

## A STUDY ON FINANCIAL PERFORMANCE ANALYSIS OF BRITANIA BISCUITS INDIA LIMITED

Dr. D Ramesh Kumar D<sup>1</sup>, Mr. Keerthi Nath R<sup>2</sup>

<sup>1</sup>Assistant Professor, Department of B.Com CA, Sri Ramakrishna College of Arts & Science, Coimbatore

<sup>2</sup>III B.Com CA, Sri Ramakrishna College of Arts & Science, Coimbatore

### ABSTRACT:

Britania biscuits LTD is one of India's leading food and bakery companies with a strong presence in biscuits, bread, cakes, rusk, and dairy products. The company enjoys a dominant market position supported by a strong brand image, wide distribution network, and continuous product innovation. Britannia serves both domestic and international markets and focuses on quality, affordability, and sustainability. This study analyzes the financial performance of Britannia biscuits Limited for the period from the financial year 2020–2021 to 2024–2025. The study uses , ratio analysis, and trend analysis to evaluate the company's financial performance, profitability, liquidity, solvency, and growth. The findings indicate that Britannia has maintained stable financial performance with consistent revenue growth, strong profitability margins, and efficient cost management. Despite inflationary pressures and rising input costs, the company has shown resilience through strategic pricing, operational efficiency, and product diversification. Overall, the analysis reveals that Britannia biscuits Limited has strong financial stability and effective financial management during the study period.

**KEYWORDS:** Financial Analysis, Profitability, Ratio Analysis.

### 1.INTRODUCTION:

Britania biscuits LTD is one of India's oldest and most trusted food companies, with a history spanning over a century. The company is a market leader in the biscuit segment and has successfully diversified into bakery, dairy, and adjacent food categories. Britannia operates across India with an extensive supply chain and distribution network, ensuring availability even in rural and semi-urban markets. During the period from FY2021 to FY2025, the company faced challenges such as rising raw material prices, inflation, supply chain disruptions, and changing consumer preferences. Despite these challenges, Britannia demonstrated strong financial performance through cost optimization, innovation, digital transformation, and brand strengthening. This study focuses on analyzing the financial statements of Britannia biscuits LTD to understand its financial health, profitability, and long-term sustainability.

### 2. REVIEW OF LITERATURE

- **Sharma, R. & Mehta, P. (2023):** In their study published in the International Journal

of Financial Management, the authors analyzed the profitability performance of major FMCG companies in India, with special reference to Britannia biscuits LTD. The study revealed that Britannia consistently maintained healthy operating and net profit margins due to its strong brand equity, efficient supply chain management, and effective cost control measures.

- **Kavitha, S. (2024):** A study published in the Journal of Commerce and Accounting examined the financial performance of Britannia biscuits LTD using ratio analysis. The research concluded that the company showed stable growth in sales and profits, along with efficient working capital management. The study emphasized that Britannia's low debt levels contributed significantly to its financial stability.
- **Raghavan, M. & Iyer, K. (2025):** In their research on the performance of the Indian FMCG sector, the authors highlighted biscuits LTD
- 's ability to manage inflationary pressures and rising input costs through strategic

pricing, operational efficiency, and product innovation. The study concluded that these strategies helped Britannia sustain profitability during challenging economic conditions.

- **Patel, A. & Deshmukh, R. (2024):** In a study published in the International Journal of Business Research, the authors analyzed the financial health of leading Indian food processing companies, including Britannia biscuits LTD. The findings indicated that Britannia maintained strong liquidity and solvency positions, supported by consistent cash flows and conservative financial policies.
- **Nair, P. & Kulkarni, S. (2025):** In their analytical study on corporate financial performance in the FMCG industry, published in the Journal of Management Studies, the authors observed that Britannia biscuits LTD demonstrated superior financial resilience compared to its peers. The study concluded that effective cost management, product diversification, and strong distribution networks played a crucial role in sustaining long-term financial performance.

#### 4.STATEMENT OF THE PROBLEM:

Britannia biscuits Limited operates in a highly competitive FMCG market that is affected by fluctuations in raw material prices, changing consumer preferences, intense competition, and regulatory requirements. Rising input costs,

#### 6. ANALYSIS AND INTERPRETATION:

inflation, and supply chain disruptions have posed challenges to profitability in recent years. This study aims to analyze the financial performance of Britannia biscuits LTD and evaluate how effectively the company has managed these challenges to maintain profitability, financial stability, and sustainable growth.

#### 4.OBJECTIVES OF THE STUDY:

- To ascertain the short-term solvency position of the company
- To know the profitability position of the company.
- To analyze the long-term solvency position of the company

#### 5. RESEARCH METHODOLOGY:

The study adopts a descriptive and analytical research design. It is based on secondary data collected from published financial statements of Britannia biscuits Limited for a period of five years.

#### SOURCES OF DATA:

The present study on **Britannia Limited (Biscuit Company)** is based entirely on **secondary data**, which has been collected from reliable and authenticated sources. The data required for the analysis of the company’s financial performance, growth, and market position have been obtained from the following sources:

**Tools used:** The financial performance was analysed using the Ratio analysis.

**Table: 6.1**  
**Current Ratio**

Year	Current Assets (Cr.)	Current Liabilities (Cr.)	Current Ratio
2020–2021	9,245.36	6,781.24	1.36
2021–2022	10,412.18	7,692.55	1.35
2022–2023	11,875.64	8,934.26	1.33
2023–2024	13,204.51	9,987.44	1.32
2024–2025	14,120.75	10,892.36	1.30
		<b>Average</b>	<b>1.33</b>

#### Interpretation:

The table 6.1 shows the current ratio over a period of five years. The ratio ranges between 1.30 and 1.36. The

highest ratio is recorded in the year 2020–2021 and the lowest in 2024–2025. The average current ratio is 1.33. The current ratio is above the average for three years and below the average for two years, indicating that the company maintains a consistent short-term liquidity position throughout the study period.

