CHAPTER-I

INTRODUCTION

Financial statements are prepared for decision making. They play a dominant role in setting framework of managerial decisions. But the information provided in the financial statements is not an end in itself as no meaningful conclusion can be drawn from these statements alone. However, the information provided in the financial statements is of immense use in making decision through analysis and interpretation of financial statements.

Financial statement analysis is an extremely useful tool in understanding the financial performance of any company. It allows you to determine a business's current position with regardsto its commercial strengths (e.g., Customer base) and weaknesses (e.g., Volatile costs). It also gives an understanding of the key drivers of the business through multiple factors. This can includestrategic, economic aspects as well as accounting and financial; all of which can tell strikingly different stories. Being able to tell the overall story behind these numbers is an invaluable tool notjust for investors, but also people who run their own businesses.

From an entrepreneurial perspective, having a sound understanding of financial statement analysis can be crucial to business success. Knowing your own financials, can be the quickest and in many cases the most efficient way to pitch a business to investors. Financial analysis is the process of identifying the financial strengths and weaknesses of the firm by properly establishing relationship between the items of the balance sheet and the profit and lossaccount. There are various methods or techniques used in analyzing financial statement, such as comparative statement, trend analysis, schedule of changes in working capital, funds flows and cash flows analysis, and ratio analysis. This study concentrates on analyzing the financial statements of **Godrej Consumer Product.**

Financial statement analysis is important because it is useful for helping answer lots of questions about an entity like

- ✓ Is the company solvent?
- ✓ How much is the company worth?
- ✓ Is it likely to remain a going concern?
- ✓ How likely is the concern to be able to repay a loan?
- ✓ What are its expected future cash flows?
- ✓ What risks does the company face?

Important financial statements of a company are:

1. Balance sheet
2. Income statement
3. Cash flow statement

BALANCE SHEET

A balance sheet is a financial statement that contains details of a company's assets or liabilities at a specific point in time. It is one of the three core financial statements (income statement and cash flow statement being the other two) used for evaluating the performance of abusiness. The balance sheet represents the "worth" of the company represented as assets and liabilities. But looking at the assets, it may be possible to gauge how well the company has donein the past. Also, looking at the liabilities, it may be possible to gauge the kind of risks that it took or was able to take.

From the balance sheet we can understand:

- Is a company taking on more debt
- Are they paying down debt
- Are they growing cash reserves
- Are they growing their hard assets (plant, property, equipment)
- Is inventory growing

INCOME STATEMENT

The Income Statement is one of a company's core financial statements that shows their profitand loss over a period of time. The profit or loss is determined by taking all revenues and subtracting all expenses from both operating and non-operating activities. The analysis of the income statement involves comparing the different line items within a statement, as well as following trend lines of individual line items over multiple periods. This analysis is used to understand the cost structure of a business and its ability to earn a profit.

On the income statement analysis, we can understand:

- Cost of Goods Sold (COGS) as a percent of revenue
- Gross profit as a percent of revenue
- Depreciation as a percent of revenue
- Selling General & Administrative (SG&A) as a percent of revenue
- Interest as a percent of revenue
- Earnings Before Tax (EBT) as a percent of revenue
- Tax as a percent of revenue
- Net earnings as a percent of revenue

CASH FLOW

Cash flow is the movement of money in and out of a company. Cash received signifies inflows, and cash spent signifies outflows. The cash flow statement is a financial statement that reports on a company's sources and usage of cash over some time. A company's cash flow is typically categorized as cash flows from operations, investing, and financing. There are several methods used to analyze a company's cash flow, including the debt service coverage ratio, free cash flow, and unlevered cash flow.

Within cash flow analysis, 3 types of cash flow are present and used for the cash flow statement:

- Operating cash flow - a measure of the cash generated by a company's regular business operations. Operating cash flow indicates whether a company can produce sufficient cash flow to cover current expenses and pay debts.
- Cash flow from investing activities - the amount of cash generated from investing activities such as purchasing physical assets, investments in securities, or the sale of securities or assets.
- Cash flow from financing activities (CFF) - the net flows of cash that are used to fund the company. This includes transactions involving dividends, equity, and debt.

OBJECTIVES OF THE STUDY

- ❖ To know the overall financial performance of Godrej Consumer Product.
- ❖ To analysis of financial position of Godrej Consumer Product.
- ❖ To understand and analyse the profitability, solvency and liquidity position of the company using financial ratios.
- ❖ To provide useful suggestions to improve the financial performance of the select company for the study.

SCOPE OF THE STUDY

The study is based on the accounting information of the Godrej Consumer Product. The study covers the period of 2019-2022 for analysing the financial statement such as profit and loss account and balance sheet. The scope of the study involves the various factors that affect the financial efficiencyof the company. To increase the profit and growth of the company. The data of the past four yearsare taken into account for the study. The performance is compared within those periods.

RESEARCH METHODOLOGY

- Research can be defined as "A Scientific and systemic search for pertinent records on a unique topic". Therefore, research should be understood as a geared-up pastime with particular targets on a hassle or issues supported through compilation of associated facts and facts, involving utility of relevant equipment of evaluation and deriving logically on originality.

RESEARCH DESIGN

Research Design is the arrangement of condition for collection and evaluation of statistics in manner that aims to combine relevance to the research reason with the economy in procedure. Research Design is necessary notably due to the fact of the expanded complexity in the market aswell as advertising and marketing techniques on hand to the researchers.

SOURCE OF COLLECTION OF DATA

SECONDARY DATA

The secondary data are those which have already been collected by someone else and whichhave already been passed through the statistical process. Thus, the data was collected from company document reports and books. The data were collected from secondary.

The major source of secondary data was:

- Balance sheet
- Profit and Loss
- Cash Flow Statement

TOOLS USED

The ratios are used as a tool for analyzing the financial performance on Godrej Consumer Product. Ratios are calculated from previous year and current year.

The tools are

- Ratio Analysis
- Profitability ratio
- Working capital

CHAPTER SCHEME

The current study work has been divided into five chapters:

- **Chapter I:** It examines the Introduction, Objectives, Methodology, Period of the study, Source of data collection.
- **Chapter II:** A study on Godrej Consumer Product: This chapter focuses on the profile of Godrej Consumer Product.
- **Chapter III:** Data Analysis and Interpretation: This chapter focuses on the differential techniques which the study uses in the data collection process. It includes presentation and analysis of data using different financial ratios for the findings.
- **Chapter IV:** Findings & Suggestions. These chapters focus on the findings and it gives suggestion to improve the ratios.
- **Chapter V:** Conclusion: The conclusion gives the result in terms of ratios.

