FUNDAMENTAL OF FINANCE AND ACCOUNT ASSIGNMENT (ECON F212)

Analysis of Underlying Liquidity, Leverage and Efficiency, Profitability and Marketability Time Ratios and Preparing an Investment Report

BY
GROUP 24

Under the supervision of
DR. NAGARAJU THOTA

Companies Picked:
Pidilite Industries Ltd
Jubilant Foodworks Ltd
Chambal Fertilisers and Chemicals Ltd

ACKNOWLEDGEMENTS

We would like to express our sincerest gratitude to Dr. Nagaraju Thota for allowing us to work under him on this project and for taking his valuable time to provide us with the required guidance wherever required. His input proved to be very vital for the project. We would like to thank him for providing such a wonderful opportunity to apply our course knowledge to real-life data and get hands-on experience.

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Understanding Ratios

Liquidity Ratios:

- **Current ratio:** This ratio measures the company's ability to pay off its short-term liabilities with its short-term assets. It is calculated by dividing the total current assets by the total current liabilities. A higher current ratio indicates that the company has more short-term assets to cover its short-term liabilities. A current ratio of 1 or higher is generally considered good.

- **Acid-test ratio:** Also known as the quick ratio, this ratio measures the company's ability to pay off its current liabilities with its most liquid assets, excluding inventory. It is calculated by dividing the total current assets minus inventory by the total current liabilities. A higher acid-test ratio indicates that the company has more readily available assets to cover its short-term liabilities. A ratio of 1 or higher is generally considered good.

- **Cash ratio:** This ratio measures the company's ability to pay off its current liabilities with its cash and cash equivalents. It is calculated by dividing the cash and cash equivalents by the total current liabilities. A higher cash ratio indicates that the company has more cash available to cover its short-term liabilities. A ratio of 0.5 or higher is generally considered good.

- **Operating cash flow ratio:** This ratio measures the company's ability to generate cash from its operations. It is calculated by dividing the operating cash flow by the total current liabilities. A higher operating cash flow ratio indicates that the company has more cash available to cover its short-term liabilities. A ratio of 1 or higher is generally considered good.

Leverage Financial Ratios:

- **Debt ratio:** This ratio measures the proportion of a company's assets that are financed by debt. It is calculated by dividing the total debt by the total assets. A higher debt ratio indicates that the company has more debt relative to its assets, which can make it riskier for investors and creditors.

- **Debt to equity ratio:** This ratio measures the proportion of a company's financing that comes from debt versus equity. It is calculated by dividing the total debt by the total equity. A higher debt-to-equity ratio indicates that the company has more debt relative to its equity, which can make it riskier for investors and creditors.

- **Interest coverage ratio:** This ratio measures the company's ability to pay its interest expense with its earnings. It is calculated by dividing the earnings before interest and taxes (EBIT) by the interest expense. A higher interest coverage ratio indicates that the company has more earnings to cover its interest expense, which is a positive sign for investors and creditors.

- **Debt service coverage ratio:** This ratio measures the company's ability to meet its debt obligations, including both principal and interest payments. It is calculated by dividing the operating income by the total debt service (principal and interest payments). A higher debt service coverage ratio indicates that the company has more cash available to cover its debt obligations, which is a positive sign for investors and creditors.

Efficiency Ratios:

- **Asset turnover ratio:** This ratio measures how efficiently a company uses its assets to generate revenue. It is calculated by dividing the total revenue by the average total assets. A higher asset turnover ratio indicates that the company is generating more revenue per dollar of assets, which is a positive sign for investors.

- **Inventory turnover ratio:** This ratio measures how quickly a company sells its inventory. It is calculated by dividing the cost of goods sold by the average inventory. A higher inventory turnover ratio indicates that the company is selling its inventory quickly, which is a positive sign for investors as it reduces the risk of obsolete inventory.

- **Receivables turnover ratio:** This ratio measures how quickly a company collects its accounts receivable. It is calculated by dividing the total revenue by the average accounts receivable. A higher receivables turnover ratio indicates that the company is collecting its receivables quickly, which is a positive sign for investors as it reduces the risk of bad debt.

- **Days sales in inventory ratio:** This ratio measures how long it takes for a company to sell its inventory. It is calculated by dividing the average inventory by the cost of goods sold per day. A lower days sales in inventory ratio indicates that the company is selling its inventory more quickly, which is a positive sign for investors.

Profitability Ratios:

- **Gross profit margin:** This ratio measures the percentage of sales revenue that remains after deducting the cost of goods sold. It is calculated by dividing the gross profit by the total revenue. A higher gross profit margin indicates that the company is generating more profit per dollar of sales, which is a positive sign for investors.

- **Operating profit margin:** This ratio measures the percentage of sales revenue that remains after deducting the operating expenses. It is calculated by dividing the operating profit by the total revenue. A higher operating profit margin indicates that the company is generating more profit per dollar of sales, which is a positive sign for investors.

- **Return on assets (ROA):** This ratio measures how efficiently a company uses its assets to generate profit. It is calculated by dividing the net profit by the average total assets. A higher ROA indicates that the company is generating more profit per dollar of assets, which is a positive sign for investors.

- **Return on equity (ROE) ratio:** This ratio measures the profitability of a company in relation to the amount of equity invested by shareholders. It is calculated by dividing the net profit by the average shareholder's equity. A higher ROE indicates that the company is generating more profit per dollar of shareholder's equity, which is a positive sign for investors.

Market Value Ratios:

- **Dividend yield:** This ratio measures the percentage of return on investment generated by dividends. It is calculated by dividing the annual dividend per share by the market price per share. A higher dividend yield indicates that the company is paying higher dividends relative to its stock price.

- **Price-to-earnings (P/E) ratio:** This ratio measures the price investors are willing to pay for each dollar of earnings generated by the company. It is calculated by dividing the market price per share by the earnings per share (EPS). A higher P/E ratio indicates that investors have higher expectations for future earnings growth.

- **Earnings per share (EPS) ratio:** This ratio measures the portion of a company's profit allocated to each outstanding share of common stock. It is calculated by dividing the net profit by the total number of outstanding shares. A higher EPS indicates that the company is generating more profit per share, which is a positive sign for investors.

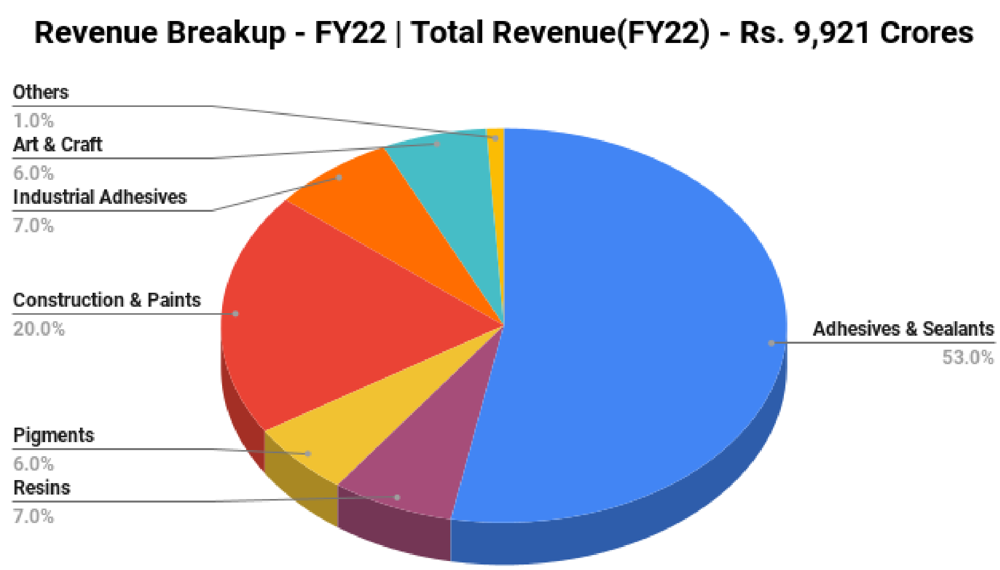
- **Book value per share ratio:** This ratio measures the value of a company's equity per share of common stock. It is calculated by dividing the total shareholder's equity by the total number of outstanding shares. The book value per share represents the amount of money shareholders would receive if the company were to liquidate its assets and pay off its liabilities. A higher book value per share indicates that the company has more assets than liabilities, which is a positive sign for investors.

Pidilite Industries Ltd

I. Nature of the Business:

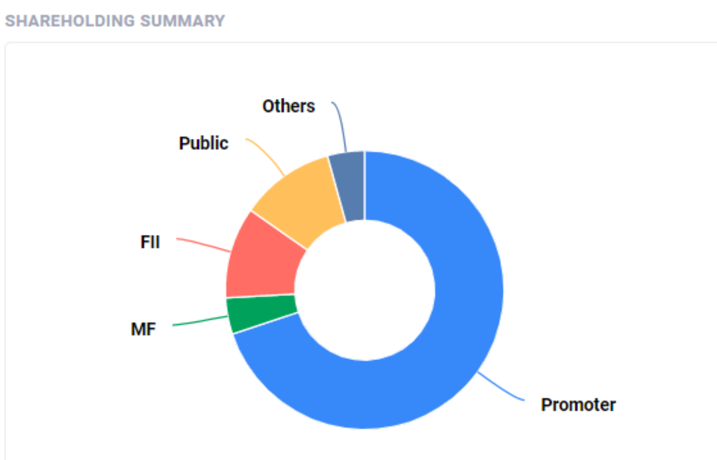
Pidilite Industries Ltd is primarily engaged in the manufacturing and distribution of consumer and industrial speciality chemicals in India and internationally. The company's product portfolio includes adhesives, sealants, construction chemicals, automotive chemicals, art materials, and other speciality chemicals. Pidilite Industries is a leader in the Indian speciality chemicals market, with a strong presence in over 90 countries worldwide.

The company's adhesives and sealants division is its largest business segment, accounting for over 50% of its revenue. The division's flagship brand, Fevicol, is one of India's most well-known and trusted brands. The company's other brands include Fevikwik, M-Seal, and Dr Fixit. Pidilite Industries' construction chemicals division is its second-largest business segment, offering a range of products for the construction industry, including waterproofing solutions, repair mortars, and concrete admixtures. The company's industrial adhesives division offers a range of products for the automotive, packaging, and textiles industries.



II. Public or Private Ownership:

Pidilite Industries Ltd is a publicly listed company traded on the National Stock Exchange of India and the Bombay Stock Exchange. The company has a large number of shareholders, including institutional investors and retail investors. **Pidilite Industries must file regular financial statements and disclosures with the regulatory authorities and its shareholders as a public company.**



III. Company History:

Pidilite Industries Ltd was founded in 1959 as a small-scale adhesive manufacturing company in Mumbai, India. The company was initially known as Pidilite Industries Private Limited, and it started its operations with a single product, Fevicol. Over the years, the company expanded its product portfolio and established a strong distribution network across India. In 1973, the company became a public limited company, and its name was changed to Pidilite Industries Limited.

The company has a long history of innovation and product development. In 1963, Pidilite Industries introduced Fevicol, which quickly became one of the most popular adhesives in India. Over the years, the company has introduced several other successful brands, including Fevikwik, M-Seal, and Dr Fixit. Pidilite Industries has also invested heavily in research and development, with several state-of-the-art research centres across India.

IV. Overall Greatness of the Company:

Pidilite Industries Ltd is an excellent company with a strong market position, a diversified product portfolio, and a proven track record of delivering strong financial results. The company has a **market capitalisation of over $11 billion** and is one of India's largest speciality chemicals companies.

Pidilite Industries has a strong financial position, with steady revenue growth and increasing profits. The company's revenue has grown at a compound annual growth **rate of over 14%** over the past five years, and its net profit margin has consistently **remained above 15%.** The company's return on equity and return on assets are also above industry averages, indicating a strong financial performance.

The company's management team has a proven track record of delivering shareholder value, focusing on innovation, efficiency, and sustainability. The company's strong corporate governance practices have earned it the trust of its shareholders, and the company has been recognised for its commitment to sustainability and social responsibility.

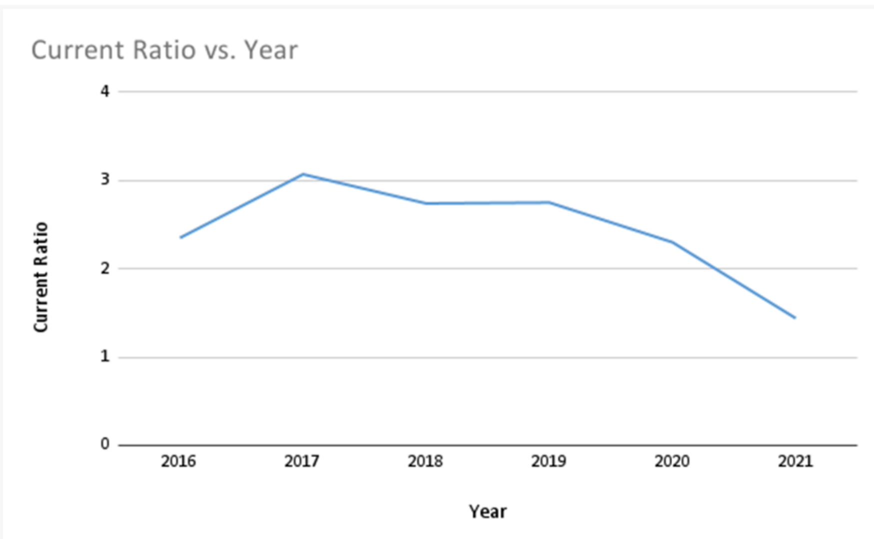
In conclusion, Pidilite Industries Ltd is an excellent company with a strong market position, a diversified product portfolio, and a proven track record of delivering strong financial results. The company's focus on innovation, efficiency, and sustainability, along with its strong corporate governance practices, makes it a great investment opportunity for investors seeking exposure to the Indian speciality chemicals market.

Liquidity Ratios:

In Millions of I	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average	Max	Min
12 Months End	03/31/201	03/31/2017	03/31/20	03/31/201	03/31/20	03/31/20	03/31/202			
Current Ratio	2.35	3.07	2.74	2.75	2.33	1.44	1.73	2.344	3.07	1.44
Acid Test Ratio	1.53	2.21	1.83	1.84	1.56	0.8	0.84	1.516	2.21	0.8
Cash Ratio	0.76	1.46	1.06	1.03	0.88	0.26	0.23	0.8114	1.46	0.23
Operating cash flow Ratio	0.984	0.775	0.665	0.652	0.792	0.567	0.399	0.691	0.984	0.399

Individual Ratio Analysis

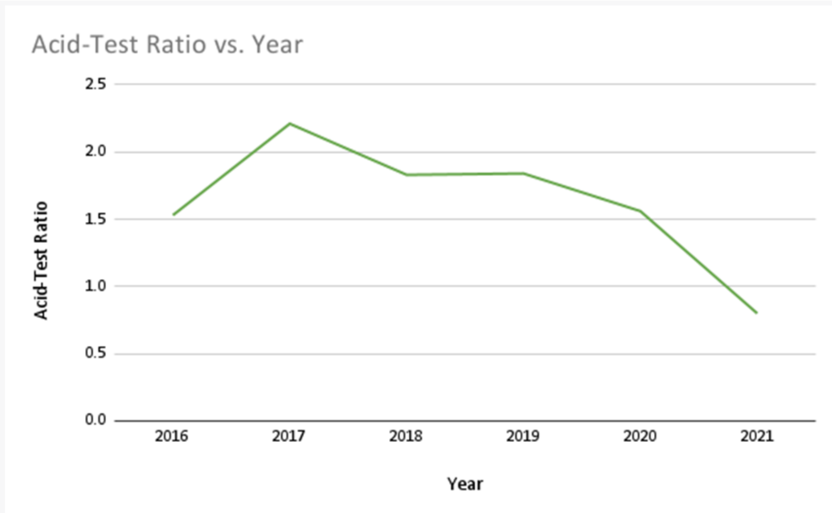
Current ratio:



- The current ratio of Pidilite Industries Ltd. measures the company's ability to pay off its short-term liabilities using its current assets. A higher current ratio indicates that the company has more current assets relative to its current liabilities, which suggests that it is better positioned to meet its short-term obligations. The current ratio of Pidilite Industries Ltd. has fluctuated over the past six years. In 2016, the current ratio was 2.35, indicating that the company had 2.35 times more current assets than current liabilities. The ratio increased to 3.07 in 2017, which was a positive sign for the company's short-term financial health.

- However, in 2018 and 2019, the current ratio decreased to 2.74 and 2.75, respectively. In 2020, the current ratio decreased even further to 2.3, which could have been a result of the economic impact of the COVID-19 pandemic. In 2021, the current ratio dropped significantly to 1.44. This could indicate that the company's current assets were not sufficient to cover its current liabilities, which could be a cause for concern for investors and creditors.

- Overall, the trend in Pidilite Industries Ltd.'s current ratio has been somewhat volatile over the past six years.

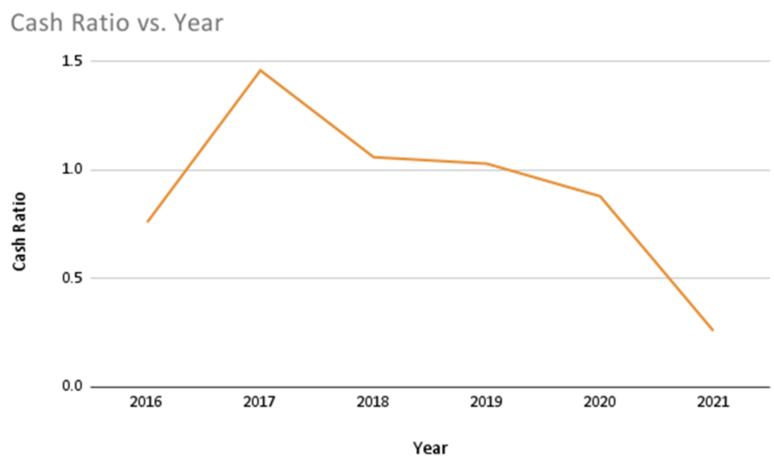


Acid Test Ratio:

- The acid-test ratio measures the ability of a company to meet its short-term obligations using its most liquid assets, such as cash, marketable securities, and accounts receivable. The quick ratio of Pidilite Industries Ltd. has also fluctuated over the past six years. In 2016, the quick ratio was 1.53, which increased to 2.21 in 2017, indicating an improvement in the company's liquidity position. However, in 2018 and 2019, the quick ratio decreased to 1.83 and 1.84, respectively.

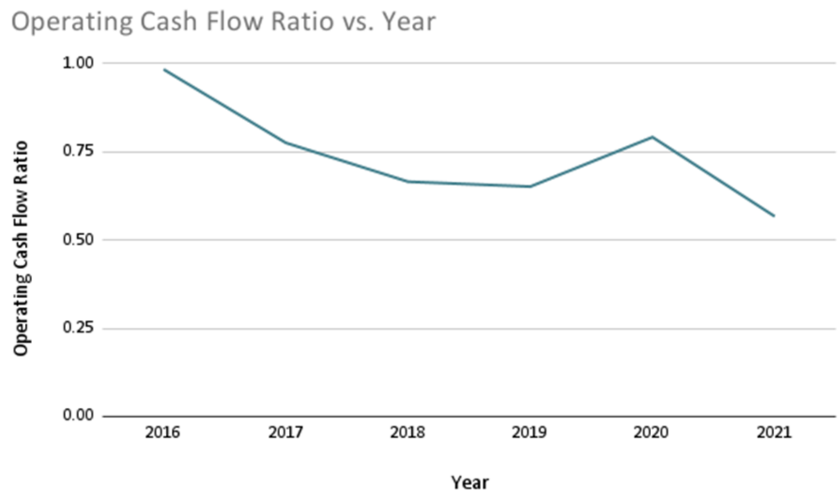
- In 2020, the quick ratio decreased further to 1.56, which could have been a result of the economic impact of the COVID-19 pandemic. In 2021, the quick ratio dropped significantly to 0.8, which indicates that the company's liquid assets were not sufficient to cover its short-term liabilities, potentially putting the company's financial health at risk.

- Overall, the trend in Pidilite Industries Ltd.'s quick ratio indicates that the company's liquidity position has been volatile over the past six years.



Cash ratio:

- The cash ratio measures the ability of a company to meet its short-term obligations using its most liquid asset, cash, and cash equivalents. A higher cash ratio indicates that the company has more cash on hand relative to its short-term liabilities. The cash ratio of Pidilite Industries Ltd. has also fluctuated over the past six years. In 2016, the cash ratio was 0.76, which increased to 1.46 in 2017, indicating an improvement in the company's liquidity position. However, in 2018 and 2019, the cash ratio decreased to 1.06 and 1.03, respectively.
- In 2020, the cash ratio decreased further to 0.88, which could have been a result of the economic impact of the COVID-19 pandemic. In 2021, the cash ratio dropped significantly to 0.26, which indicates that the company's cash on hand was not sufficient to cover its short-term liabilities. Overall, the trend in Pidilite Industries Ltd.'s cash ratio suggests that the company's ability to meet its short-term obligations using its most liquid assets has been volatile over the past six years.



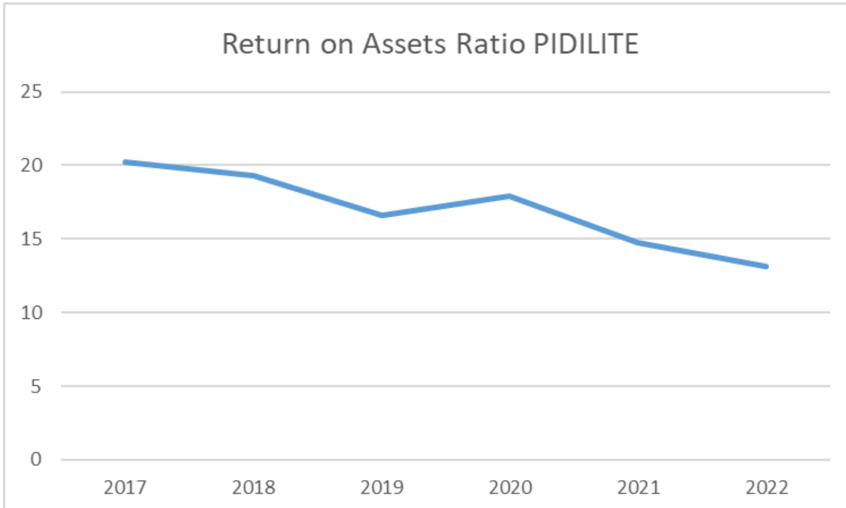
Operating Cash Flow Ratio:

- The operating cash flow ratio of Pidilite Industries Ltd. has fluctuated over the past six years. In 2016, the operating cash flow ratio was 0.9836, which decreased to 0.7755 in 2017, indicating a decline in the company's liquidity position. In 2018 and 2019, the operating cash flow ratio continued to decrease to 0.6654 and 0.6515, respectively, which could have been a result of lower operating cash flows. However, in 2020, the operating cash flow ratio increased to 0.7916, which suggests that the company's operating cash flow was able to cover a higher proportion of its current liabilities.
- In 2021, the operating cash flow ratio decreased significantly to 0.5671, which indicates that the company's operating cash flow was not sufficient to cover its current liabilities. Overall, the trend in Pidilite Industries Ltd.'s operating cash flow ratio suggests that the company's ability to pay off its current liabilities using its operating cash flow has been volatile over the past six years.

