Management Discussion and Analysis Report

Indian Economic Overview

Indian economic growth rate in FY 2021-22 **~8.7%**

Indian economic growth rate estimated for FY 2022-23

~7.0-8.2%

After contracting by 7.3% in a Covid impacted year of FY 2020-21, Indian economy quickly recovered lost ground and is projected to expand by 8.7% in FY 2021-22, as per the latest advance estimates released by Central Statistical Office (CSO). Economic impact of second wave in the first quarter of FY 2021-22 was limited and much smaller than that of the first wave. Except for private consumption, all the other expenditure components are estimated to have crossed pre-pandemic levels, led by sharp uptick in Government spending. Exports also rebounded sharply to a record high level despite supply chain and logistic disruptions. Revival in capex spending above pre-pandemic level was driven by Government's continued thrust on infrastructure investments. Private consumption continues to lag other demand drivers owing to tepid consumer confidence, weak recovery in labour intensive sectors and reduced direct fiscal support. In terms of sectoral growth, all core sectors have recovered to pre-pandemic level except for Trade, Hotels and Transport which was the most affected sector dragging growth in overall services sector. Overall GDP growth is estimated to be 1.5% above pre-pandemic levels.

As per consensus forecasts, GDP growth in FY 2022-23 is expected to be in the range of 7.0% - 8.2%. The growth is expected to be driven primarily by infrastructure capex spending as reflected in Central Government's budgetary allocations. Most high-frequency indicators have exceeded pre-pandemic levels and indicate that the economic growth is expected to remain strong in FY 2022-23. Exports are also expected to maintain the momentum achieved in the previous year with some downside risks emanating from geopolitical tensions on account of a Russia-Ukraine conflict.

Indian Agricultural Sector Overview

Agriculture and allied sectors continue to remain one of the most important sectors of the Indian economy and is the main source of livelihood for more than 50% of India's population. India is the topmost producer of milk and pulses globally and continues to be the second-largest in production of rice, wheat, sugarcane, cotton, groundnuts and fruits & vegetables. India also ranks amongst the top economies in production of fish, spices, poultry and livestock. The agriculture and allied sectors have remained resilient throughout the unprecedented disruption caused by Covid-19 pandemic. The sector is estimated to have grown by 3.9% in FY 2021-22, as per second advance estimates by Central Statistical Office (CSO). Growth over the last two years was primarily driven by livestock and fishing & aquaculture sectors. The sector accounted for 18.8% of the total Gross Value Added (GVA) during the FY 2021-22.

During the year, the country witnessed very erratic and uneven spread of monsoon with significant monthly variations even amongst four geographical regions. In August, rainfall deficit was 24% vs. Long Period Average (LPA), while the month of September witnessed heavy rainfall with surplus of 34% vs. LPA. Nonetheless, overall monsoon rainfall was healthy at only 1% lower than the LPA during June to September 2021 resulting in decent growth in sowing and food-grain production during the Kharif season. Further, the water reservoir levels were above average on account of 48% higher post-monsoon rainfall during October to December 2021. This coupled with good soil moisture content resulted in higher sowing for the Rabi season, despite a high base of last year. Consequently, total food grains production was estimated to reach 314.06 million

MT in FY 2021-22, a growth of 1.72% year-on-year led mainly by rice, wheat and pulses (as per the third advanced estimates).

In FY 2022-23, monsoon is expected to be normal at 98% of LPA with no material variations projected throughout the season. Area coverage under summer crops has also increased by 6.9% year-on-year as of April 2022 supported by good reservoir levels with sharp rise in area under pulses. The agriculture sector is expected to remain on a modest growth path in FY 2022-23 with continued policy support. The sector is also expected to benefit in the medium-term from Government's focus on crop diversification, sustainable R&D initiatives and use of new technology including drones. As a result, the FY 2022-23 is expected to be a good year for both growth in farmer incomes as well as agri-input and other companies catering to the sector.

