

# COMPANY ANALYSIS ON BRITANNIA INDUSTRY

Company Analysis Report in partial fulfillment of the requirements for the  
award of the Degree of

**BACHELOR OF COMMERCE**

of

**DAVANGERE UNIVERSITY**



*By*

**Ms. BINDUSHREE .T**

**Reg. No: U13SJ21C0063**

**Under the Guidance of**

**Prof. B.M. SWAMY**

**HOD OF COMMERCE**

**S.J.M COLLEGE OF ARTS, SCIENCE AND COMMERCE**

**CHANDRAVALLI, CHITRADURGA-577501**

**DAVANGERE UNIVERSITY**

**2023-24**





# Davangere University

DEPARTMENT OF COMMERCE

S.J.M. COLLEGE OF ARTS, SCIENCE AND COMMERCE

Chandravalli, Chitradurga-577501

## DECLARATION

I hereby declare that the company analysis report entitled **“BRITANNIA INDUSTRY”** submitted to the Department of Commerce, Davangere University, Davangere is a record of an original work done by me under the guidance of *Prof. B.M. SWAMY*, HOD of Commerce, Associated with the Davangere University and this Company Analysis Report is submitted in the partial fulfillment for the award of **Bachelor Degree in Commerce** by Davangere University.

I also declare that, this Report is the outcome of my own efforts and that it has not been submitted to any other university or institute for the award of any Degree or Diploma or Certificate.

Place: Chitradurga

Name: **BINDUSHREE.T**

Date:

Reg. No: **U13SJ21C0063**





# Davangere University

DEPARTMENT OF COMMERCE

S.J.M. COLLEGE OF ARTS, SCIENCE AND COMMERCE

Chandravalli, Chitradurga-577501

## CERTIFICATE OF ORIGINALITY

Date:

This is to certify that the company analysis report titled **“BRITANNIA INDUSTRY”** is an original work of **Ms.BINDUSHREE.T**; bearing University Register Number *U13SJ21C0063* and is being submitted in partial fulfillment for the award of the Bachelor Degree in Commerce of Davangere University. The report has not been submitted earlier either to this university/ Institution for the fulfillment of the requirement of a course of study.

Signature of the Guide

Date:

Signature of the HOD

Date:

# CONTENTS

<b>SL NO.</b>	<b>TITLE</b>	<b>Page No.</b>
01.	Introduction	01-13
02.	Financial and Market Analysis	14-26
03.	Management and Leadership	27-43
04.	SWOT Analysis	44-47
05.	Findings, Conclusion and Suggestions	48-49
06.	Annexure <ul style="list-style-type: none"><li>➤ Questionnaire</li><li>➤ Bibliography</li></ul>	50-51



## **LIST OF TABLES**

<b>Table No.</b>	<b>TITLE</b>	<b>Page No.</b>
1.1	About Britannia Industries Limited	01-02
2.1	Balance Sheet of Britannia Industry	03-04
2.2	Profit and Loss Account	05
2.3	Calculation of Current Ratio	19
2.4	Calculation of Quick Ratio	20
2.5	Calculation of Debt-Equity Ratio	21
2.6	Calculation of Proprietary Ratio	23
2.7	Calculation of Return on Capital Employed Ratio	24
2.8	Calculation of Net Profit Ratio	25
2.9	Calculation of Total Asset Turnover Ratio	26



## **LIST OF GRAPHS**

<b>Table No.</b>	<b>TITLE</b>	<b>Page No.</b>
2.1	Current Ratio	19
2.2	Quick Ratio	21
2.3	Debt-Equity Ratio	22
2.4	Proprietary Ratio	23
2.5	Return on Capital Employed Ratio	24
2.6	Net Profit Ratio	25
2.7	Total Asset Turnover Ratio	26




## CHAPTER-1

### INTRODUCTION

#### 1.1 Introduction

Britannia Industries Limited is an Indian multinational FMCG company specialized in the food industry, part of the Wadia Group headed by Nusli Wadia. Founded in 1892 and headquartered in Kolkata, it is one of India's oldest existing companies and best known for its biscuit products. The company sells biscuits, breads and dairy products throughout India and abroad. Beginning with the circumstances of its takeover by the Wadia Group in the early 1990s, the company has been mired in several controversies connected to its management. However, it still has a large market share and it is profitable.