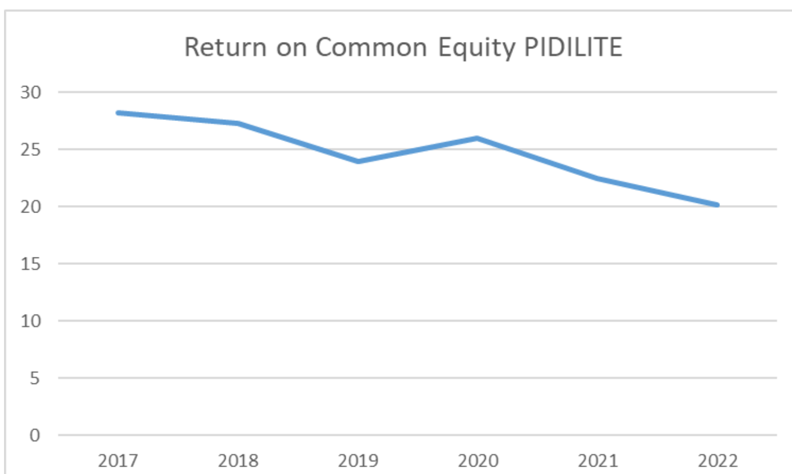
Profitability Ratio: (We were not able to find data for the fields left blank*)

In Millions of INR	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average	Max	Min
12 Months Endin	03-31-2016	03-31-2017	03-31-2018	03-31-2019	03-31-2020	03-31-2021	03-31-2022			
Gross Margin ratio										
Operating margin Ratio										
Return on Assets Ratio	22.82	20.25	19.29	16.64	17.93	14.72	13.16	17.83	22.82	13.2
Return on Common Equity	32.71	28.16	27.32	23.95	25.95	22.51	20.13	25.82	32.71	20.13

Individual Ratio Analysis:



- Pidilite has had a varying ROA ratio over the past six years, with a range between 13.16% and 20.25%. A higher ROA ratio indicates that the company is generating more profit from each dollar of assets, which is generally a positive sign

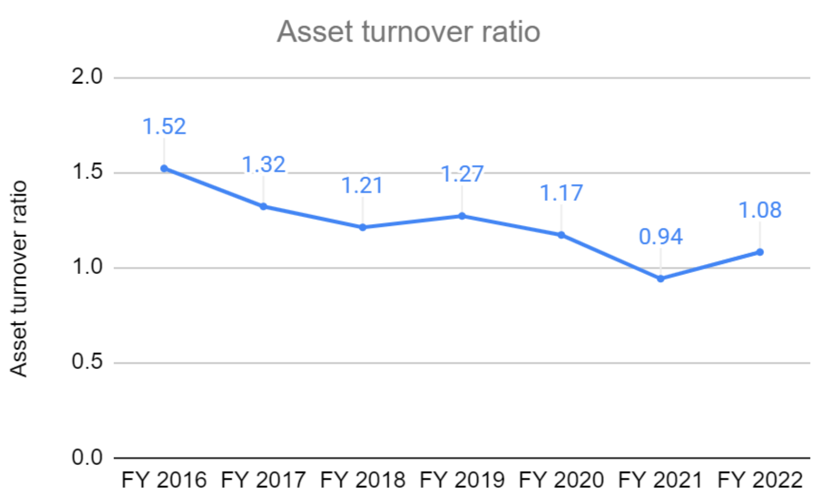


- Pidilite has had a varying ROE ratio over the past six years, with a range between 20.13% and 28.16%. A higher ROE ratio indicates that the company is generating more profit for each dollar of shareholder's equity, which is generally a positive sign.

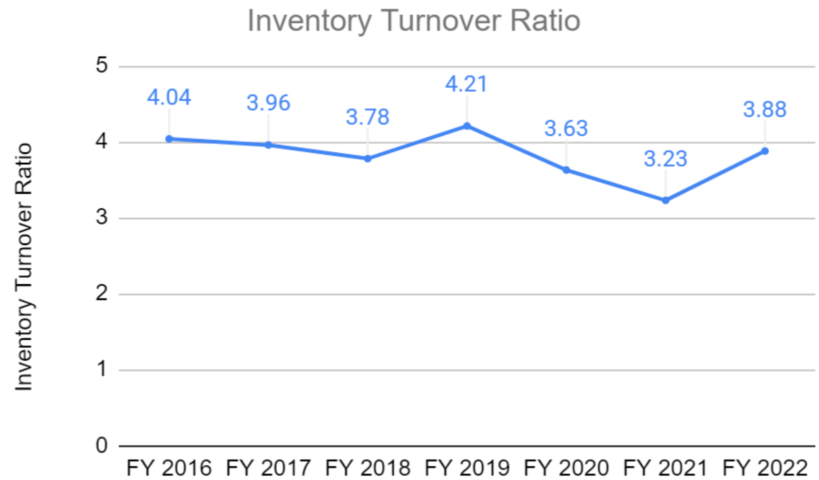
Efficiency Ratio:

In Millions of INR e	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average	Max	Min
12 Months Ending	03/31/2016	03/31/2017	03/31/2018	03/31/2019	)3/31/202	3/31/202	)3/31/2022			
Asset turnover ratio	1.52	1.32	1.21	1.27	1.17	0.94	1.08	1.22	1.52	0.94
Inventory Turnover Ratio	4.04	3.96	3.78	4.21	3.63	3.23	3.88	3.82	4.21	3.23
Accounts Receivable Turnover	8.28	7.6	7.07	7.06	6.77	6.02	7.18	7.14	8.28	6.02
DSI = 1/Inventory turnover Ratio * 365	24.75	25.25	26.46	23.75	27.55	30.96	25.77	26.36	30.96	23.75

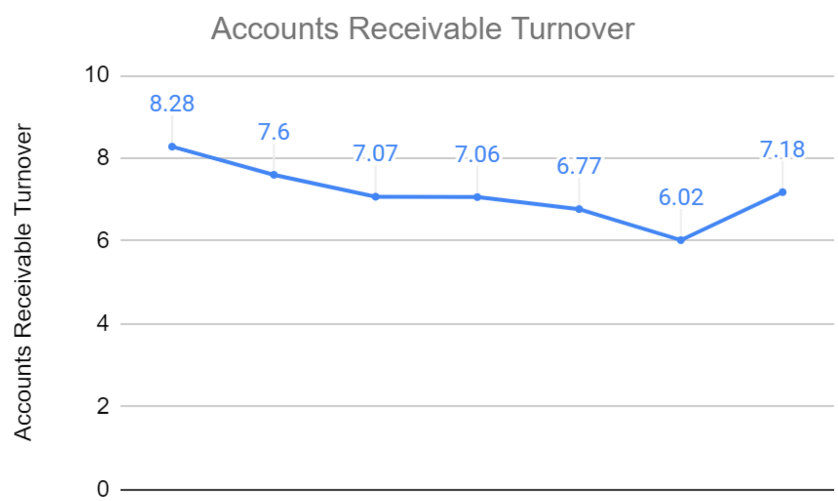
Individual Ratio Analysis:



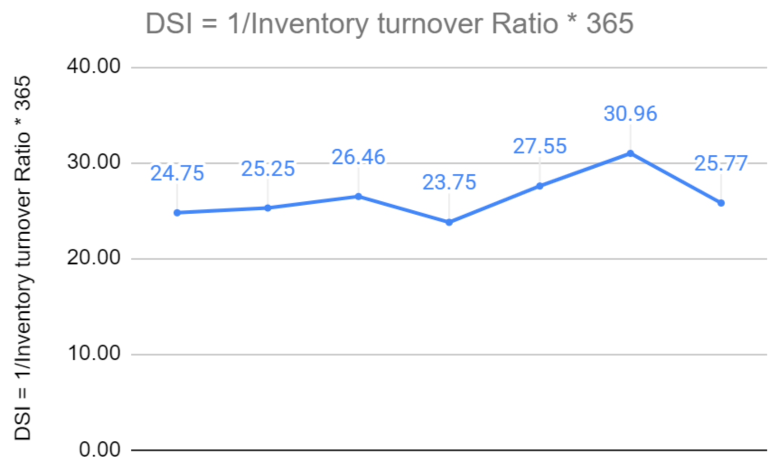
- The Asset Turnover Ratio of Pidilite Industries Ltd has fluctuated over the past 7 years, with a high of 1.52 and a low of 0.94. The declining trend in recent years may indicate slowing growth or less efficient utilization of its assets. However, a ratio of over 1 suggests that the company is generating more revenue than the value of its assets, which is a positive sign. .



- The Inventory Turnover Ratio of Pidilite Industries Ltd has been relatively stable over the past 7 years, ranging from 3.23 to 4.21. This suggests consistent efficiency in managing its inventory.



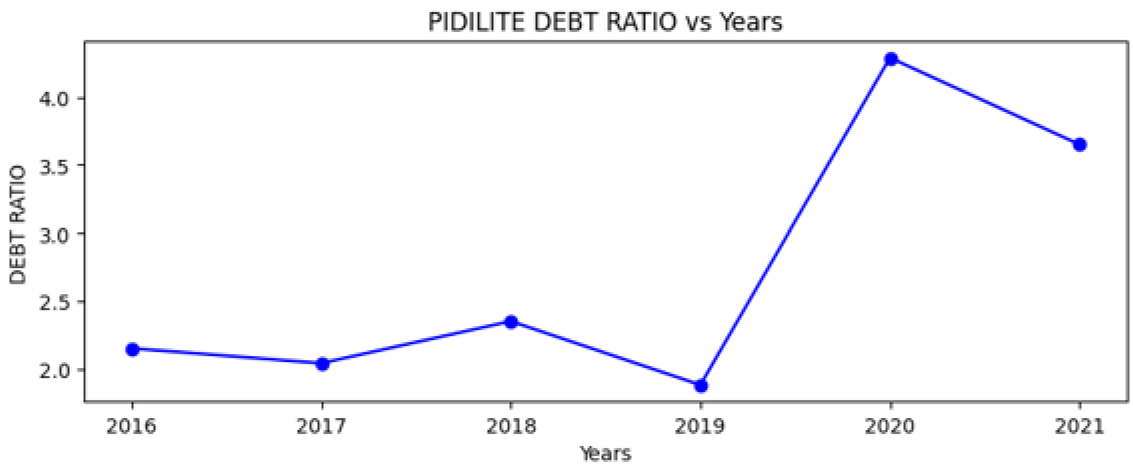
- The Accounts Receivable Turnover ratio of Pidilite Industries Ltd has remained relatively stable over the past 7 years, with a high of 8.28 and a low of 6.02. This suggests that the company has been successful in collecting its outstanding receivables on a consistent basis.



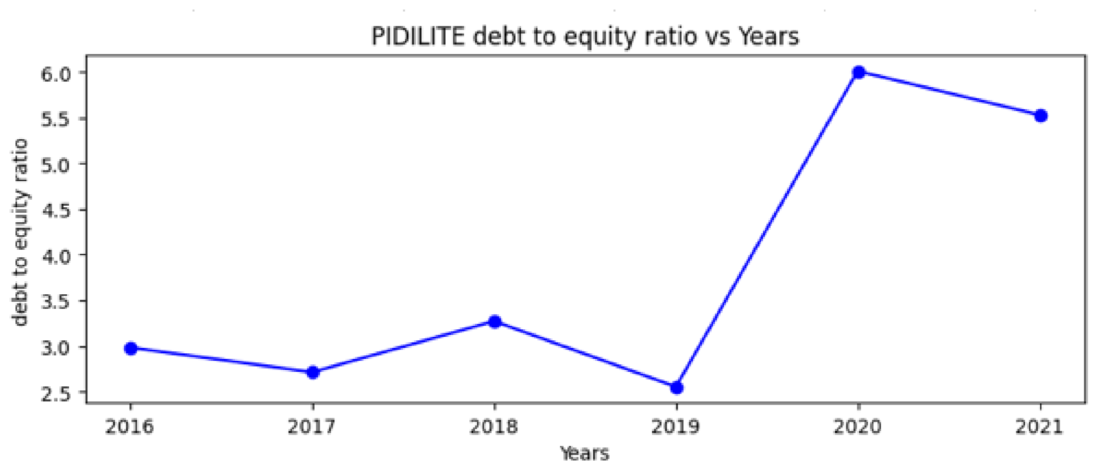
- The Day Sales to Inventory Ratio of Pidilite Industries Ltd has remained relatively stable over the past 7 years, ranging from 23.75 to 30.96. This indicates efficient inventory management and stable sales growth.

Leverage Financial Ratios: (We were not able to find data for the fields left blank*)

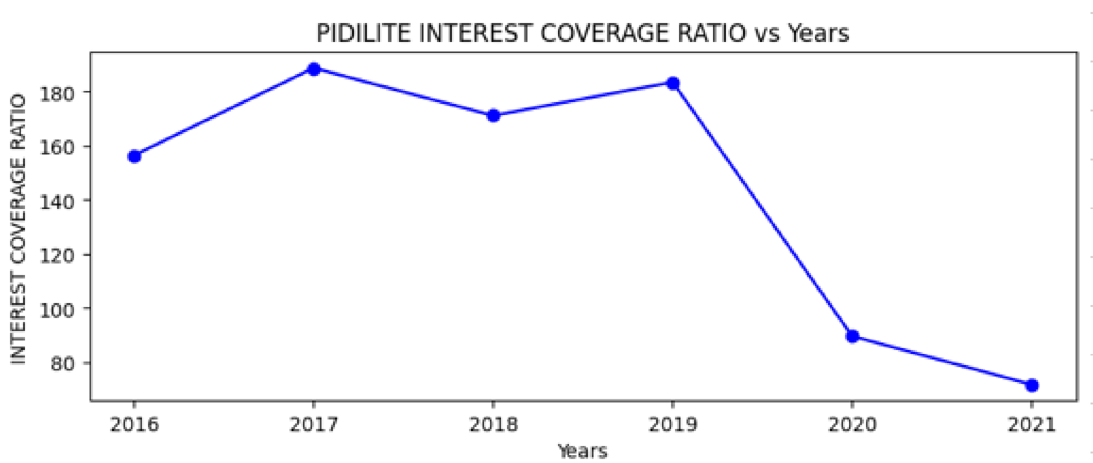
In Millions of	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	verage	Max	Min
12 Months En	03-31-2016	03-31-2017	03-31-2018	03-31-2019	03-31-2020	03-31-2021	03-31-2022			
Debt ratio	2.15	2.04	2.35	1.88	4.29	3.65	4.31	2.95	4.31	1.88
Debt to equity ratio	2.98	2.71	3.27	2.55	6.01	5.53	6.22	4.18	6.22	2.55
Intrest coverage ratio	156.47	188.69	171.1	183.48	89.68	71.79		143.54	188.69	71.79
Debt service coverage ratio										



- The Debt Ratio of Pidilite Industries Ltd has fluctuated significantly over the past 7 years, with a low of 1.88 and a high of 4.31. The high Debt Ratios in certain years may indicate higher financial leverage and risk, while the lower ratios may suggest better financial health. Further analysis of the company's financial statements, industry trends, and management strategies is required to assess its growth prospects and future performance. As Debt is needed for the growth and expansion of a company as well.



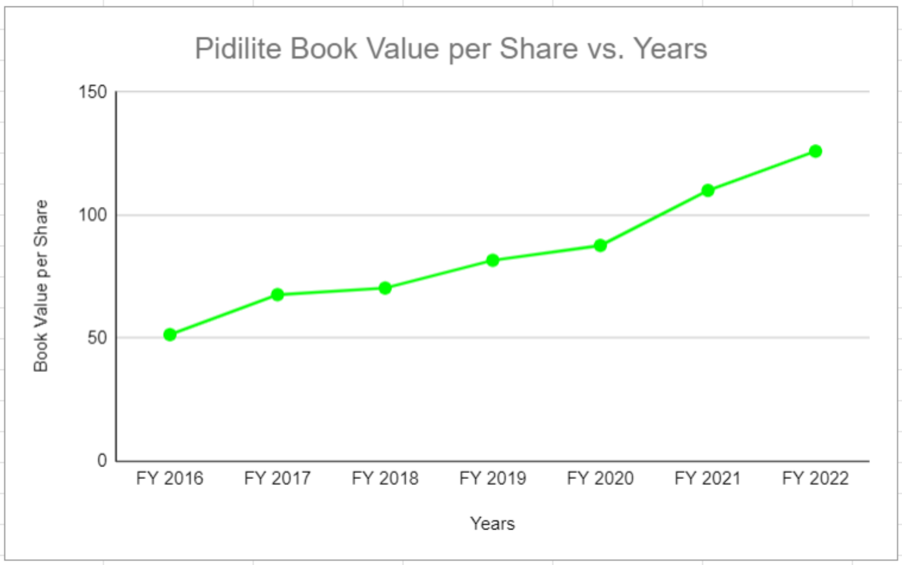
- The Debt to Equity Ratio of Pidilite Industries Ltd has consistently remained above two over the past seven years, with a high of 6.22. This indicates that the company has a higher proportion of debt in its capital structure than equity, which may pose a risk in terms of financial stability and future growth prospects.



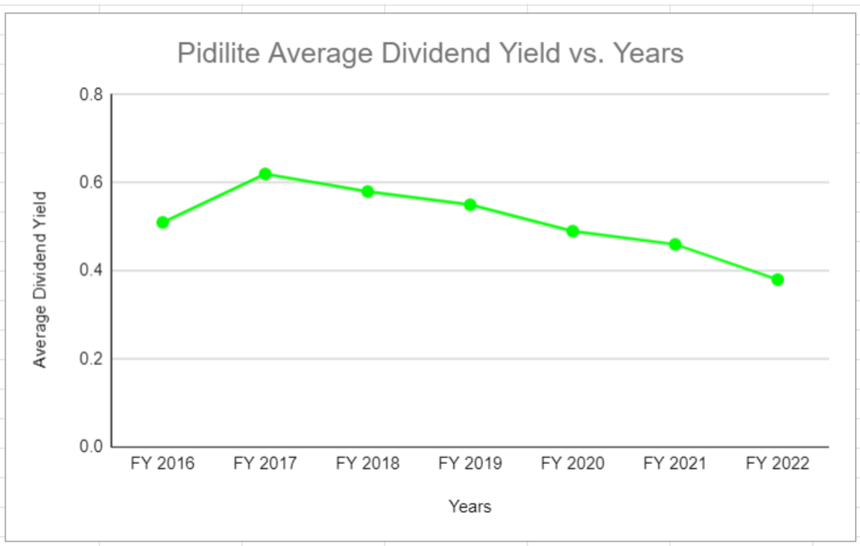
- The Interest Coverage Ratio of Pidilite Industries Ltd has been consistently high over the past 7 years, indicating a strong ability to meet interest obligations from earnings before interest and taxes. This suggests a stable financial position and a positive outlook for the company's future prospects.

Market Value Ratios:

In Millions of INR except Per Share	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average	Max	Min
12 Months Ending	03/31/2016	03/31/2017	03/31/2018	03/31/2019	03/31/2020	03/31/2021	03/31/2022			
Book Value per Share	51.46	67.7	70.38	81.66	87.69	110.06	125.99	84.99142857	125.99	51.46
Average Dividend Yield	0.51	0.62	0.58	0.55	0.49	0.46	0.38	0.5128571429	0.62	0.38
Trailing 12M Earnings per Share	15.66	16.77	18.95	18.21	21.98	22.26	23.76	19.65571429	23.76	15.66
Price Earnings Ratio (P/E)	37.63	41.69	48.43	68.44	61.71	81.28	103.3	63.21142857	103.3	37.63



- The book value per share has been growing consistently over the years from 51.46 in 2016 to 125.99 in 2022 indicating consistent growth of the company.



- The Average dividend yield for Pidilite Industries Ltd has come down from 0.51 in 2016 to 0.38 in 2022, indicating a lower dividend payout as compared to the previous years. The ratio may have come down due to the impact of Covid 19, as we can see a much faster decline after 2019. It would have declined because the company was trying to keep its financial position safe and not get many issues from the pandemic.

- As far as the Earning per share ratio is concerned, we can see an increase in it over the years. The Earnings per share dipped a bit in 2019 but picked up pace over the next three years and its value is currently at 23.76 in 2022. The dip might have been the impact of the pandemic but the increase is showing the recovery of the company.

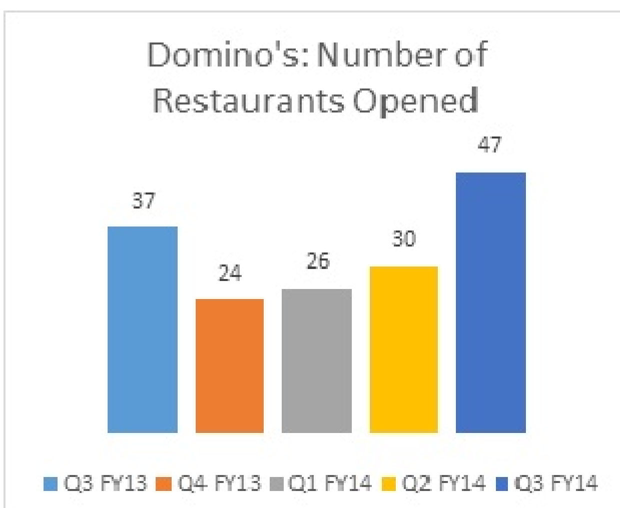
- P/E Ratio indicates the multiple of earnings investors is willing to pay to own one share of the company. Thus, for Pidilite Industries Ltd, the investors are currently willing to pay 100.55 times earnings to own 1 share of the company. The growth of the company has been pretty good and its earnings are expected to increase looking at its current growth and the efforts put by the company into its business.

Jubilant Food Works Ltd

I. Nature of the Business:

Jubilant Foodworks Ltd is a leading food service company in India, with a focus on the quick-service restaurant (QSR) segment. The company operates two of the most popular QSR brands in India, Domino's Pizza and Dunkin' Donuts. Jubilant Foodworks has a strong presence in over 250 cities in India, with more than 1,300 Domino's Pizza outlets and 30 Dunkin' Donuts outlets. The company's product offerings include pizzas, burgers, sandwiches, donuts, and other snacks and beverages.

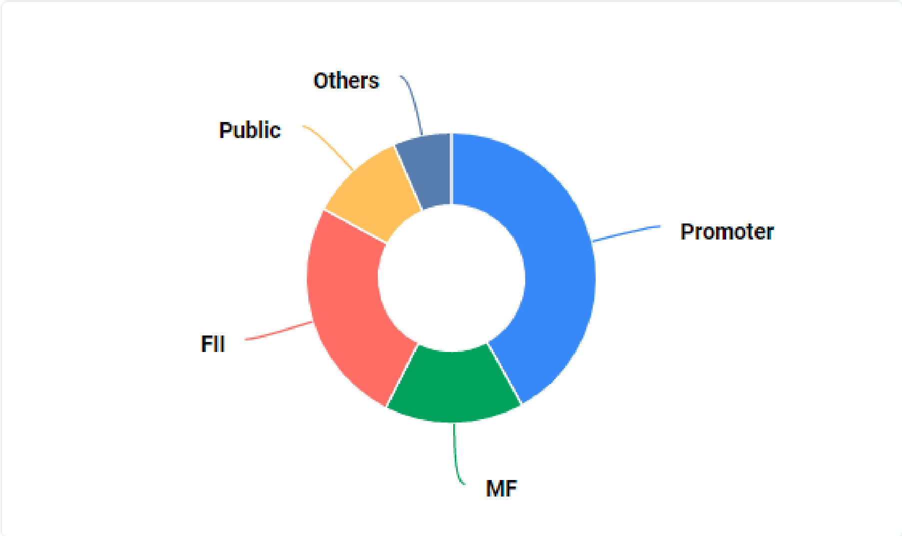
Jubilant Foodworks' business model is built on a franchise system, where the company licenses the rights to use its brand and operating systems to independent franchisees. The company's franchisees are responsible for setting up and operating the outlets, while Jubilant Foodworks provides training, support, and marketing assistance.