CHAPTER-II

PROFILE OF THE COMPANY

GODREJ CONSUMER PRODUCT

GODREJ CONSUMER PRODUCT

Company type	Private
Industry	Conglomerate
Founded	1897; 127 years ago[1]
Founders	• Ardeshir Godrej Pirojsha Burjorji Godrej
Headquarters	Mumbai, Maharashtra, India
Area served	Worldwide
Key people	Adi Godrej (Chairman)[2]
Products	• Aerospace • Agriculture • Consumer goods • Home appliances • Chemicals • Construction • Electronics • Telecommunications • Furniture • Real estate • Infotech • Security

Revenue	▲ ₹33,000 crore (US$4.0 billion) (2023)
Number of employees	28,000 (2016)

NAME OF THE DIRECTOR

Adi Godrej	Chairman Emeritus
Nisaba Godrej	Executive Chairperson
Sudhir Sitapati	Managing Director and CEO
Nadir Godrej	Non-executive Director
Tanya Dubash	Non-executive Director
Pirojsha Godrej	Non-executive Director
Jamshyd N Godrej	Non-executive Director
Pippa Tubman Armerding	Independent Director
Aman Mehta	Independent Director
Narendra Ambwani	Independent Director
Ndidi Nwuneli	Independent Director
Bharat Doshi	Independent Director
Ireena Vittal	Independent Director
Omkar Goswami	Independent Director
Sumeet Narang	Independent Director

Established in 1897, the Godrej Group has its roots in India's Independence and Swadeshi movement. Their founder, Ardeshir Godrej, lawyer-turned-serial entrepreneur failed with a few ventures, before he struck gold with a locks business.

Today, the group enjoy the patronage of 1.1 billion consumers globally across consumer goods, real estate, appliances, agriculture and many other businesses. In fact, their geographical footprint extends beyond Earth, with their engines now powering many of India's space missions.

With a revenue of over USD 4.1 billion they are growing fast, and have exciting, ambitious aspirations.

But for them, it is most important that besides their strong financial performance and innovative, much-loved products, they remain a good company. Approximately 23 per cent of the promoter holding in the Godrej Group is held in trusts that invest in the environment, health and education. They are also bringing together their passion and purpose to make a difference through our Good & Green strategy of 'shared value' to create a more inclusive and greener India.

At the heart of all of this, is our people. They take much pride in fostering an inspiring workplace, with an agile and high-performance culture. They are also deeply committed to recognising and valuing diversity across our teams.

GODREJ JOURNEYS

- 1897- Ardeshir Godrej, co-founder of the Godrej Brothers Company, set up a lock with lever company and established the company along with Pirojsha Burjorji Godrej.
- 1920- The company launched the world’s first vegetable oil soap Chavi, the irst to be made without animal fat and which targeted a major Indian vegetarian family.
- 1923- After locks and soap, the company entered into furniture with almirahs
- 1943- The then Government of Bombay auctioned Vikhroli village to Pirojsha Godrej. And over the next 50 years, Vikhroli village was transformed into a green, industrial town that cared for its people.
- 1951- The company was asked to make 1.7 million ballot boxes for India’s first steps as a democratic nation.
- 1952- They launched ‘Cinthol’ on Independence Day.
- 1955- Godrej introduced India’s first ever indigenous typewriter.
- 1958- Godrej was the first Indian company to launch refrigerators.
- 1974- Their first hair colour product, a liquid hair dye was launched.
- 1990- Godrej Properties brings the Group’s philosophy of innovation to the real estate industry in India.
- 1991- Godrej was incorporated into Agricultural business.

- 1994- The company acquired Translektra, which made mosquito mats under ‘Good Knight’ brand.
- 1997- Godrej completed a century of their business being and celebrated its 100th birthday.
- 2008- India sends Chandrayaan-1, its first unmanned mission to the moon. The brand’s engineering expertise that helps build the launch vehicle and lunar orbiter for the mission.
- 2010- The ambitious goals of the company for 2020 include being one of the most trusted and innovative Indian brands, fostering an inspiring place to work and becoming 10 times their size in 10 years
- 2014- The company partnered with the Indian Space Research Organization on India’s first mission to Mars. Godrej Aerospace engines power the Polar Satellite Launch Vehicle and the company’s precision components calculate the satellite’s trajectory to the millisecond.
- 2015- Godrej Properties and Pelli Clarke Pellin architects created Godrej One, the new global headquarters at Vikhroli in Mumbai.
- 2017- Godrej Agrovet Limited is listed on the Bombay Stock Exchange and the National Stock Exchange.

Godrej Consumer Products is a part of the over 125-year-young Godrej Group. We are fortunate to have a proud legacy built on the strong values of trust, integrity, and respect for others. As an emerging markets company, we have witnessed rapid growth and are pursuing our exciting and innovative aspirations.

GODREJ CONSUMER PRODUCTS

Goderj Consumer Products (GCP) is an Indian consumer goods company based in Mumbai, india. GCP’s products include soap, hair colourants, toiletries liquid detergents. Its brands include ‘Cinthol’, ‘Godrej Fair Glow’, ‘Godrej No.1’ and “Godrej Shikakai’ in soaps, ‘Godrej Powder Hair Dye’, ‘Renew’, ‘ColourSoft’ in hair colourants and ‘Ezee’ liquid detergent.

GCP operates several manufacturing facilities in India spread over seven locations and grouped into four operating clusters at Malanpur (Madhya Pradesh), Guwahati (Assam), Baddi – Thana (Himachal Pradesh), Baddi – Katha (Himachal Pradesh), Pondicherry, Chennai and Sikkim. Thus in total it has 6 manufacturing plant in India. The CEO of the Godrej Consumer Products is Sudhir Sitapati.

BUSINESS CATEGORIES

GCPL operates in the domestic and international markets in the 'personal and household care' segment. Some of the categories are soaps, hair colourants, professional hair care products, toiletries and liquid detergents. In 2012, it made an entry into fast-growing air freshener category by launching a new fragrance product "aer" in the market.

MANUFACTURING FACILITIES

GCPL operates several manufacturing facilities in India spread over seven locations and grouped into four operating clusters at Malanpur (Madhya Pradesh), Guwahati (Assam), Baddi- Thana (Himachal Pradesh), Baddi-Katha (Himachal Pradesh), Pondicherry, Chennai and Sikkim.[4] Further, its manufacturing facilities located abroad in South Africa produce a range of personal care products and hair colour products.

SALES AND DISTRIBUTION NETWORK

GCPL has a widespread distribution network across India. It makes sales in both urban and rural markets, enabling it to benefit from the opportunities in both segments. It has a sales team of over 250 staff spread across the country. It has a network of 33 C&F agents and as on 29 February 2008. It had 1,247 distributors, 142 super stockists and 3,175 sub stockists to support the sales team in India. Its distributors and sub stockists cover around 650,000 retailers in India.