**Table No. 1.1**  
**About Britannia Industries Limited**

Britannia	
	
<b>Formerly</b>	Britannia Biscuit Company Limited
<b>Type</b>	Public
<b>Traded as</b>	BSE: 500825 NSE: BRITANNIA NSE NIFTY 50 Constituent
<b>ISIN</b>	INE216A01030
<b>Industry</b>	Food processing
<b>Founded</b>	1892; 131 years ago in Calcutta 1918; 105 years ago as <i>Britannia Biscuit Company Limited</i>
<b>Headquarters</b>	5/1A, Hungerford Street, Kolkata, West Bengal, India
<b>Area served</b>	Worldwide
<b>Key people</b>	<ul style="list-style-type: none"> <li>• Nusli Wadia (Chairman)</li> <li>• Varun Berry (Executive Vice-Chairman &amp; MD)</li> <li>• Rajneet Kohli (CEO)</li> <li>• N Venkataraman (Executive Director &amp; CFO)</li> </ul>



<b>Products</b>	<ul style="list-style-type: none"> <li>• Bakery products including biscuits, bread, cakes and rusk</li> <li>• Dairy products including milk, butter, cheese, ghee and dahi</li> </ul>
<b>Number of employees</b>	4,480
<b>Parent</b>	Wadia Group
<b>Subsidiaries</b>	<ul style="list-style-type: none"> <li>• Manna Foods Private Limited</li> <li>• International Bakery Products Limited</li> </ul>
<b>Website</b>	Britannia

## 1.2 History

The company was established in 1892 by a group of British businessmen with an initial investment of ₹295. Initially, biscuits were manufactured in a small house in central Kolkata. Later, the enterprise was acquired by the Gupta brothers, mainly Nalin Chandra Gupta, an attorney, and operated under the name, V.S. Brothers. In 1918, C.H. Holmes, an English businessman based in Kolkata, was taken on as a partner and The Britannia Biscuit Company Limited (BBCo) was launched. The Mumbai factory was set up in 1924 and Peek Freans acquired a controlling interest in BBCo. During the World War II, the government of British India needed a continuous supply of biscuits for British soldiers. The Britannia Biscuit Company started supplying biscuits to British Army for several years, and the company sometimes devoted 95% of its capacity to produce biscuits for the armed forces. Biscuits were in high demand during World War II, which gave a boost to the company's sales. The company name was changed to the current Britannia Industries Limited in 1979. In 1982, the American company Nabisco acquired the parent of Peek Freans and became a major foreign shareholder. In 1978, Britannia came out with its public issue, and its Indian shareholding had increased to 62%, which firmly established Britannia as an Indian company. The 38% foreign stake was owned by the UK-based Associated Biscuits International Limited (ABIL).

In 1993, textile tycoon Nusli Wadia of Bombay Dyeing took control of the company from Britannia's then-chairman Rajan Pillai, with the help of French food giant Danone. In 2009, Wadia Group became the largest shareholder in BIL after acquiring a 25% stake owned by Group Danone.



In December 2018, it launched a new category, Treat Crème Wafers. Britannia acquired a controlling stake in Kenya's Kenafic Biscuits in October 2022. In September 2022, Varun Berry was appointed as Executive Vice-Chairman and Managing Director of Britannia Industries Limited, and Ranjeet Kohli was also appointed as Executive Director and CEO. As of December 2022, Britannia Industries Limited had a market capitalization of Rs. 1,08,992.90 crore.

In December 2022, Britannia Industries entered into a joint venture agreement with Bel SA of France and Britannia Dairy Private Limited (BDPL) to develop, manufacture and sell cheese products in India and other markets. Under the joint venture, Bel SA acquired a 49% stake in BDPL, a subsidiary of Britannia Industries, for ₹262 crore and infused an additional ₹215 crore in the joint venture.

In August 2022, the company expanded its product portfolio by entering the western snacking market with the launch of its new product, Treat Croissant. It also released a TV commercial featuring choreographer, actor and director, Prabhu Deva.

### **1.3 Nature of Business**

At Britannia, we are constantly working towards making exciting new products for all consumer segments and consumption occasions.

Our R&D team is passionate about developing innovative products that reflect evolving consumer preferences. We believe that innovation is key to our success, and a key reason for our leadership in the market. Our product portfolio includes a wide range of biscuits, cakes, and snacks that are loved by people of all ages. Our classic biscuits such as Good Day, Marie Gold, and 50-50 are household names in India.

Our cakes and breads are a staple at birthdays and special occasions. We also have a range of healthy snacks such as NutriChoice Digestive Biscuits and NutriChoice 5 Grain biscuits that are perfect for the health-conscious.

We are committed to being a responsible and sustainable company. We believe that it is our responsibility to take care of the planet and the communities in which we



operate. We champion several initiatives to reduce our environmental footprint, including using renewable energy sources, reducing packaging waste, and promoting sustainable farming practices. We also believe in giving back to the communities in which we operate.

Through our various CSR initiatives, we have been able to make a positive impact on the lives of thousands of people across India. Our initiatives include programs for education, health, and nutrition, and we work closely with local communities to understand their needs and provide support where it is most needed. At Britannia, we believe that our success is not just measured by our financial performance but also by our impact on society and the environment.

We are committed to being a responsible and sustainable company, and we believe that our actions today will shape the future. Britannia Industries is a company with a rich legacy and a commitment to innovation, sustainability, and responsibility. We are proud to serve a billion people across India and to provide products that are both delicious and nutritious. With our focus on R&D, innovation, and sustainability, we will continue to uphold the standards of leadership in our industry.

#### **1.4 Mission**

To meet or, where possible, exceed the expectations of our diverse client base with flexible, innovative solutions of the highest quality that adhere to safe, ethically sound and environmentally friendly codes of practice.