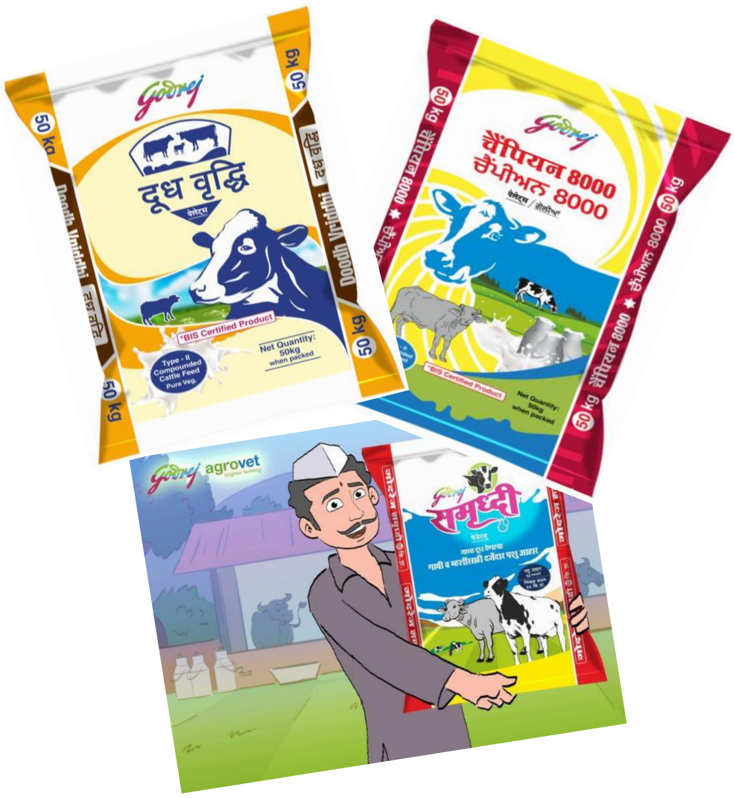
International prices of multiple agricultural commodities, energy and other inputs have risen sharply during FY 2021-22. Coal (+~176% year-on-year) and diesel (+~23% year-on-year) led the unprecedented surge in energy and logistics costs in FY 2021-22. Supply chain disruptions, exceptional rebound in global demand and most recently, uncertainties surrounding Russia-Ukraine conflict were amongst the key factors driving increase in prices across the globe. Edible oil prices, mainly sunflower, palm oil and soybean were the most impacted. We expect energy prices including palm oil to remain at elevated levels in the first quarter of FY 2022-23 with some easing in the commodity prices expected in the second half of FY 2022-23.

Key Business Segments

Your Company is a diversified, research and development focused agri-business Company with operations across 5 (five) business verticals – Animal Feed, Crop Protection, Oil Palm, Dairy, and Poultry and Processed Foods. The Company focuses on improving the productivity of farmers by innovating products and services that sustainably increase crop and livestock yields. Detailed information on the current performance and future strategy of 5 (five) key business segments is as below:

Animal Feed Business

FY 2021-22 was a year of strong comeback post Covid-induced demand disruption for Animal feeds business as volumes and revenues grew by 20% and 41% respectively compared to previous year. The robust double-digit growth in volumes was recorded in all four quarters on the back of new product launches and increasing market penetration. Launch of cattle-feed product Samruddhi in FY 2020-21 was followed by two new products Doodh Vriddhi and Champion in FY 2021-22. All of these products have been receiving excellent response from the farmers. Our shrimp feed volumes continued to grow in FY 2021-22 in line with the industry as shrimp culture was largely successful and realisations for farmers also improved. Overall, Animal Feeds segment registered strong topline performance in FY 2021-22.



In terms of profitability, the entire feed industry was reeling under margin pressure in FY 2021-22. The industry witnessed unprecedented inflation in input commodities such as soybean meal, maize, fishmeal and de-oiled ricebran cake etc. Prices skyrocketed to record high levels owing to rising demand, supply chain disruptions, rising energy & logistics costs and natural calamities. Sharp rise in soymeal prices in first half of the year was contained by government intervention such as approval for soymeal imports, imposing stock holding limits and ban on futures trading. However, prices for all major commodities surged again in the fourth quarter of FY 2021-22 owing to geo-political uncertainties in key agri-commodity producer economies in Eastern Europe. Fish feed margins were also impacted by lower farmgate prices for major varieties of fish. However, despite all these challenges, our segment results grew by 22% y-o-y supported by timely price hikes, realisation of R&D initiatives over the years and strategic stocking.

