by 48.96%. This increase points to increased short-term liquidity and possibly better operational effectiveness. The augmentation of current assets, including cash, inventory, and accounts receivable, could potentially facilitate the company's ability to fulfill its immediate financial responsibilities and seize expansion prospects as they present themselves.

Total Assets: The total assets decreased by \square 5.08%, but remained generally constant despite variations in individual asset categories. This shows that despite shifts in the assets' makeup, the company's asset base's total size was stable during the course of the analysis, indicating a prudent approach to asset management and investment choices.

It is important to note that this is a limited analysis based on a single company and a single financial statement. A more comprehensive analysis would consider trends over a longer period of time, as well as ratios and other financial metrics

TREND ANALYSIS OF PROFIT & LOSS STATEMENT

PROFIT & LOSS STATEMENT FOR 5 YEARS (Rs in crores)						TREND ANALYSIS						
						FOR P&L STATEMENT (in %)						
PARTICULARS	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023		
INCOME												
Revenue from operations	45,749.00	40,242.00	42,701.00	67,653.00	76,878.00	100	87.9625784	93.3375593	147.878642	168.043017		
Other income	940	739.00	650.00	535.00	586	100	78.6170213	69.1489362	56.9148936	62.3404255		
Total income	46689	40,981.00	43,351.00	68,188.00	77,464.00	100	87.7744222	92.8505644	146.047249	165.914884		
EXPENSE												
Cost of materials consumed	27,242.00	22,585.00	27,324.00	41,979.00	45,793.00	100	82.905073	100.301006	154.096616	168.097056		
Trade Purchases	235.00	256.00	1,098.00	1,922.00	1,553.00	100	108.93617	467.234043	817.87234	660.851064		
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	382.00	-	1821	3,344.00	1,062.00	100		476.701571	875.39267	278.010471		
Employee benefits expense	1982	1,922.00	1,844.00	2,058.00	2,218.00	100	96.9727548	93.037336	103.834511	111.907164		
Power and Fuel	6,937.00	6,994.00	5,668.00	6,781.00	11,318.00	100	100.821681	81.7067897	97.7511893	163.154101		
Finance cost	1,683.00	1,679	1469	1417	1300	100	99.7623292	87.2846108	84.1948901	77.2430184		
Depreciation and amortization expense	1,693.00	1,708.00	1,708.00	1,752.00	1,874.00	100	100.886001	100.886001	103.484938	110.691081		
Impairment Loss/ (Reversal) on Non-Current Assets (Net)			140.00	95.00	53.00			100	67.8571429	37.8571429		
Impairment Loss/ (Reversal) on Financial Assets (Net)	24.00	38.00	7.00	2.00	12.00							
Other Expenses	5,460.00	4,822.00	4,361.00	6,962.00	7447	100	88.3150183	79.8717949	127.509158	136.391941		
Total expense	44,879.00	39,965.00	41,784.00	59,624.00	72,630.00							
Profit/ (Loss) before Exceptional Items and Tax	1,810.00	1,016.00	1,567.00	8,564.00	4,834.00	100	56.1325967	86.5745856	473.149171	267.071823		
Exceptional Income/ (Expenses) (Net)		64.00	7.00	107.00	41.00		100	10.9375	167.1875	64.0625		
Profit/ (Loss) before Tax	1,810.00	952.00	1,574.00	8,457.00	4,875.00	100	52.5966851	86.961326	467.237569	269.337017		
Tax Expense												
Current Tax Expense	375.00	137.00	283.00	1496	917	100	36.5333333	75.4666667	398.933333	244.533333		
Deferred Tax Expense	230.00	195.00	298	1454	632	100	84.7826087	129.565217	632.173913	274.782609		
Profit/ (Loss) for the year	1205	620	993.00	5507	3326	100	51.4522822	82.406639	457.012448	276.016598		
Other comprehensive Income/(Loss)												
Items that will not be reclassified to Statement of Profit and Loss												
Remeasurement of Defined Benefit Obligation	4	152	57	5	10	100	3800	1425	125	250		
Change in Fair Value of Equity Instruments Designated as FVTOCI	1736	2582	4351	1108	485	100	148.732719	250.633641	63.8248848	27.937788		
Income Tax effect	2	28	20	231	37	100	1400	1000	11550	1850		
Items that will be reclassified to Statement of Profit and Loss												
Change in Fair Value of Debt Instruments Designated as FVTOCI	3	5	9	9	13	100	166.666667	300	300	433.333333		
Effective Portion of Cash Flow Hedges	84	484	757	1867	3269							
Cost of Hedging Reserve		589	168	75	64		100	28.5229202	12.7334465	10.8658744		
Income Tax effect	30	374	326	682	1160	100	1246.66667	1086.66667	2273.33333	3866.66667		
Other Comprehensive Income/ (Loss) for the year	1681	3400	3780	397	1702	100	202.260559	224.866151	23.6168947	101.249256		
Total Comprehensive Income/ (Loss) for the year	476	2780	4773	5110	5,028.00	100	584.033613	1002.73109	1073.52941	1056.30252		
Earnings Per Share												
Basic	2.79	5.41	4.46	24.76	14.96	100	193.90681	159.856631	887.455197	536.200717		
Diluted	2.79	5.41	4.46	24.73	14.94	100	193.90681	159.856631	886.379928	535.384871		

TREND ANALYSIS OF THE PROFIT & LOSS STATEMENT

Here's the trend analysis of the profit and loss statement for the specified metrics:

Total Expenses:

- The total expenses rose from 153,620 lakhs in 2019 to 202,633 lakhs in 2023 during the previous five years. This represents an increase of 131.9054% in 2023 when compared to 2019. Rising total expenses may impact profitability and reflect shifts in operations or market dynamics.

Profit Before Tax:

- Between 2019 and 2023, the profit before tax varied, increasing from 33,905 lakhs to 47,290 lakhs. This represents variations from 92.60286% to 139.478% using 2019 as a reference year. Variations in profits and expenses are reflected in the profit before tax.

Profit of the Year:

- From 25,292 lakhs in 2019 to 35,568 lakhs in 2023, the year's profit varied over the previous five years. The profit for the year varied from 91.00901% in 2019 to 140.6294% in 2023 when compared to 2019. Variable financial performance impacted by market changes is indicated by the varying annual profits.

Total Income:

- Total revenue climbed from 187,525 lakhs in 2019 to 249,923 lakhs in 2023 over the past five years. Using 2019 as a baseline, the total revenue in 2023 climbed to 133.2745%. An increase in overall income indicates a rise in the business's revenue.

Income Tax Expense:

- The total income tax paid varied over the past five years. From 8,613 lakhs in 2019 to 11,722 lakhs in 2023. The income tax liability varied from 97.28318% in 2020 to 136.0966% in 2023 when compared to 2019.

Total Other Comprehensive Income for the Year:

- Over the past five years, there has been variation in the year's total other comprehensive income. From 518 lakhs in 2019 to 272 lakhs in 2023, it saw further decreases. Using 2019 as a baseline, the annual total of other comprehensive income varies from 23.16602% in 2020 to 52.50965% in 2023. Variations in non-operational

earnings or losses impact overall financial stability, as indicated by swings in total other comprehensive income.