#### **1.5 Vision**

- Expanding our global client base via enhancement of our reputation in selected business segments.
- Developing a stable client base with significant repeat business.
- A flexible and innovative approach towards the needs of our clients; aware of emerging trends and technological breakthroughs.
- A lucid yet commanding approach to project management that promotes clarity and timeliness.



- Being able to communicate effectively and knowledgeably in the diverse range of countries/cultures in which we operate.

### **1.6 Goals & Objectives**

- Achieving the highest standards of health and safety in everything we do.
- Total respect for the environment.
- Relentless commitment to quality.
- A philosophy of ongoing review and improvement.
- Cultivating a work environment that promotes a sense of belonging and empowerment.
- Strict adherence to our code of ethics.
- Presenting stimulating and varied career opportunities to our employees in a challenging yet rewarding meritocracy.
- The provision of training, where required, to help us remain at the cutting edge of our industry sectors.

### **1.7 Quality Policy**

To consistently live up to the expectation of consumers, Britannia expects all its suppliers and other associates who are directly or indirectly related to business, to consistently deliver on quality. The Company would at no instance compromise on quality standards.

### **1.8 Area of Business**

Britannia Industries Ltd (BIL) is a manufacturer and marketer of bakery and dairy products. The company's product portfolio includes bakery products such as biscuits, bread, croissant, cakes, wafers, and rusk, and dairy products comprising milk, butter, cheese, milk-related readymade beverages, and yoghurt. BIL offers its products under various brands, such as Good Day, Treat, 50-50, Tiger, Crackers, Bourbon, Milk Bikis, MarieGold, and NutriChoice. It sells and markets products through distributors, direct sales channels, vendors, and contract packers. The company supplies its products across Asia-Pacific, the Middle East, Europe, Africa and the Americas. It owns and operates manufacturing plants across India. BIL is headquartered in Bangalore, Karnataka, India.



## 1.9 Products and Services

The company's principal activity is the manufacture and sale of biscuits, bread, rusk, cakes and dairy products.

### Biscuits

The company's factories have an annual capacity of 433,000 tonnes. The brand names of Britannia's biscuits include *MarieGold*, *Tiger*, *Nutrichoice*, *Good Day*, *50 50*, *Treat*, *Pure Magic*, *Milk Bikis*, *Bourbon*, *Nice Time* and *Little Hearts* among others.

In 2006, *Tiger*, the mass market brand, realised \$150.75 million in sales, including exports to the U.S. and Australia. This amounts to 20% of Britannia's revenue for that year.

### Dairy products

Dairy products contribute close to 10% to Britannia's revenue. The company not only markets dairy products to the public but also trades dairy commodities business-to-business. Its dairy portfolio grew to 47% in 2000-01 and by 30% in 2001-02. Its main competitors are Nestlé India, the National Dairy Development Board (NDDB), and Amul (GCMMF).

Britannia holds an equity stake in Dynamix Dairy and outsources the bulk of its dairy products from its associate.

On 27 October 2001, Britannia announced a joint venture with Fonterra Co-operative Group of New Zealand, an integrated dairy company which handles all aspects of the value chain from procurement of milk to making value-added products such as cheese and buttermilk. Britannia intends to source most of the products from New Zealand, which they would market in India. The joint venture will allow technology transfer to Britannia. Britannia and the New Zealand Dairy each hold 49% of the JV, and the remaining 2 percent will be held by a strategic investor. Britannia has also tentatively announced that its dairy business (probably including Dynamix) would be transferred to the joint venture. However, the authorities' approval to the joint venture obliged the company to start manufacturing facilities of its own. It would not be allowed to trade,



except at the wholesale level, thus pitching it in competition with Danone, which had recently established its own dairy business.

### **1.10 Ownership Pattern**

In March 2017, it formed a joint venture with Greek firm Chipita SA for producing and selling ready-to-eat croissants in India. In September 2021, the company partnered with Accenture to facilitate procurement, accelerate innovation and improve customer and supplier experience by digitizing the company's manufacturing units and warehouses. During the COVID-19 pandemic in India, it tied up with personal concierge startup Dunzo to deliver essential goods at the customer's doorstep in April 2020.

### **1.11 Performance and profitability**

Between 1998 and 2001, the company's sales grew at a compound annual rate of 16% against the market, and operating profits reached 18%. More recently, the company has been growing at 27% a year, compared to the industry's growth rate of 20%. At present, 90% of Britannia's annual revenue of ₹22 billion comes from biscuits. Britannia is one of India's 100 Most Trusted brands listed in *The Brand Trust Report*. Britannia has an estimated market share of 38%.

### **1.12 Disputes and controversies**

#### **Wadia and Rajan Pillai**

Kerala businessman Rajan Pillai secured control of the group in the late 1980s, becoming known in India as the 'Biscuit Raja'. In 1993, the Wadia Group acquired a stake in Associated Biscuits International (ABIL), and became an equal partner with Danone in Britannia Industries Limited.