GCPL has linked its major distributors in India through a system called 'Sampark', a collaborative planning, forecasting and replenishment system with its ERP system leading to reduced inventory levels.

CHAPTER III

ANALYSIS AND INTERPRETATION

Analysis of financial statements is the process of reviewing and investigating a company's financial statements to make the better economic decisions. Here, the information on financialstatements of a company is compared with that of previous years.

Interpretation of financial statements

Interpretation of financial statements analysis refers to understanding what the financial statements indicate. This is very important to take necessary future decision to ensure that thefinancial health of the company remains at desired levels. Interpretations of financial ratios isdone through ratio analysis.

Objectives of financial statement analysis and interpretation

The primary objectives of financial statement analysis are to understand and diagnose the information contained a financial statement with a view to judge the profitability and financialsoundness of the firm and to make forecast about future prospects of the firm. The purpose of analysis depends upon the person interested in such analysis and his object.

Financial statement of the company

- Consolidated balance sheets
- Analyst format Income Statements
- Cash flows

BALANCE SHEET:

PARTICULARS	2019	2020	2021	2022	2023
I. ASSETS					
1. Non-Current Assets					
(a) Property, Plant and Equipment	1,192.29	1,205.02	1,210.22	1,274.91	1,437.40
(b) Capital Work-in-Progress	50.90	55.67	52.97	114.75	41.61
(c) Right-of-use assets	-	51.90	91.13	98.45	96.67
(d) Goodwill	4,918.03	5,339.32	5,129.85	5,376.79	5,822.25
(e) Other Intangible Assets	2,559.94	2,635.16	2,473.57	2,469.15	2,577.34
(f) Intangible Assets Under Development	1.16	1.37	4.46	1.69	3.81
(g) Investments in Associate	34.67	34.80	19.42	-	-
(h) Financial Assets					
(i) Other Investments	-	-	2.51	171.12	839.33
(ii) Loans	18.77	22.63	21.78	0.03	0.03
(iii) Others	5.77	36.63	3.36	25.09	21.61
(i) Deferred Tax Assets (Net)	549.32	646.79	676.79	731.51	702.75
(j) Other Non-Current Assets	53.39	45.21	55.03	93.67	48.68
(k) Non-Current Tax Assets (Net)	97.43	74.17	69.32	89.63	101.32
Total Non Current Assets	**9,481.67**	**10,148.67**	**9,810.41**	**10,446.79**	**11,692.80**
2. Current Assets					
(a) Inventories	1,558.59	1,703.12	1,716.25	2,129.85	1,537.15
(b) Financial Assets					
(i) Investments	481.31	637.18	657.17	844.31	2,189.65
(ii) Trade Receivables	1,292.90	1,157.25	1,004.50	1,116.32	1,245.28
(iii) Cash and Cash Equivalents	862.21	602.87	524.13	750.92	357.62
(iv) Bank Balance Other than (iii) above	32.51	167.29	148.08	356.85	33.10
(V) Loans	3.73	3.27	4.64	0.05	0.05
(vi) Others	154.86	164.51	70.64	41.83	42.31
(c) Other Current Assets	302.30	372.85	347.00	447.14	400.81
Total Current Asset	**4,688.41**	**4,808.34**	**4,472.41**	**5,687.27**	**5,805.97**
TOTAL ASSETS	**14,170.08**	**14,957.01**	**14,282.82**	**16,134.06**	**17,498.77**
II. EQUITY AND LIABILITIES					
1. Equity					
(a) Equity Share Capital	102.22	102.23	102.25	102.26	102.27
(b) Other Equity	7,164.70	7,796.13	9,336.65	11,453.67	13,691.96
Total Equity	**7,266.92**	**7,898.36**	**9,438.90**	**11,555.93**	**13,794.23**
2. Liabilities					
(A) Non-Current Libailities					
(a) Financial Liabilities					
(i) Borrowings	2,604.78	2,145.04	480.11	380.85	189.12
(ii) Lease Liabilities	-	34.19	67.49	64.44	57.61
(iii) Other Financial Liabilities	217.55	131.98	-	-	
(b) Provision	108.25	116.98	114.72	107.00	103.42
(c) Deferred Tax Liabilities (Net)	76.53	76.73	39.03	51.94	61.51
(d) Other Non-Current Liabilites	4.27	7.17	6.88	2.29	1.57
Total Non-Current Liabilities	**3,011.38**	**2,512.09**	**708.23**	**606.52**	**413.23**
(B) Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	270.94	518.70	279.41	1,226.81	844.84
(ii) Lease Liabilities	-	22.43	28.16	32.24	38.01
(iii) Trade Payables					
(I) Total Outstanding Dues of Micro and Small Enterprises	53.49	27.15	24.86	23.24	46.40
(II) Total Outstanding Dues of Creditors Other than Micro and Small Enterprises	2,486.39	2,453.34	2,134.78	2,139.82	1,776.77
(iv) Other Financial Liabilities	827.85	1336.04	1462.23	227.23	266.39
(b) Other Current Liabilities	166.87	84.71	80.55	223.84	229.03
(c) Provisions	50.85	55.96	72.40	76.21	75.16
(d) Current Tax Liabilities (Net)	35.39	48.23	53.30	22.22	14.71
Total Current Liabilities	**3,891.78**	**4,546.56**	**4,135.69**	**3,971.61**	**3,291.31**
TOTAL EQUITY AND LIABILITIES	**14,170.08**	**14,957.01**	**14,282.82**	**16,134.06**	**17,498.77**

Interpretation:

- The company appears to be expanding its assets and equity while managing to reduce its liabilities over time. Key areas of growth include non-current assets and investments, while there have been fluctuations in current liabilities and cash reserves. Monitoring these trends and ratios will help in assessing the company's financial health and operational efficiency.
- Assets is a Non - current assets have increased from 9,481.67 in 2019 to 11,692.80 in 2023, indicating a growth in long-term investments and assets. Current assets have fluctuated, with a significant increase in investments and cash equivalents in 2023.
- Liabilities is a Non - current liabilities have decreased from 3,011.38 in 2019 to 413.23 in 2023, indicating a reduction in long-term debt and financial liabilities. Current liabilities have also decreased from 3,891.78 in 2019 to 3,291.31 in 2023, indicating improved short-term financial management.
- Equity has consistently increased from 7,266.92 in 2019 to 13,794.23 in 2023, indicating a growth in shareholders' value and retained earnings.