II. Public or Private Ownership:

Jubilant Foodworks Ltd is a **publicly listed company** and is traded on the National Stock Exchange of India and the Bombay Stock Exchange. The company has a large number of shareholders, including institutional investors and retail investors. As a public company, Jubilant Foodworks is required to file regular financial statements and disclosures with the regulatory authorities and its shareholders.

SHAREHOLDING SUMMARY



III. Company History:

Jubilant Foodworks Ltd was incorporated in **1995** as a food service company in India. The company started its operations by opening the first Domino's Pizza outlet in India in 1996. Over the years, the company expanded its product portfolio and established a strong distribution network across India. In 2012, Jubilant Foodworks acquired the master franchise rights for Dunkin' Donuts in India.

The company has a strong focus on innovation and product development, with a dedicated research and development center in Noida, India. Jubilant Foodworks has also invested heavily in technology, with a strong online ordering and delivery platform, as well as a mobile app for customers.

IV. Overall Greatness of the Company:

Jubilant Foodworks Ltd is a great company with a dominant market position in the QSR segment in India. **The company has a market capitalisation of over $4.5 billion** and is one of the largest food service companies in India.

Jubilant Foodworks has a strong financial position, with steady revenue growth and increasing profits over the years. **The company's revenue has grown at a compound annual growth rate of over 13% over the past five years, and its net profit margin has consistently remained above 6%.** The company's return on equity and return on assets are also above industry averages, indicating a strong financial performance.

The company's management team has a proven track record of delivering shareholder value with a focus on innovation, efficiency, and sustainability. The company's strong corporate governance practices have earned it the trust of its shareholders, and the company has been recognised for its commitment to sustainability and social responsibility.

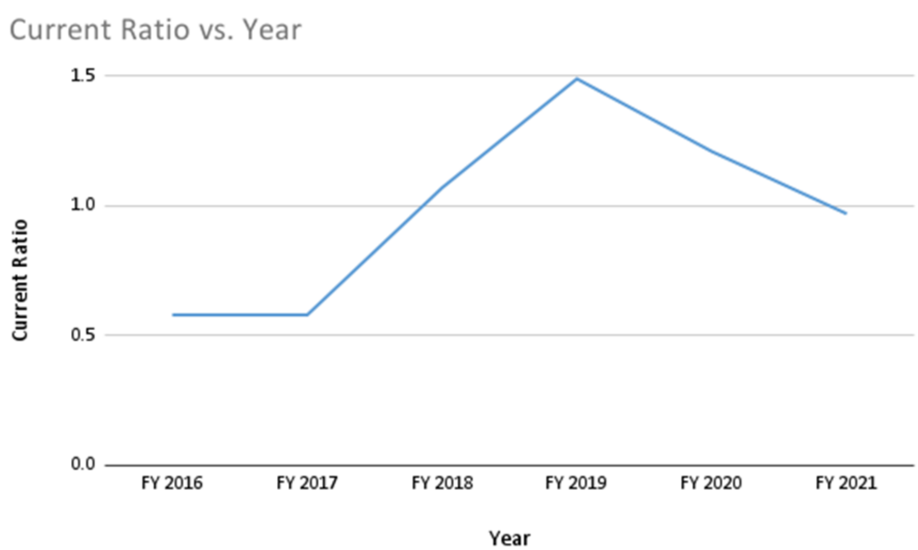
In conclusion, Jubilant Foodworks Ltd is a great company with a dominant market position in the QSR segment in India. The company's focus on innovation, efficiency, and sustainability, along with its strong corporate governance practices, makes it a great investment opportunity for investors looking for exposure to the Indian food service industry.

Liquidity Ratios:

In Millions of I	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average	Max	Min
12 Months End	03/31/201	03/31/2017	03/31/20	03/31/20	03/31/20	03/31/20	03/31/202			
Current Ratio	0.58	0.58	1.07	1.49	1.21	0.97	1	0.986	1.49	0.58
Acid Test Ratio	0.35	0.35	0.86	1.29	1.02	0.74	0.75	0.766	1.29	0.35
Cash Ratio	0.32	0.31	0.83	1.24	0.99	0.72	0.72	0.7329	1.24	0.31
Operating cash flow Ratio	0.562	0.511	0.885	0.820	0.846	0.914	1.037	0.796	1.037	0.511

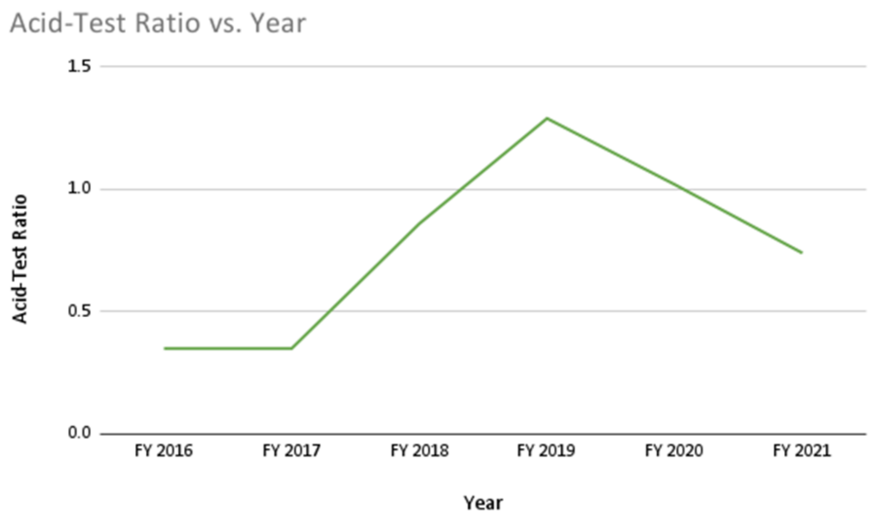
Individual Ratio Analysis:

Current ratio:



Based on the data provided, Jubilant Foodworks Ltd.'s current ratio has been fluctuating over the past six years. In 2016 and 2017, the current ratio was constant at 0.58, indicating that the company had limited current assets to meet its short-term obligations.
In 2018, the current ratio increased to 1.07, indicating that the company had a better liquidity position during that year. The current ratio increased further to 1.49 in 2019, which indicates that the company had a much better ability to pay off its short-term liabilities using its current assets. In 2020, the current ratio decreased slightly to 1.21, which is still considered to be a relatively strong liquidity position. However, in 2021, the current ratio decreased to 0.97, indicating that the company had a weaker liquidity position during that year.

ACID TEST RATIO:

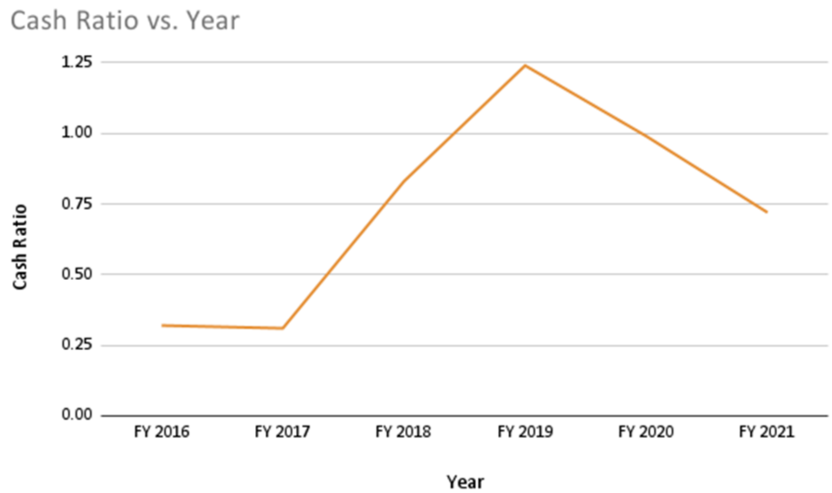


- Jubilant FoodWorks Ltd's Quick Ratio was 0.35 in 2016 and 2017, indicating that the company may have had difficulty meeting its immediate financial obligations during these years. However, the Quick Ratio improved to 0.86 in 2018, indicating that the company had a better ability to meet its short-term obligations.

- In 2019, the Quick Ratio increased significantly to 1.29, indicating that the company had improved liquidity and was better equipped to meet its short-term obligations. The Quick Ratio further improved to 1.02 in 2020, showing that the company continued to maintain its liquidity position.

- However, in 2021, the Quick Ratio decreased to 0.74, indicating that the company's ability to meet its short-term obligations may have weakened during the year.

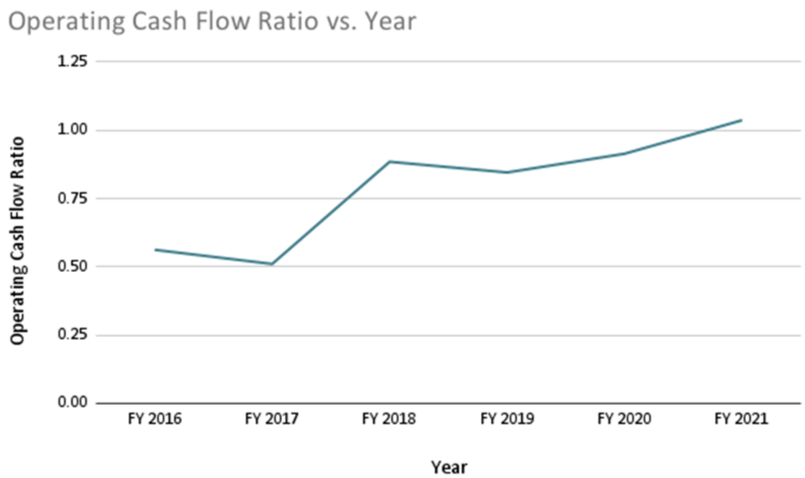
Cash ratio:



- In the case of Jubilant Foodworks Ltd., the cash ratio was 0.32 in 2016 and increased slightly to 0.31 in 2017. In 2018, the ratio increased to 0.83, indicating a significant improvement in the company's ability to pay off its short-term liabilities using only its cash and cash equivalents. In 2019, the cash ratio increased to 1.24, indicating a further improvement in the company's liquidity position.

- However, the cash ratio decreased to 0.99 in 2020 and further decreased to 0.72 in 2021, indicating a decline in the company's liquidity position. While the company still has some cash and cash equivalents to pay off its short-term liabilities, the decreasing trend in the cash ratio suggests that it may be becoming more difficult for the company to meet its short-term obligations using only its available cash

Operating cash flow ratio:



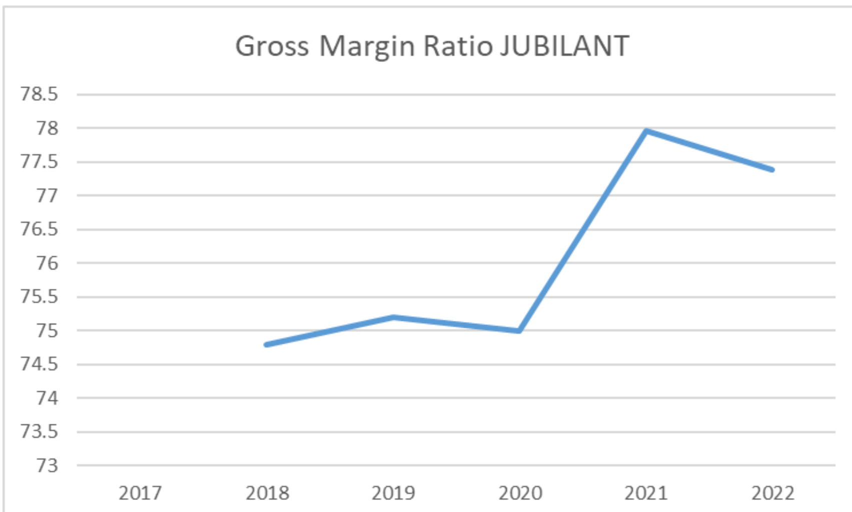
- Jubilant foodworks Ltd.'s operating cash flow ratio has shown a fluctuating trend over the past 6 years. In 2016, the ratio was 0.5623, which decreased to 0.5105 in 2017. In 2018, the ratio increased significantly to 0.8846, indicating that the company had generated more cash from its operations to cover its current liabilities. The ratio slightly decreased to 0.8455 in 2019 but increased again to 0.914 in 2020. In 2021, the ratio further increased to 1.0367, indicating a positive trend.

- Overall, the operating cash flow ratio of Jubilant foodworks Ltd. suggests that the company has been generating enough cash from its operating activities to cover its current liabilities.

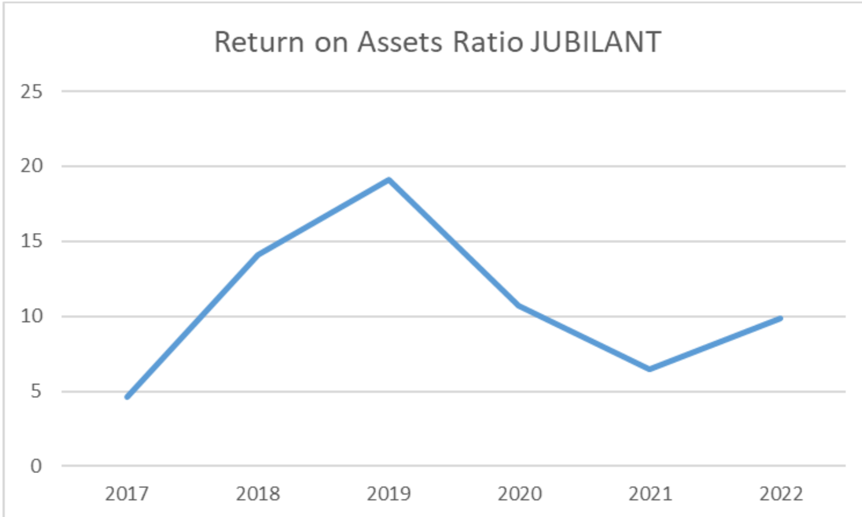
Profitability Ratios: (We were not able to find data for the fields left blank*)

In Millions of INR	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average	Max	Min
12 Months Endin	03-31-2016	03-31-2017	03-31-2018	03-31-2019	03-31-2020	03-31-2021	03-31-2022			
Gross Margin ratio			74.8	75.2	75	77.97	77.39	76.072	77.97	74.8
Operating margin Ratio							12.08	12.08		
Return on Assets Ratio	8.44	4.6	14.08	19.08	10.71	6.49	9.84	10.4629	19.08	4.6
Return on Common Equity	13.76	7.37	22.13	28.71	23.51	18.18	24.94	19.8	28.71	7.37

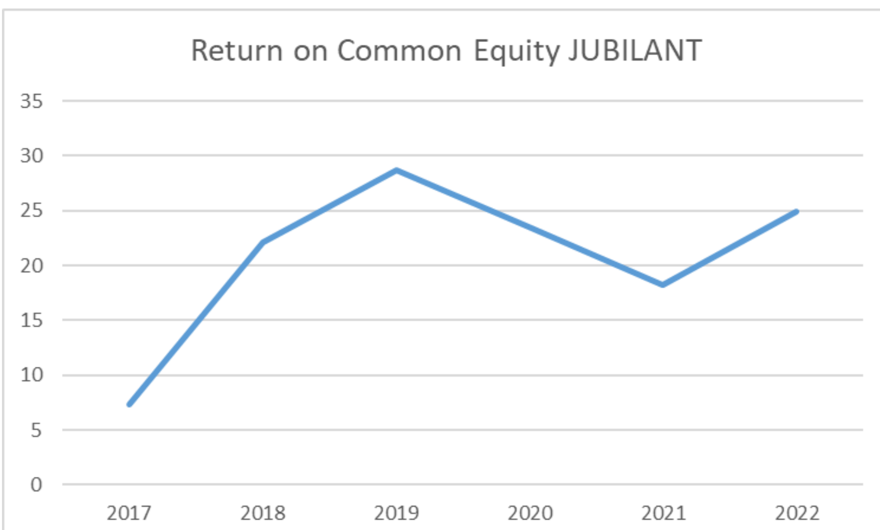
Individual Ratio Analysis:



- Jubilant Foodworks has maintained a consistently high gross margin ratio over the past five years, with a range between 74.8% and 77.97%. This suggests that the company has been able to effectively manage its cost of goods sold and maintain profitability.



- Jubilant Foodworks has had varying levels of ROA over the past six years. The ROA increased from 4.6% in 2017 to 19.08% in 2019, indicating that the company was using its assets more efficiently to generate profits. However, in 2020 and 2021, the ROA decreased to 10.71% and 6.49%, respectively, indicating that the company's ability to generate profits from its assets had declined. In 2022, the ROA improved to 9.84%, but it is still lower than the levels achieved in 2019 and 2018.

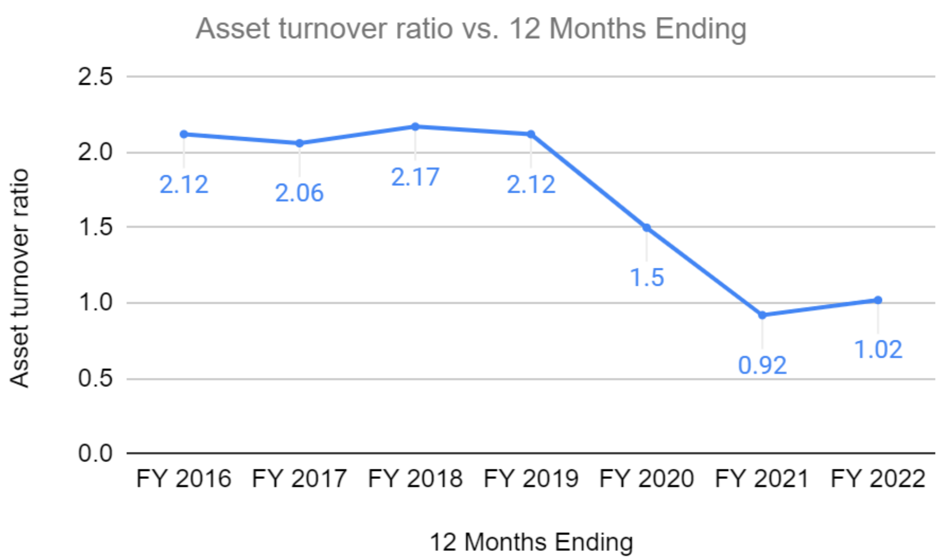


- Jubilant Foodworks has had a consistently high ROE over the past six years, ranging between 7.37% and 28.71%. The ROE increased from 7.37% in 2017 to 28.71% in 2019, indicating that the company was generating more profits for each dollar of shareholder's equity. In 2020 and 2021, the ROE decreased to 23.51% and 18.18%, respectively, which could indicate a decline in the company's ability to generate profits for its shareholders. However, in 2022, the ROE improved to 24.94%, which is a positive sign.

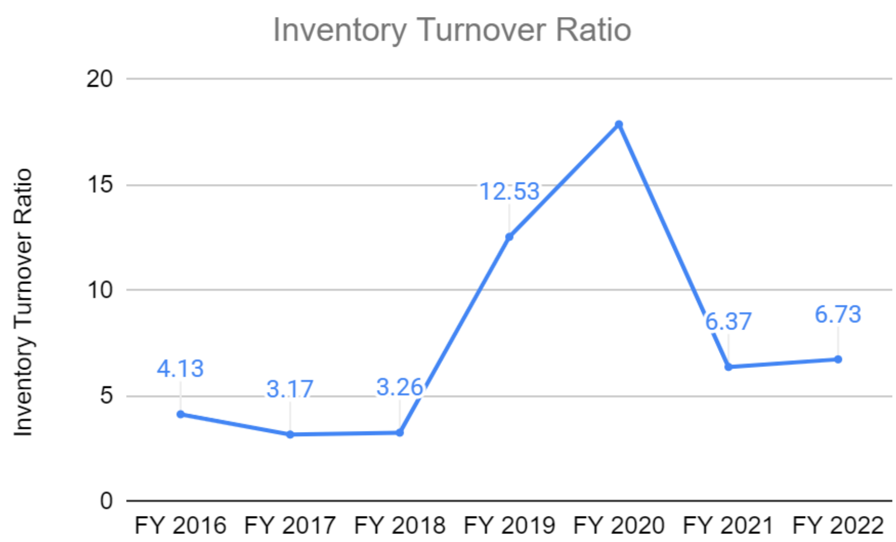
Efficiency Ratios:

In Millions of INR except Per Share	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average	Max	Min
12 Months Ending	03/31/2016	03/31/2017	03/31/2018	03/31/2019	03/31/202	03/31/20	03/31/202			
Asset turnover ratio	2.12	2.06	2.17	2.12	1.5	0.92	1.02	1.7014285	2.17	0.92
Inventory Turnover Ratio	4.13	3.17	3.26	12.53	17.86	6.37	6.73	7.7214285	17.86	3.17
Accounts Receivable Turnover	200.23	180.75	190.07	165.11	177.51	197.13	225.43	190.89	225.43	165.11
DSI = 1/Inventory turnover Ratio * 365	24.21	31.55	30.67	7.98	5.60	15.70	14.86	18.65	31.55	5.60

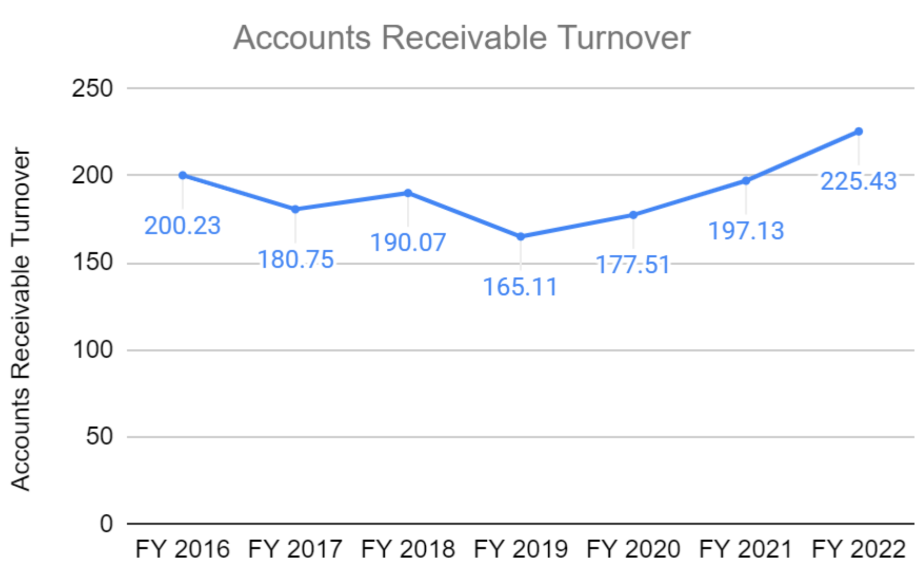
Individual Ratio Analysis:



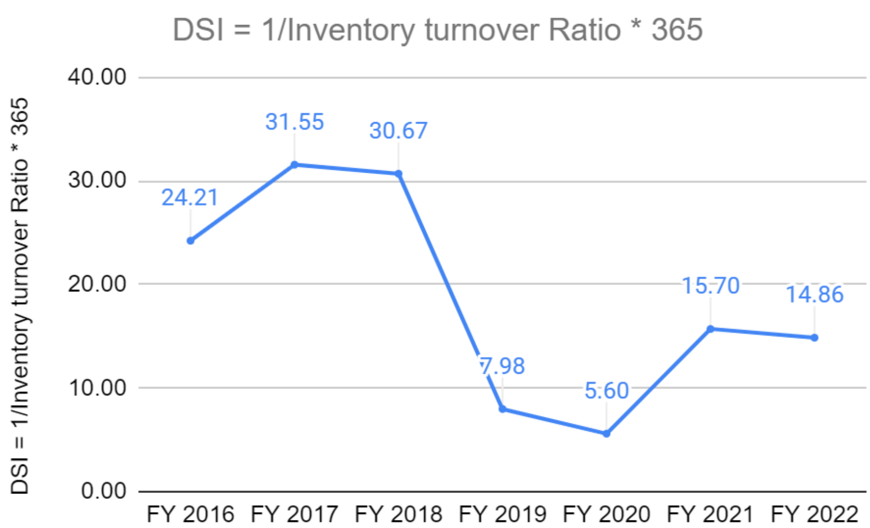
- The declining trend in the Asset Turnover Ratio over the past few years may indicate decreasing efficiency in generating revenue from its assets, which could impact future growth prospects. However, there has been a recent increment of about **11%** from last year to this year.