Total Comprehensive Income for the Year:

- Over the last five years, the year's total comprehensive income has varied. From 24,774 lakhs in 2019 to 35,296 lakhs in 2023. Using 2019 as a point of reference, the annual total of comprehensive income varies from 92.4755% in 2020 to 142.4719% in 2023. Variations in annual financial success are indicated by changes in total comprehensive income.

RATIO ANALYSIS

1. LIQUIDITY RATIOS

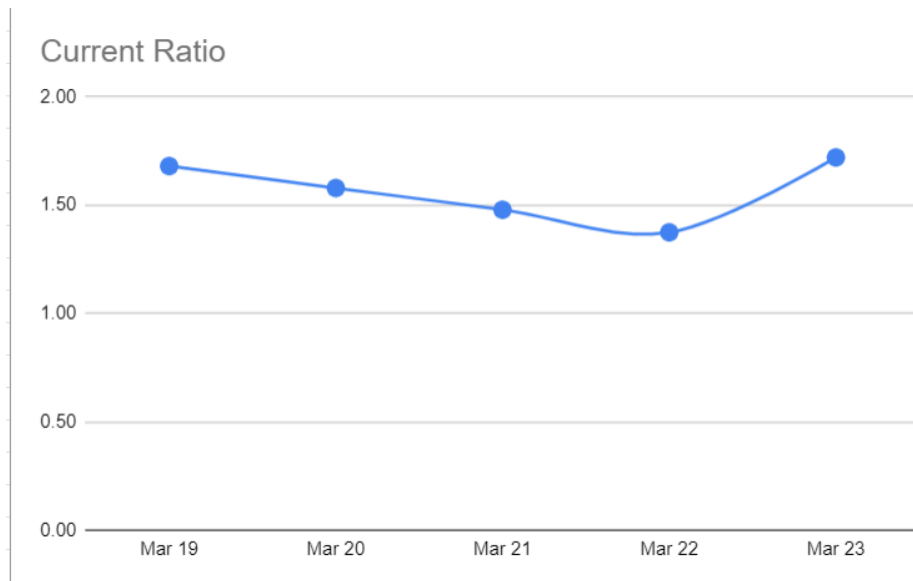
- a) **Current Ratio:** The Current Ratio is one of the best-known measures of short-term solvency. It is the most common measure of short-term liquidity. The main question this ratio addresses is: "Does your business have enough current assets to meet the payment schedule of its current debts with a margin of safety for possible losses in current assets?" In other words, current ratio measures whether a firm has enough resources to meet its current obligations.

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

	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023
Current Ratio	1.68	1.58	1.48	1.37	1.72

Interpretation:

- Mar 2019 to Mar 2020: The current ratio decreased from 1.68 to 1.58, indicating a slight reduction in liquidity as current liabilities may have increased relative to current assets.
- Mar 2020 to Mar 2021: The ratio continued to decrease to 1.48, suggesting a further decline in liquidity. This could indicate a continued increase in current liabilities or a decrease in current assets.
- Mar 2021 to Mar 2022: There was another decrease in the ratio to 1.37, indicating a significant reduction in liquidity. This trend may raise concerns about the company's ability to cover its short-term obligations.
- Mar 2022 to Mar 2023: The ratio increased to 1.72, signalling a reversal of the declining trend and indicating improved liquidity. This could be due to an increase in current assets or a decrease in current liabilities.



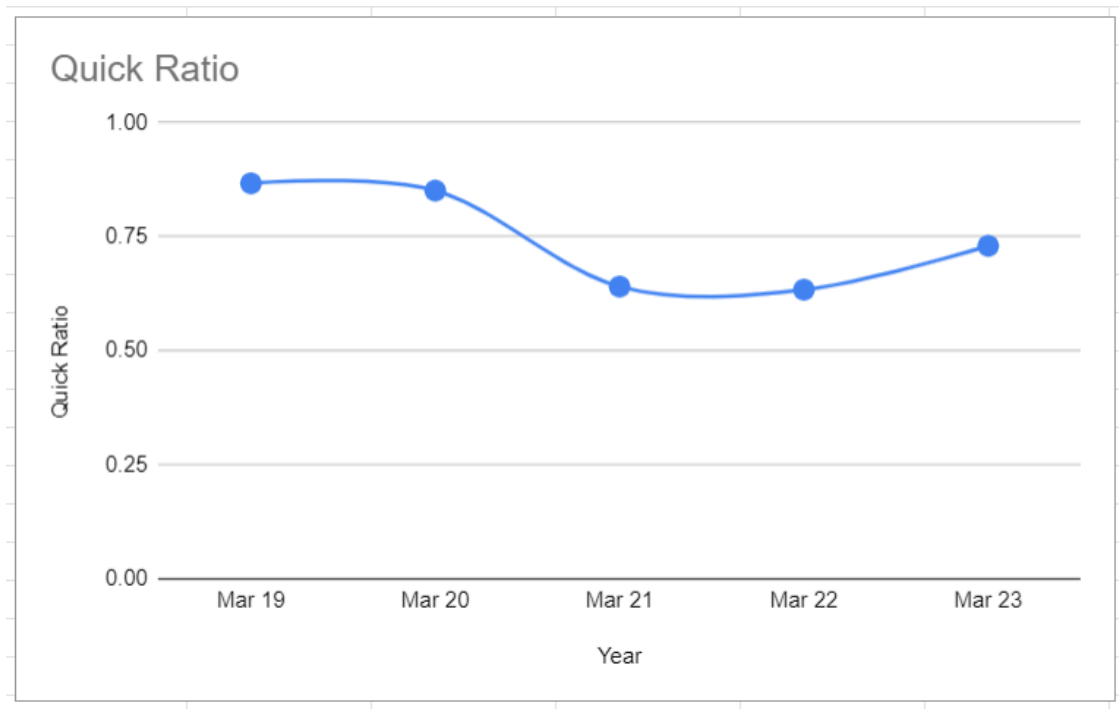
b) Quick Ratio: The Quick Ratio is sometimes called the "acid-test" ratio and is one of the best measures of liquidity. Quick Assets consist of only cash and near cash assets. Inventories are deducted from current assets on the belief that these are not 'near cash assets' and also because in times of financial difficulty, inventory may be saleable only at liquidation value. But in a seller's market, inventories are also near cash assets.

$$\text{Quick Ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$$

	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023
Quick Ratio	0.87	0.85	0.64	0.63	0.73

Interpretation:

- Mar 2019 to Mar 2020: The quick ratio decreased from 0.87 to 0.85, indicating a slight reduction in liquidity when considering only the most liquid assets.
- Mar 2020 to Mar 2021: The ratio declined further to 0.64, signaling a significant decrease in liquidity. This suggests that the company may have difficulty meeting its short-term obligations without relying on inventory.
- Mar 2021 to Mar 2022: There was a slight decrease in the ratio to 0.63, indicating continued challenges in liquidity. This could raise concerns about the company's ability to cover its short-term liabilities using only its most liquid assets.
- Mar 2022 to Mar 2023: The ratio increased to 0.73, signaling an improvement in liquidity. This suggests that the company's ability to meet short-term obligations with its most liquid assets improved, potentially due to changes in inventory levels or other factors.