PROFIT AND LOSS STATEMENT:

PARTICULARS	2019	2020	2021	2022	2023
Revenue					
I. Revenue from Operations	10,314.34	9,910.80	11,028.62	12,276.50	13,315.97
II. Other Incom	108.76	112.30	67.07	89.71	168.41
III. Total Income (I + II)	**10,423.10**	**10,023.10**	**11,095.69**	**12,366.21**	**13,484.38**
IV. Expenses					
Cost of Materials Consumed	4,062.43	4,121.75	4,606.76	5,782.98	6,184.67
Purchase of Stock-in-Trade	337.36	313.08	365.01	353.65	305.18
Changes in Inventories pof Finished Goods, Stock-in-Trade and work-in-Progress	154.54	-173.15	-42.35	-61.54	212.94
Excise Duty					
Employee Benefit Expenses	1,090.90	1018.82	1,123.34	1,104.14	1,111.48
Financial Costs	224.25	217.41	126.63	110.16	175.74
Depreciation and Amortization Expenses	169.98	197.28	203.85	209.93	236.29
Other Expenses	2,551.50	2,487.27	2,587.61	2,702.16	3,071.24
Total Expenses	**8,590.96**	**8,182.46**	**8,970.85**	**10,201.48**	**11,297.54**
V. Profit Before Exceptional Items, Share of Net Profit of Equity Accounted Investees and Tax (III - IV)	**1,832.14**	**1,840.64**	**2,124.84**	**2,164.73**	**2,186.84**
VI. Share of Net Profits of Equity Accounted Investees (Net of Income Tax)	0.63	0.81	-0.01	0.28	-
VII. Profit Before Exceptional Items and Tax (V + VI)	**1,832.77**	**1,841.45**	**2,124.83**	**2,165.01**	**2,186.84**
VIII. Exceptional Items (Net)	252.56	-81.05	-44.47	-9.75	-54.11
IX. Profit Before Tax (VII + VIIII)	**2,085.33**	**1,760.40**	**2,080.36**	**2,155.26**	**2,132.73**
X. Tax Expense:					
(1) Current Tax	417.90	378.66	408.14	397.31	396.25
(2) Deferred Tax	-674.10	-114.84	-48.60	-25.44	34.02
Total Tax Expenses	**-256.20**	**263.82**	**359.54**	**371.87**	**430.27**
XI. Profit For the Year (IX - X)	**2,341.53**	**1,496.58**	**1,720.82**	**1,783.39**	**1,702.46**

Interpretation:

- Revenue from operations has consistently increased from 10,314.34 in 2019 to 13,315.97 in 2023, indicating a growth in sales and business operations. Other income has fluctuated, with a significant increase in 2023.
- Expenses a cost of materials consumed and employee benefit expenses have consistently increased, indicating rising production costs and employee expenses. Financial costs and depreciation expenses have fluctuated, with a significant increase in depreciation expenses in 2023. Other expenses have consistently increased, indicating rising overhead costs.
- Profitability before exceptional items and tax has consistently increased from 1,832.14 in 2019 to 2,186.84 in 2023, indicating improved profitability. Exceptional items have fluctuated, with a significant expense in 2023.
- Profit before tax has consistently increased from 2,085.33 in 2019 to 2,132.73 in 2023, indicating improved profitability. Tax expenses have fluctuated, with a significant increase in current tax expenses in 2023.

CASH FLOWS STATEMENT:

PARTICULARS	2019	2020	2021	2022	2023
Net Cash Flow From Operating Activities	1,728.85	1,588.11	2,029.63	1,450.57	2,150.65
Net Cash Flow From Investing Activities	251.55	-533.26	-315.50	-864.23	-1,758.34
Net Cash Flow From Financing Activities	-2,038.73	-1,295.33	-1,816.22	-379.52	-794.31

Interpretation:

- **Operating Activities:**

The company has consistently generated positive cash flows from operations, indicating ability to generate cash from its core business. The cash flow has fluctuated, with a significant increase in 2021 and 2023.

- **Investing Activities:**

The company has invested in assets, indicated by negative cash flows in 2020, 2021, and 2022. In 2023, the company has divested assets, resulting in a positive cash flow.

- **Financing Activities:**

The company has consistently raised debt or equity finance, indicated by negative cash flows. The amount raised has decreased over the years, indicating reduced dependence on external funding.

RATIO ANALYSIS

Ratio analysis is referred to as the study or analysis of the line items present in the financial statements of the company. It can be used to check various factors of a business such as profitability, liquidity, solvency and efficiency of the company or the business. Ratio analysis ismainly performed by external analysts as financial statements are the primary source of information for external analysts.

TYPES OF RATIOS:

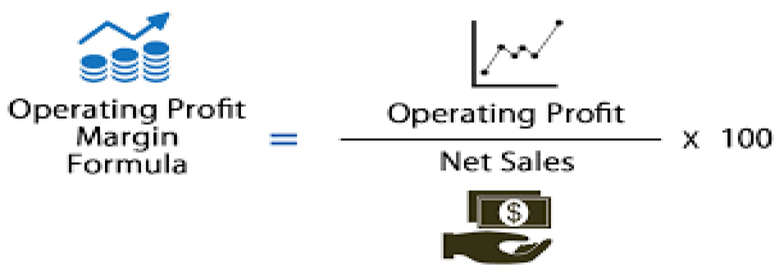
- Profitability ratios
- Return ratios
- Stability ratios
- Efficiency ratios
- Coverage ratios
- Growth ratios

PROFITABILITY RATIO

Profitability ratios are a type of accounting ratio that helps in determining the financial performance of business at the end of an accounting period. Profitability ratios show how well a company is able to make profits from its operations.

1. Operating Profit Margin:

The operating profit ratio compares the operating income of a company to its net sales to determine operating efficiency.



Particulars	2019	2020	2021	2022	2023
Operating Profit Margin	**24.04%**	**21.95%**	**21.86%**	**20.16%**	**19.11%**

Interpretation:

- The Operating Profit Margin (OPM) ratio has consistently decreased from 24.04% in 2019 to 19.11% in 2023.
- This indicates a decline in the company's profitability from its core operations. The decrease in OPM may be due to various factors such as increased competition leading to reduced prices and margins.
- Rising costs and expenses. Decreased sales volume or revenue. Changes in product mix or business strategy.

2. Net Profit Margin:

Net profit ratios are calculated in order to determine the overall profitability of anorganization after reducing both cash and non-cash expenditures.

Particulars	2019	2020	2021	2022	2023
Net Profit Margin	**22.70%**	**15.10%**	**15.60%**	**14.53%**	**12.79%**

Interpretation:

- The Net Profit Margin (NPM) ratio has consistently decreased from 22.70% in 2019 to 12.79% in 2023.
- This indicates a decline in the company's net profitability over the years. The decrease in NPM may be due to various factors such as increased competition leading to reduced prices and margins.
- Rising costs and expenses. Decreased sales volume or revenue. Changes in product mix or business strategy. Increased tax expenses or other non-operating items.