- Jubilant FoodWorks' inventory turnover ratio has shown significant variations over the past seven years, with a low of 3.17 and a high of 17.86. A sudden spike in inventory turnover can indicate efficient inventory management and increased sales, while a consistent decline may imply lower demand or poor inventory control. Overall, the trend suggests growth potential.



- Jubilant FoodWorks has shown consistent growth in its Accounts Receivable Turnover Ratio over the past seven financial years, indicating an improved ability to collect outstanding debts. This bodes well for its future prospects as it may lead to better cash flow management and reduced bad debts.

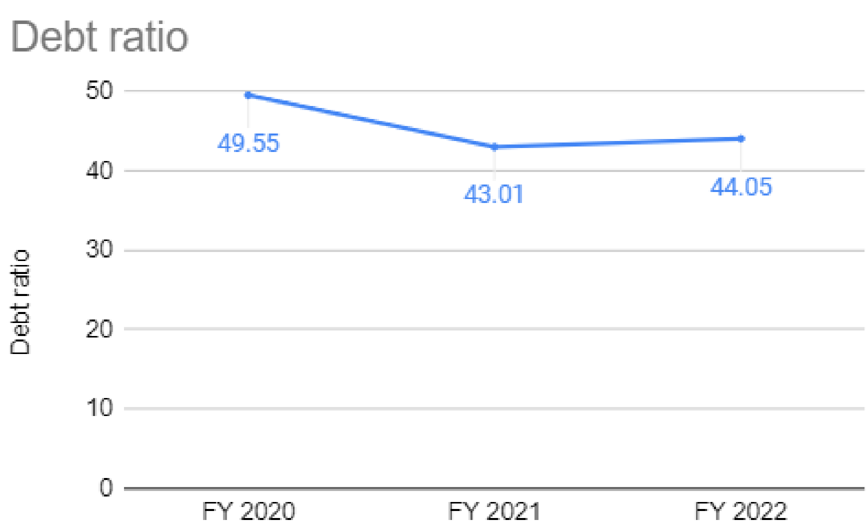


- The Day Sales to Inventory Ratio of Jubilant FoodWorks has fluctuated significantly over the past 7 financial years, with a high of 31.55 and a low of 5.60. The declining trend in recent years may indicate a slowdown in growth or inefficient inventory management. However, COVID-19 has played a significant role in this slow down so the recovery should not be difficult.

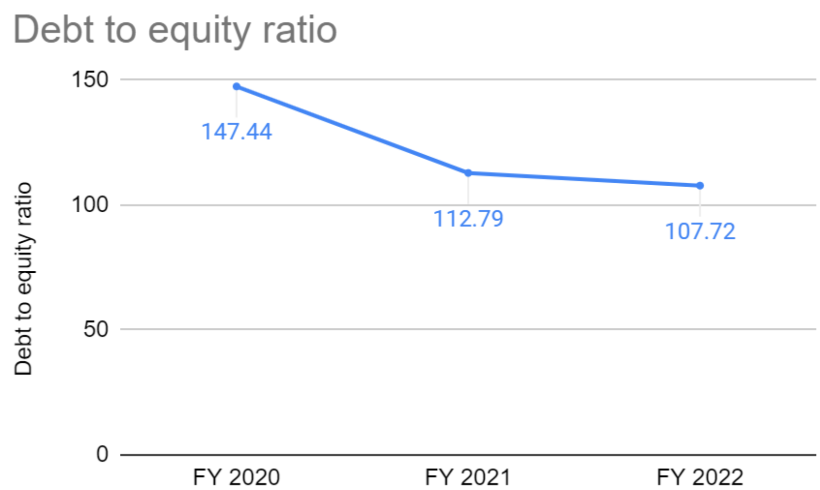
Leverage Financial Ratios: (We were not able to find data for the fields left blank*)

In Millions of	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	verage	Max	Min
12 Months En	03-31-2016	03-31-2017	03-31-2018	03-31-2019	03-31-2020	03-31-2021	03-31-2022			
Debt ratio					49.55	43.01	44.05	45.54	49.55	43.01
Debt to equity ratio					147.44	112.79	107.72	122.7	147.44	107.72
Intrest coverage ratio										
Debt service coverage ratio										

Individual Ratio Analysis:



- The Debt Ratio of Jubilant Food Works Ltd has increased slightly over the past 3 years, indicating a higher reliance on debt financing. This could be due to the company's expansion plans or other investment activities. However, a high debt ratio could also increase the company's financial risk and debt servicing obligations. Further analysis of the company's debt structure and profitability ratios is required to assess its growth and future prospects.

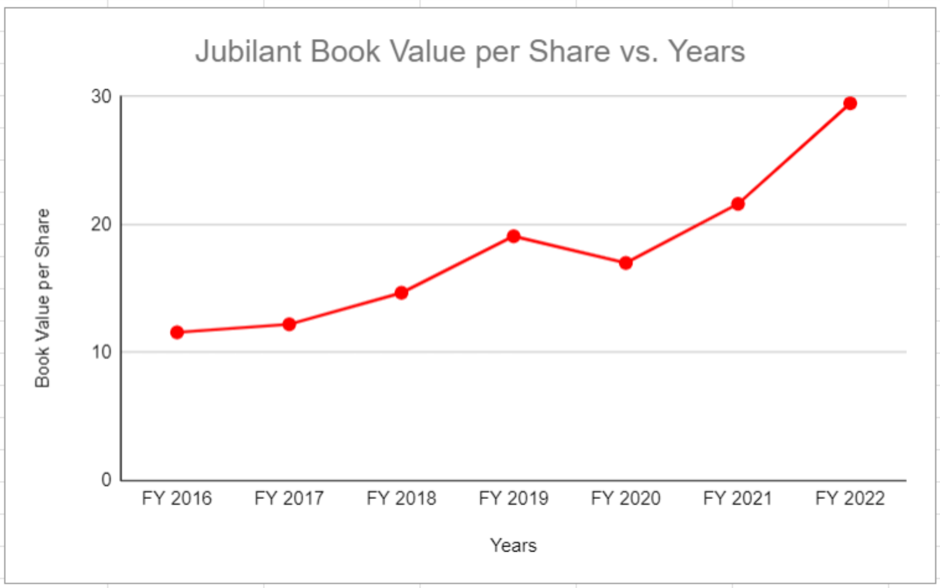


- Jubilant FoodWorks' Debt to Equity Ratio has increased over the last three years, indicating a higher reliance on debt financing relative to equity. This may suggest the company is taking on more leverage to fuel growth and expansion but also poses greater financial risk. Further analysis of the company's profitability, cash flows, and ability to service its debt obligations is necessary to assess its future prospects.

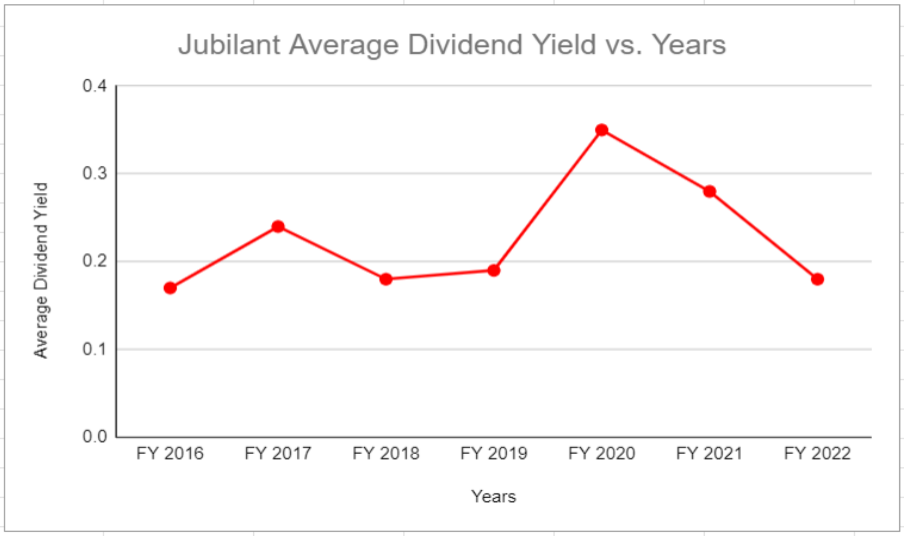
Market Value Ratios:

In Millions of INR except Per Share	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average	Max	Min
12 Months Ending	03/31/2016	03/31/2017	03/31/2018	03/31/2019	03/31/2020	03/31/2021	03/31/2022			
Book Value per Share	11.58	12.21	14.67	19.09	17	21.62	29.48	17.95	29.48	11.58
Average Dividend Yield	0.17	0.24	0.18	0.19	0.35	0.28	0.18	0.2271428571	0.35	0.17
Trailing 12M Earnings per Share	1.48	0.88	2.97	4.85	4.24	3.51	6.37	3.471428571	6.37	0.88
Price Earnings Ratio (P/E)	86.57	126.27	78.21	59.6	69.34	165.87	82.78	95.52	165.87	59.6

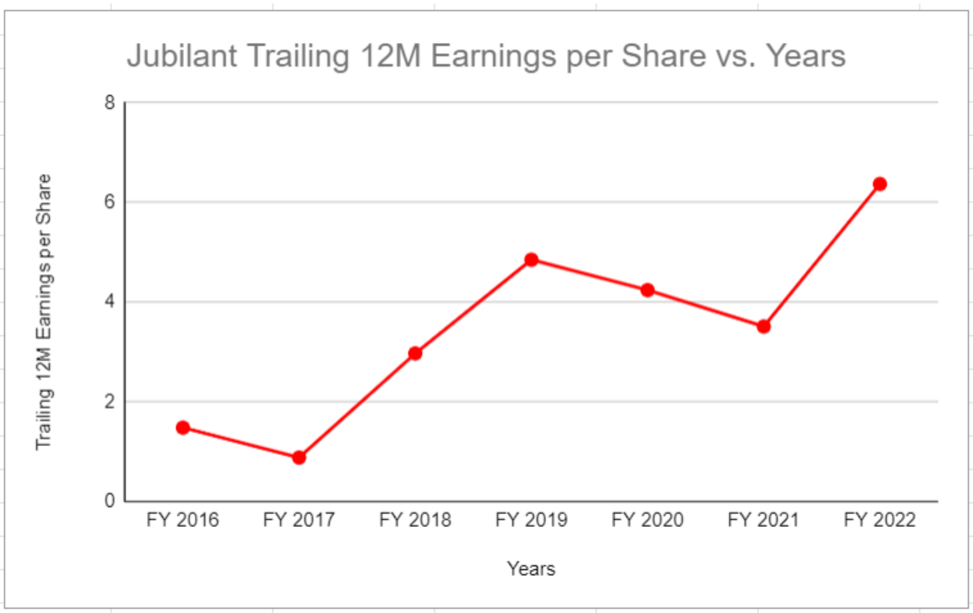
Individual Ratio Analysis:



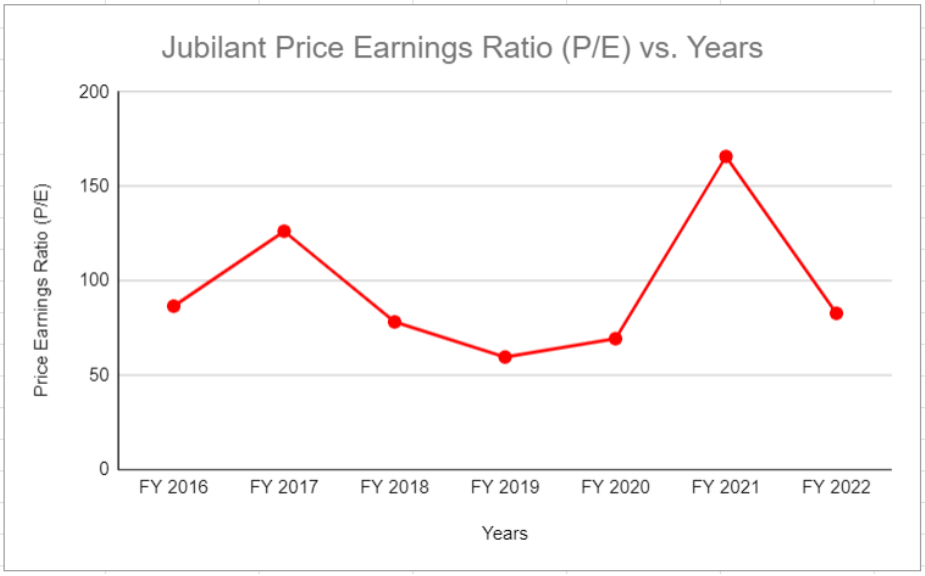
- The Book Value per share for Jubilant Foodworks has increased consistently over the years except for 2019 to 2020 which can be attributed to the beginning of the pandemic. The growth even after the pandemic shows us that the company is in a pretty good position and hopefully grows over the years.



- The average dividend yield for Jubilant Foodworks has not been as simple as a graph as compared to its book value per share. It increased till 2017, but decreased in 2018 and did was relatively stable till 2019. It has a huge increase in 2020 as it increased from 0.19 to 0.35 but it dropped again for the next two years till 2022.



- The Earnings per share for Jubilant Foodworks were pretty low till 2017 but picked up steadily after that till 2019. The dip of 2019 can be understood easily as most companies have faced the issue due to the pandemic. But the Earnings did not grow till the year 2021 which shows that the position of the company was not going well. It picked up pace after that and had a considerable increase in Earnings per share in 2022.



- The Price Earnings ratio had dipped considerably from 2017 till 2020, which is not a good one for the company. The price of Earnings picked up pace for the year 2021, going over 150, but sadly for the company it hasn't been stable at the top and slid down again in 2022 where its value went even below 100.

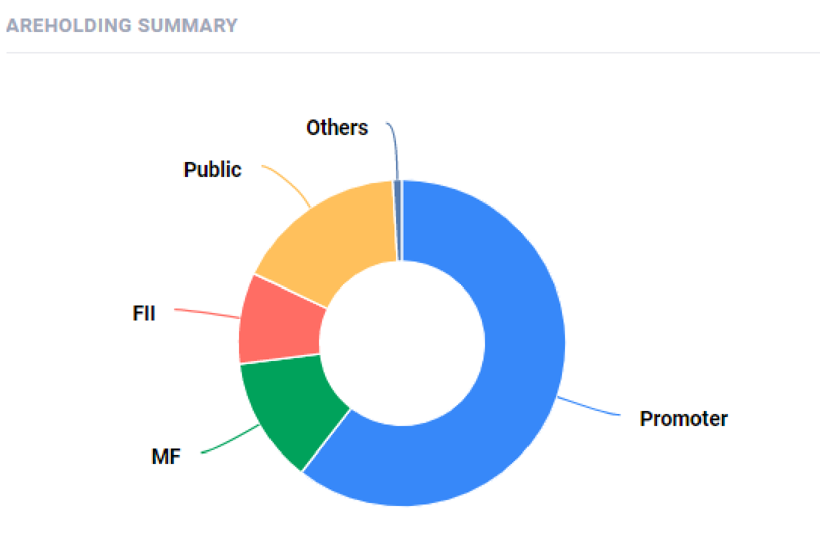
Chambal Fertilisers and Chemicals Ltd

I. Nature of the Business:

Chambal Fertilisers and Chemicals Ltd is a leading fertiliser and chemical manufacturing company in India. The company is engaged in the production of urea, ammonia, and other nitrogenous fertilisers, as well as chemicals such as methanol, sulphuric acid, and phosphoric acid. Chambal Fertilisers has a strong distribution network across India and exports its products to various countries.

II. Public or Private Ownership:

Chambal Fertilisers and Chemicals Ltd is a **publicly listed company** and is traded on the National Stock Exchange of India and the Bombay Stock Exchange. The company has a large number of shareholders, including institutional investors and retail investors. As a public company, Chambal Fertilisers is required to file regular financial statements and disclosures with the regulatory authorities and its shareholders.



III. Company History:

Chambal Fertilisers and Chemicals Ltd was incorporated in **1985** as a joint venture between the Government of Rajasthan and Zuari Industries Ltd, a leading fertiliser company in India. The company started its operations by setting up a urea plant in Kota, Rajasthan, with a production capacity of 1.2 million tonnes per annum. Over the years, the company expanded its product portfolio and established a strong distribution network across India.

Chambal Fertilisers has a strong focus on innovation and product development, with a dedicated research and development centre in Kota, India. The company has also invested heavily in technology, with a strong online ordering and delivery platform for its products.

IV. Overall Greatness of the Company:

Chambal Fertilisers and Chemicals Ltd is a great company with a dominant market position in the fertiliser and chemical manufacturing segment in India. **The company has a market capitalisation of over $2.5 billion** and is one of the largest fertiliser companies in India.

Chambal Fertilisers has a strong financial position, with steady revenue growth and increasing profits over the years. **The company's revenue has grown at a compound annual growth rate of over 9% over the past five years, and its net profit margin has consistently remained above 5%.** The company's return on equity and return on assets are also above industry averages, indicating a strong financial performance.

The company's management team has a proven track record of delivering shareholder value, with a focus on innovation, efficiency, and sustainability. The company's strong corporate governance practices have earned it the trust of its shareholders, and the company has been recognised for its commitment to sustainability and social responsibility.

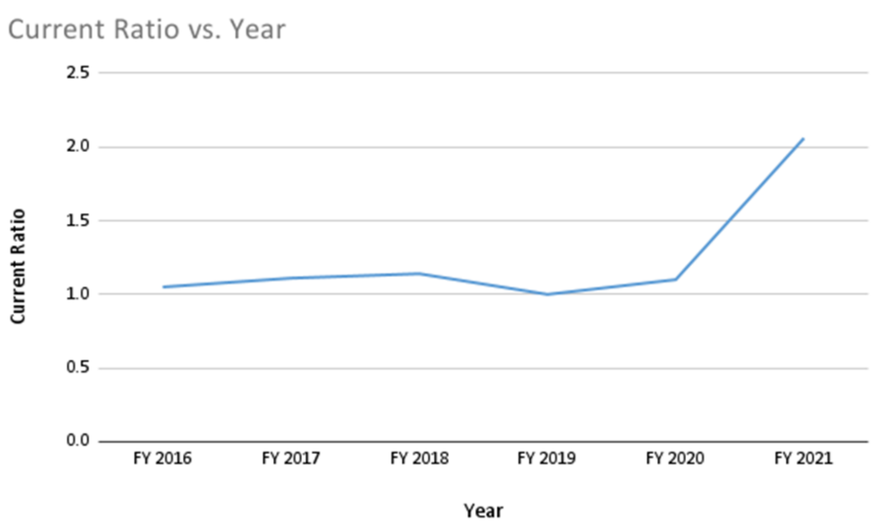
In conclusion, Chambal Fertilisers and Chemicals Ltd is a great company with a dominant market position in the fertiliser and chemical manufacturing segment in India. The company's focus on innovation, efficiency, and sustainability, along with its strong corporate governance practices, makes it a great investment opportunity for investors looking for exposure to the Indian fertiliser and chemical manufacturing industry.

Liquidity Ratios:

In Millions of INR except Per Share	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average	Max	Min
12 Months Ending	03/31/201	03/31/2017	3/31/201	03/31/201	3/31/202	3/31/202	3/31/2022			
Current Ratio	1.05	1.11	1.14	1	1.1	2.06	1.6	1.294	2.06	1
Acid Test Ratio	0.78	0.72	0.79	0.75	0.86	1.36	0.71	0.853	1.36	0.71
Cash Ratio	0.01	0.03	0.02	0.01	0.03	0.59	0.15	0.12	0.59	0.01
Operating cash flow Ratio	-0.059	0.229	0.278	-0.236	0.054	4.390	-0.029	0.661	4.390	-0.236

Individual Ratio Analysis

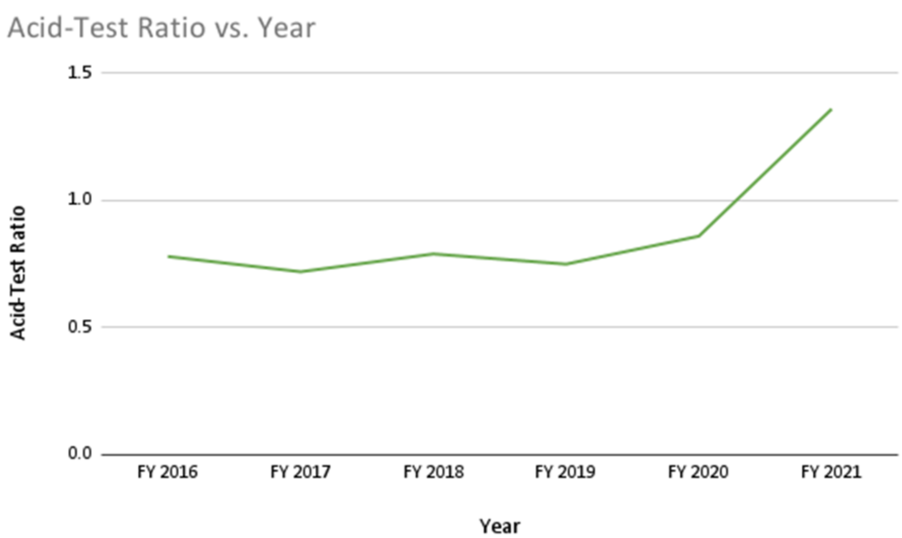
Current Ratio:



- The current ratio of Chambal fertilisers Ltd. has remained relatively stable over the past six years, with some minor fluctuations. In 2016, the current ratio was 1.43, which decreased slightly to 1.37 in 2017.
- In 2018 and 2019, the current ratio increased to 1.44 and 1.61, respectively, indicating that the company had a stronger liquidity position during those years. In 2020, the current ratio decreased slightly to 1.55, but remained within a relatively stable range.
- In 2021, the current ratio increased significantly to 2.36, which indicates that the company had a much stronger liquidity position and was able to meet its short-term obligations more comfortably.

- Overall, the trend in Chambal fertilisers Ltd.'s current ratio suggests that the company has maintained a relatively stable liquidity position over the past six years, with a significant improvement in 2021

Acid Test Ratio:

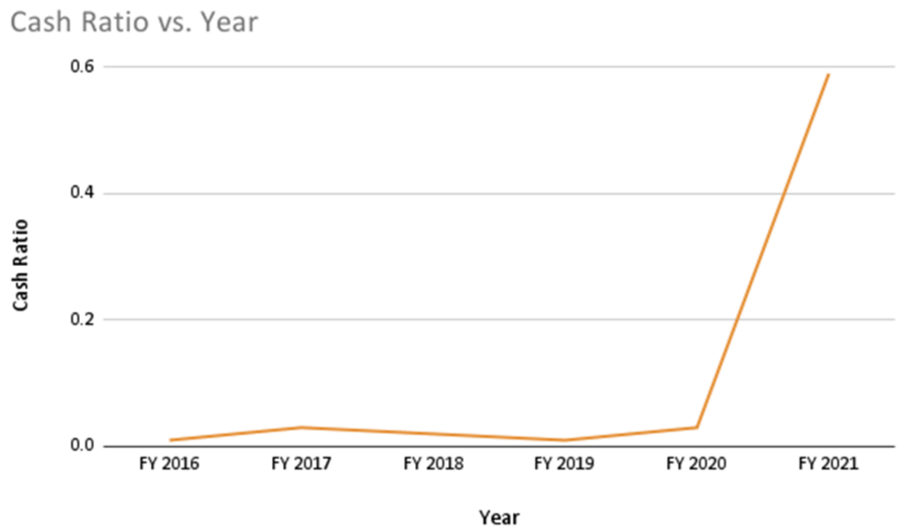


- The quick ratio/ Acid test ratio of Chambal fertiilisers Ltd. has been relatively stable over the past six years. In 2016, the quick ratio was 0.78, which decreased slightly to 0.72 in 2017.