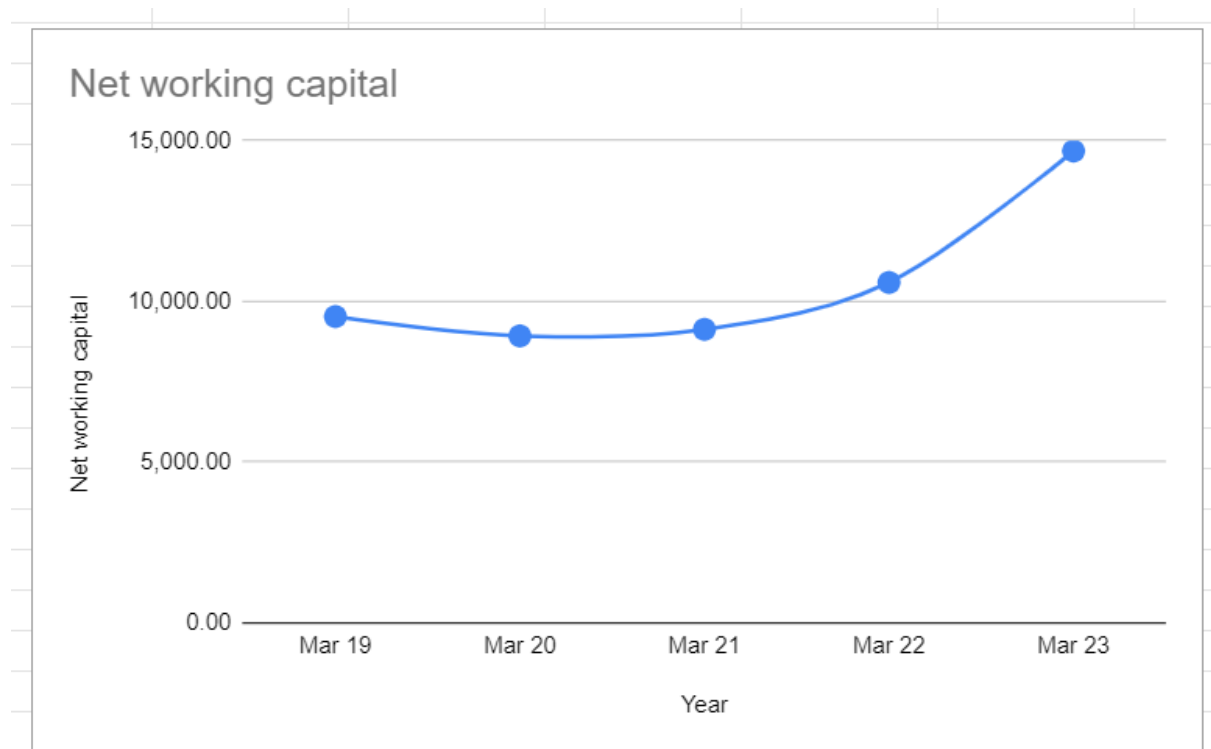
c) Net Working Capital: Net working capital is more a measure of cash flow than a ratio. The result of this calculation must be a positive number. However, in certain business models it may be negative. It is calculated as shown below

$$\text{Net Working Capital} = \text{Current Assets} - \text{Current Liabilities}$$

	Mar 19	Mar 20	Mar 21	Mar 22	Mar 23
Current Assets	23,536.91	24,341.00	28,208.00	38,867.00	35,060.00
Current liabilities	14,007.12	15,414.00	19,077.00	28,277.00	20,381.00
Net working capital	9,529.79	8,927.00	9,131.00	10,590.00	14,679.00

Interpretation:

- The net working capital increased from 9529.79 crore in March, 2019 to 14679 crores in March, 2023.
- The increase in net working capital over the period suggests that the company has more liquidity available to cover its short-term obligations, potentially indicating improved financial health, increased efficiency in managing working capital, or changes in business operations impacting the balance between current assets and liabilities.



2. SOLVENCY RATIOS

a) Debt-to-Equity Ratio:

$$\text{Debt} - \text{to} - \text{Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Total Equity}}$$

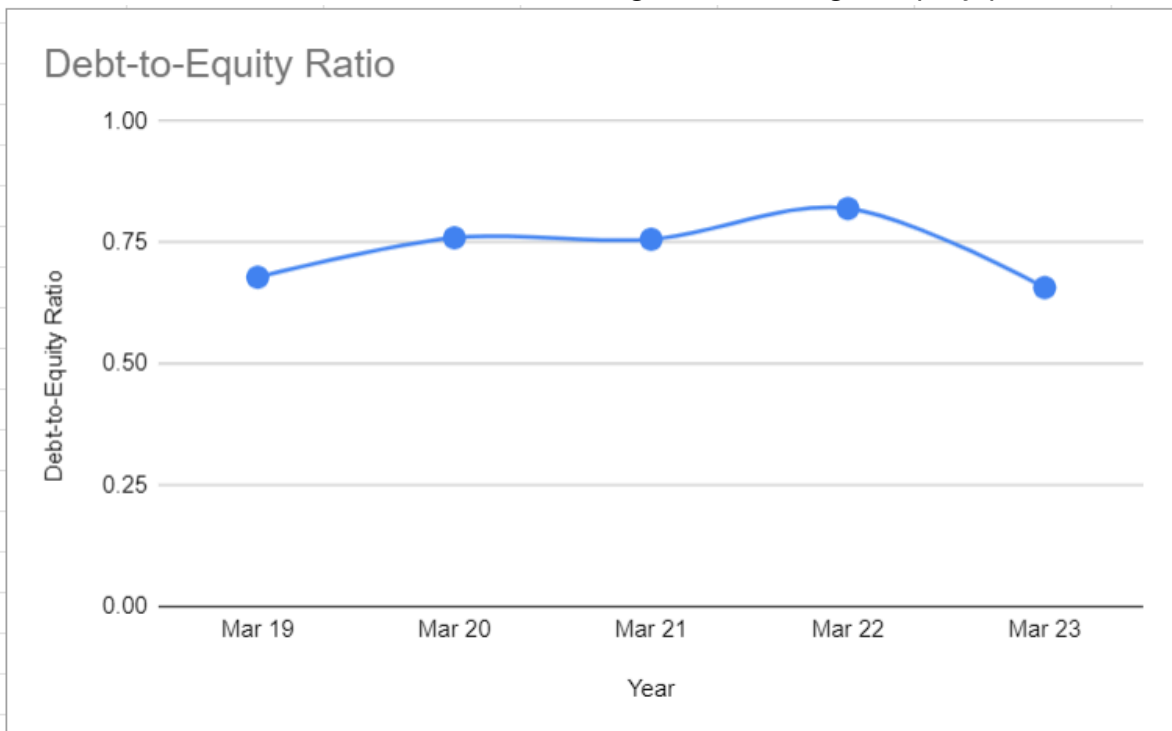
This ratio indicates how much of a company's funding is provided by debt as opposed to equity. By dividing total debt by total equity, it is computed. A greater ratio denotes greater financial leverage, which increases the reliance of the business on debt funding. A lower ratio, on the other hand, indicates a stronger equity position and less reliance on debt.