On R&D and digitisation front, your Company made satisfactory progress. Our digital initiatives such as sales force automation, chatbots in regional languages, pan-India roll-out of complaint redressal system remained on track. We completed debottlenecking of animal feed plants to increase production capacity during the year. We also commissioned our aquaculture research and development centre. The fish feed manufacturing plant being set up in Uttar Pradesh is expected to start commercial trials in first half of FY 2022-23. It will cater to the demand in the Northern and Eastern region, which are large markets for fish feed. We are immensely proud to report that all our cattle feed plants are now BIS certified which underscores our commitment to quality.

During the year, we completed acquisition of balance stake in Godrej Maxximilk Private Limited ("GMPL") from minority investors. GMPL is now our wholly-owned subsidiary and we have infused additional investments to the tune of ₹ 50 Crore for business expansion and day-to-day operations. GMPL has made significant progress in stabilising lab operations and improving embryo production. We have also signed agreements with large customers for supply of high breed embryos in the coming year.

Godrej Agrovet's 50:50 joint venture with Advanced Chemical Industries Limited (ACI), Bangladesh, named ACI Godrej Agrovet Private Limited, recorded another year of outstanding performance and posted strong growth in revenues by 25% year-on-year. This was on account of strong volume growth across all segments, i.e., cattle, poultry and aqua feed.

Going forward, the focus will continue to be on increasing the penetration in key geographies across feed categories to drive the volume growth as well as leverage R&D efforts for margin expansion. We are actively engaged in collaboration with new age agri-tech start-ups to enable additional sales channel for our feed products and accelerate market penetration. The ongoing digital initiatives undertaken in the production processes and supply chain management will further help in improving productivity and achieve cost optimisation.

Animal Feed Business Highlights:

₹ 4,350 crore

Revenue

1.4 million MT

Volume Sold

15K +

Customer touch points across India

30 +

Manufacturing plants in India

17%

Return on Capital Employed

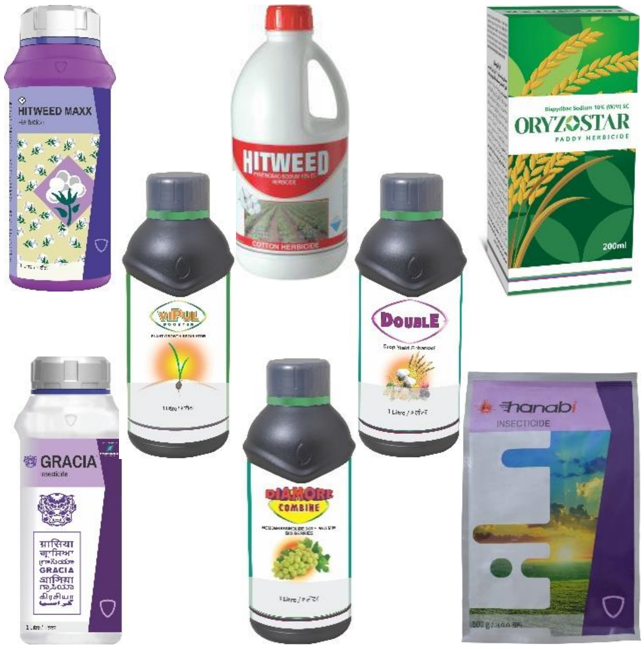
 # 1

Cattle feed player in Bangladesh

Crop Protection Business

For domestic crop protection industry, FY 2021-22 was a very challenging year. Especially for herbicides players, the season was fraught with erratic and uneven monsoon as well as extreme weather events. Additionally, profitability of domestic players was under severe pressure due to limited transmission of input costs inflation to end-product selling prices. However, exports business was upbeat led by higher realisations for key products and healthy demand.