In what *The Economic Times* referred to as one of [India's] most dramatic corporate sagas, Pillai ceded control to Wadia and Danone after a bitter boardroom struggle, then fled his Singapore base to India in 1995 after accusations of defrauding Britannia, and died the same year in Tihar Jail.



### **Wadia and Danone**

The Wadias' Kalabakan Investments and Group Danone had two equal joint venture companies, Wadia BSN and United Kingdom registered Associated Biscuits International Holdings Ltd., which together held a 51 percent stake in Britannia. The ABIH tranche was acquired in 1992, while the controlling stake held by Wadia BSN was acquired in 1995. It was agreed that, in case of a deadlock between the partners, Danone was obliged to buy the Wadia BSN stake at a "fair market value". ABIH had a separate agreement signed in 1992 and was subject to British law.

Wadia was to be Danone's partner in the food and dairy business, and product launches from Groupe Danone's were expected but never materialised despite the JV being in existence for over 11 years in India. Under the 1995 joint venture agreement, Danone is prohibited from launching food brands within India without the consent of the Wadias. In addition, the partners agreed there would be the right of first refusal to buy out the remaining partner in the event of the other wishing to sell its holding.

In June 2006, Wadia claimed Danone had used the Tiger brand to launch biscuits in Bangalore. In May 2007, Nusli Wadia told the Ministry of Commerce and Industry that Danone invested in a Bangalore-based bio nutrition company, Avesthagen, in October 2006 in violation of the government's Press Note 1, 2005, which requires a foreign company to obtain the consent of its Indian joint venture partner before pursuing an independent business in a similar area, including joint ventures based purely on technical collaboration. Danone argued that Press Note 1 did not apply to it as it did not have a formal technology transfer or trademark agreement with Avesthagen, and that its 25% holding in Britannia was indirect. Wadia also filed a case in the Bombay High Court for a breach of a non-competition clause in that connection. The court ordered Danone not to alienate, encumber or sell shares of Avesthagen.

In September 2007, the Foreign Investment Promotion Board of India rejected Danone's claims that it did not need a non-compete waiver from the Wadias to enter into business in India alone.

After a prolonged legal battle, Danone agreed to sell its 25.48% stake in Britannia to Leila Lands, which is a Wadia group entity based in Mauritius, and quit this line of



business. The deal was valued at \$175–200 million. With this buy-out, Wadia holds a majority stake of 50.96%.

### **Intellectual property dispute**

In a separate dispute from the shareholder matters, the company alleged in 2006 that Danone had violated its intellectual property rights in the Tiger brand by registering and using *Tiger* in several countries without its consent. Britannia claimed the company found out that Danone had launched the Tiger brand in Indonesia in 1998, and later in Malaysia, Singapore, Pakistan and Egypt, when it attempted to register the Tiger trademark in some of these countries in 2004. Whilst it was initially reported in December 2006 that agreement had been reached, it was reported in September 2007 that a solution remained elusive. In the meantime since Danone's biscuit business has been taken over by Kraft, the Tiger brand of biscuits in Malaysia was renamed Kraft Tiger Biscuits in September 2008.

Britannia initiated legal action against Danone in Singapore in September 2007. The dispute was resolved in 2009 with Britannia securing rights to the Tiger brand worldwide, and Danone paying ₹220 million to utilise the brand.

### **1.13 Competitors**

- CookieMan India. Manufactures and markets cookies.
- Loyka. Internet-first brand offering confectionery products.
- The Bread Company. Internet first brand offering multi-category bakery products.
- McVitie's. Brand of biscuits.
- Marino. Brand of biscuits & cookies.
- Sunfeast.
- Anmol Biscuits
- Dukes India.

### **1.14 Awards and recognition**

- In 2022, the company was ranked 4th in the list of India's most chosen FMCG brands, as per Kantar India's annual Brand Footprint report.



- Britannia won the Global Sustainability Leadership Awards by the World Sustainability Congress in 2021.
- The Economic Times listed the company's Good Day biscuit brand as the Brand Equity's Most Trusted Brands of Indians in 2019-20.
- The company was selected for special recognition under the Leading RE Investor category at Renewable Energy India Awards 2016.
- In 2014, the company was voted as Reader's Digest Trusted Brand in India under the food and beverage category, part of the Reader's Digest Trusted Brand Survey.
- In 2014, The Economic Times ranked the company at 11 in the 100 Most Trusted Brands of India list 2014.
- The company was listed in India's Most Attractive Brands 2013 in a TRA Brand Trust Report survey.
- It was awarded the Global Performance Excellence Award (GPEA) by Asia Pacific Quality Organization (APQO) in June 2012.
- It was ranked #2 in the Brand Equity's Most Trusted Brands survey by The Economic Times.
- In 2012, Britannia received the Golden Peacock National Quality Award – 2012 under the FMCG category.
- In 2011, Britannia won the Indian Merchants' Chamber (IMC)'s Ramkrishna Bajaj National Quality Award.
- In 2011, the company received the CII's National Award for Food Safety 2011 in the category of 'Large Food Businesses - Manufacturing' by the Confederation of Indian Industry.
- According to *The Economic Times'* Brand Equity Survey, the brand was ranked 5th in the top 10 most trusted brands list in India in 2010 and 2nd in 2012 in India's top 10 most trusted brands list.