	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023
Debt-to-Equity Ratio	0.68	0.76	0.76	0.82	0.66

Debt-to-Equity Ratio Trend:

- Mar 2019 to Mar 2020: The debt-to-equity ratio increased from 0.68 to 0.76, indicating a higher reliance on debt financing compared to equity financing.
- Mar 2020 to Mar 2021: The ratio remained unchanged at 0.76, suggesting a sustained level of reliance on debt financing.
- Mar 2021 to Mar 2022: There was a further increase in the ratio to 0.82, indicating a continued trend of higher reliance on debt financing.

- Mar 2022 to Mar 2023: The ratio decreased to 0.66, signalling a decrease in reliance on debt financing and a stronger equity position.



b) Debt-to-Capital Ratio:

$$\text{Debt-to-Capital Ratio} = \frac{\text{Total Liabilities}}{\text{Total Liabilities} + \text{Total Equity}}$$

The debt-to-capital ratio calculates the percentage of debt in a company's capital structure relative to total capital. Total debt is determined by dividing total debt by the total of all debt and equity. A greater ratio indicates a larger amount of debt in the capital structure and gives insight into the percentage of a company's capital that is financed by debt.

	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar2023
Debt-to-Capital Ratio	0.40	0.43	0.43	0.45	0.40

Debt-to-Capital Ratio Trend:

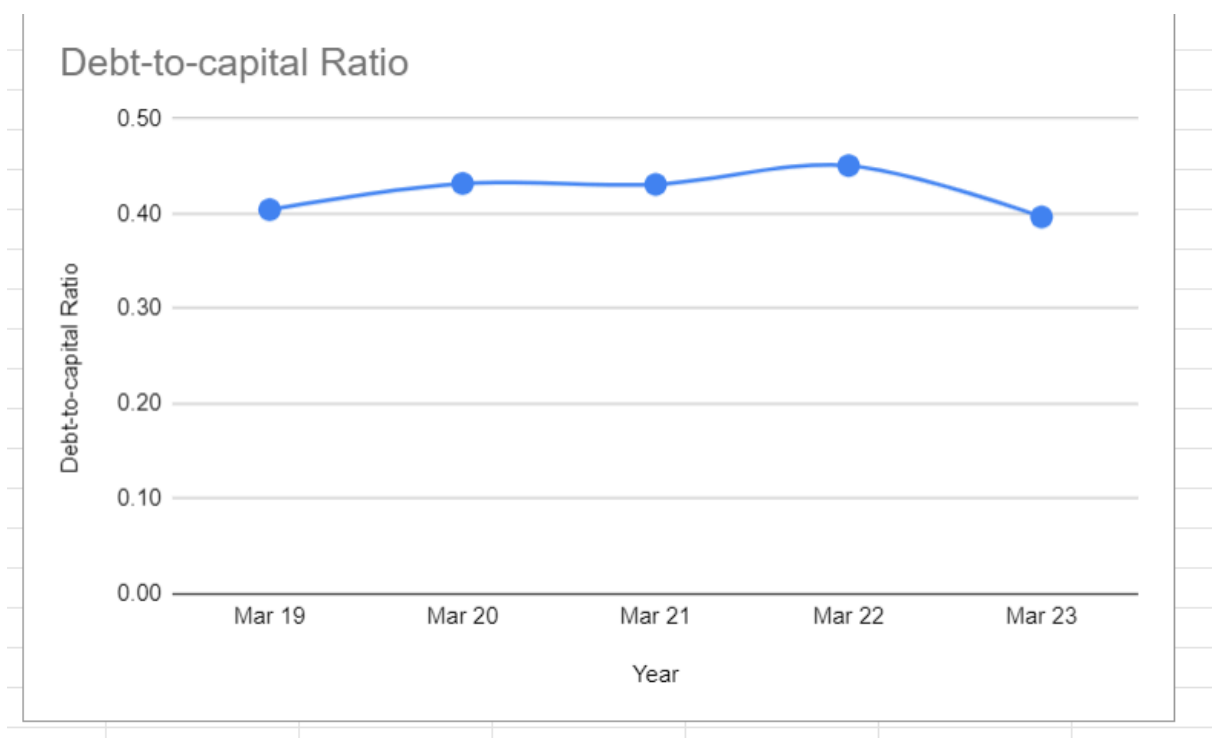
- Mar 2019 to Mar 2020: The debt-to-capital ratio increased from 0.40 to 0.43, indicating a higher proportion of debt in the company's capital structure.

- Mar 2020 to Mar 2021: The ratio remained unchanged at 0.43, suggesting a sustained level of debt in the capital structure.
- Mar 2021 to Mar 2022: There was a further increase in the ratio to 0.45, indicating an ongoing trend of a higher proportion of debt in the capital structure.
- Mar 2022 to Mar 2023: The ratio decreased to 0.40, signaling a decrease in the proportion of debt in the capital structure and potentially lower financial risk.

Interpretation:

The increasing trend in both ratios from Mar 19 to Mar 22 suggests a growing reliance on debt financing, potentially increasing financial risk and impacting the company's solvency. However, the decrease in both ratios from Mar 22 to Mar 23 indicates a reversal of this trend, potentially signaling a reduction in financial risk and a stronger solvency position.

Overall, fluctuations in the solvency ratios reflect changes in the company's financing mix and their potential implications for financial risk and solvency.



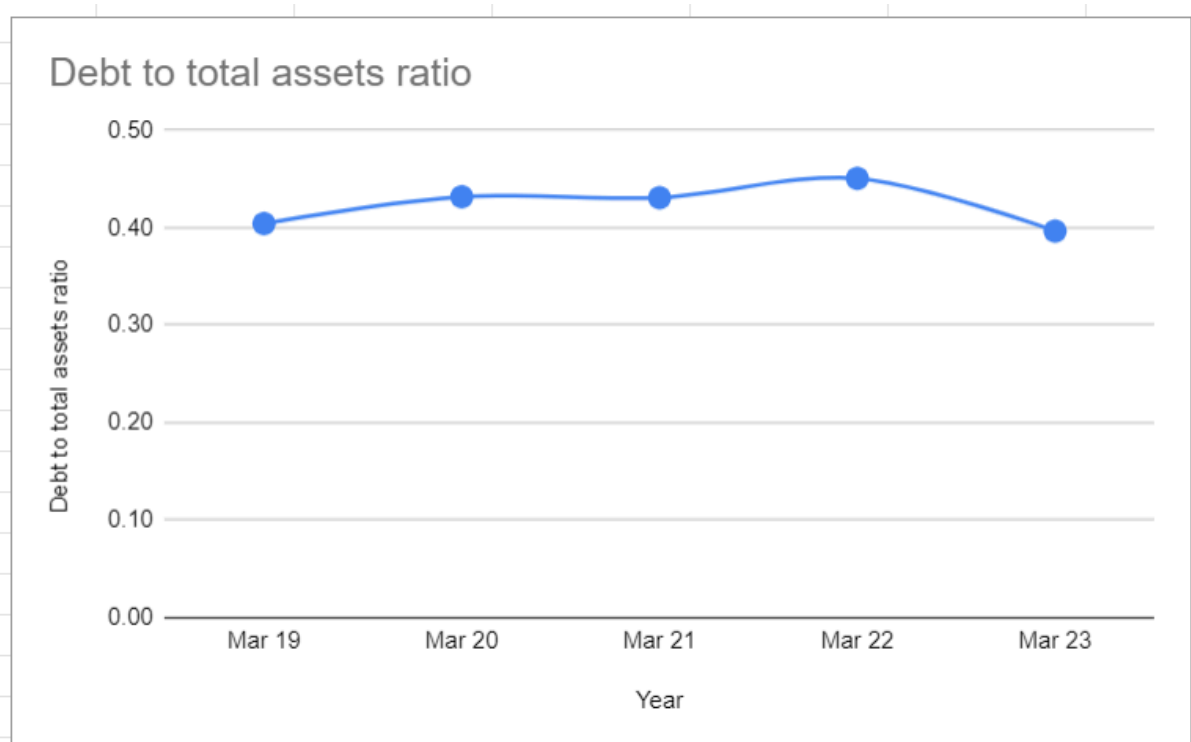
- c) **Debt-to-Total Assets Ratio:** This ratio measures the proportion of total assets financed with debt and, therefore, the extent of financial leverage. Higher the ratio, indicates that assets are less backed up by equity and hence higher financial leverage.