- In 2018 and 2019, the quick ratio increased to 0.79 and 0.75, respectively, indicating that the company had a stronger liquidity position during those years. In 2020, the quick ratio increased further to 0.86, indicating that the company had a more conservative liquidity position.

- In 2021, the quick ratio increased significantly to 1.36, which indicates that the company had a much stronger liquidity position and was able to meet its short-term obligations more comfortably. This increase in the quick ratio was due to a significant increase in the company's cash and cash equivalents.

Cash Ratio:



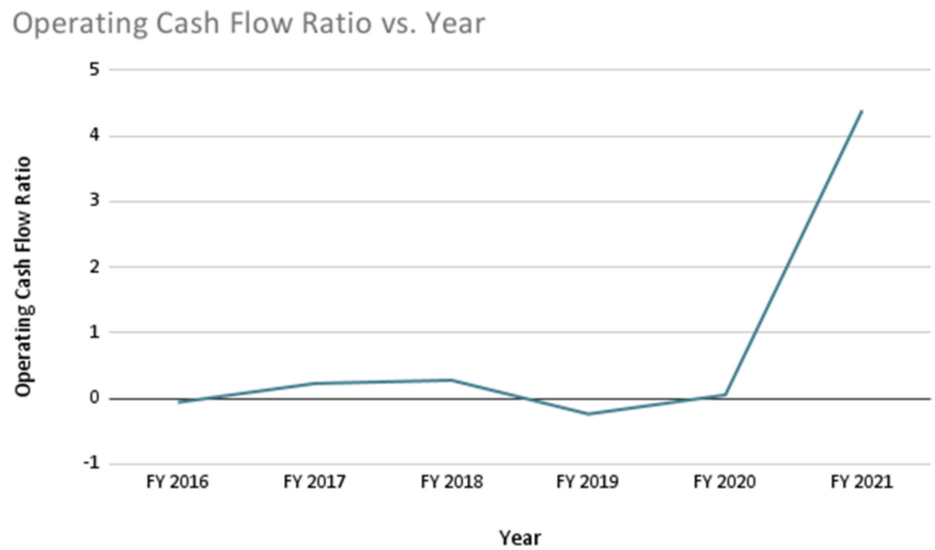
- The cash ratio of Chambal Fertilisers Ltd. indicates its ability to pay its short-term liabilities using its cash and cash equivalents.

- In 2016, the cash ratio was quite low at 0.01, indicating that the company had very little cash on hand to cover its short-term obligations. However, the ratio improved in 2017 and 2018 to 0.03 and 0.02, respectively, suggesting that the company was managing its cash more effectively.

- In 2019, the cash ratio dropped again to 0.01, indicating that the company was experiencing some cash flow difficulties. However, in 2020, the ratio increased to 0.03, suggesting that the company was able to improve its cash position.

- In 2021, the cash ratio of Chambal Fertilisers Ltd. significantly improved to 0.59, indicating that the company had a much better ability to pay off its short-term liabilities with its cash and cash equivalents. This improvement could be due to several factors, such as better management of working capital or an increase in operating cash flows.

Operating Cash Flow Ratio:



- The operating cash flow ratio, also known as the cash flow to sales ratio, measures a company's ability to generate cash from its operating activities relative to its sales revenue.

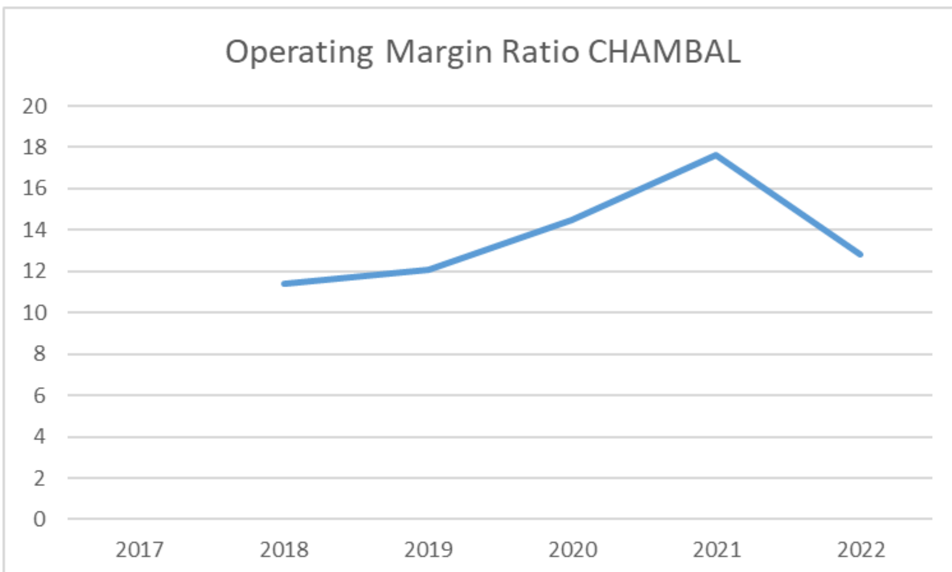
- The operating cash flow ratio of Chambal Fertilisers Ltd. was -0.0591 in 2016, indicating that the company's operating cash flow was negative compared to its sales. However, the ratio improved significantly to 0.2291 in 2017 and continued to increase to 0.2782 in 2018. In 2019, the company's operating cash flow ratio dropped to -0.2361, indicating that its operating cash flow was negative compared to its sales revenue. However, the company's operating cash flow improved to 0.0543 in 2020 and increased significantly to 4.3899 in 2021, indicating that the company generated more operating cash flow relative to its sales revenue.

- It is worth noting that the operating cash flow ratio can vary significantly depending on the industry and the company's size and operating cycle. Therefore, it is essential to compare a company's operating cash flow ratio with its industry peers and historical values to evaluate its financial performance.

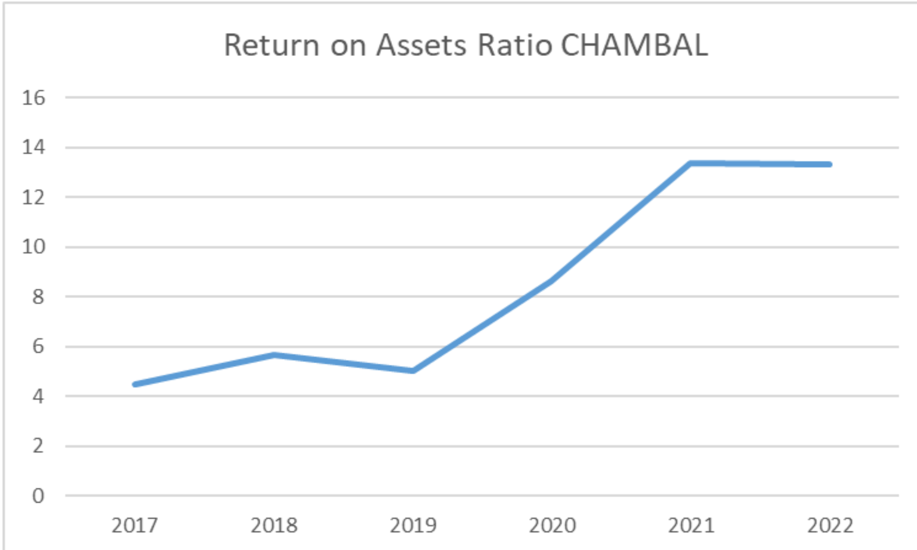
Profitability Ratios: (We were not able to find data for the fields left blank*)

In Millions of INR 12 Months Endin	FY 2016 03-31-2016	FY 2017 03-31-2017	FY 2018 03-31-2018	FY 2019 03-31-2019	FY 2020 03-31-2020	FY 2021 03-31-2021	FY 2022 03-31-2022	Average	Max	Min
Gross Margin ratio										
Operating margin Ratio			11.42	12.07	14.49	17.61	12.81	13.68	17.61	11.4
Return on Assets Ratio	2.8	4.48	5.69	5.05	8.62	13.36	13.31	7.62	13.36	2.8
Return on Common Equity	10.73	18.15	21.55	21.91	38.18	37.66	26.89	25.01	38.18	10.73

Individual ratio analysis:

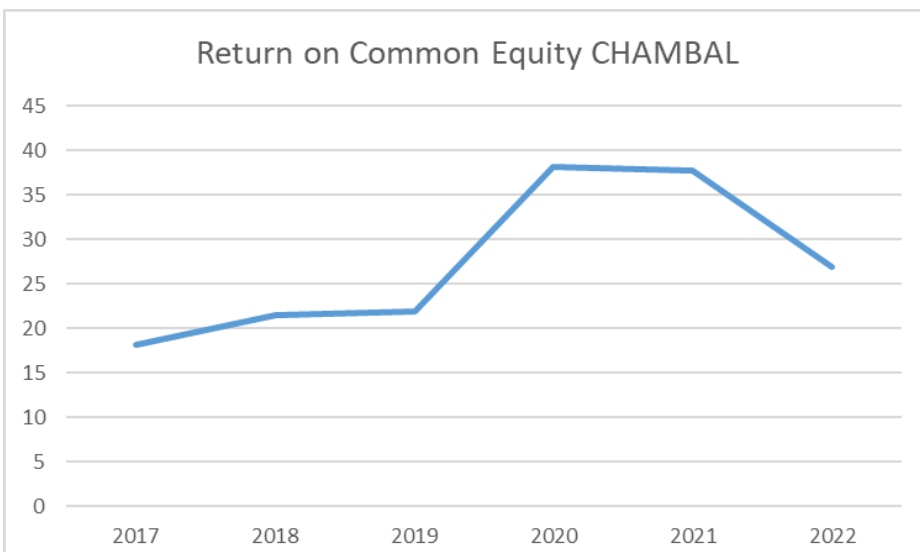


- There has been a significant increase in the trend during 2021, meaning that the company was efficient in its operations and turning sales into profits.



- Chambal Fertilisers and Chemicals Limited has had varying levels of ROA over the past six years. The ROA increased from 4.48% in 2017 to 8.62% in 2020, indicating that the company was using its assets more efficiently to generate profits.

- In 2021 and 2022, the ROA improved significantly to 13.36% and 13.31%, respectively, indicating that the company's ability to generate profits from its assets had increased significantly.



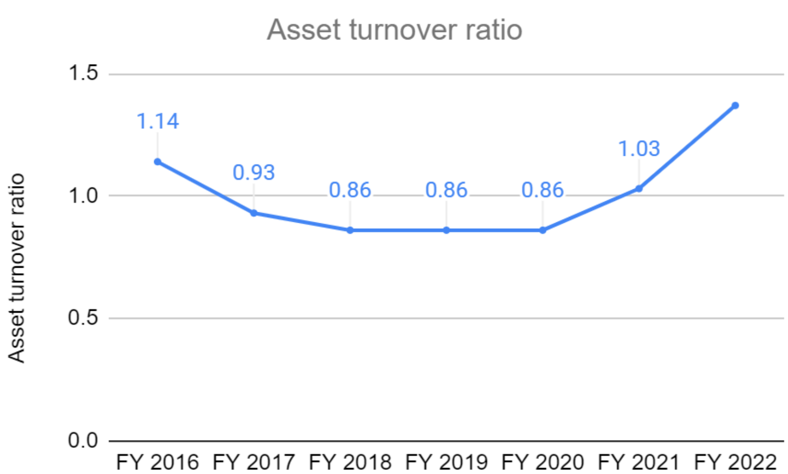
- Chambal Fertilisers and Chemicals Limited has had a consistently high ROE over the past six years, ranging between 18.15% and 38.18%. The ROE increased from 18.15% in 2017 to 38.18% in 2020, indicating that the company was generating more profits for each dollar of shareholder's equity.

- In 2021 and 2022, the ROE decreased to 37.66% and 26.89%, respectively, which could indicate a decline in the company's ability to generate profits for its shareholders.

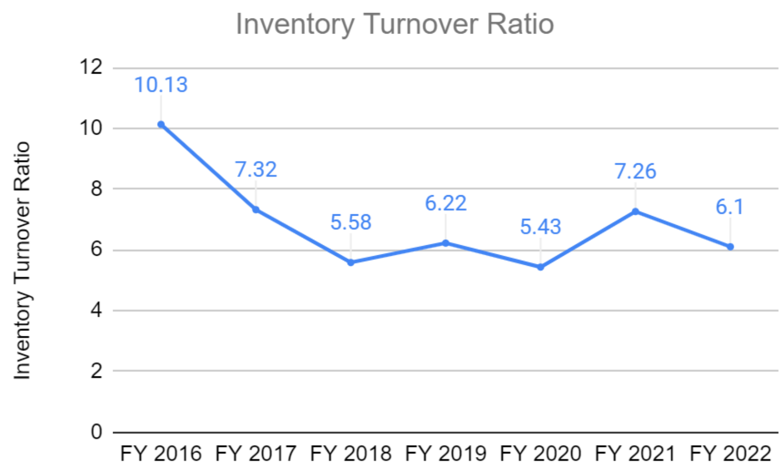
Efficiency Ratios:

In Millions of INR except Per Share	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average	Max	Min
12 Months Ending	03/31/2016	03/31/2017	03/31/2018	03/31/2019	03/31/202	03/31/202	03/31/202			
Asset turnover ratio	1.14	0.93	0.86	0.86	0.86	1.03	1.37	1.01	1.37	0.86
Inventory Turnover Ratio	10.13	7.32	5.58	6.22	5.43	7.26	6.1	6.86	10.13	5.43
Accounts Receivable Turnover	2.56	2.19	2.71	2.74	2.35	3.78	9.66	3.71	9.66	2.19
DSI = 1/Inventory turnover Ratio * 365	9.87	13.66	17.92	16.08	18.42	13.77	16.39	15.16	18.42	9.87

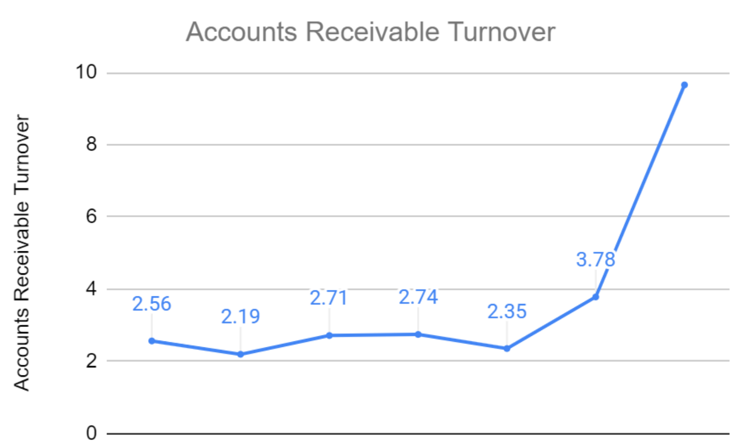
Individual Ratio Analysis:



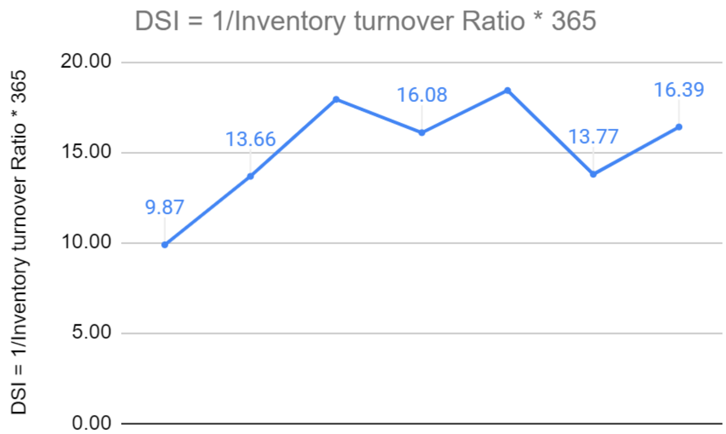
- Chambal Fertilisers and Chemicals Ltd has experienced a fluctuating Asset Turnover Ratio over the last seven years, ranging from 0.86 to 1.37. While the company has seen a recent improvement in asset utilisation efficiency, the ratio remains relatively low, indicating room for improvement. .



- The Inventory Turnover Ratio of Chambal Fertilisers and Chemicals Ltd has seen fluctuations over the past 7 years, with a high of 10.13 and a low of 5.43. This suggests varying efficiency in managing its inventory levels. A higher ratio is generally desirable as it indicates better inventory management and faster inventory turnover. The declining trend in recent years may indicate a slowdown in growth or inefficiencies in inventory management.



- The Accounts Receivable Turnover of Chambal Fertilisers and Chemicals Ltd has varied over the past 7 years, with a low of 2.19 and a high of 9.66. The high ratio in the latest year indicates that the company is collecting its receivables more quickly, which is a positive sign for its cash flow and liquidity.

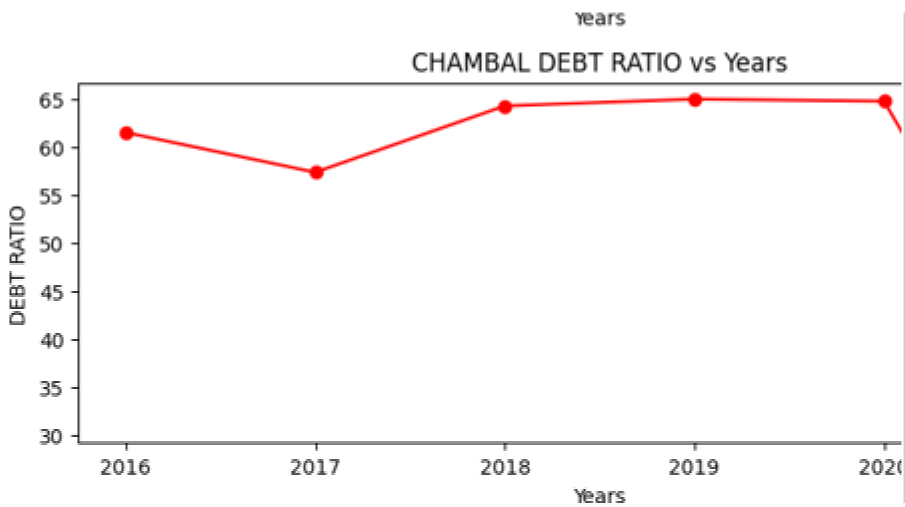


- Chambal Fertilisers and Chemicals Ltd has shown a generally increasing trend in the Day Sales to Inventory Ratio over the past 7 years, indicating improved efficiency in inventory management or faster inventory turnover. This may suggest positive growth prospects and potential for increased profitability.

Leverage Financial Ratios: (We were not able to find data for the fields left blank*)

In Millions of	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	verage	Max	Min
12 Months En	03-31-2016	03-31-2017	03-31-2018	03-31-2019	03-31-2020	03-31-2021	03-31-2022			
Debt ratio	61.47	57.32	64.24	64.95	64.73	30.88	32.64	53.75	64.95	30.88
Debt to equity ratio	278.97	226.29	251.4	324.75	274.18	60.44	67.91	212	324.75	60.44
Intrest coverage ratio	8.33	6.48	9.07	5.9	4.26	8.85		7.148	9.07	5.9
Debt service coverage ratio										

Individual Ratio Analysis



- The debt ratio measures the proportion of a company's financing that is provided by debt relative to equity. A higher debt ratio suggests that a company has taken on more debt to finance its operations, while a lower debt ratio indicates that it is relying more on equity financing.

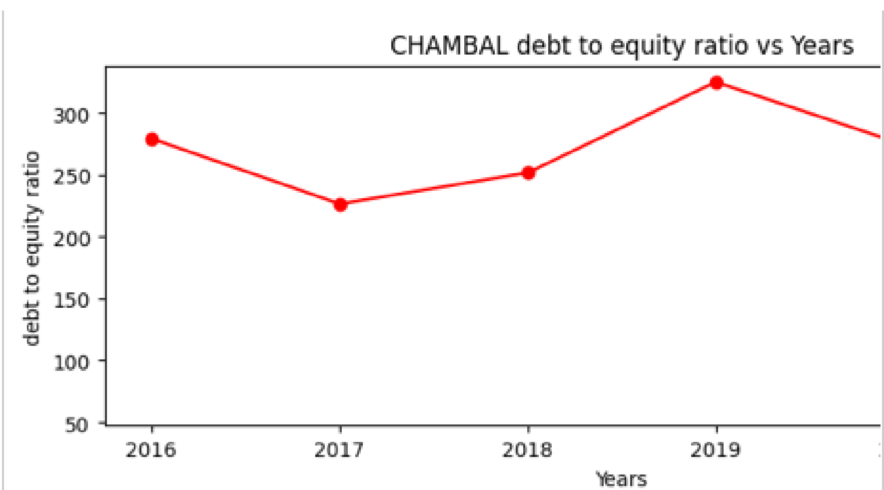
- Looking at the debt ratio data for Chambal over the last five years, we can see that the company has maintained a relatively high debt ratio, with levels ranging from 57.32 in FY 2017 to 64.95 in FY 2019.
  This suggests that Chambal has relied heavily on debt to finance its growth and operations during this period.

- Maintaining a high debt ratio can have both positive and negative implications for a company's growth and future prospects. On the one hand, taking on debt can provide a company with the necessary capital to invest in growth opportunities such as new projects, acquisitions, or expanding production capacity. On the other hand, a high debt burden can also lead to increased interest expenses, reduced profitability, and greater financial risk.

- It is also important to note that Chambal operates in the fertilizer industry, which is subject to fluctuating commodity prices and government regulations. These factors can impact the company's financial performance and debt levels.

- Overall, Chambal's high debt ratio suggests that the company has taken on significant debt to finance its growth and operations. While this strategy can provide capital for growth opportunities, it also increases financial risk and interest expenses.

- To ensure long-term sustainability, Chambal will need to carefully manage its debt levels and balance the need for growth with the need for financial stability. The company will also need to monitor external factors such as commodity prices and government regulations that can impact its financial performance.

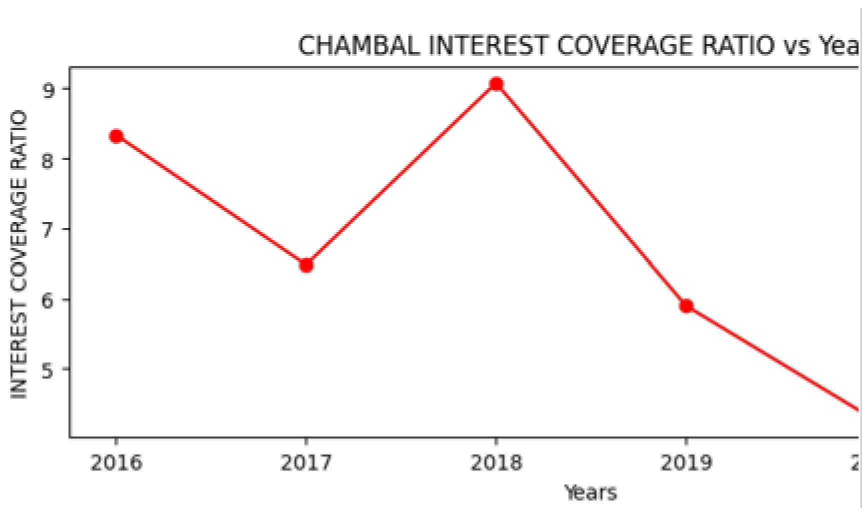


- Chambal's debt-to-equity (D/E) ratio has been quite high over the past few years, ranging from 226.29 in FY 2017 to 324.75 in FY 2019. This suggests that the company has relied heavily on debt financing to support its growth and operations during this period.