Unusually dry August followed by heavy rains in September led to lower application opportunities for our products in the Kharif season. In the second half of the year, higher emphasis was given on improving channel hygiene resulting in higher sales returns and increased provision for doubtful debts. Consequently, standalone Crop Protection revenues and profitability were impacted. Nonetheless, Company continued to focus on increasing the distribution reach of the in-house products by partnering with other major agrochemical players in the industry. Company launched 'Gracia' during the year, extending our in-licensing arrangement with Nissan Chemical Corporation, Japan. Gracia, an insecticide for control on chewing and sucking pests, is our second product in collaboration with Nissan Chemicals and will help us in strengthening our presence in Insecticides sub-segment. Gracia has been receiving good customer response and will not only enhance the product portfolio but will also help enter new crops markets. In addition to Gracia, Company also launched 'Portraitt' in Herbicide category focused on controlling weeds in onion crop. Going forward, standalone Crop Protection segment will continue to focus on sustainable growth while maintaining good channel hygiene through our revamped go-to-market strategies and efficient working capital management. The Company will also continue to work towards expanding its product portfolio either through in-house developments or through in-licensing arrangements.



Our subsidiary, Astec LifeSciences Ltd ("Astec"), recorded its best-ever performance till date as total income and profit before tax (excluding non-recurring and exceptional items) grew by 22% and 36%, year-on-year, respectively. Geographically, exports were the main driver growing by 44% year-on-year while in terms of segment, growth was led by enterprise sales. During the year, Astec commissioned its new herbicide plant and remained on track to complete the state-of-the-art R&D facility by FY 2022-23. Additionally, Company has started realising benefits from investment made in backward integration to diversify raw material sourcing and to reduce dependency on international markets. During the year, Astec LifeSciences commercialized two new CDMO products.

In the next financial year, Astec will continue to focus on developing new relationships for contract manufacturing business and to diversify into other chemistries. Investment in the R&D centre will significantly increase the research capabilities and will support the growth aspirations in the long-term.

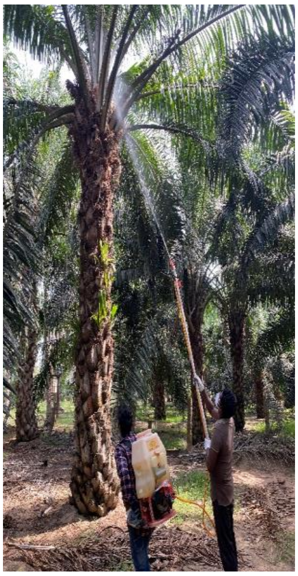
Oil Palm Business

FY 2021-22 was the remarkable year for our Oil Palm business as we achieved best ever notable improvement in oil extraction ratio on the back of R&D initiatives and operational efficiencies. This coupled with record-high oil prices and moderate increase in volumes resulted in strong growth in segment revenues and segment results by 78% and 188% respectively.

Average prices for crude palm oil (CPO) and palm kernel oil (PKO) have remained well above long-term average prices throughout the year and increased by 51% and 90% respectively as compared to previous year. The sharp rise in palm oil prices could be attributed to several factors such as elevated crude oil prices, rising demand, supply chain disruptions from largest exporters Indonesia and Malaysia and uncertainties surrounding ongoing Russia-Ukraine war.

During the year, your Company reaped enormous benefits from the R&D initiatives implemented over the past few years. This was further aided by operational efficiencies achieved through changes in plant operations, improved procurement and quality grading processes. The Company continues to work on increasing area under plantation.

In the month of Aug 2021, Government of India launched new mission on oil palm namely, the National Mission on Edible Oils – Oil Palm (NMEO-OP) with planned outlay of ₹ 11,040 Crore. Under this mission, Government has envisaged to raise area under cultivation of oil palm to 10 Lakh hectares by 2025-26 and 16.7 Lakh hectares by 2029-30 with special focus on the North east region and the Andaman and Nicobar Islands. The other important focus area is introducing concept of Viability Price (VP) of Fresh Fruit Bunches (FFBs). VP mechanism has been designed to protect the farmers from the volatility in international CPO prices and will encourage them to increase area under cultivation. This is a positive step in the right direction as farmers will benefit from guaranteed



minimum support even in case of fall in global oil prices and will result in reduction in uprooting. The Company has been working closely with the Government authorities to make this mission a success. Being a top player in this segment, your Company is well-placed to capitalize on this opportunity.