$$\text{Debt to Total Assets Ratio} = \frac{\text{Total Debt}}{\text{Total Assets}}$$

	Mar 19	Mar 20	Mar 21	Mar 22	Mar 23
Total Debt	32,944.64	34,564.00	37,883.00	44,629.00	38,433.00
Total assets	81,502.23	80,058.00	87,947.00	99,057.00	96,922.00
Debt to total assets ratio	0.40	0.43	0.43	0.45	0.40

Interpretation:

- The Debt to Total Assets ratio has fluctuated slightly over the observed period, ranging from 0.40 to 0.45. This suggests that the proportion of assets financed by debt has remained relatively stable during this time frame. While there may be some minor variations, there is no significant trend indicating a consistent increase or decrease in reliance on debt financing.
- The stable Debt to Total Assets ratio indicates a consistent level of debt financing relative to total assets. However, it's essential to monitor any significant deviations from this trend, as a substantial increase in the ratio could indicate higher financial risk for the entity.



3. PERFORMANCE RATIOS/ TURNOVER RATIOS

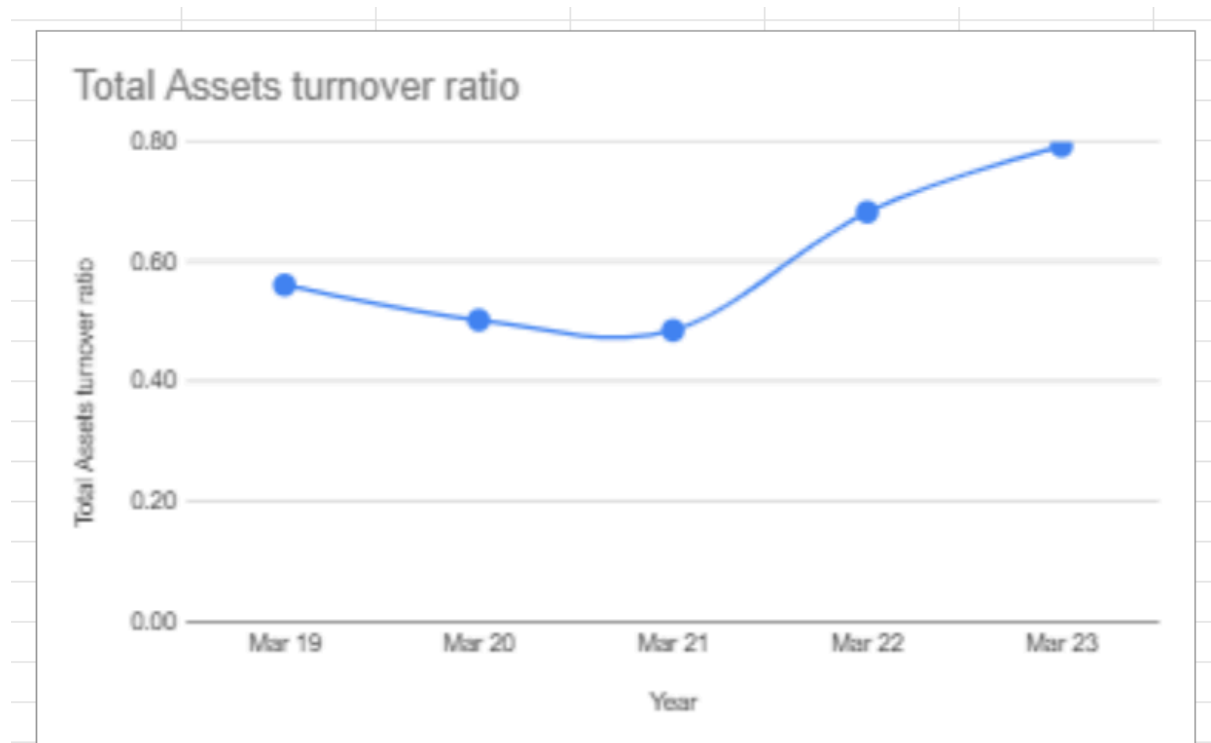
- a) Total Asset Turnover Ratio:** This ratio measures the efficiency with which the firm uses its total assets. Higher the ratio, better it is. This ratio is computed as:

$$\text{Total Asset Turnover Ratio} = \frac{\text{Sales or Cost of Goods Sold}}{\text{Total Assets}}$$

	Mar 19	Mar 20	Mar 21	Mar 22	Mar 23
Cost of goods sold	45,749.00	40,242.00	42,701.00	67,653.00	76,878.00
Total assets	81,502.23	80,058.00	87,947.00	99,057.00	96,922.00
Total Asset turnover ratio	0.56	0.50	0.49	0.68	0.79

Interpretation

- The Total Assets Turnover Ratio has exhibited a decreasing trend over the observed period, declining from 0.56 to 0.79. This downward trend suggests a decrease in the company's efficiency in generating sales revenue from its total assets.
- The decrease in the Total Assets Turnover Ratio indicates potential operational inefficiencies or underutilization of assets during the specified period. A lower ratio implies that the company is generating less sales revenue per dollar of total assets, which could be attributed to factors such as reduced sales volume, ineffective asset management, or changes in market conditions.