## 1.15 Infrastructure & Facilities

### Manufacturing Unit

The story of one of India's favourite brands reads almost like a fairy tale. Once upon a time, in 1892 to be precise, a biscuit company was started in a nondescript house in Calcutta (now Kolkata) with an initial investment of Rs. 295. The company we all know as Britannia today. The beginnings might have been humble-the dreams were



anything but. By 1910, with the advent of electricity, Britannia mechanised its operations, and in 1921, it became the first company east of the Suez Canal to use imported gas ovens. Britannia's business was flourishing. But, more importantly, Britannia was acquiring a reputation for quality and value. As a result, during the tragic World War II, the Government reposed its trust in Britannia by contracting it to supply large quantities of "service biscuits" to the armed forces. As time moved on, the biscuit market continued to grow... and Britannia grew along with it. In 1975, the Britannia Biscuit Company took over the distribution of biscuits from Parry's who till now distributed Britannia biscuits in India. In the subsequent public issue of 1978, Indian shareholding crossed 60%, firmly establishing the Indianness of the firm. The following year, Britannia Biscuit Company was re-christened Britannia Industries Limited (BIL). Four years later in 1983, it crossed the Rs. 100 crores revenue mark. On the operations front, the company was making equally dynamic strides. In 1992, it celebrated its Platinum Jubilee. In 1997, the company unveiled its new corporate identity - "Eat Healthy, Think Better" - and made its first foray into the dairy products market. In 1999, the "Britannia Khao, World Cup Jao" promotion further fortified the affinity consumers had with 'Brand Britannia'. Britannia strode into the 21st Century as one of India's biggest brands and the pre-eminent food brand of the country. It was equally recognised for its innovative approach to products and marketing: the Lagaan Match was voted India's most successful promotional activity of the year 2001 while the delicious Britannia 50-50 Maska-Chaska became India's most successful product launch. In 2002, Britannia's New Business Division formed a joint venture with Fonterra, the world's second largest Dairy Company, and Britannia New Zealand Foods Pvt. Ltd. was born. In recognition of its vision and accelerating graph, Forbes Global rated Britannia 'One amongst the Top 200 Small Companies of the World', and The Economic Times pegged Britannia India's 2nd Most Trusted Brand. Today, more than a century after those tentative first steps, Britannia's fairy tale is not only going strong but blazing new standards, and that miniscule initial investment has grown by leaps and bounds to crores of rupees in wealth for Britannia's shareholders. The company's offerings are spread across the spectrum with products ranging from the healthy and economical Tiger biscuits to the more lifestyle-oriented Milkman Cheese. Having succeeded in garnering the trust of almost one-third of India's one billion population and a strong management at the helm means Britannia will continue to dream big on its path of innovation and quality. And millions of consumers will savour the results, happily ever after.



### **R&D to be among key backbones of growth**

Britannia established a world-class research & development (R&D) centre in 2016 and built up capabilities towards its goal of transforming into a 'Total Foods Company'. R&D continued to focus on consumer centric and high quality products and developed 'Choco-Hazelnut crème' filled biscuit variant under 'Pure Magic' brand, 'Milk Bikis Atta' product, 'Masala Mania' variant under the 'Timepass' brand, 'Layerz Cake' of 5, 'Lassi' with two variants - 'Rose Classic' and 'Mango' under the 'Winkin Cow' brand. The company's R&D team is consistently working to increase positive nutrients and reduce negative nutrients in its product portfolio.

Britannia is committed to reducing Sodium and Sugar by 3% in selected products during FY2021-22. In addition, the R&D team has successfully built capabilities to use alternate cereals, whole grains and millets in its product portfolio, thereby overcoming significant taste barrier due to use of these ingredients.

### **Sustainability strategy aiming at responsible goodness**

Britannia formalised a sustainability strategy in financial year 2020 -21. The strategic framework for Sustainability Vision rests on four core pillars:

**Growth (Economic), Governance, Resources (Environment), People (Social).** The pillars in turn are supported by eight levers which split into 26 programs. Each of these 26 programs is assigned annual targets and key performance indicators (KPIs) to evaluate the company's progress as the strategy are put into action.

## **1.16 Strategic Perspective Plan**

### **Strategies in place to drive sustainable earnings growth**

Britannia has its medium to long term growth strategies in place with growing the core biscuit portfolio by gaining market share through sustained innovation and distribution expansion (especially in the Hindi speaking belt) while growing the adjacencies such as dairy/bakery by investing across the value chain (setting up facilities, innovations and higher marketing spends). This along with improved supply chain management and operating efficiencies would help to post better margins in the coming years (barring FY22 which is affected by higher input prices).