RETURN RATIO

Return ratios are a subset of financial ratios that measure how effectively an investment is being managed. They help to evaluate if the highest possible return is being generated on an investment.

1. Return of Capital Employed:

The term return on capital employed (ROCE) refers to a financial ratio that can be used toassess a company's profitability and capital efficiency.

$$\text{ROCE} = \frac{\text{operating earnings}}{\text{capital employed}}$$

Particulars	2019	2020	2021	2022	2023
Return of Capital Employed	**22.77%**	**18.73%**	**21.64%**	**17.21%**	**15.57%**

Interpretation:

- The Return on Capital Employed (ROCE) ratio has fluctuated over the years, with a overall declining trend from 22.77% in 2019 to 15.57% in 2023.

- This indicates a decrease in the company's efficiency in generating profits from its capital employed. The decrease in ROCE may be due to various factors such as reduced profitability, increased capital employed, inefficient use of capital.

- A declining ROCE ratio may indicate that the company needs to review its capital allocation and investment decisions to ensure they are generating sufficient returns.

2. Return of Long-Term Asset:

Return on assets is a metric that indicates a company's profitability in relation to its total assets. ROA can beused by management, analysts. and investors to determine whether a company uses its assets efficiently to generate a profit.

$$\text{Return on Assets (ROA)} = \frac{\text{Net Income}}{\text{Average Total Assets}}$$

Particulars	2019	2020	2021	2022	2023
Return of Long Term Asset	**193.71%**	**164.13%**	**182.36%**	**177.69%**	**160.60%**

Interpretation:

- The Return on Long Term Assets (ROLTA) ratio has fluctuated over the years, with a overall declining trend from 193.71% in 2019 to 160.60% in 2023.
- This indicates a decrease in the company's efficiency in generating profits from its long-term assets.
- The decrease in ROLTA may be due to various factors such as reduced profitability, increased long-term assets, inefficient use of long-term assets.

3. Return of Net Worth/ROE:

Return on Net Worth (RONW) denotes the profit earning capacity of the company on the shareholder'sinvested amount. RONW is a profitability indicator of a company expressed in percentage.

$$\text{Return on Equity (ROE)} = \frac{\text{Net Income}}{\text{Average Total Equity}}$$

Particulars	2019	2020	2021	2022	2023
Return of Net Worth	**32.22%**	**18.95%**	**18.23%**	**15.43%**	**12.34%**

Interpretation:

- The Return on Net Worth (RONW) ratio has consistently decreased from 32.22% in 2019 to 12.34% in 2023.
- This indicates a decline in the company's efficiency in generating profits from its net worth.
- The decrease in RONW may be due to various factors such as reduced profitability, increased shareholders' equity, inefficient use of equity.

COVERAGE RATIO

Coverage ratio is used to measure a company’s ability to pay its financial obligations.A higher ratio indicates a greater ability of the company to meet its financial obligations while a lower ratio indicates a lesser ability. It is commonly used by creditors and lenders to determine the financial standing of a prospective borrower.

1. Interest Coverage Ratio:

It evaluates the number of times a company is able to pay the interest expenses on its debt with its operating income. The ability of a company to pay the interest expense on its debt.

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

Particulars	2019	2020	2021	2022	2023
Interest Coverage Ratio	**10.30**	**9.10**	**17.43**	**20.56**	**13.14**

Interpretation:

- The Interest Coverage Ratio (ICR) has fluctuated over the years, with a peak in 2022 and a decline in 2023.
- In 2019 and 2020, the ICR was relatively stable, indicating a consistent ability to cover interest expenses.
- In 2021 and 2022, the ICR increased significantly, indicating improved profitability and ability to cover interest expenses.
- However, in 2023, the ICR declined to 13.14, indicating a decrease in the company's ability to cover interest expenses.

2. Net Debit to EBITDA:

The net debt 10 earnings before interest, 1axes, deprecia1ion. and amortization (EBIIDA) ratio measures financial leverage and a company's ability to pay off its debt. Essentially, the net deb1 to EBITDA ratio (debt/EBIIDA) gives an indication as to how long a company would need to operate ati1s current level to pay off all its debt.

$$\text{Net Debt to EBITDA Ratio} = \frac{\text{Gross Debt} - \text{Cash and Cash Equivalents}}{\text{EBITDA}}$$

Particulars	2019	2020	2021	2022	2023
Net Debit to EBITDA	**0.62**	**0.65**	**-0.17**	**0.01**	**-0.59**

Interpretation:

- The Net Debt to EBITDA ratio has fluctuated over the years, with a significant decline in 2021 and a subsequent increase in 2022, followed by a decline in 2023.
- In 2019 and 2020, the ratio was relatively stable, indicating a consistent level of net debt relative to EBITDA.
- In 2021, the ratio turned negative, indicating that the company's EBITDA exceeded its net debt, which is a positive sign.
- However, in 2022, the ratio increased slightly, indicating a slight increase in net debt relative to EBITDA.
- In 2023, the ratio declined significantly, indicating a decrease in net debt relative to EBITDA.

STABILITY RATIO

Stability analysis investigates how much debt can be supported by the company and whetherdebt and equity are balanced**.** A financial ratio indicating the relative proportion of shareholders' equity anddebt used to finance a company's assets.

1. Debit Equity Ratio:

The debt-to-equity ratio measures your company's total debt relative to the amount originally invested by the owners and the earnings that have been retained over time. The debt equityratio can be defined as a ratio between total debt and shareholders' fund. The debt equity ratio is used to calculate the leverage of an organization.

$$\text{Debt to Equity Ratio (D/E)} = \frac{\text{Total Debt}}{\text{Total Shareholders Equity}}$$

Particulars	2019	2020	2021	2022	2023
Debit Equity Ratio	**0.40**	**0.34**	**0.08**	**0.14**	**0.07**

Interpretation:

- In 2019-2020 The D/E Ratio decreased from 0.40 to 0.34, indicating a moderate reduction in debt financing.
- In 2020-2021 The D/E Ratio significantly decreased from 0.34 to 0.08, indicating a substantial reduction in debt financing and a very healthy financial structure.
- In 2021-2022 The D/E Ratio slightly increased from 0.08 to 0.14, indicating a minor setback in debt reduction.
- In 2022-2023 The D/E Ratio further decreased from 0.14 to 0.07, indicating a continued reduction in debt financing and a very healthy financial structure.