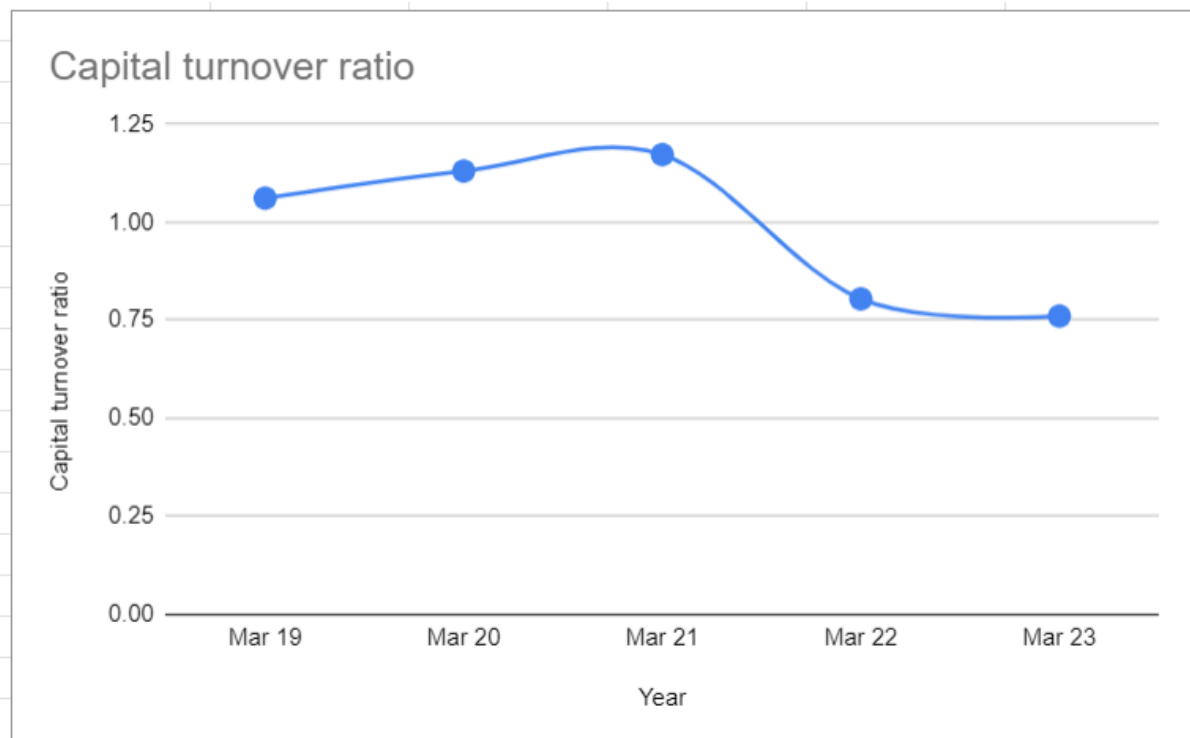
b) Capital Turnover Ratio/ Net Asset Turnover Ratio:

$$\text{Capital Turnover Ratio} = \frac{\text{Sales or Cost of Goods Sold}}{\text{Net Assets}}$$

	Mar 19	Mar 20	Mar 21	Mar 22	Mar 23
Total Liabilities	32,944.64	34,564.00	37,883.00	44,629.00	38,433.00
Total assets	81,502.23	80,058.00	87,947.00	99,057.00	96,922.00
Cost of goods sold	45,749.00	40,242.00	42,701.00	67,653.00	76,878.00
Capital turnover ratio	1.06	1.13	1.17	0.80	0.76

Interpretation:

- The Capital Turnover Ratio exhibits a fluctuating trend over the past five years, with values ranging from 0.76 to 1.17. However, the overall trend indicates a decrease in the ratio's value from 1.06 in March 19 to 0.76 in March 23.
- The decrease in the Capital Turnover Ratio suggests a decline in the company's ability to generate revenue relative to its capital investment during the specified period. This decline may indicate inefficiencies in utilizing invested capital to generate sales or changes in business operations affecting capital utilization efficiency.



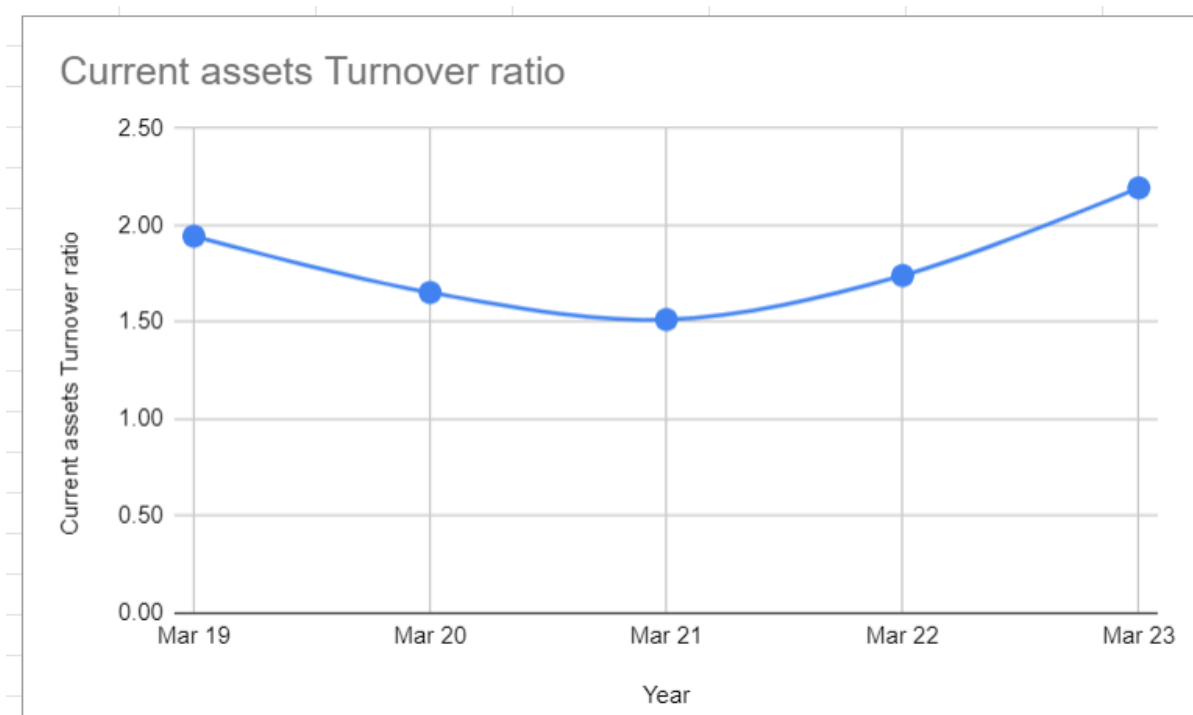
c) Current Assets Turnover Ratio: It measures the efficiency of using the current assets by the firm.

$$\text{Current Assets Turnover Ratio} = \frac{\text{Sales or Cost of Goods Sold}}{\text{Current Assets}}$$

	Mar 19	Mar 20	Mar 21	Mar 22	Mar 23
Cost of goods sold	45,749.00	40,242.00	42,701.00	67,653.00	76,878.00
Total Current Assets	23,536.91	24,341.00	28,208.00	38,867.00	35,060.00
Current assets Turnover ratio	1.94	1.65	1.51	1.74	2.19

Interpretation:

- The Current Assets Turnover Ratio demonstrates a declining trend over the past five years, decreasing from 1.94 in March 19 to 2.19 in March 23.
- The decrease in the Current Assets Turnover Ratio indicates reduced efficiency in utilizing current assets to generate sales revenue. This decline may signify operational inefficiencies or changes in business dynamics affecting asset utilization and turnover during the specified period.