During the year, there has been significant progress in all of our several digital initiatives. Our entire plantation areas in Andhra Pradesh and Telangana have been geo-tagged with more than 95% accuracy levels on tree count. Entire plantation footprint has been digitalised which enables timely fruit care interventions at farm level. The Company has also been working on various new initiatives such as micro climate monitoring at garden level, drone imaging, AI precision farming, end-to-end traceability integrated into in-house digital platform and providing one-stop-solution to network farmers. The Company has also made satisfactory progress on our ESG goals for Oil Palm business with entire energy requirements being generated in-house and achieving net zero carbon emissions.

Going forward, the focus will remain on improving productivity through agronomic and digital interventions while improving extraction ratio through operational efficiencies.

Oil Palm Business Highlights:

30 Years of experience in Oil pam

~ 2,00,000 HA Potential area for plantation

~ 9,000 Farmers connected

6 Palm oil mills

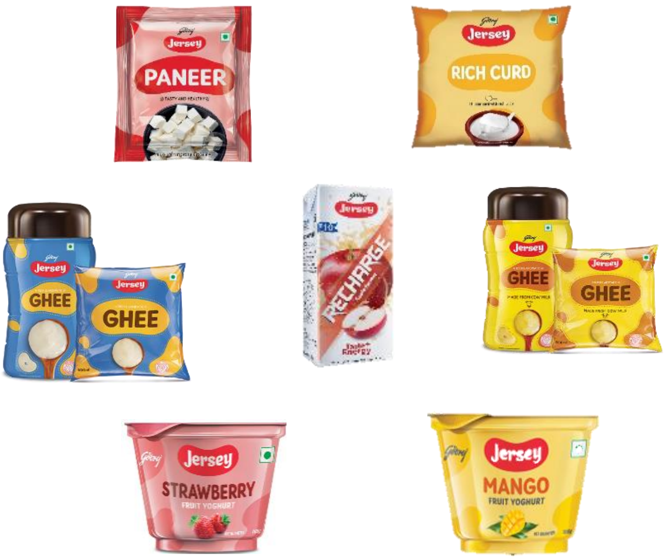
> 1 lakh MT Of Crude palm oil

12 Nurseries

Dairy Business

Dairy industry witnessed a modest revival in demand in FY 2021-22 post gradual opening up of economy with easing covid restrictions. The demand recovery was largely driven by Value-Added Products (VAP), although HoReCa (Hotels, Restaurants and Catering) segment volumes were still below pre-Covid levels. Rapid spread of second wave and ensuing lockdowns restricted demand recovery in first quarter of the year. Thereafter, increased vaccination coverage and upswing in overall consumer confidence ensured strong growth in demand for VAP category.

Our dairy subsidiary, Creamline Dairy Products Limited ("CDPL"), reported 14% year-on-year increase in segment income in FY 2021-22. The notable comeback as compared to previous year was led by higher market share gains in curd, milk drinks and ghee. CDPL maintained its focus on strengthening the market position, increasing the brand awareness and new products development. CDPL launched new variants of Jersey Recharge energy drink, fruit yogurt as well as paneer and ghee. CDPL's whey drinks category has been receiving excellent market response and we introduced two more flavours during the year – Mango and Apple. CDPL also expanded sales of Jersey milk beverages to Northern parts of the country, mainly Delhi, Punjab and Himachal Pradesh. CDPL successfully carried out massive customer outreach programme for "Jersey Ghee" in Southern markets resulting in strong volume growth as compared to previous financial year. Overall, CDPL reaped benefits from continued efforts and strategic focus towards increasing salience of VAP category. Share of VAP in total sales further increased to 29% in FY 2021-22 from 27% in the previous year.