**Strong cash flows; dividend pay-out remained high in last two years:**

With negative working capital, Britannia's cumulative operating cash flows stood at Rs. 5,740 crore over FY18-21 (stood at Rs. 1,851 crore in FY2021). On back of its strong cash flows, it made sustained investment in the range of Rs. 250-400 crore p.a. to augment its capacities as part of core growth strategy. It has robust capex plan of Rs. 800 crore over the next four years to expand capacities in core and adjacencies. Further it also rewarded its shareholders with highest dividend pay-out of 189% and 130% in FY2020 and FY2021 respectively (including special dividends for two consecutive years).

**Risk of inter-corporate deposits receding:**

Inter-Corporate deposits to the group companies have always remained a red-flag for Britannia. In FY2021 the inter-corporate deposits to group entities (part of loans receivable) has gone up by ~32% to Rs. 790 crore. However, the same reduced to Rs. 470 crore in Q1FY2022. The management does not intend to increase it substantially from the current levels.



## CHAPTER-2

# FINANCIAL AND MARKET ANALYSIS

### 2.1. Introduction of Balance Sheet:

In financial accounting, a balance sheet or statement of financial position is a summary of the financial balances of a sole proprietorship, a business partnership, a corporation or other business organization, such as an LLC or LLP. Assets, liabilities and ownership equity are listed as a specific date, such as the end of its financial year. A balance sheet is often described as a “snapshot of a company’s financial condition”. Of the three basic financial statements, the balance sheet is the only statement which applies to a single point in time of a business calendar year.

A standard company balance sheet has three parts: assets, liabilities and ownership equity. The main categories of assets are usually listed first and typically in order of liquidity.

Assets are followed by the liabilities. The difference between the assets and the liabilities is known as equity or the net assets or the net worth or capital of the company and according to the accounting equation, net worth must equal assets minus, liabilities.

Another way to look at the balance sheet equation is that total assets equals liabilities plus owner’s equity. Looking at the equation in this way shows how assets were financed: either by borrowing money (liability) or by using the owner’s money (owner’s or shareholders’ equity). Balance sheets are usually presented with assets in one section and liabilities and net worth in the other section with the two sections “balancing”.

A business operating entirely in cash can measure its profits by withdrawing the entire Company balance at the end of the period, plus any cash in hand. However, many businesses are not paid immediately; they build up inventories of goods and they acquire buildings and equipment. In other words: businesses have assets and so they cannot, even if they want to, immediately turn these into cash at the end of each period. Often, these businesses owe money to suppliers and to tax authorities, and the proprietors do not

withdraw all their original capital and profits at the end of each period. In other words businesses also have liabilities.

**Table No. 2.1**  
**Balance Sheet of Britannia Industry**

**(Rs. in Crores)**

Particulars	2020-21	2021-22	2022-23
<b>Assets</b>			
<b>Non Current Assets</b>			
a. Property, Plant and equipment	1360.02	1327.41	2220.21
b. Capital work-in-progress	111.66	535.27	104.47
c. Investment Property	35.28	34.42	60.50
d. Intangible assets	8.54	15.60	12.75
e. Financial Assets			
Investments	1657.38	1221.61	1525.18
Loans receivable	58.00	100.00	150.00
Other financial assets	13.61	13.13	12.96
f. Deferred tax assets (net)	0	40.58	48.31
g. Tax assets (net)	55.68	27.54	39.63
h. Other non-current Assets	<b>101.13</b>	94.33	43.75
<b>Total Non-current assets</b>	<b>3401.30</b>	<b>3409.89</b>	<b>4217.76</b>
<b>Current Assets</b>			
a. Inventories	991.28	1251.64	1074.62
b. financial Assets			
Investments	1292.96	802.50	1798.47
Trade receivables	198.36	253.85	278.42
Cash and cash equivalents	77.58	9.97	9.09
Bank balances other than cash and cash equivalent	33.22	42.32	54.76
Loans receivables	941.09	698.00	560.00
Other financial assets	388.50	426.37	449.90
c. Other current assets	91.72	120.29	163.08
d. Assets held for sale	0	0	32.36
<b>Total Current Assets</b>	<b>4014.71</b>	<b>3604.94</b>	<b>4420.70</b>
<b>Total Assets</b>	<b>7416.01</b>	<b>7014.83</b>	<b>8638.46</b>



<b>Equity</b>			
a) Equity share capital	24.09	24.09	24.09
b) Other Equity	3295.44	2378.45	3157.06
<b>Total Equity</b>	<b>3319.53</b>	<b>2402.54</b>	<b>3181.15</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
a) Financial Liabilities			
Borrowings	720.95	698.52	1551.02
Lease Liabilities	0.60	0.03	0.76
Other financial liabilities	44.69	52.39	60.15
b) Deferred tax liabilities (net)	7.85	750.94	1611.93
<b>Total Non-current liabilities</b>	<b>774.09</b>	<b>750.94</b>	<b>1611.93</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	1075.70	1479.62	1110.76
Lease Liabilities	0.77	0.57	1.17
Trade Payables			
i) Total outstanding dues of micro enterprises and small enterprises	26.40	62.49	43.92
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1163.13	1131.72	1264.84
Other financial liabilities	500.70	558.12	692.63
b) Other current liabilities	128.36	118.11	157.39
c) Provision	365.63	451.16	508.86
d) Tax Liabilities (net)	61.70	59.56	65.81
<b>Total Current Liabilities</b>	<b>3322.39</b>	<b>3861.35</b>	<b>3845.38</b>
<b>Total Liabilities</b>	<b>4096.48</b>	<b>4612.29</b>	<b>5457.31</b>
<b>Total Equity and Liabilities</b>	<b>7416.01</b>	<b>7014.83</b>	<b>8638.46</b>