4. PROFITABILITY RATIOS

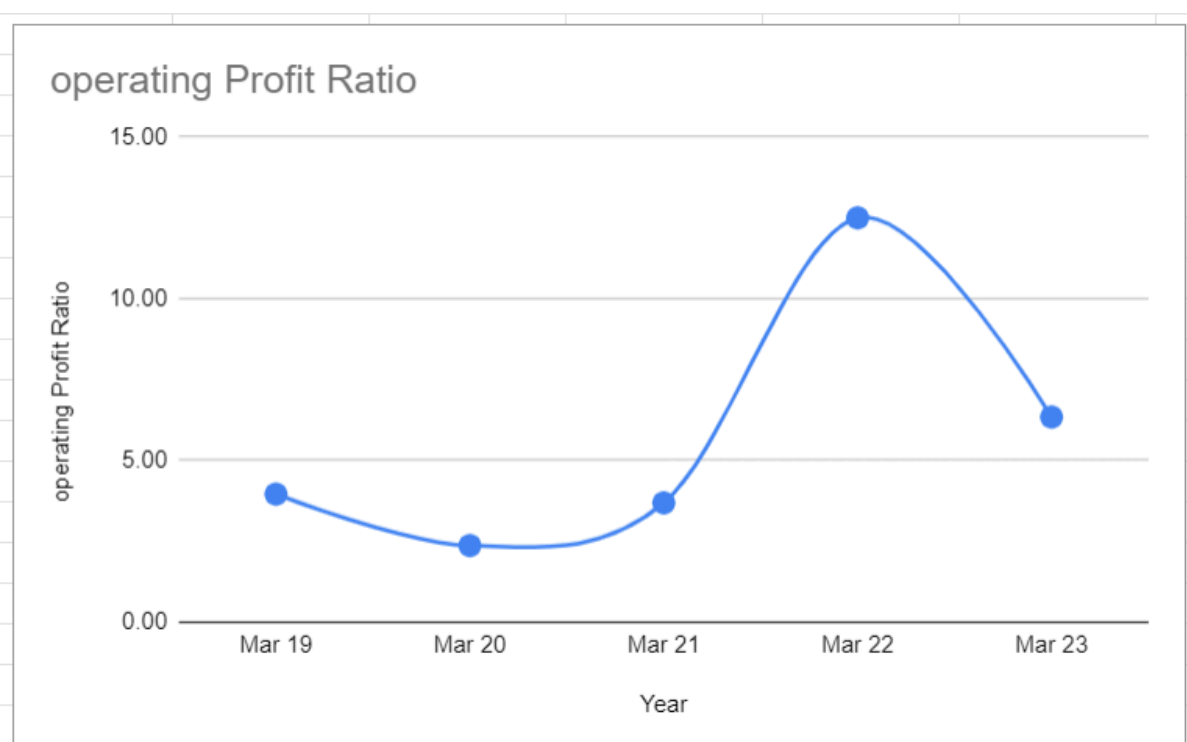
a) Operating Profit Ratio: Operating profit ratio measures the percentage of each sale in rupees that remains after the payment of all costs and expenses except for interest and taxes. This ratio is followed closely by analysts because it focuses on operating results. Operating profit is often referred to as earnings before interest and taxes or EBIT. Operating profit ratio is also calculated to evaluate operating performance of business.

$$\text{Operating Profit Ratio} = \frac{\text{Earnings before interest and taxes (EBIT)}}{\text{Sales}} \times 100$$

	Mar 19	Mar 20	Mar 21	Mar 22	Mar 23
EBIT	1,810.00	952	1,574.00	8,457.00	4,875.00
Sales	45,749.00	40,242.00	42,701.00	67,653.00	76,878.00
operating Profit Ratio	3.96	2.37	3.69	12.50	6.34

Interpretation:

- The Operating Profit Ratio exhibits a slightly fluctuating trend over the observed period, ranging from 2.37% to 12.50%. However, the overall trend indicates a slight increase in the ratio from 3.96% in March 19 to 6.34% in March 23.
- The fluctuation in the Operating Profit Ratio suggests varying levels of operational efficiency and profitability within the company, influenced by changes in revenue, expenses, and overall business performance during the specified period.



5. CAPITAL STRUCTURE RATIOS

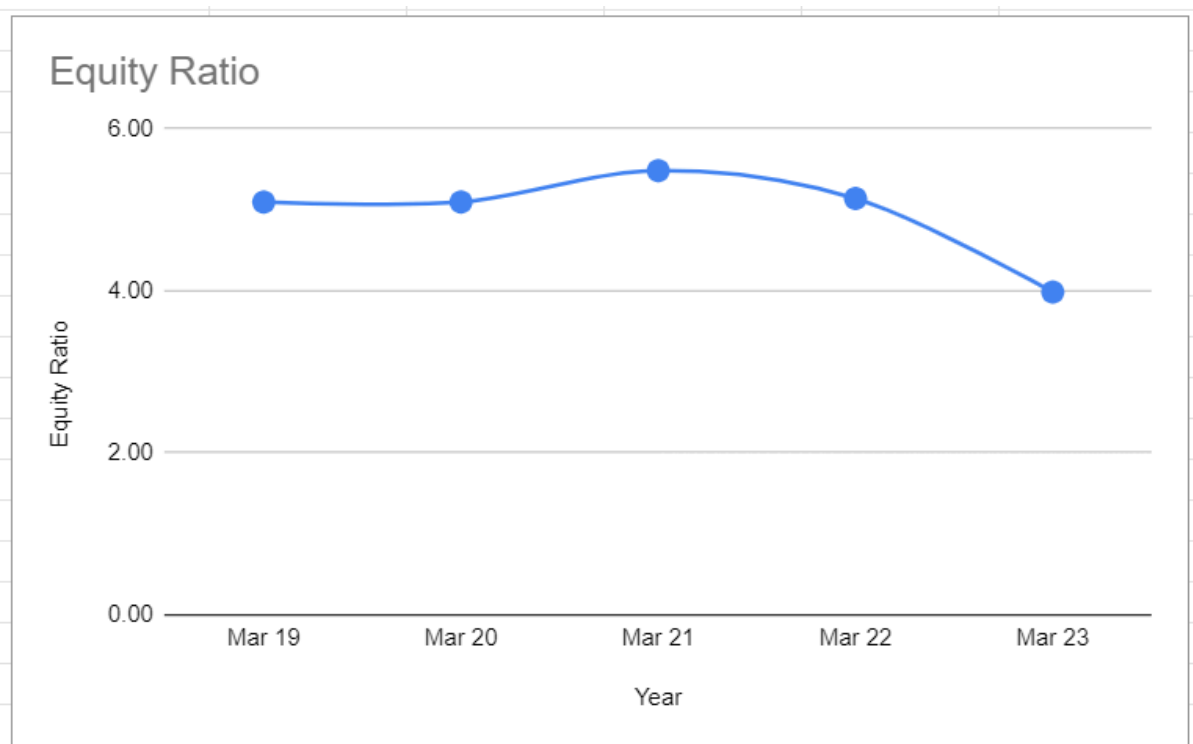
- **Equity Ratio:** The equity ratio is a financial ratio that measures the proportion of a company's total assets that are financed by equity. It is calculated by dividing total equity by total assets. This ratio provides insight into the extent to which a company's assets are funded by shareholders' equity.

$$\text{Equity Ratio} = \frac{\text{Shareholder's Equity}}{\text{Net Assets}}$$

	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023
Equity Ratio	5.10	5.10	5.48	5.14	3.98

Equity Ratio Trend:

- Mar 2019 to Mar 2020: The equity ratio remained constant at 5.10, indicating a stable proportion of equity in the company's capital structure.
- Mar 2020 to Mar 2021: There was an increase in the ratio to 5.48, suggesting a higher proportion of equity in the capital structure. This may indicate either an increase in equity or a decrease in total capital.
- Mar 2021 to Mar 2022: The ratio decreased to 5.14, indicating a reduction in the proportion of equity in the capital structure compared to the previous period.
- Mar 2022 to Mar 2023: Another decrease to 3.98 suggests a significant reduction in the proportion of equity in the capital structure, potentially indicating changes in financing or capitalization.