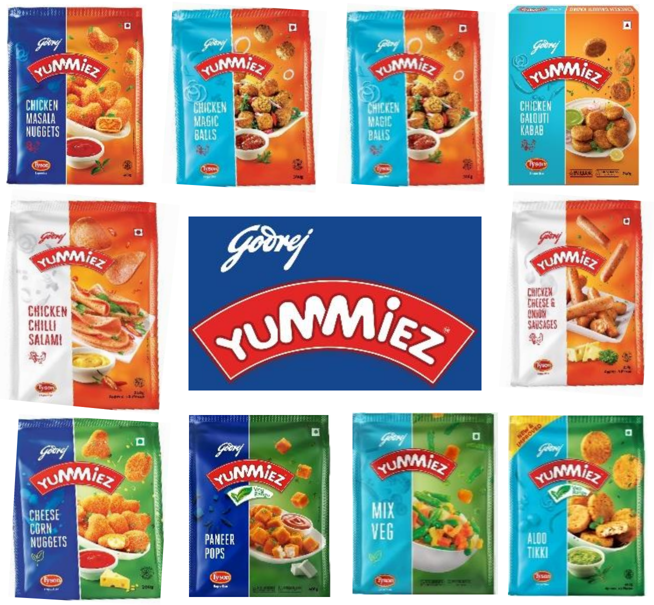


However, CDPL's profitability was impacted due to high inflationary pressure on milk procurement prices as well as fuel and packaging material costs. The sharp rise in input costs could not be transmitted as no price hike was taken by the regional players in our key markets in the first nine months of FY 2021-22. Although there was some pricing action in fourth quarter of the year by major players, the increase was marginal and insufficient to absorb entire input cost inflation. Consequently, CDPL reported a loss for the first time in FY 2021-22. In the near-term, CDPL will continue with its aim of growing milk volumes through customer activation plans for each of its markets. This will be supplemented by strengthening the direct milk procurement network which is a prerequisite to providing quality and supply security. In the VAP category, focus will remain on launching new products based on market research coupled with accelerated consumer outreach and expansion of distribution channel in the existing markets. Higher volume growth and improvement in realisation on the back of price hikes are expected to drive CDPL's return to profitability in the coming year.

Poultry and Processed Food Business

FY 2021-22 was a year of mixed performance for our subsidiary Godrej Tyson Foods Limited ("GTFL"). Favourable demand dynamics in Real Good Chicken (RGC) and live bird segments was offset by highly volatile live bird prices and elevated commodity inflation throughout the year.

Total income grew by 30% year-on-year driven by robust volume growth in Real Good Chicken (RGC) and live bird segments. However, unprecedented rise in input costs, mainly soya, played spoilsport leading to decline in profitability for the year. GTFL closed FY 2021-22 with segment results of ₹ 5.3 Crore as compared to ₹ 24.6 Crore in the previous year. In live bird segment, volu me growth of 13% was strongly supported by similar increase in selling prices. After plunging sharply in the first quarter due to rapid rise in Covid cases during second wave, live bird prices recovered quickly and closed the year at a record high level. However, rising live bird costs due to feed inflation surpassed recovery in selling prices for part of the year. As a result, segment witnessed margin pressures and subsequent drop in profitability. In RGC category, volume growth of 61% was mainly led by Quick service restaurants (QSR) and Institutional sales. HoReCa channel, which constitutes a significant share of overall demand in RGC category, is yet to see full recovery to pre-Covid levels. Demand from HoReCa channel was sluggish in the first quarter due to channel disruption caused by Covid lockdowns. It regained its momentum quickly with fall in cases and increased out-of-home consumption. Nonetheless, limited transmission of inflated bird cost to selling prices resulted in a lower contribution margins and as a consequence, drop in segment results. In Yummiez segment, heightened demand for ready-to-eat and easy-to-cook frozen food products from the previous year started stabilising during the year. This could be attributed to easing lockdown restrictions and rising preference to out-of-home consumption. As a result, Yummiez witnessed flat growth in volume as well total income, albeit on a higher base.



In the medium term, GTFL's focus in RGC business will be on improving profitability though favourable product as well as channel mix and leveraging cost efficiencies. In Yummiez segment, GTFL's aim is to scale up volume growth through enhancing product portfolio and by adding new sales channels for increasing the distribution reach. During the year, GTFL continued to launch new products in the Yummiez segment to expand consumer offerings. At the same time, GTFL will remain committed to its primary aim of becoming the lowest cost producer of live bird with singular focus on cost control through operational efficiencies.