- However, the D/E ratio dropped significantly to 60.44 in FY 2021, indicating that Chambal has taken steps to reduce its debt burden. This could be a positive development for the company's future prospects as a lower D/E ratio can reduce interest expenses, improve profitability, and lower financial risk.

- The reduction in Chambal's D/E ratio could be attributed to several factors such as improved operating performance, debt restructuring, or strategic divestments. It will be important for the company to continue to maintain a sustainable debt level in the future to ensure that it can support its growth objectives while minimizing financial risk.

- Overall, Chambal's high D/E ratio in the past and its recent reduction suggest that the company has relied heavily on debt financing to support its growth and operations. While the company's decision to reduce its debt burden is a positive development, it will be important for Chambal to maintain a sustainable debt level to support its long-term growth and financial stability.



- The interest coverage ratio (ICR) is a measure of a company's ability to service its debt obligations from its earnings before interest and taxes (EBIT). A higher ICR indicates that a company has a greater capacity to meet its interest payments.

- The ICR for Chambal over the last seven years has been relatively volatile, ranging from 4.26 in 2020 to 9.07 in 2018. This indicates that Chambal's ability to service its debt obligations from its EBIT has been inconsistent.

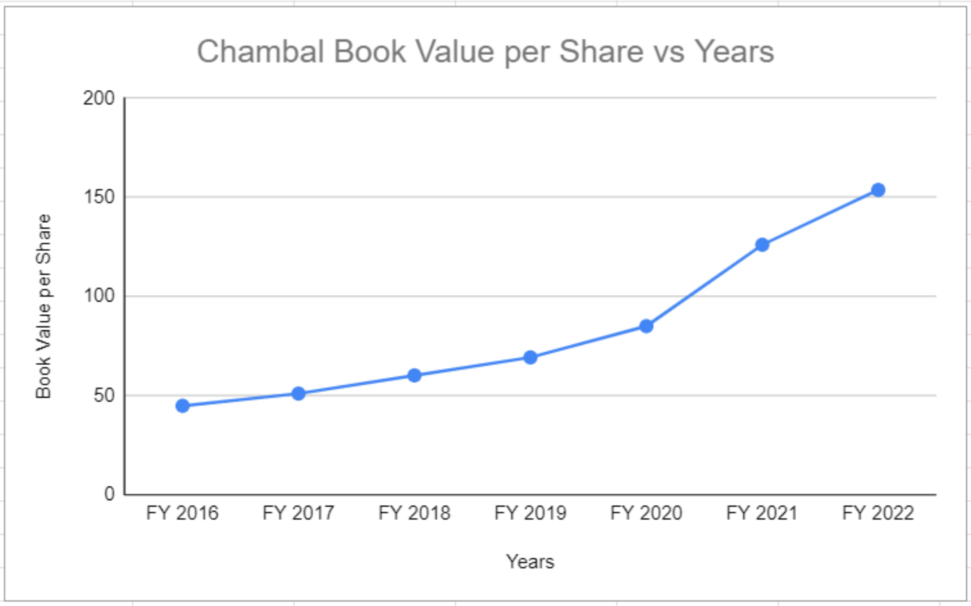
- However, there was an improvement in the ICR from 2020 to 2021, with the ratio increasing from 4.26 in 2020 to 8.85 in 2021. This indicates that Chambal's earnings have increased sufficiently to cover its interest expenses, which is a positive sign for the company's financial health.

- Overall, the inconsistent ICR for Chambal over the last seven years suggests that the company has a variable capacity to service its debt obligations. The recent improvement in the ICR is a positive sign, but the company should continue to monitor its interest expenses and earnings to ensure that it can continue to meet its debt obligations in the future.

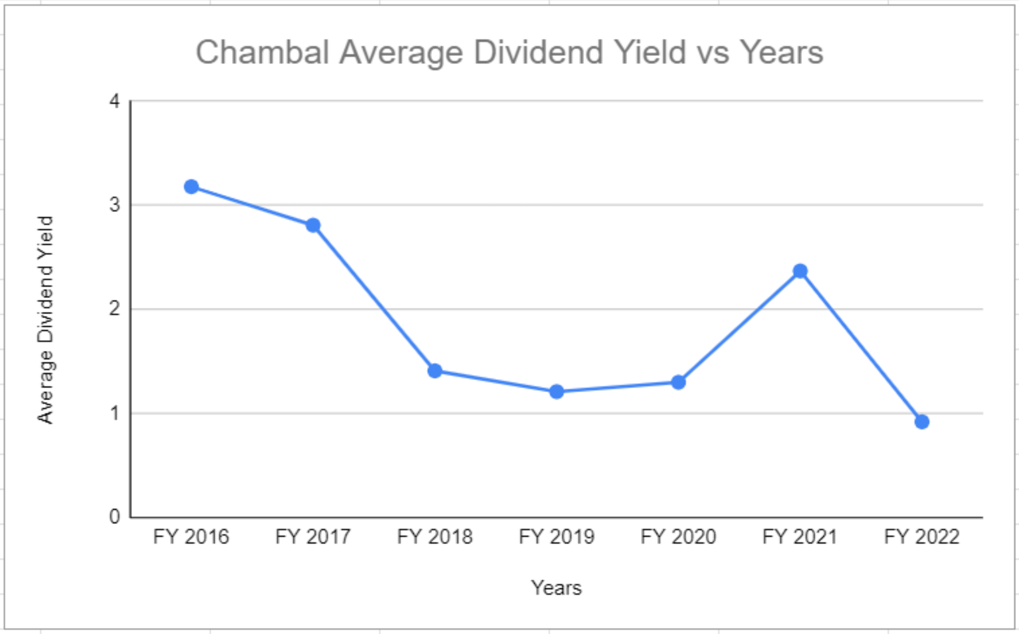
Market Value Ratios:

In Millions of INR except Per Share	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Average	Max	Min
12 Months Ending	03/31/2016	03/31/2017	03/31/2018	03/31/2019	03/31/2020	03/31/2021	03/31/2022			
Book Value per Share	44.85	51.02	60.2	69.27	85.04	126.11	153.76	84.32142857	153.76	44.85
Average Dividend Yield	3.18	2.81	1.41	1.21	1.3	2.37	0.92	1.885714286	3.18	0.92
Trailing 12M Earnings per Share	8.2	9.21	12.02	14.38	29.47	39.76	37.62	21.52285714	39.76	8.2
Price Earnings Ratio (P/E)	6.7	9.42	13.7	11.62	3.68	5.76	11.22	8.871428571	13.7	3.68

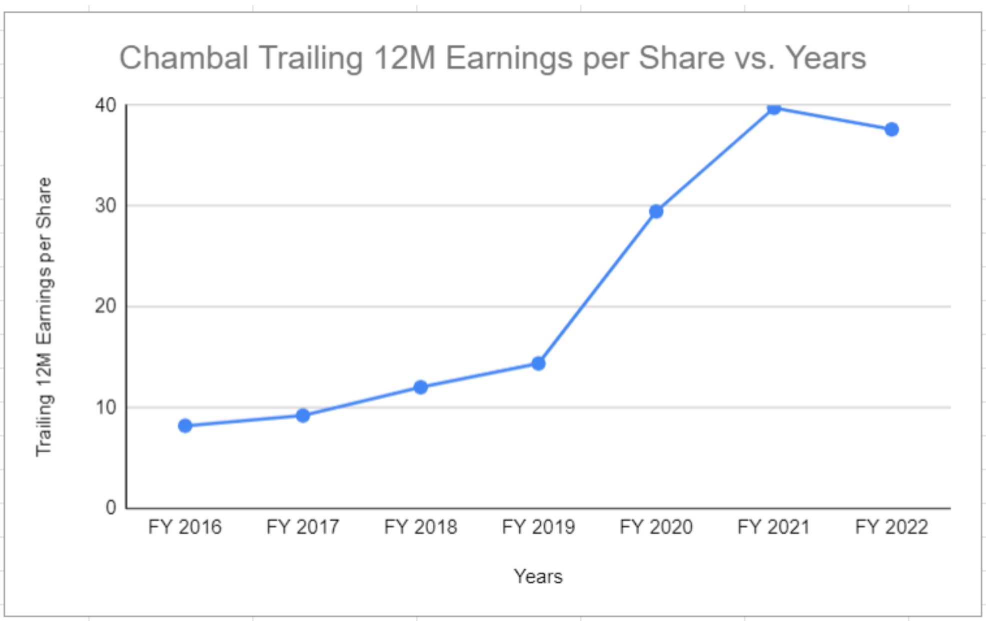
Individual Ratio Analysis:



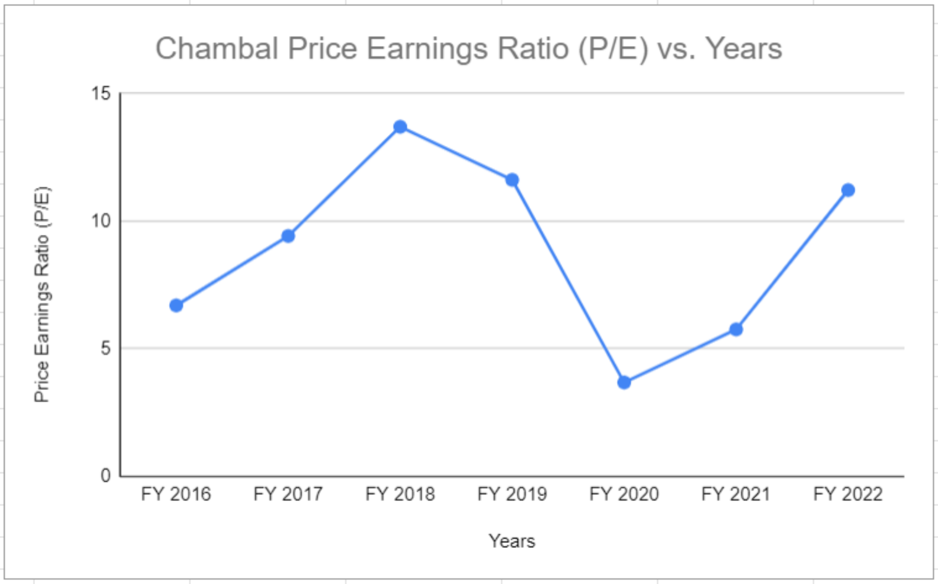
- For Chambal Fertilisers and Chemicals Ltd ,the book value share has increased consistently over the years. It shows that the company has been doing pretty well and is growing at a good pace. The share value increased at a higher rate from 2020 which shows the remarkable growth of the company even after the pandemic.



- The Average Dividend Yield for Chambal Fertilisers and Chemicals Ltd has come down a lot from 2016 to 2022. It decreased a lot from 2016 to 2018 but stayed relatively stable from 2018 to 2020. It increased over 2 in value in the year 2021 but again decreased in 2022 where its value came below 1 to 0.92.



- As far as Earnings per share go ,Chambal Fertilisers and Chemicals Ltd has seen a huge increase in its earnings from the year 2019 which shows that the pandemic has had a positive impact on the performance of the company. Before the pandemic the company was growing but it really picked up pace from 2019 before having a slight dip in the year 2022.



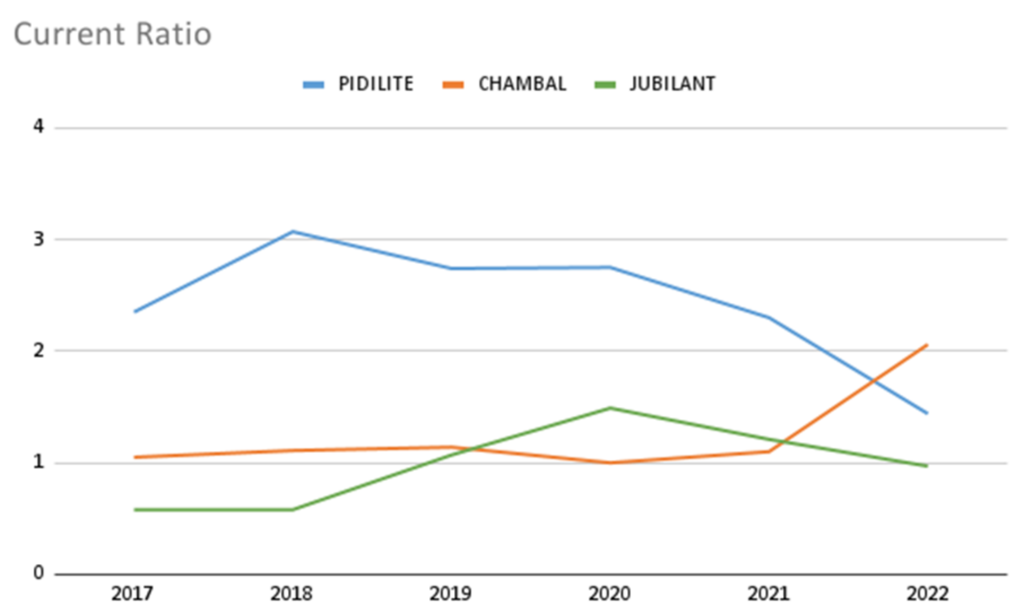
- The Price Earnings ratio for Chambal Fertilisers and Chemicals Ltd had increased from 6.7 to 13.7 from the year 2016 to 2018 before experiencing a sharp decline and hitting a low in 2020.

- The pandemic did hit the Price Earnings of the company really bad but the company has been able to recover from it by showing consistent increase in the ratio from the year 2020 to 2022 growing from a value of 3.68 to 11.22.

Comparative analysis for all three companies

LIQUIDITY RATIO

CURRENT RATIO COMPARISON:



- In 2017, Chambal had the lowest current ratio at 1.05 while Pidilite had the highest at 2.35. Jubilant had the lowest current ratio in 2017, at 0.58.

- In 2018, all three companies improved their current ratios. Pidilite had the highest at 3.07, while Chambal and Jubilant both had a current ratio of 1.11.

- In 2019, Pidilite and Chambal had similar current ratios of 2.74 and 1.14, respectively, while Jubilant improved to 1.07.

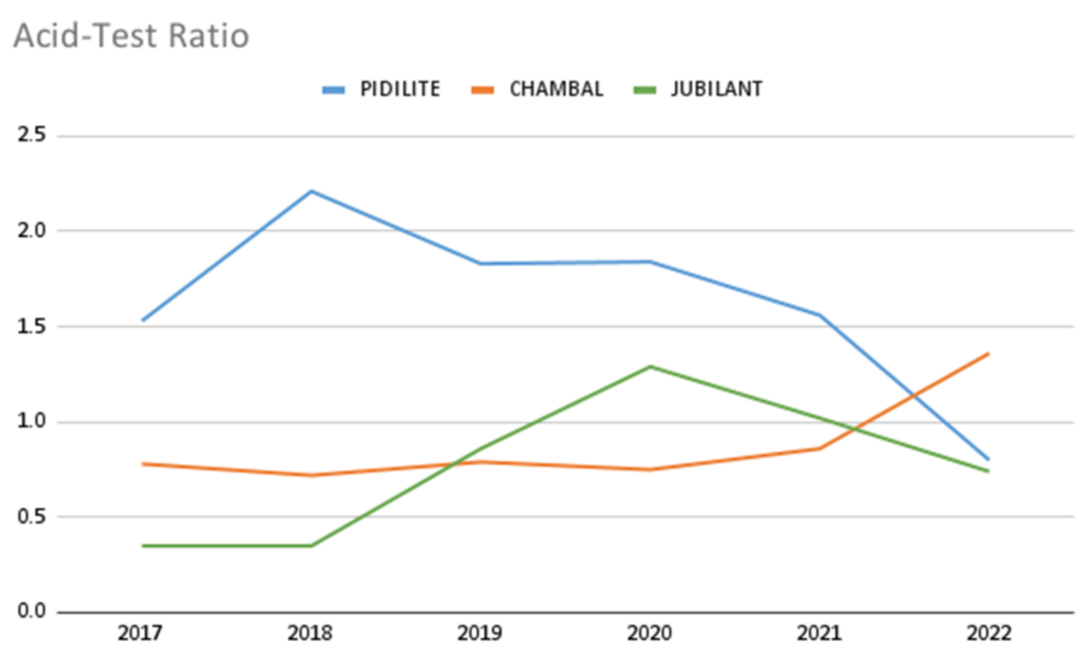
- In 2020, Jubilant had the highest current ratio at 1.49, while Pidilite and Chambal had current ratios of 2.75 and 1.0, respectively.

- In 2021, Pidilite had the highest current ratio at 2.3, while Chambal and Jubilant had current ratios of 1.1 and 1.21, respectively.

- In 2022, Chambal had the highest current ratio at 2.06, while Pidilite and Jubilant had current ratios of 1.44 and 0.97, respectively.

- Overall, Pidilite consistently had a higher current ratio compared to Chambal and Jubilant, indicating that it has a better ability to meet its short-term obligations using its current assets. However, Chambal has shown improvement in its current ratio over the years, while Jubilant's current ratio fluctuated. It's worth noting that a high current ratio doesn't always indicate good financial health, as it can also suggest that a company has excess idle assets.

ACID TEST RATIO COMPARISON:



- In 2017, PIDILITE had the highest acid-test ratio of 1.53, while CHAMBAL had the lowest ratio of 0.78, and JUBILANT had a ratio of 0.35.
.
- In 2018, PIDILITE continued to have the highest acid-test ratio of 2.21, while CHAMBAL and JUBILANT had the same ratio of 0.72 and 0.35, respectively.

- In 2019, PIDILITE's acid-test ratio decreased to 1.83, while CHAMBAL's ratio increased to 0.79 and JUBILANT's ratio increased to 0.86.

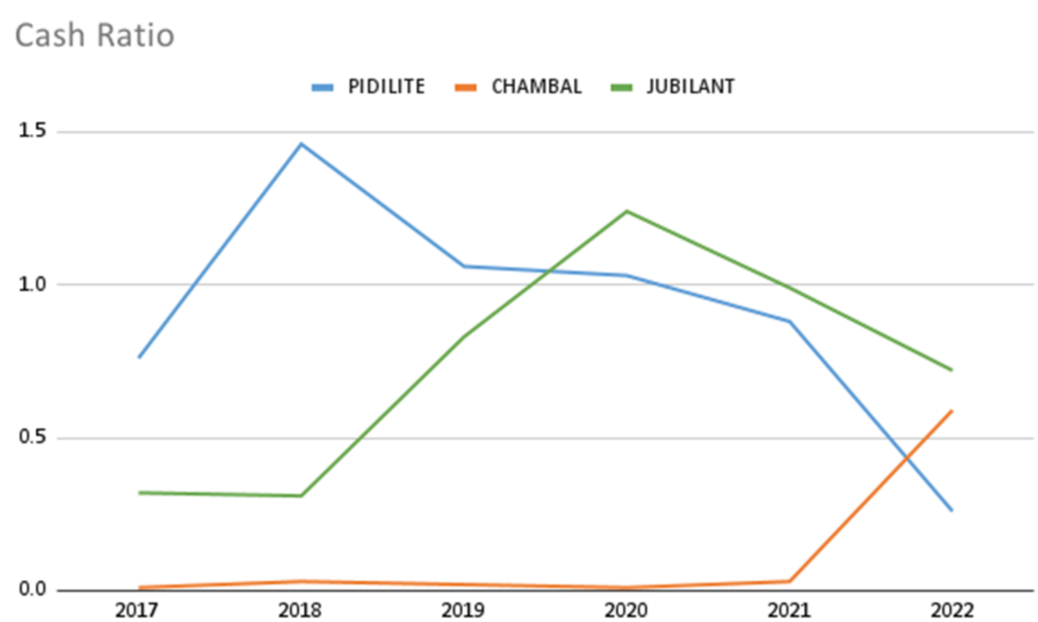
- In 2020, PIDILITE's ratio remained relatively stable at 1.84, while CHAMBAL's ratio decreased to 0.75, and JUBILANT's ratio increased to 1.29.

- In 2021, PIDILITE's ratio decreased to 1.56, while CHAMBAL's ratio increased to 0.86, and JUBILANT's ratio remained relatively stable at 1.02.

- In 2022, PIDILITE's ratio decreased to 0.8, while CHAMBAL had the highest acid-test ratio of 1.36, and JUBILANT had the lowest ratio of 0.74.

- Overall, PIDILITE had the highest acid-test ratio in most years, indicating a strong ability to pay off short-term liabilities using its most liquid assets. CHAMBAL had the lowest ratio in most years, indicating a weaker ability to meet its short-term obligations. JUBILANT's acid-test ratio was lower than PIDILITE's but higher than CHAMBAL's in most years, indicating a relatively stable ability to meet its short-term obligations.

CASH RATIO COMPARISON:



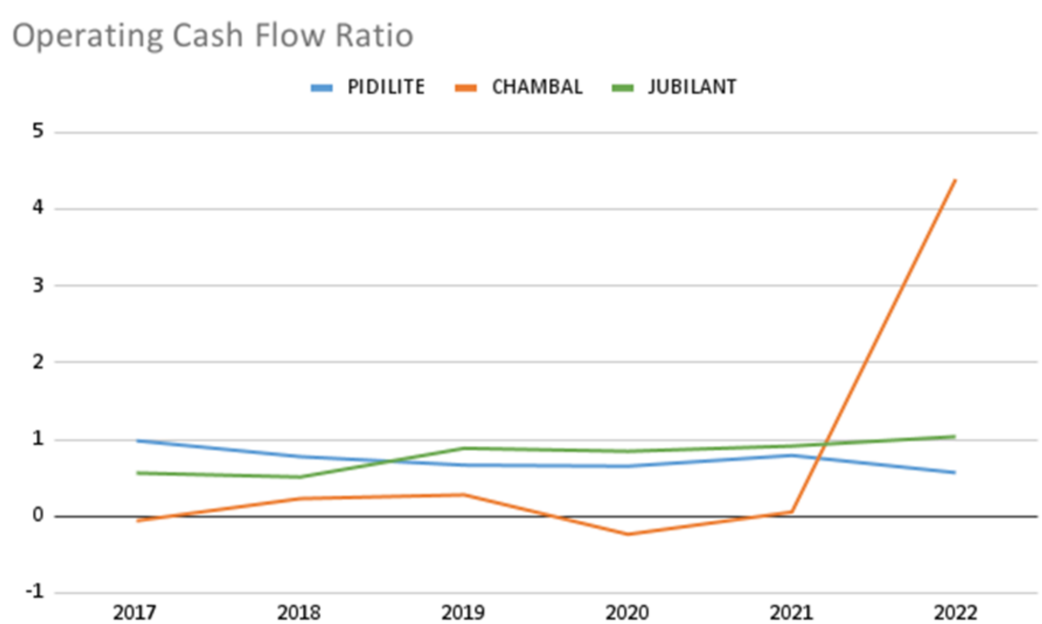
- Pidilite: Pidilite's cash ratio has been consistently higher than Chambal's and Jubilant's. It was 0.76 in 2017, increased to 1.46 in 2018, and remained above 1 in the following years, indicating that the company has a strong ability to pay off its short-term liabilities using its cash reserves.