Source: Annual Report

## 2.2 Profit and Loss Account

**Table No. 2.2**  
**Profit and Loss Account**

**(Rs. In Crores)**

Particulars	2020-21	2021-22	2022-23
<b>Revenue from Operations</b>			
Sale of goods	12113.65	13169.04	15285.12
Other operating revenues	<b>265.18</b>	202.58	333.30
	<b>12378.83</b>	<b>13371.62</b>	<b>15618.42</b>
Other income	<b>292.70</b>	359.43	220.59
<b>Total Income</b>	<b>12671.53</b>	<b>13731.05</b>	<b>15839.01</b>
<b>Expenses</b>			
Cost of materials consumed	5509.69	6366.31	7084.09
Purchases of stock-in-trade	1908.50	2183.41	2453.42
Changes in inventories of finished goods, work-in progress and stock in trade	(43.22)	(73.96)	(82.13)
Employee benefits expenses	402.85	413.56	520.55
Finance costs	97.81	133.46	154.95
Depreciation and amortization expense	166.77	170.01	195.10
Other expenses	2249.69	2393.14	2900.70
<b>Total Expenses</b>	<b>10292.09</b>	<b>11585.93</b>	<b>13226.68</b>
<b>Profit before exceptional items and tax</b>	<b>2379.44</b>	<b>2145.12</b>	<b>2612.33</b>
Exceptional items (Income / Expense)	0	0	(227.74)
<b>Profit before tax</b>	<b>2379.44</b>	<b>2145.12</b>	<b>2840.07</b>
<b>Tax expense / credit</b>			
Current tax	622.53	590.36	708.50
Deferred tax	(3.12)	(48.43)	(7.73)
<b>Profit for the year</b>	<b>1760.03</b>	<b>1603.19</b>	<b>2139.30</b>

Source: Annual Report

### Introduction of Ratio Analysis:

Ratio analysis isn't just comparing different numbers from the balance sheet, income statement and cash flow statement. It's comparing the number against previous



years, other companies, the industry or even the economy in general. Ratios look at the relationships between individual values and relate them to how a company has performed in the past, and how it might perform in the future.

As an integral aspect of fundamental analysis, performing what many would call “ratio analysis”. This involves calculating a number of different industry standard ratios and comparing them to various benchmarks. The benchmarks can be the ratio of other competitors, industry average ratios, or industry “rules-of-thumb”. There’s no set procedure for performing ratio analysis because it all depends on the type of company you’re analyzing—certain industries have industry specific ratios. Regardless, this article will give you an overview of some of the standard ratios and what they may tell us about a company.

**Meaning of Ratio:**

In mathematics, a ratio is a relationship between two numbers of the same kind (e.g., objects, persons, students, spoonfuls, units of whatever identical dimension), expressed as “a to b” or a:b, sometimes expressed arithmetically as a dimensionless quotient of the two that explicitly indicates how many times the first number contains the second (not necessarily an integer).

In general, a ratio is a way of concisely showing the relationship between two quantities of something. The most formal way of stating a ratio is by separating the two quantities with a colon (:), although sometimes a division sign (/) is used in place of the colon. Thus, where there is a ratio of 5:2 between apples and oranges, for each five apples, there are two oranges.

A ratio is defined as “the relationship between two or more things and an indicated quotient of the two mathematical expansions”.

**A. Current Ratio:**

Current ratio may be defined as the ratio of current assets to current liabilities. Current ratio indicates the liquidity or the short term solvency of the Companying concern. In other words it indicates the ability of a concern to meet its current liabilities. This ratio is a measure of the working capital available in a concern at any time.

$$\text{Current Ratio} = \frac{\text{current Asset (CA)}}{\text{Current Liability (CL)}}$$