Opportunities, Strengths, Concerns

Opportunities and Strengths

- **Increase market share in existing business verticals:** Several sectors in which your Company operates are largely unorganized, therefore, cost leadership is a key enabler for your Company to increase the market share of its products in those segments. The Company's ability to increase sales will be strengthened by continued focus on offering a wide range of innovative products across all business verticals which will help in gaining market share. Additionally, in the medium-term, due to supply chain disruption and lack of liquidity leading to the closure of smaller business units, larger players with strong balance sheets will gain market share.

- **Pan-India presence with extensive supply and distribution network to benefit the Company in the long-run:** Your Company has a pan-India presence and operations spanning across 5 (five) business verticals. The Company has set up processing facilities and supporting infrastructure as well as R&D to develop a modern operating platform across key agriculture verticals. As a result of its widespread network and significant operational experience, the Company is well placed to identify key market trends and introduce a range of innovative and value-added products in the market to cater to the evolving needs of the customers. The nationwide footprint also allows the Company to leverage the competitive advantages of each location to enhance competitiveness and reduce geographic and political risks in businesses.

  Diversified businesses with synergies in operations: Segmental and geographical diversification across business verticals provides a hedge against the risks associated with any particular industry segment or geography while benefiting from the synergies of operating in diverse but related businesses. Synergies across diverse businesses provide the ability to drive growth, optimize capital efficiency and maintain competitive advantage. The Company also derives operational efficiencies by centralizing and sharing certain key functions across businesses such as finance, legal, information technology, strategy, procurement and human resources.

- **Strong Research & Development (R&D) Capabilities:** The Company's emphasis on R&D has been critical to its success and a differentiating factor from competitors. Dedicated R&D is undertaken in existing products primarily with a focus to improve yields and process efficiencies. The Company also focuses on R&D efforts in areas where there is significant growth potential. Through our subsidiary Astec LifeSciences Limited, the Company has access to strong R&D capabilities in the agrochemical active ingredients category. Investment is also being made in developing innovative technologies to further grow our product portfolio across businesses.

- **Focus on inorganically growing business offerings:** Your Company will evaluate inorganic growth opportunities, in keeping with the strategy to grow and develop market share or to add new product categories. Your Company may consider opportunities for inorganic growth, such as through mergers and acquisitions, if, amongst other things, they consolidate market position in existing business verticals or achieve operating leverage in key markets by unlocking potential efficiency and synergy benefits. Your Company can also look at opportunities that will strengthen and expand its product portfolio and increase its sales and distribution network.

Concerns

- **Unfavourable local and global weather patterns can have an adverse effect on the business:** As an agri-based Company, the businesses are sensitive to weather conditions, including extremes such as drought and natural disasters. The availability of raw materials required for operations and the demand for products may be adversely affected by longer than usual periods of heavy rainfall in certain regions or a drought in India. The occurrence of any unfavourable weather patterns may adversely affect business, results of operations and financial condition.

- **Availability of raw materials and arrangements with suppliers for raw materials:** Each of the businesses depends on the availability of reasonably priced, high-quality raw materials in the quantities required by operations. The price and availability of such raw materials depend on several factors beyond the Company's control, including overall economic conditions, production levels, market demand and competition for such materials, production and transportation cost, duties and taxes and trade restrictions. The Company typically sources raw materials from third-party suppliers or the open market which exposes the Company to volatility in the prices of raw materials and dependence on third-party for delivery of raw material. Also, any inability to procure raw materials from alternate suppliers in a timely fashion, or on commercially acceptable terms, may adversely affect operations.

- **Improper handling, processing or storage of raw materials or products:** The products that your Company manufactures or processes are subject to risks such as contamination, adulteration and product tampering during their manufacturing, transport or storage. Inherent business risks exist in form of product liability or recall claims if products fail to meet the required quality standards or are alleged to result in harm to customers. Such risks may be controlled, but not eliminated, by adherence to good manufacturing practices and finished product testing. Although the Company has product liability insurance cover for domestic and international markets for businesses, it cannot assure that this insurance coverage is adequate or that any losses will be adequately compensated by the insurers in the event of a product liability claim.