2. Long Term Debit Equity Ratio:

The Long-Term Debt to Equity is a measure of a company's financial leverage. The debt-to equity (DIE)ratio reflects a company's debt status.

$$\text{Long-term Debt to Equity Ratio} = \frac{\text{Long-term Debts}}{\text{Average Shareholder's Equity}}$$

Particulars	2019	2020	2021	2022	2023
Long Term Debit Equity Ratio	**0.36**	**0.27**	**0.05**	**0.03**	**0.01**

Interpretation:

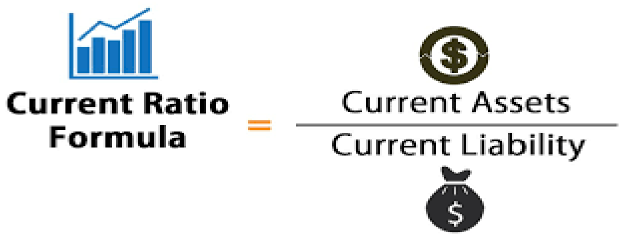
- In 2019 Long Term Debt to Equity Ratio of 0.36 indicates a moderate level of long-term debt.
- In 2020 ratio decreases to 0.27, indicating an improvement in financial structure.
- In 2021 ratio significantly decreases to 0.05, indicating a substantial reduction in long-term debt levels and a very healthy financial structure.
- In 2022 ratio decreases to 0.03, indicating a further reduction in long-term debt levels.
- In 2023 ratio decreases to 0.01, indicating a near-zero level of long-term debt and an extremely healthy financial structure.

LIQUIDITY RATIO

Liquidity ratios are a measure of the ability of a company to pay off its shot-term liabilities. Liquidity ratios determine how quickly a company can convert the assets and use them for meeting the dues that arise.

1. Current Ratio:

The Current Ratio is a financial ratio that measures a company's ability to cover its short-term liabilities (those due within one year) with its short-term assets (those that are expected to beconverted into cash within one year). It's an important indicator of a company's liquidity and short-termfinancial health.



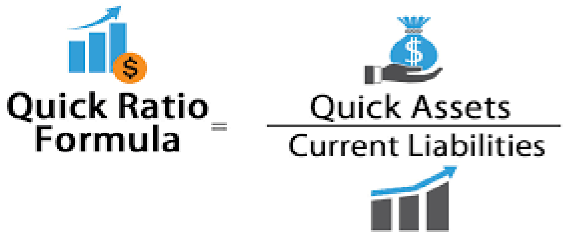
Particulars	2019	2020	2021	2022	2023
Current Ratio	**1.20**	**1.06**	**1.08**	**1.43**	**1.76**

Interpretation:

- In 2020 current ratio was decrease from 1.20 to 1.06 the company's liquidity position slightly weakened.
- In 2021 current ratio was increase from 1.06 to 1.08 the company's liquidity position slightly improved.
- In 2022 current ratio was increase from 1.08 to 1.43 the company's liquidity position significantly improved.
- In 2023 current ratio was increase from 1.43 to 1.76 the company's liquidity position further improved in
- 2023 compared to 2022, indicating a strong level of liquidity and a very healthy financial position.

2. Quick Ratio:

The Quick Ratio, also known as the Acid-Test Ratio, is a financial metric that assesses a company's ability to cover its short-term liabilities with its most liquid assets. It's a more conservative measure of liquidity compared to the Current Ratio because it excludes inventory from currentassets.



Particulars	2019	2020	2021	2022	2023
Quick Ratio	**0.80**	**0.68**	**0.67**	**0.90**	**1.30**

Interpretation:

- In 2019 quick Ratio was 0.80 it indicates a moderate level of liquidity, with a relatively weak ability to pay off short-term debts.
- In 2020 decrease to 0.68 indicates a deterioration in liquidity, with a weaker ability to pay off short-term debts.
- In 2021 slight decrease to 0.67 indicates a continued weakness in liquidity.
- In 2022 significant increase to 0.90 indicates an improvement in liquidity, with a stronger ability to pay off short-term debts.
- In 2023 further increase to 1.30 indicates a substantial improvement in liquidity, with a very strong ability to pay off short-term debts

EFFICIENCY RATIO

Efficiency ratios measure how efficiently a company uses its assets to generaterevenues and its ability to manage those assets.

1. Inventory Turnover Ratio:

The inventory turnover ratio is expressed as the number of times an enterprise sells out of its stock of goods within a given period of time. It is used to determine the speed of a company in convertingits inventories into sales.

$$\text{Inventory Turnover Ratio} = \frac{\text{Cost of Goods Sold (COGS)}}{\text{Average Inventory}}$$

Particulars	2019	2020	2021	2022	2023
Inventory Tureover Ratio	**6.62**	**5.82**	**6.43**	**5.76**	**8.66**

Interpretation:

- In 2019 inventory Turnover Ratio was 6.62 indicates a relatively fast inventory turnover, with the company selling and replacing its inventory approximately 6.62 times per year.
- In 2020 decrease to 5.82 indicates a slower inventory turnover, with the company selling and replacing its inventory approximately 5.82 times per year.
- In 2021 increase to 6.43 indicates a faster inventory turnover, with the company selling and replacing its inventory approximately 6.43 times per year.
- In 2022 decrease to 5.76 indicates a slower inventory turnover, with the company selling and replacing its inventory approximately 5.76 times per year.
- In 2023 significant increase to 8.66 indicates a much faster inventory turnover, with the company selling and replacing its inventory approximately 8.66 times per year.

2. Receivable Turnover Ratio:

Receivable turnover ratio is used to determine the efficiency of an organization in collecting or realizingits account receivables.

$$\text{Receivables Turnover} = \frac{\text{Net Credit Sales}}{\text{Average Accounts Receivable}}$$

Particulars	2019	2020	2021	2022	2023
Receivable Turnover Ratio	**7.98**	**8.56**	**10.98**	**11.00**	**10.69**

Interpretation:

- It was increase from 7.98 to 8.56 the company's efficiency in collecting receivables improved slightly in 2020 compared to 2019.
- It was significant increase from 8.56 to 10.98 the company's efficiency in collecting receivables improved substantially in 2021 compared to 2020.
- It was slight increase from 10.98 to 11.00 the company's efficiency in collecting receivables remained relatively stable in 2022, with a minimal improvement compared to 2021.
- It was decrease from 11.00 to 10.69 the company's efficiency in collecting receivables slightly deteriorated in 2023 compared to 2022.

3. Assets Turnover Ratio:

Asset turnover ratio is the ratio between the value of a company's sales orrevenues with the value of its assets. Thus. asset turnover ratio can be a determinant of a company's performance.

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

Particulars	2019	2020	2021	2022	2023
Assets Turnover Ratio	**0.73**	**0.66**	**0.77**	**0.76**	**0.76**

Interpretation:

- It was decrease from 0.73 to 0.66 the company's ability to generate sales from its assets declined in 2020 compared to 2019.
- It was increase from 0.66 to 0.77 the company's ability to generate sales from its assets improved significantly in 2021 compared to 2020.
- It was decrease from 0.77 to 0.76 the company's ability to generate sales from its assets slightly declined in 2022 compared to 2021.
- It was no change the company's ability to generate sales from its assets remained stable in 2023 compared to 2022.