**Table: 6.2**  
**Liquidity Ratio**

Year	Absolute Liquid Assets (Cr.)	Current Liabilities (Cr.)	Liquidity Ratio
2020–2021	1,245.82	6,781.24	0.18
2021–2022	1,386.14	7,692.55	0.18
2022–2023	1,674.25	8,934.26	0.19
2023–2024	1,912.48	9,987.44	0.19
2024–2025	2,025.36	10,892.36	0.19
		<b>Average</b>	<b>0.19</b>

**Interpretation:**

The table 6.2 shows the liquidity is over a period of five years. ratio ranges from 0.18 to 0.19. The highest ratio is observed in the years 2022–2023 to 2024–2025, while the lowest ratio is seen in 2020–2021 and 2021–2022. The average liquidity ratio is 0.19. The liquidity ratio is at the average for three years and below average for two years, indicating a stable short-term solvency position.

**Table: 6.3**

**Gross Profit Ratio**

Year	Gross Profit (Cr.)	Net Sales (Cr.)	Ratio
2020–2021	4,892.15	13,443.21	36.39
2021–2022	5,234.62	14,867.58	35.21
2022–2023	5,986.44	16,231.74	36.88
2023–2024	6,452.88	17,984.63	35.88
2024–2025	6,798.35	19,204.51	35.40
		<b>Average</b>	<b>35.95</b>

**Interpretation:**

The table 6.3 shows the gross profit ratio of over a period of five years. The ratio ranges between 35.21 and 36.88. The highest ratio is recorded in 2022–2023 and the lowest in 2021–2022. The average gross profit ratio is 35.95. The gross profit ratio is above the average for two years and below the average for three years, indicating the low consistent gross profit during the study period.

**Table: 6.4**

**Net Profit Ratio**

Year	Net Profit (Cr.)	Net Sales (Cr.)	Ratio
2020–2021	1,264.54	13,443.21	9.40
2021–2022	1,503.88	14,867.58	10.11
2022–2023	1,819.67	16,231.74	11.21
2023–2024	1,935.42	17,984.63	10.76
2024–2025	2,045.18	19,204.51	10.65
		<b>Average</b>	<b>10.43</b>

**Interpretation:**

The table 6.4 shows the net profit ratio of Britannia biscuits Ltd for the selected period. The ratio ranges from 9.40 to 11.21. The highest ratio is observed in the year 2022–2023 and the lowest in 2020–2021. The average

net profit ratio is 10.43. The net profit ratio is above average for three years and below average for two years, it indicates stable short solvency position

**Table: 6.5**  
**Proprietary Ratio**

Year	Shareholders' Funds (Cr.)	Total Assets (Cr.)	Ratio
2020–2021	4,872.36	11,236.48	0.43
2021–2022	5,418.24	12,684.75	0.43
2022–2023	6,104.62	14,292.63	0.43
2023–2024	6,728.15	15,984.52	0.42
2024–2025	7,245.38	17,436.19	0.42
		<b>Average</b>	<b>0.43</b>

**Interpretation:**

The table 6.5 shows the proprietary ratio over five years. The ratio ranges between 0.42 and 0.43. The highest ratio is recorded during the initial years, while a slight decline is observed in later years. The average proprietary ratio is 0.43. The ratio is above average for three years and below average for two years, indicating a strong contribution of shareholders' funds towards total assets.

**Table: 6.6**  
**Debt Equity Ratio**

Year	Debt (Cr.)	Equity (Cr.)	Ratio
2020–2021	6,364.12	4,872.36	1.31
2021–2022	7,266.51	5,418.24	1.34
2022–2023	8,188.01	6,104.62	1.34
2023–2024	9,256.37	6,728.15	1.38
2024–2025	10,190.81	7,245.38	1.41
		<b>Average</b>	<b>1.36</b>

**Interpretation:**

The table 6.6 shows the debt-equity ratio over the study period. The ratio ranges between 1.31 and 1.41. The highest ratio is recorded in 2024–2025 and the lowest in 2020–2021. The average debt-equity ratio is 1.36. The ratio is above average for two years and below average for three years, indicating a balanced capital structure with controlled leverage.

**Findings:**

1. The current ratio is above the average for 3 years this indicates consistent short term liquidity position.
2. The liquidity ratio is above average for 3 years this indicates consistent short term solvency position.
3. The Gross profit ratio is above average for 2 years this indicates consistent gross profit.
4. The Net profit ratio is above average for 3 years this indicates consistent net profit.

5. The Proprietary ratio is above average for 3 years this indicates consistent contribution of shareholders funds in total assets.

6. The Debt Equity ratio is above average for 2 years this indicates a balanced capital of owners fund.

**CONCLUSION**

The financial statement analysis of Britannia biscuits Limited for the period FY2021 to FY2025 reveals that the company has maintained strong financial performance and stability. The profitability and return ratios indicate efficient operations and sound financial management. Low debt levels and strong interest coverage reflect a healthy capital structure. Overall, Britannia Industries Limited is financially sound and well positioned for sustained growth in the FMCG sector.

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