- **Seasonal variations in the businesses:** Your Company's businesses are subject to seasonal variations that could result in fluctuations in performance. For example, in the Animal Feed business, the Company sells lower volumes of cattle feed during the monsoons due to the availability of green fodder. In the Poultry and Processed Foods business, the demand for poultry products is higher in the second half of the Financial Year since the consumption of poultry meat and eggs is higher during winter months, while the sale of such products is lower during certain religious festivals. As a result of such seasonal fluctuations, sales and results of operations may vary by fiscal quarter. The sales and results of operations of any given fiscal quarter may not be relied upon as indicators of the sales or results of operations of other fiscal quarters or future performance. In addition, financial performance is also impacted by other risks such as inability to manage diversified operations, dependency of revenue from Animal Feed business and dependency of the utilization of services of third parties for our operations.

Internal Control System

Your Company remains committed to improve the effectiveness of internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations. Your Company has adequate internal controls in place designed and developed to:

a) Safeguard its assets from unauthorised use or losses
b) Conduct its business operations efficiently in line with company's policies
c) Maintain accuracy, completeness & reliability of the Financial and accounting records
d) Compliance on laws and regulations
e) Detect and prevent any fraud the frauds in the accounting & reporting system

The Company monitors the efficacy and functioning of its internal financial controls through periodic internal audits and multiple authority levels for expenditures and budgetary controls.

Material Developments in Human Resources / Industrial Relations

Your Company treats its employee workforce as a valuable asset and strives to provide them with a workplace that brings out the best in them. The Company trains employees regularly to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. Employees are offered performance-linked incentives and benefits and the Company conducts employee engagement programmes from time to time.

The Company also hires contract labour at few facilities, from time to time. Employees at certain facilities have formed registered unions. However, Your Company believes that it has good relations with the employees. As on March 31, 2022, the total number of permanent employees was 2,711.

The Company would like to sincerely appreciate the valuable contribution and support of employees towards the performance and growth of the Company. The management team comprises of professionals with a proven track record. The Company continues to remain focused and sensitive to the role of human resources in optimizing results in all its areas of working and its industrial relations also continue to be cordial.

Company's Financial and Operational Performance

Consolidated Performance:

For the FY2021-22, your Company reported consolidated total income of ₹ 8,385.7 Crore as compared to ₹ 6,306.3 Crore in the previous Financial Year. Profit before exceptional items and tax was ₹ 486.8 Crore in FY 2021-22 as compared to ₹ 397.6 Crore in the previous Financial Year.

The key highlights of Consolidated Financials for the Financial Year ended March 31, 2022 are as under:

(₹ in crore)

Particulars	Consolidated	
	2021-22	2020-21
Total Income	8,385.74	6,306.27
Earnings Before Interest, Tax, Depreciation and Amortization*	723.2	598.1
Profit Before Tax*	486.8	397.6
Profit After Tax*	408.5	344.7
Total Comprehensive Income	417.4	350.4

* Excluding non-recurring & exceptional items

Key Financial Ratios

The key financial ratios for Consolidated financials are as per the below table:

Particulars	Consolidated	
	2021-22	2020-21
Debtors Turnover Ratio	9.36	7.48
Inventory Turnover Ratio	5.23	4.94
Interest Coverage Ratio	9.06	9.67
Current Ratio	1.06	1.08
Debt Equity Ratio*	0.57	0.38
Operating Profit Margin (%)	6.88%	7.17%
Net Profit Margin (%)	5.05%	5.55%
Return on Net worth (%)	16.28%	14.85%

*Consolidated Debt Equity Ratio has increased due to increase in short term borrowings on account of higher working capital requirements.

The formulae used for computation of key financial ratios are as follows:

Debtors Turnover Ratio	Net Sales / Average Trade Receivable
Inventory Turnover Ratio	Cost of Goods sold / Average Inventory
Interest Coverage Ratio	Profit Before Interest and Taxes / Finance Costs
Current Ratio	Current Assets / Current Liabilities
Debt Equity Ratio	Total Debt / Shareholder's Equity
Operating Profit Margin (%)	Profit Before Interest and Taxes / Net Sales
Net Profit Margin (%)	Profit After Tax / Net Sales
Return on Net worth (%)	Profit After Tax / Average of Total Equity