- Chambal: Chambal's cash ratio has been very low until 2020, with a value of only 0.01 in 2017 and 2019, and 0.03 in 2018 and 2020. However, it experienced a significant increase in 2021, with the cash ratio reaching 0.59, indicating that the company's cash reserves have improved.

- Jubilant: Jubilant's cash ratio has been fluctuating over the years, with a low of 0.31 in 2018 and a high of 1.24 in 2020. In 2021, the cash ratio was 0.99, which indicates that the company has sufficient cash reserves to pay off its short-term liabilities.

- In summary, Pidilite has consistently maintained a strong cash ratio, while Chambal's cash ratio has improved significantly in recent years, and Jubilant's cash ratio has fluctuated but remains relatively stable.

OPERATING CASH FLOW RATIO:



- PIDILITE: The Operating Cash Flow Ratio of PIDILITE has been consistently above 0.6 from 2017 to 2022, indicating that the company generates sufficient operating cash flows to meet its short-term liabilities. The ratio has increased steadily from 2017 to 2021, except for a slight dip in 2020, before decreasing in 2022.

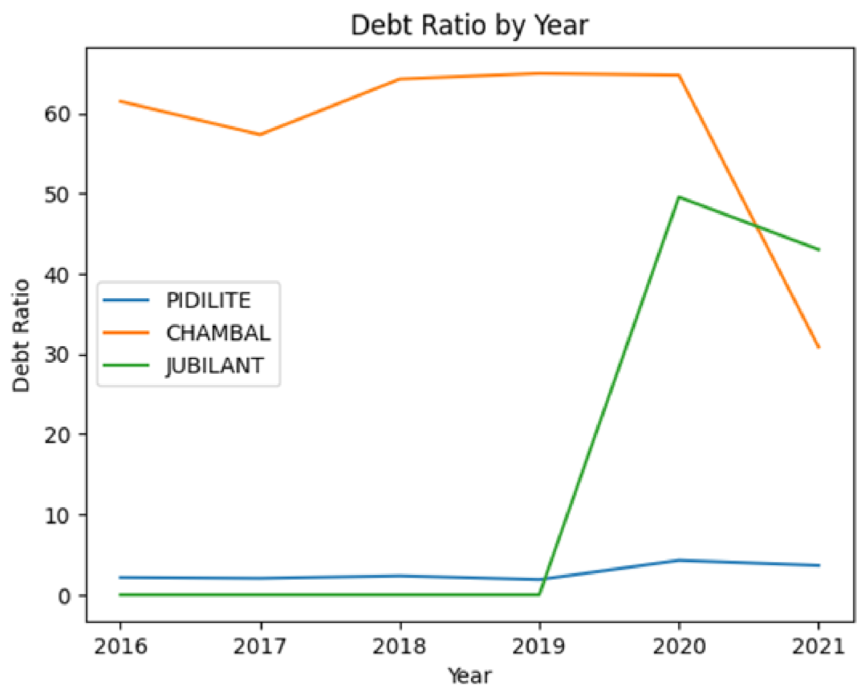
- CHAMBAL: CHAMBAL's Operating Cash Flow Ratio has been highly volatile over the years. The company had a negative ratio in 2016 and 2019, indicating that it had difficulty generating sufficient cash flows to meet its short-term liabilities. However, the ratio increased sharply in 2021 to 4.3899, indicating a significant improvement in the company's operating cash flows.

- JUBILANT: JUBILANT's Operating Cash Flow Ratio has been consistently above 0.5 from 2017 to 2022. The ratio has steadily increased over the years, indicating a consistent improvement in the company's operating cash flows.

- In summary, PIDILITE has had the most stable Operating Cash Flow Ratio over the years, while CHAMBAL's ratio has been highly volatile. JUBILANT's ratio has also shown consistent improvement over the years. Overall, a high Operating Cash Flow Ratio indicates that a company generates sufficient cash flows to meet its short-term liabilities, and investors may consider this metric when evaluating a company's financial performance.

LEVERAGE RATIO

DEBT RATIO:



Comparing the debt ratios of PIDILITE, CHAMBAL, and JUBILANT from 2016 to 2021, we can make the following inferences:

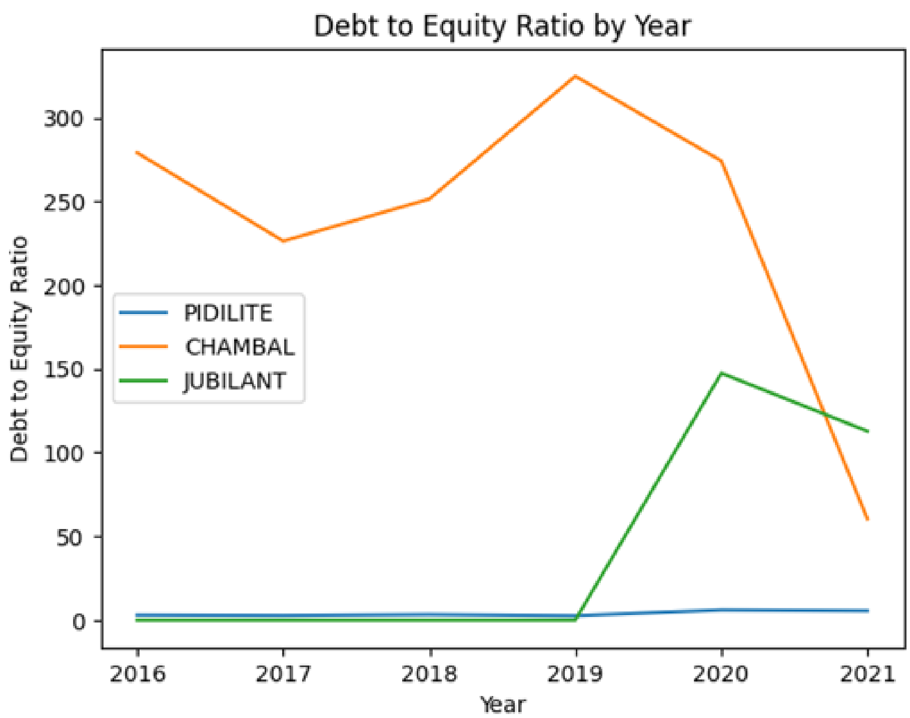
- PIDILITE: The debt ratio for PIDILITE has been fluctuating over the years, with a peak in 2020. However, it has reduced in 2021, indicating that the company is making efforts to bring down its debt levels. Overall, the debt ratio for PIDILITE is relatively low, indicating a conservative approach to borrowing.

- CHAMBAL: The debt ratio for CHAMBAL has been consistently high over the years, indicating that the company relies heavily on debt financing. However, there has been a significant decrease in the debt ratio from 2020 to 2021, which could be a positive sign indicating that the company is taking measures to reduce its debt levels.

- JUBILANT: The debt ratio for JUBILANT was zero from 2016 to 2019, indicating that the company was not using any debt financing during this period. However, there has been a sharp increase in the debt ratio in 2020 and 2021, which could indicate that the company has started to use debt financing to fuel its growth.

Overall, we can infer that PIDILITE has been conservative in its approach to borrowing and has been able to manage its debt levels well. CHAMBAL has been relying heavily on debt financing, but the company seems to be taking measures to bring down its debt levels. JUBILANT has only recently started using debt financing and may need to be cautious in managing its debt levels to avoid any adverse impact on its financial health.

DEBT-TO-EQUITY RATIO:



Looking at the debt to equity ratio for the three companies, we can infer the following:

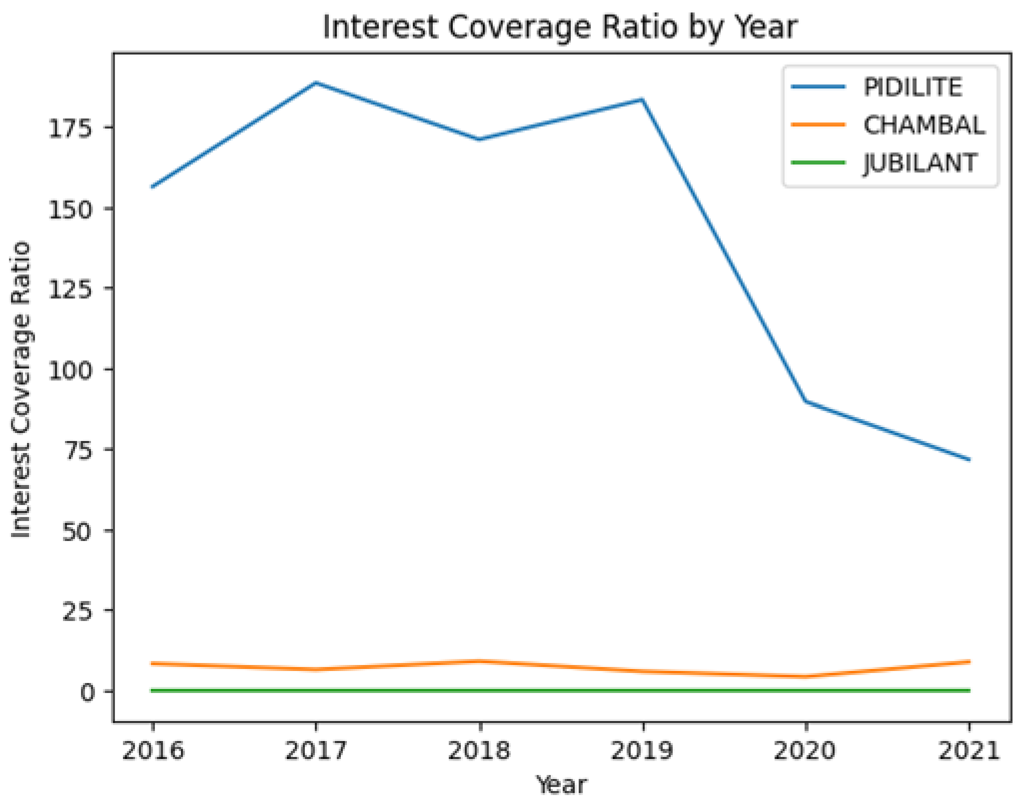
- PIDILITE has maintained a relatively stable debt to equity ratio over the years, with a slight increase in 2020 and a slight decrease in 2021. Overall, the company has not taken on a significant amount of debt, which may indicate a conservative approach to financing its operations.

- CHAMBAL has a much higher debt to equity ratio compared to PIDILITE, with a sharp decrease in 2021. This may indicate that the company has taken on significant debt to finance its operations or expansion plans, which could be a cause for concern if it affects the company's ability to service its debt.

- JUBILANT had no debt until 2020, when it took on a significant amount of debt, resulting in a high debt-to-equity ratio. However, the company reduced its debt-to-equity ratio in 2021, which is a positive sign.

Overall, while PIDILITE has maintained a relatively stable debt-to-equity ratio, CHAMBAL and JUBILANT have taken on significant debt in recent years. This could potentially impact their ability to service their debt in the future, depending on their cash flows and profitability.

INTEREST COVERAGE RATIO:



Based on the interest coverage ratio data for the last six years, we can draw the following inferences for the three companies:

- PIDILITE: The interest coverage ratio for PIDILITE has been consistently high, indicating that the company has been generating enough operating income to cover its interest payments. However, there has been a decline in the ratio over the years, which may indicate a slight increase in the risk associated with the company's debt.

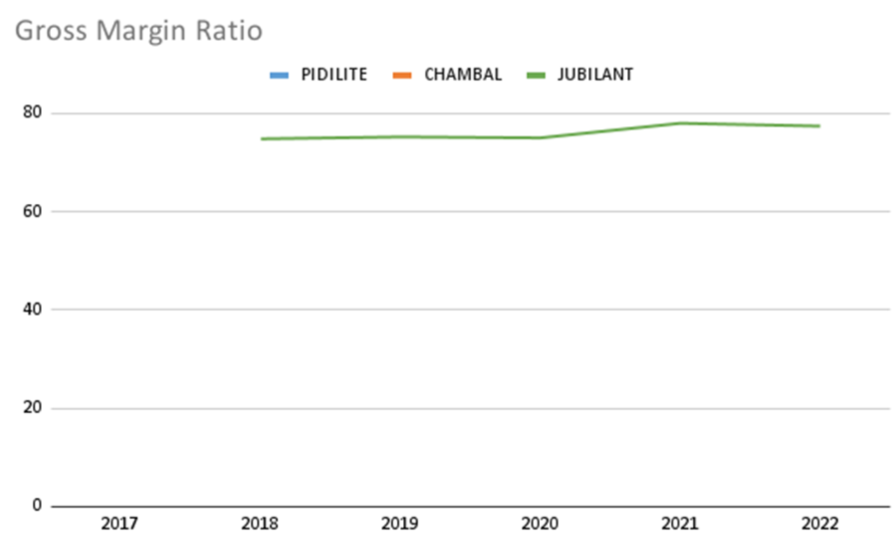
- CHAMBAL: The interest coverage ratio for CHAMBAL has been quite low in the past, indicating that the company has been generating insufficient operating income to cover its interest payments. However, there has been an improvement in the ratio over the years, suggesting that the company's financial health may be improving.

- JUBILANT: We don't have data for JUBILANT's interest coverage ratio, but the fact that the company had zero debt until 2020 suggests that it has been managing its finances well. However, the sudden increase in the debt ratio in 2020 and 2021 may be a cause for concern, and it remains to be seen whether the company can generate sufficient income to cover its interest payments in the future.

while PIDILITE has been performing well in terms of its interest coverage ratio, CHAMBAL has shown improvement over the years, and JUBILANT's sudden increase in debt requires monitoring.

PROFITABILITY RATIO

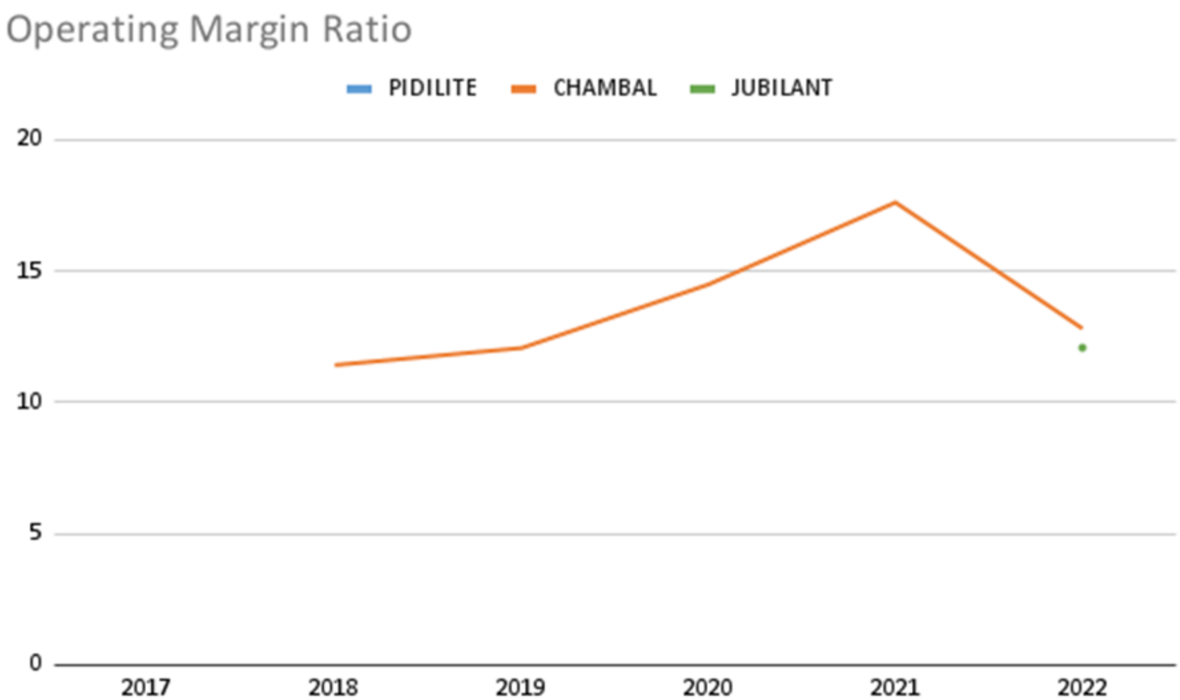
GROSS MARGIN RATIO COMPARISON:



Based on the figures provided, Jubilant Foodworks Limited has maintained a high gross margin ratio over the past five years, ranging between 74.8% and 77.97%. The gross margin ratio increased steadily from 2018 to 2021, indicating that the company was able to improve its profitability by maintaining a higher selling price for its products than the cost of producing them. However, there was a slight decrease in the gross margin ratio in 2022, which may indicate a decrease in the company's ability to control its production costs or changes in its pricing strategy.

Overall, the trend in the gross margin ratio for Jubilant Foodworks Limited suggests that the company has maintained a consistently high level of profitability over the past five years. Investors and stakeholders should also consider other financial metrics, such as revenue growth, operating expenses, net income, and cash flow, to gain a more comprehensive understanding of the company's financial performance

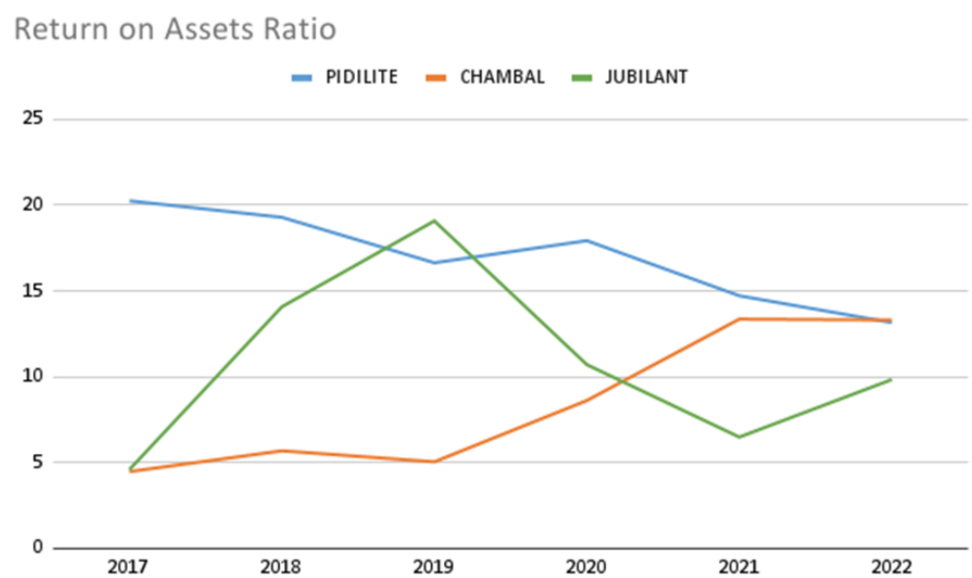
2)OPERATING MARGIN RATIO COMPARISON:



- Based on the figures provided, Chambal Fertilisers and Chemicals Limited has shown a consistent improvement in its operating margin ratio over the past few years, except for a slight decrease in 2022. The operating margin ratio increased from 11.42% in 2018 to 17.61% in 2021, indicating that the company was generating more profit for each dollar of revenue it earned. In 2022, the operating margin ratio decreased to 12.81%, which may indicate a decline in the company's ability to generate profit from its operations.

- Overall, the trend in the operating margin ratio for Chambal Fertilisers and Chemicals Limited suggests that the company has been improving its profitability over the past few years, except for the most recent year. Investors and stakeholders should also consider other financial metrics, such as revenue growth, return on assets, return on equity, and cash flow, to gain a more comprehensive understanding of the company's financial performance.

RETURN ON ASSETS RATIO COMPARISON:



Return on Assets Ratio (ROA) measures how efficiently a company utilizes its assets to generate profits. Here is a comparison of the ROA ratios of Pidilite, Chambal, and Jubilant Foodworks for the years 2017 to 2022:

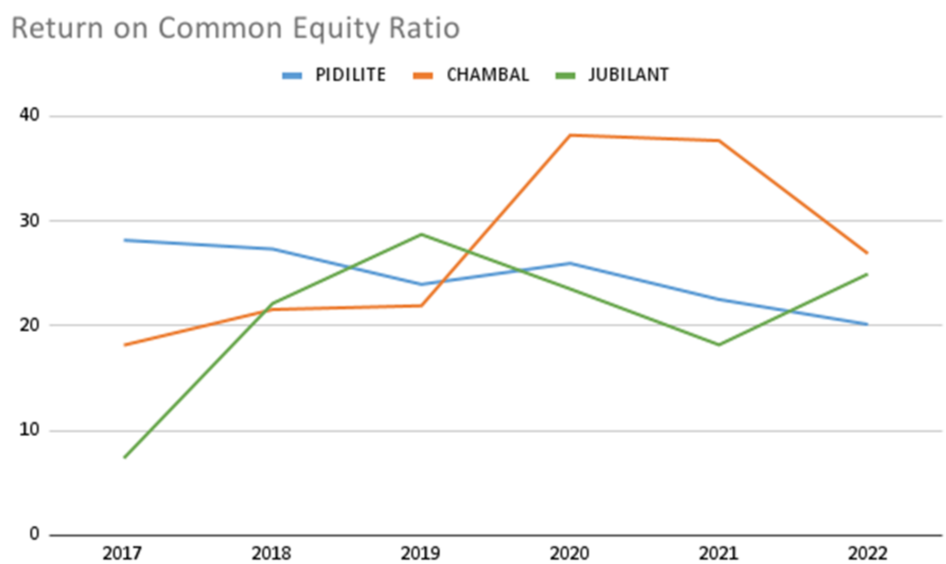
- Pidilite: Pidilite's ROA ratio has been consistently high over the years, ranging between 13.16% and 20.25%. It indicates that the company is efficiently using its assets to generate profits.

- Chambal: Chambal's ROA ratio has been increasing over the years, ranging between 4.48% and 13.36%. The company has been improving its profitability by efficiently using its assets.

- Jubilant Foodworks: Jubilant Foodworks' ROA ratio has been fluctuating over the years, ranging between 4.6% and 19.08%. The ratio was highest in 2019, indicating that the company was able to generate more profits for each dollar of assets. However, the ratio decreased in the following years, which may indicate challenges in managing the company's assets efficiently.

- Overall, Pidilite has been consistently performing well in terms of efficiently using its assets to generate profits. Chambal has also shown improvement over the years, while Jubilant Foodworks has had fluctuations in its ROA ratio. It is important to note that a single financial ratio does not provide a complete picture of a company's financial health, and it is essential to consider other financial metrics and factors affecting the company's operations and market conditions.

RETURN ON COMMON EQUITY RATIO COMPARISON:



Return on Common Equity (ROE) is a financial ratio that measures the profitability of a company with respect to the shareholder's investment. Here's a comparison of the ROE ratios of Pidilite, Chambal, and Jubilant Foodworks for the years 2017 to 2022:

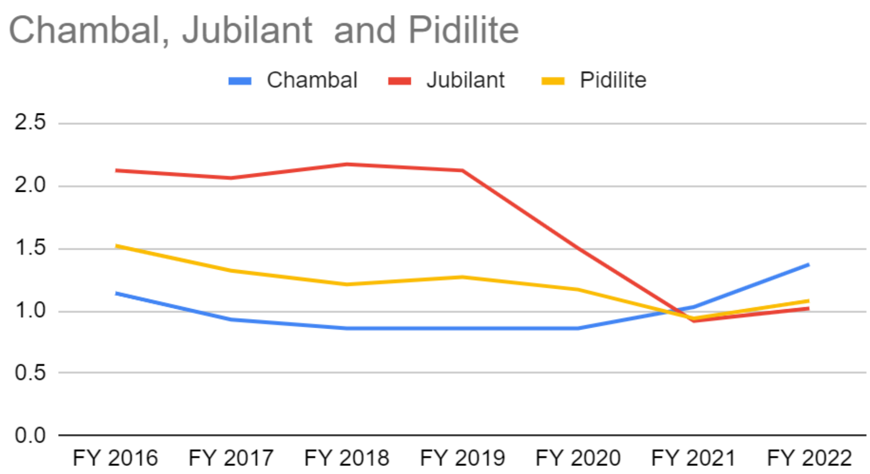
- Pidilite: Pidilite's ROE ratio has been consistently high, ranging between 20.13% and 28.16%. It indicates that the company has been generating healthy profits for the shareholders' investment.