Growth Ratio

Growth ratios indicate how fast a company or its business is growing. These ratios measure therate at which the company is growing. Net Sales Growth (%): Net sales are the total sales of an organization minus the return inwards, discounts etc.

Growth Rate Formula

$$\text{Growth Rate} = \left(\frac{\text{Present Value}}{\text{Past Value}}\right)^{1/n} - 1$$

Particulars	2019	2020	2021	2022	2023
Sales		**-3.91%**	**11.28%**	**11.31%**	**8.47%**
Operating Profit		**-12.28%**	**10.84%**	**2.68%**	**2.80%**
Net Profit		**-36.09%**	**14.98%**	**3.64%**	**-4.54%**

Interpretation:

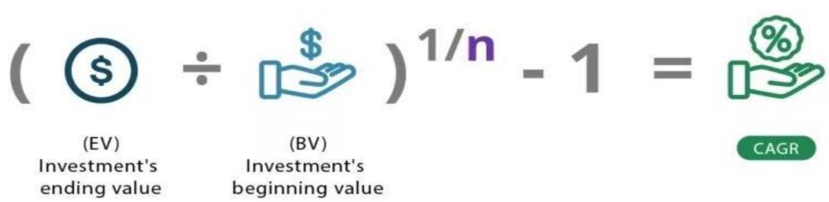
- **Sales**: After a decline of 3.91% in 2020, sales rebounded with strong growth 2021 in 11.28% and 2022 in 11.31%, but growth slowed slightly 2023 in 8.47%.

- **Operating Profit**: Operating profit improved after a steep decline 2020 in -12.28% with a recovery 2021 in 10.84%, but growth has been minimal since, with only 2.68% in 2022 and 2.80% in 2023.

- **Net Profit**: Net profit saw a sharp drop 2020 in -36.09%, followed by a recovery 2021 in 14.98%, but growth slowed 2022 in 3.64% and turned negative 2023 in -4.54%, indicating renewed profitability challenges.

Compound Annual Growth Rate (CAGR)

Compound annual growth rate, or CAGR, is the mean annual growth rate of an investment over aspecified period of time longer than one year. It represents one of the most accurate ways to calculate and determine returns for individual assets, investment portfolios, and anything that canrise or fall in value over time.



Particulars	
Sales	**5.24%**
Operating Profit	**0.52%**
Net Profit	**-6.18%**

Interpretation:

- **Sales**: This induicates that sales have grown at an annualized rate of 5.24% over the period in question. A positive CAGR for sales suggests the company is increasing its revenue consistently year over year.

- **Operating:** A 0.52% CAGR for operating profit suggests a very modest increase in the company's profitability from core operations over the years.

- **Net Profit:** The negative CAGR of -6.18% in net profit indicates a decline in profitability. Over the period in question, the company's net income has decreased by 6.18% annually.

Dupont Analysis

The Dupont Analysis method breaks down and clarifies the different components of the Return on Equity (ROE) formula, which can help companies with finding ways to improve their return on equity. Organizations mostly use this method to improve their own performance and to increase the return that they can offer to investors and shareholders.

DuPont Analysis

$$\text{Return on Equity (ROE)} = \frac{\text{Net Income}}{\text{Revenue}} \times \frac{\text{Revenue}}{\text{Average Total Assets}} \times \frac{\text{Average Total Assets}}{\text{Average Total Equity}}$$

Particulars	2019	2020	2021	2022	2023
Net Profit Margin	**0.23**	**0.15**	**0.16**	**0.15**	**0.13**
Assets Turnover Ratio	**0.73**	**0.66**	**0.77**	**0.76**	**0.76**
Financial Leverage Ratio	**1.95**	**1.89**	**1.51**	**1.40**	**1.27**
Dupont Analysis	**32.22%**	**18.95%**	**18.23%**	**15.43%**	**12.34%**

Interpretation:

- **Net Profit Margin**: Declined from 0.23 in 2019 to 0.13 in 2023.Profitability is decreasing, indicating the company earns less profit from its sales.

- **Assets Turnover Ratio:** Decreased initially from 0.73 in 2019 to 0.66 in 2020, but stabilized around 0.76 in 2022-2023. The company maintained efficiency in using assets to generate sales.

- Financial Leverage Ratio: Decreased from 1.95 in 2019 to 1.27 in 2023, indicating reduced debt or increased equity. Suggests a more conservative approach to financing or improved equity position.

- DuPont Analysis: Declined significantly from 32.22% in 2019 to 12.34% in 2023, indicating reduced profitability. Suggests decreased efficiency in generating profits from equity.

Working Capital

Working capital is the optimum amount of cash required to be funded to meet day-to-day operations of the business. Working capital is the amount of available capital that a company can readilyuse for day-to-day operations. Working capital is calculated by subtracting current liabilities from current assets, as listed on the company's balance sheet.

Particulars	2019	2020	2021	2022	2023
Working Capital	**796.63**	**261.78**	**336.72**	**1,715.66**	**2,514.66**

Interpretation:

- In 2019, the company had positive working capital of 796.63, indicating a stable liquidity position. In 2020, working capital dropped sharply to 261.78, potential strain on liquidity. In 2021, it recovered slightly to 336.72, but was still far below 2019 levels, indicating some improvement but still tight liquidity. From 2022, working capital rose significantly to 1,715.66, and further to 2,514.66 in 2023.

Non – Cash Working Capital

Non-cash working capital (NCWC) is a company's current assets that can be used to fund operations, excluding cash and cash equivalents. It's calculated by subtracting current liabilities from current assets, excluding cash.

NON - CASH WORKING CAPITAL= (CURRENT ASSET - CASH) -CURRENT LIABILITY

Particulars	2019	2020	2021	2022	2023
Non Cash Working Capital	**-546.89**	**-978.27**	**-844.58**	**120.43**	**-32.61**

Interpretation:

- In 2019, the company had negative non-cash working capital of -546.89, indicating it was relying on its short-term liabilities to finance operations. In 2020, the large negative balance in -978.27 suggests the company might have been aggressively managing its payables. In 2022, the company reported positive non-cash working capital of 120.43, shift where operational assets exceeded operational liabilities. In 2023, the company returned to a slightly negative non-cash working capital of -32.61, indicating a rebalancing but still efficient management of operational liabilities compared to assets.

Cash Conversion Cycle (CCC)

A cash conversion cycle is a time that a company needs to convert its inventories and resources into cash through sales. It measures the time it takes a business to purchase supplies, turn theminto a product or service, sell them and collect accounts receivable.