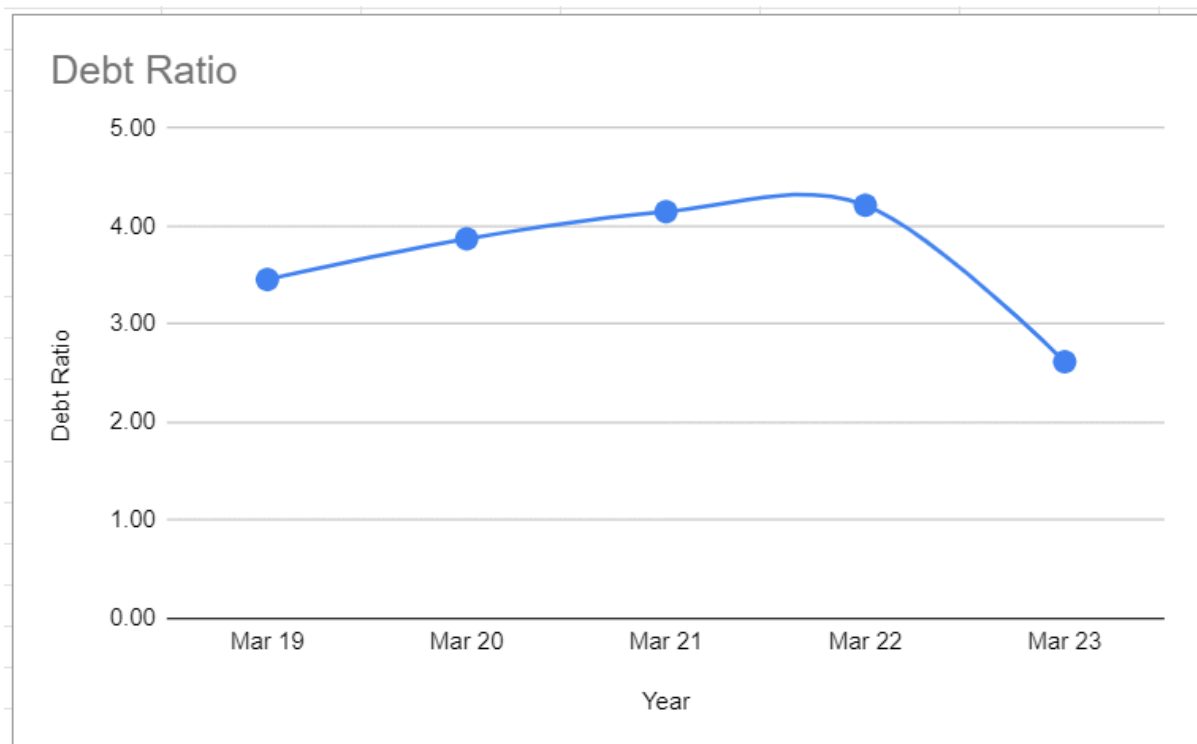
b) Debt Ratio: The debt ratio is a financial ratio that measures the proportion of a company's total assets that are financed by debt. It is calculated by dividing total debt by total assets. This ratio provides insight into the extent to which a company's assets are funded by debt financing.

$$\text{Debt Ratio} = \frac{\text{Total Debt}}{\text{Net Assets}} = \frac{\text{Total Liabilities}}{\text{Total Assets} - \text{Total Liabilities}}$$

	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023
Debt Ratio	3.46	3.87	4.15	4.21	2.62

Debt Ratio Trend:

- Mar 2019 to Mar 2020: The debt ratio increased from 3.46 to 3.87, indicating a higher proportion of debt in the company's capital structure.
- Mar 2020 to Mar 2021: There was a further increase to 4.15, suggesting a continued rise in the proportion of debt in the capital structure.
- Mar 2021 to Mar 2022: Another increase to 4.21 indicates a further rise in the proportion of debt in the capital structure, potentially increasing financial risk.
- Mar 2022 to Mar 2023: The ratio decreased to 2.62, signalling a significant reduction in the proportion of debt in the capital structure. This could indicate debt repayment or other changes in the company's financing strategy.



Interpretation:

The equity ratio remained relatively stable initially but then fluctuated, indicating changes in the proportion of equity in the capital structure. The debt ratio showed a consistent increasing trend, suggesting a rise in the proportion of debt in the capital structure, potentially increasing financial risk. However, the significant decrease in the debt ratio towards the end of the period suggests a reversal of this trend, potentially indicating reduced financial risk and a stronger equity position. Overall, the changes in the capital structure ratios reflect shifts in the company's financing mix and potential implications for financial risk and solvency.

CONCLUSION

After a comprehensive examination of Hindalco Industries Limited's financial performance from 2019 to 2023, several significant trends and shifts have emerged. The analysis of the common size statement reveals a deliberate adjustment in asset allocation, with a decline in noncurrent assets and a rise in current assets, indicating a strategic emphasis on liquidity. Despite fluctuations, equity remains a prominent component of the financial structure, reflecting the company's commitment to stability. However, the increase in current liabilities raises concerns regarding short-term debt management, although precise risk assessment without specific debt level data remains challenging.

Meanwhile, the balance sheet reflects notable developments, including a decrease in loans signifying enhanced financial stability, coupled with a steady increase in noncurrent and total

assets, suggesting greater potential for long-term investment and growth. The substantial increase in total current assets implies improved liquidity and operational strength. However, the doubling of total liabilities underscores the rise in debt or other financial responsibilities, despite the overall growth in total equity and liabilities.

Key financial metrics from the profit and loss statement exhibit significant variations, with fluctuations in earnings before taxes and the year's profit influenced by market changes. While revenue growth is evident from the overall increase in income, gradual growth in expenses may impact profitability. Nevertheless, fluctuations in income tax expenses and total other comprehensive income for the year hint at potential effects on financial stability, reflected in variations in total comprehensive income.

Furthermore, liquidity, solvency, and performance ratios demonstrate mixed patterns, with liquidity ratios often maintained at or above 1, indicating the company's ability to meet short-term obligations. However, the upward trend in the debt-to-income ratio suggests elevated financial risk, while performance ratios indicate varying levels of operational efficiency and sales generation from assets.

In conclusion, Hindalco Industries Limited's financial management and strategic planning face both opportunities and challenges, as illustrated by the intricate interactions between market factors, operational performance, and strategic decisions depicted in its financial statements.

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