- Chambal: Chambal's ROE ratio has been consistently above average, ranging between 18.15% and 37.66%. The company has been able to generate good returns for its shareholders' investment.

- Jubilant Foodworks: Jubilant Foodworks' ROE ratio has been fluctuating over the years, ranging between 7.37% and 28.71%. The ratio was highest in 2019, indicating that the company was able to generate more profits for each dollar of shareholders' investment. However, the ratio decreased in the following years, which may indicate challenges in managing the company's profitability efficiently.

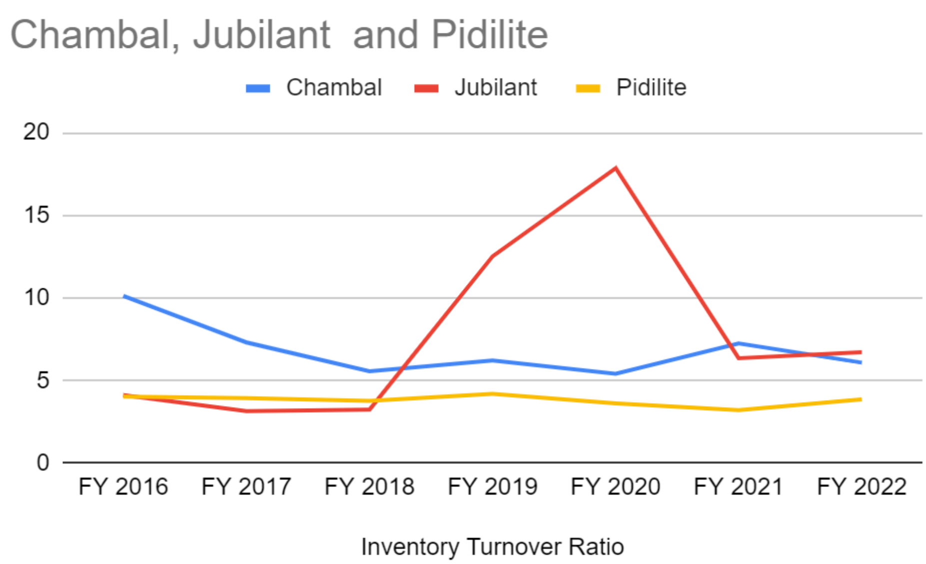
- Overall, Pidilite and Chambal have been consistently performing well in terms of generating healthy profits for their shareholders' investment. Jubilant Foodworks' performance has been fluctuating, with a downward trend in recent years. It is important to note that ROE alone does not provide a complete picture of a company's financial health, and it is essential to consider other financial metrics and factors affecting the company's operations and market conditions.

EFFICIENCY RATIOS



Asset turnover ratio

- The Asset Turnover Ratio (ATR) for Chambal, Jubilant, and Pidilite has varied over the years.
- Jubilant had the highest ATR in all the financial years, indicating a more efficient utilization of assets to generate revenue compared to Chambal and Pidilite.
- Chambal had the lowest ATR in all the years, which may suggest a lower revenue generation compared to its assets. However, Chambal's ATR increased significantly in FY 2022, indicating an improvement in asset efficiency.
- Pidilite's ATR remained relatively stable but lower than Jubilant's, suggesting that Jubilant has better asset utilization.
- Overall, Jubilant had the highest ATR consistently over the years, indicating a more efficient utilization of assets to generate revenue. However, it's important to analyze other financial metrics and compare with industry peers for a comprehensive assessment of each company's performance.



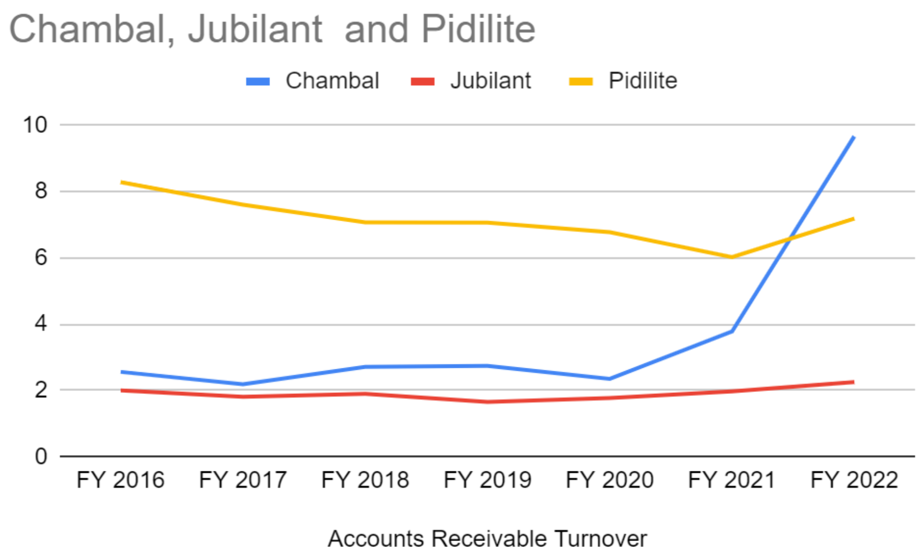
- The given data shows the Inventory Turnover Ratio for three companies - Chambal, Jubilant, and Pidilite - over a period of seven financial years.

- Jubilant has the highest Inventory Turnover Ratio in 2019 and 2020, indicating efficient management of inventory. However, the ratio decreased in 2021 and 2022, suggesting that Jubilant may be facing challenges in inventory management.

- Chambal has the highest Inventory Turnover Ratio in the initial years but shows a decreasing trend in subsequent years, indicating that the company may be facing challenges in selling its inventory or managing its supply chain.

- Pidilite has the lowest Inventory Turnover Ratio among the three companies, indicating that it takes longer for the company to sell its inventory. However, the ratio has been consistent over the years, suggesting that the company has a stable inventory management system.

- In conclusion, Jubilant has had the best inventory management among the three companies, while Chambal and Pidilite have had their own set of challenges in this regard.

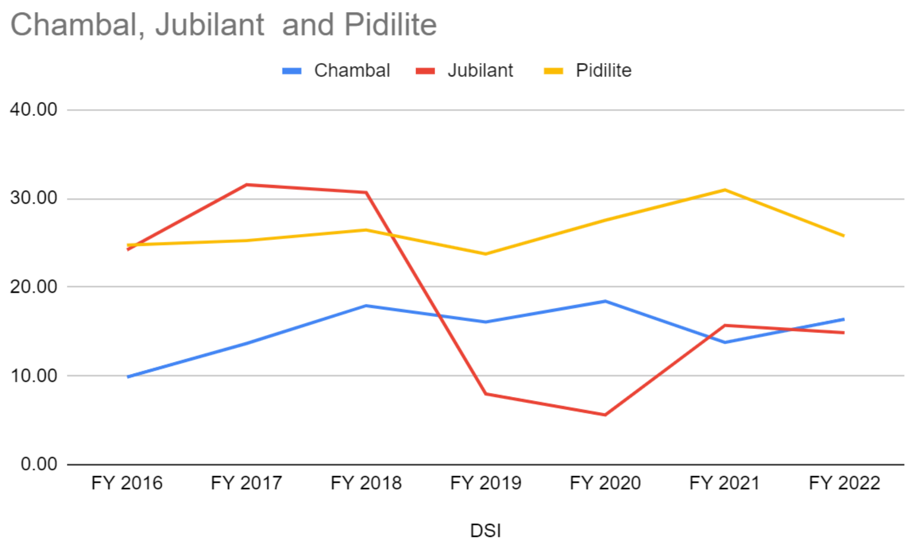


- In terms of Jubilant, its Accounts Receivable Turnover has been consistently lower than the other two companies over the six-year period. This may indicate that Jubilant takes a longer time to collect payments from its customers or has more lenient credit policies. However, there has been an improvement in Jubilant's ratio in the latest FY 2022.

- Chambal has maintained a relatively steady Accounts Receivable Turnover Ratio over the years, with a sharp spike in FY 2022. This suggests that Chambal has efficient credit policies and is able to collect payments from its customers quickly.

- Pidilite's Accounts Receivable Turnover Ratio has decreased slightly over the years, indicating that the company may be taking longer to collect payments from its customers. However, the ratio is still within a reasonable range and the trend is not alarming.

- Overall, a comparative analysis of these ratios suggests that Chambal has the most efficient credit policies, followed by Pidilite, while Jubilant has some room for improvement. It's important to consider other financial ratios and company performance metrics for a more comprehensive assessment.

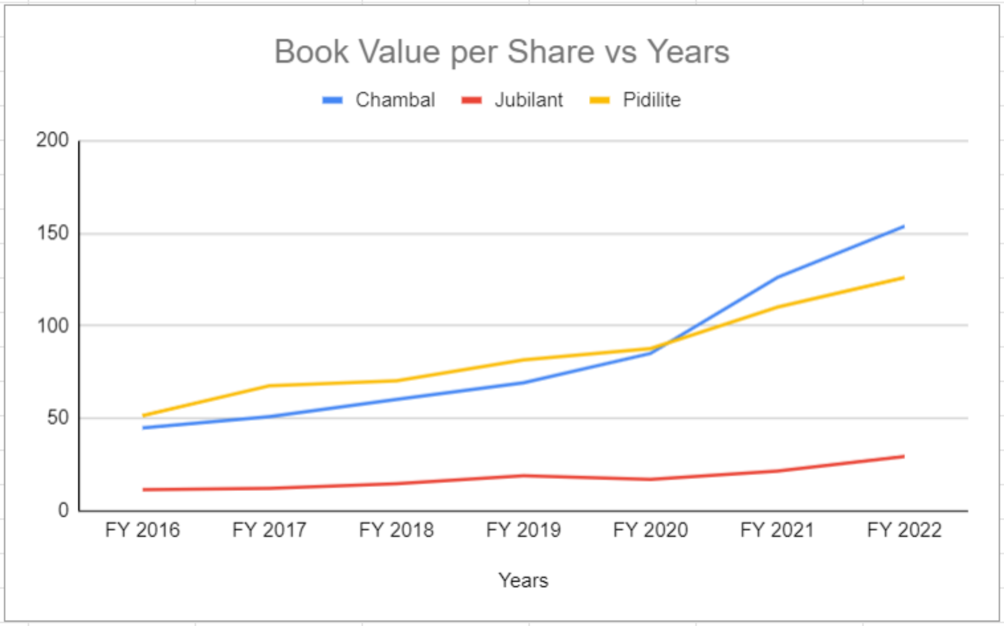


- Jubilant FoodWorks had the highest Day Sales to Inventory Ratio in FY 2017, but it has since declined and remained relatively stable in the range of 5.60 to 30.96. In comparison, Chambal and Pidilite have shown a gradual increase in this ratio over the years, with Pidilite having the highest ratio in FY 2021.

- Chambal has consistently had the lowest Day Sales to Inventory Ratio among the three companies, but it has shown steady improvement over the years. In contrast, Pidilite has generally had the highest ratio and experienced some fluctuations.

- Overall, the three companies have different inventory turnover rates, which can be attributed to the nature of their business operations and industry dynamics. It's important to note that other financial ratios and performance metrics should also be considered to obtain a comprehensive understanding of their financial health and future prospects.

MARKET VALUE RATIOS

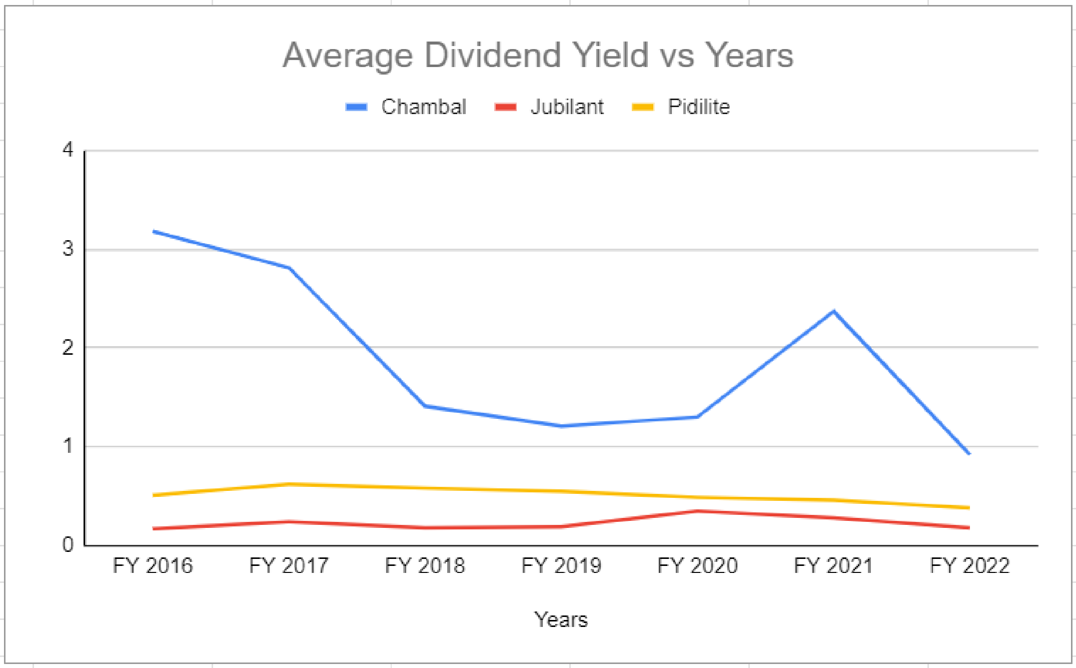


- We can observe that all three companies have seen an increase in BVPS over the years, which is generally a positive sign. However, the rate of increase and the absolute values of BVPS differ between the companies.

- Chambal has the highest BVPS of the three companies in every year, and its BVPS increased from 44.85 in FY 2016 to 153.76 in FY 2022, which represents a compound annual growth rate (CAGR) of around 25%.

- Jubilant has the lowest BVPS of the three companies in every year, but its BVPS also increased consistently from 11.58 in FY 2016 to 29.48 in FY 2022, which represents a CAGR of around 20%.

- Pidilite's BVPS is in between the other two companies, and it increased from 51.46 in FY 2016 to 125.99 in FY 2022, which represents a CAGR of around 18%.

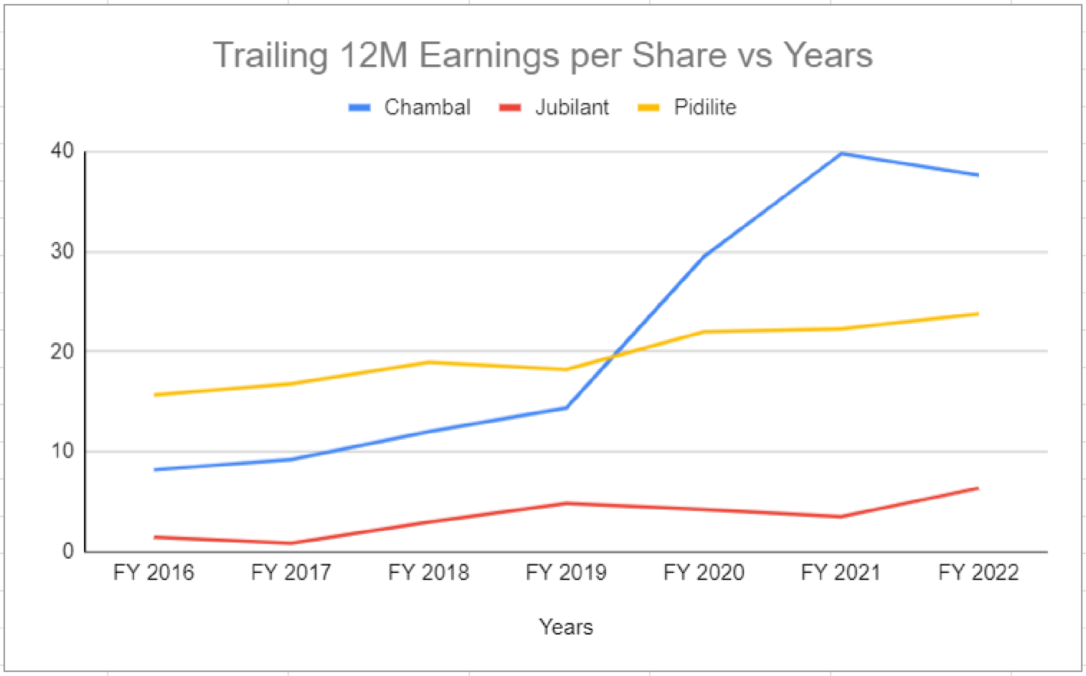


- Chambal has the highest average dividend yield in every year except for FY 2016, and its average dividend yield ranged from 0.92% in FY 2022 to 3.18% in FY 2016.

- Jubilant has the lowest average dividend yield of the three companies in every year, and its average dividend yield ranged from 0.17% in FY 2016 to 0.35% in FY 2020.

- Pidilite's average dividend yield is in between the other two companies, and its average dividend yield ranged from 0.38% in FY 2022 to 0.62% in FY 2017.

- Overall, Chambal has the highest average dividend yield, followed by Pidilite and Jubilant. However, it's important to note that dividend yield is just one metric and should be considered in conjunction with other financial metrics and qualitative factors when making investment decisions.

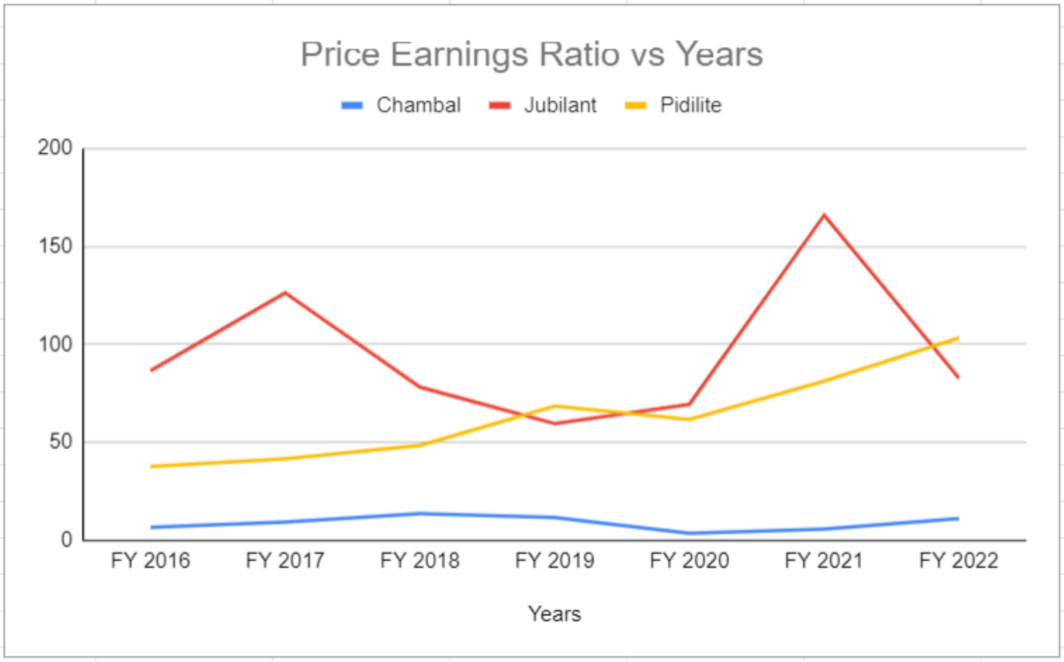


- Looking at the data, we can see that Chambal's earnings per share have been steadily increasing from FY 2016 to FY 2021, with a significant jump in FY 2020.

- However, in FY 2022, the earnings per share decreased slightly. Jubilant's earnings per share have been fluctuating over the years, with a significant decrease in FY 2017 and a slight increase in FY 2022.

- Pidilite's earnings per share have been relatively stable over the years, with a slight dip in FY 2019 and a slight increase in FY 2022.

- In terms of growth rates, Chambal has had the highest growth rate in earnings per share, followed by Jubilant and Pidilite, respectively. Overall, we can see that Chambal has shown the highest growth rate in earnings per share, while Jubilant's earnings have been fluctuating over the years. Pidilite's earnings have been relatively stable, with a slight increase over the years.



- Looking at the data, we can see that Chambal's P/E ratio has been fluctuating over the years, with a significant decrease in FY 2020 and a slight increase in FY 2022.
- Jubilant's P/E ratio has been very high throughout the years, with a significant spike in FY 2021. Pidilite's P/E ratio has been steadily increasing over the years, with a significant jump in FY 2022.
- In terms of the levels of P/E ratio, Jubilant has had the highest P/E ratio throughout the years, followed by Pidilite and Chambal, respectively.
- Overall, we can see that Jubilant has had a very high P/E ratio throughout the years, while Pidilite's P/E ratio has been steadily increasing, and Chambal's P/E ratio has been fluctuating over the years.

Conclusion

After conducting a fundamental analysis of Jubilant FoodWorks, Chambal Fertilizers, and Pidilite Industries, we have observed the following:

Jubilant FoodWorks:

- The company has shown fluctuating Asset Turnover and Day Sales to Inventory ratios, indicating varying efficiency in using its assets and managing its inventory.
- The Debt to Equity Ratio has increased over the last three years, indicating a higher reliance on debt financing relative to equity.
- Despite the fluctuations, the company has reported steady revenue and profit growth over the years, and has a strong presence in the Indian food service industry.
- Industry-wise, Jubilant FoodWorks faces intense competition from other quick-service restaurant chains in India.

Chambal Fertilizers:

- The company has shown consistent improvement in its Day Sales to Inventory Ratio over the years, indicating efficient inventory management.
- The Debt to Equity Ratio has remained relatively stable, indicating a balanced approach to financing.
- The company has reported steady revenue and profit growth over the years, and has a strong presence in the Indian fertilizer industry.
- Industry-wise, Chambal Fertilizers is a key player in the Indian agriculture sector and is poised for growth in the coming years due to government initiatives and rising demand for food production.

Pidilite Industries:

- The company has shown fluctuations in its Day Sales to Inventory Ratio over the years, but has generally maintained a high ratio indicating efficient inventory management.
- The Debt to Equity Ratio has remained relatively stable, indicating a balanced approach to financing.
- The company has reported steady revenue and profit growth over the years, and has a strong presence in the Indian adhesives and construction chemicals industry.
- Industry-wise, Pidilite Industries is well-positioned for growth due to increasing construction activity and infrastructure development in India.

Overall, all three companies have shown strong revenue and profit growth over the years and have maintained a balanced approach to financing. However, the nature of their businesses and industry dynamics have resulted in varying levels of efficiency in asset utilization and inventory management.

Investing in any of these companies for the long-term will depend on various factors such as the overall market conditions, industry trends, and the company's financial performance in the future. However, based on the fundamental analysis, these companies have displayed sound financial health and growth prospects, making them potential candidates for long-term investment.

In conclusion, while Jubilant FoodWorks, Chambal Fertilizers, and Pidilite Industries operate in different industries, they have reported steady revenue and profit growth over the years, and have displayed sound financial health.

References and Sources:

1) Bloomberg database
2) Prowess
3) Financial Reports of Companies.