The cash conversion cycle formula has three parts:

- ✓ **Days inventory outstanding**

  Inventory days = 365 / Inventory Turnover Ratio
- ✓ **Days receivables outstanding**

  Receivable days = 365 / Receivables Turnover Ratio
- ✓ **Days payable outstanding**

  Payable days = 365 / Payable Turnover Ratio

Particulars	2019	2020	2021	2022	2023
Receivables Day	**45.75**	**42.62**	**33.24**	**33.19**	**34.13**
Inventory Day	**55.15**	**62.72**	**56.80**	**63.32**	**42.13**
Payables Day	**89.88**	**91.35**	**71.47**	**64.31**	**49.97**
CCC	**11.03**	**13.99**	**18.57**	**32.20**	**26.29**

Interpretation:

- **Receivables Day:** Decreased from 45.75 days in 2019 to around 33 days in 2021 and 2022, showing the company became more efficient in collecting payments from customers. In 2023, receivables days increased slightly to 34.13, indicating a small slowdown in collections but still an overall improvement from 2019.

- **Inventory Day:** Increased to 63.32 days by 2022, indicating slower inventory turnover, possibly due to slower sales. In 2023, inventory days decreased sharply to 42.13 days, reflecting much quicker sales or more efficient inventory management, a positive improvement.

- **Payables Day:** Decreased from 91.35 days in 2020 to 49.97 days in 2023, indicating the company is paying its suppliers much more quickly. This could be due to improved cash flow or better relationships with suppliers, though faster payments could also reduce liquidity if not managed carefully.

- **Cash Conversion Cycle (CCC):** The CCC increased from 11.03 days in 2019 to 32.20 days in 2022, indicating a longer time to convert inventory and receivables into cash, less efficient working capital management. Improved to 26.29 days in 2023, indicating better working capital management.

CHAPTER -IV

FINDINGS:

- Total assets increased from ₹14,170.0 in 2019 to ₹17,498.77 in 2023, indicating healthy asset accumulation. There was notable growth in Non-Current Assets especially Property, Plant, Equipment.
- Current liabilities declined from ₹3,891.78 in 2019 to ₹3,291.31 in 2023. However, the firm experienced volatility in short-term borrowings, peaking at ₹1,226.81 in 2022 before dropping to ₹844.84 in 2023.
- While long-term debt reduction improves financial stability, the rise in short-term borrowings 844.84 in 2023 requires attention. The company should focus on optimizing its debt structure to avoid reliance on short-term debt.
- Revenue from Operations increased steadily from ₹10,314.34 in 2019 to ₹13,315.97 in 2023, reflecting consistent business expansion.
- Financial costs saw a dip in 2021 but increased again to ₹175.74 in 2023, potentially due to changes in short-term borrowings.
- Despite strong operating cash flows, the combined negative impact of investing and financing activities has resulted in cash outflows over the years, reducing the company's cash reserves as reflected in the balance sheet.
- The Operating Profit Margin (OPM) of Godrej Consumer Products has shown a consistent decline from 24.04% in 2019 to 19.11% in 2023. This downward trend indicates potential challenges such as rising costs, reduced operational efficiency, or pricing pressures.
- The Net Profit Margin (NPM) has declined significantly from 22.70% in 2019 to 12.79% in 2023, reflecting a continuous deterioration in profitability. The margin drop suggests increasing financial pressure, lower income from operations, or challenges in managing expenses effectively.
- The Return on Capital Employed (ROCE), which measures how effectively the company utilizes its capital to generate profits, has declined from 22.77% in 2019 to 15.57% in 2023. This decline could be attributed to factors such as lower profitability, increased capital investment without proportional returns, or inefficient use of working capital.
- The Return on Net Worth (RONW) has experienced a significant decline, dropping from 32.22% in 2019 to 12.34% in 2023. This decline indicates a reduction in the company's ability to generate returns on shareholders' equity.

- The Interest Coverage Ratio (ICR), which measures a company's ability to meet its interest obligations from its operating income, has fluctuated over the years, showing values of 10.30 in 2019, 9.10 in 2020, 17.43 in 2021, 20.56 in 2022, and then dropping to 13.14 in 2023.

- The Net Debt to EBITDA ratio reflects the company's leverage and its ability to pay off debt using its earnings before interest, taxes, depreciation, and amortization (EBITDA). The figures from 2019 to 2023 show a consistent decrease in the ratio, moving from 0.62 in 2019 to -0.59 in 2023.

- The Current Ratio, which measures a company's ability to cover its short-term liabilities with its short-term assets, has shown a notable improvement from 1.20 in 2019 to 1.76 in 2023.

- The Dupont Analysis or ROE has decreased significantly from 32.22% in 2019 to 12.34% in 2023. This is a worrying trend that indicates the company's ability to generate returns for shareholders is diminishing.

- The CCC increased significantly from 11.03 days in 2019 to 32.20 days in 2022. The decrease to 26.29 days in 2023 suggests some improvement in the cash conversion process.

SUGGESTIONS:

- The company demonstrates consistent asset growth, particularly through increased investments, goodwill, and property. However, managing declining cash reserves and optimizing borrowings and trade payables are essential to maintain liquidity**.**

- The declining net profit margin suggests a need to control rising costs and improve operational efficiency. Exploring revenue diversification and optimizing processes can help counterbalance increasing expenses.

- The return on net worth has shown a consistent decline over the past five years, indicating a potential issue with generating returns on shareholders' equity.

- The Compound Annual Growth Rate (CAGR) highlights a mixed performance across key financial metrics.

- The company navigates these declines, focusing on enhancing asset utilization and profit margins may be crucial for stabilizing and improving its ROE. Strategic investments in core operations and cost management initiatives can help reverse this trend and drive sustainable growth in the future.

CHAPTER -V

Conclusion:

The study undertaken with objectives of profitability of GODREJ CONSUMER PRODUCT. Even though the profitability condition in the satisfactory level, in upcoming years the firm should focus on getting of more profits by considering internal as well as external factors. If the given suggestion is implemented than the overall efficiency and profitability of GODREJ CONSUMER PRODUCT can be improved. The working capital of the company can be increased by managing debtors effectively.

I would like to conclude that the prosperity of GODREJ CONSUMER PRODUCT is wealthy for the year 2019 and 2023.The company made huge fluctuation in 2021 because of covid-19 pandemic period. It was found to be in a gradually ups and down in net sales and net profits of the company since in 2023.

It can be modified by implementing proper financial managements concepts. Thus, it can be concluded that the inner strength of the company is remarkable. The company can further improve its profitability through optimum capital gearing and reduction in administration and financial expenses.