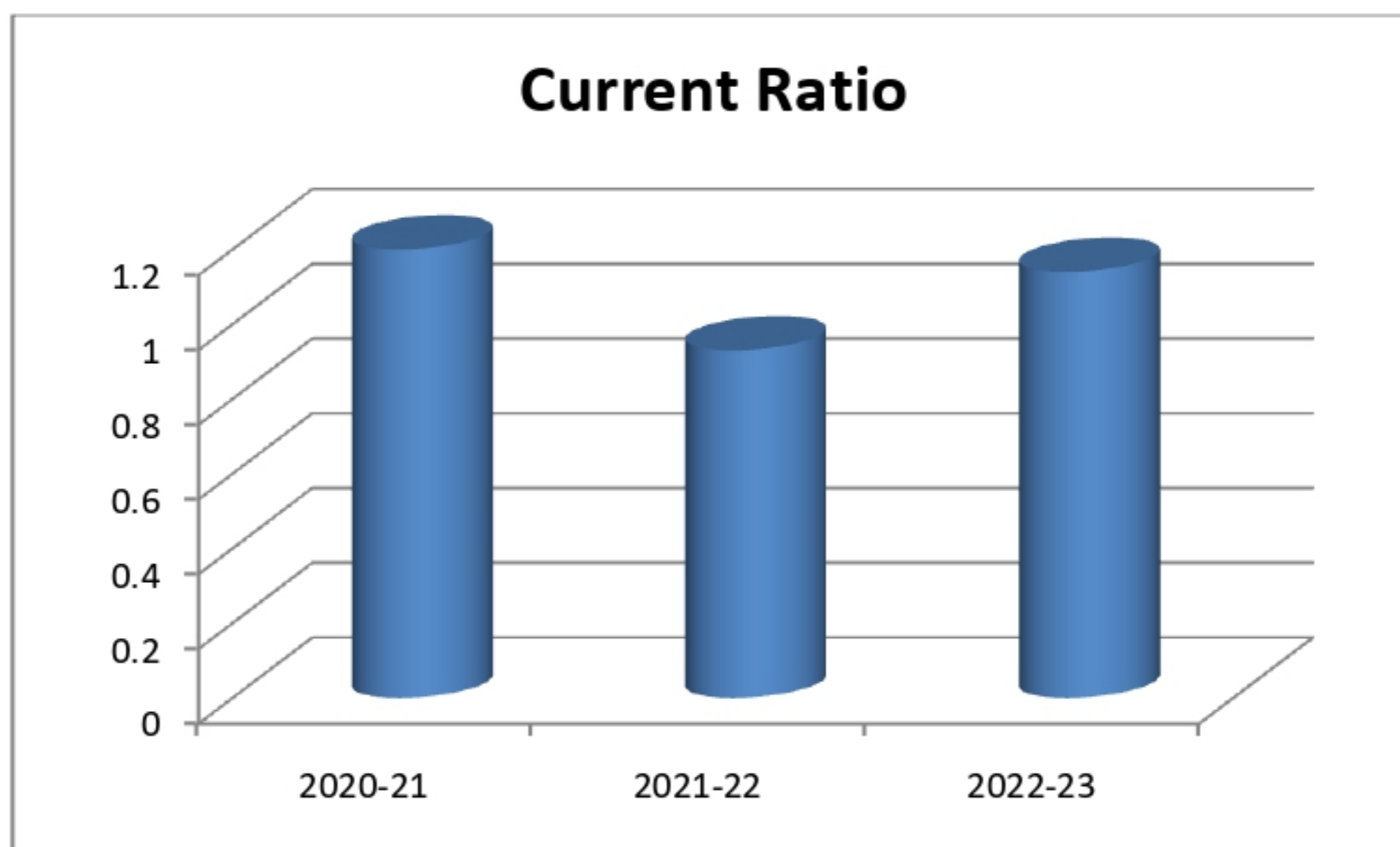
Current assets means cash are those assets convertible or expected to be converted into cash within a year and current liabilities are those liabilities to be paid off within the same time. Current assets normally includes cash in hand, cash at Company, Bills Receivable, Sundry debtors, inventories (stock), readily marketable securities advances granted to staff, prepaid expenses, accrued income etc.. Current liabilities include items such as bills payable, sundry creditors, Company overdraft, cash credit, short term income tax, proposed dividend, any position of long term loans falling due and payment in the current year out of current assets.

**Table No.2.3**  
**Calculation of Current Ratio**

**(Rs. in Crores)**

Year	Current Asset	Current Liabilities	Current Ratio
2020-21	4014.71	3322.39	1.20
2021-22	3604.94	3861.35	0.93
2022-23	4420.70	3845.38	1.14

**Graph No. 2.1**



**Interpretation:**

The standard current ratio is 2:1. However in case of Britannia Industry is varying between 1.20 to 1.14 in last 3 years. That means in the year in the year 2020-21 it is 1.20, but in the year 2021-22 it decreases to 0.93 and 2022-23 also it increases to 1.14. Therefore it shows the bad financial position of the Company.



**B. Liquidity/Quick/Acid test ratio:**

Current ratio does not measure accurately the liquid or short term solvency of a concern. It is because current asset include item such as stock and prepaid expenses which are not easily realizable. So liquid ratio has been evolved to determine the liquidity of a Companying sector. The quick ratio is also known as acid test ratio because it affords the real test of the liquidity of Companying. This ratio is calculated by comparing the liquid asset with liquid liability.

Quick assets includes all current assets except inventories (stock) and prepaid expenses. Inventories are excluded as they are not sufficiently liquid. Prepaid expenses are excluded as they are not realizable in cash. Company overdraft and cash credit are excluded from the list of quick liabilities because in most of the cases they are a permanent form of arrangement and continue for more than a year. Some authors do not make any distinction between current liabilities and quick liabilities.

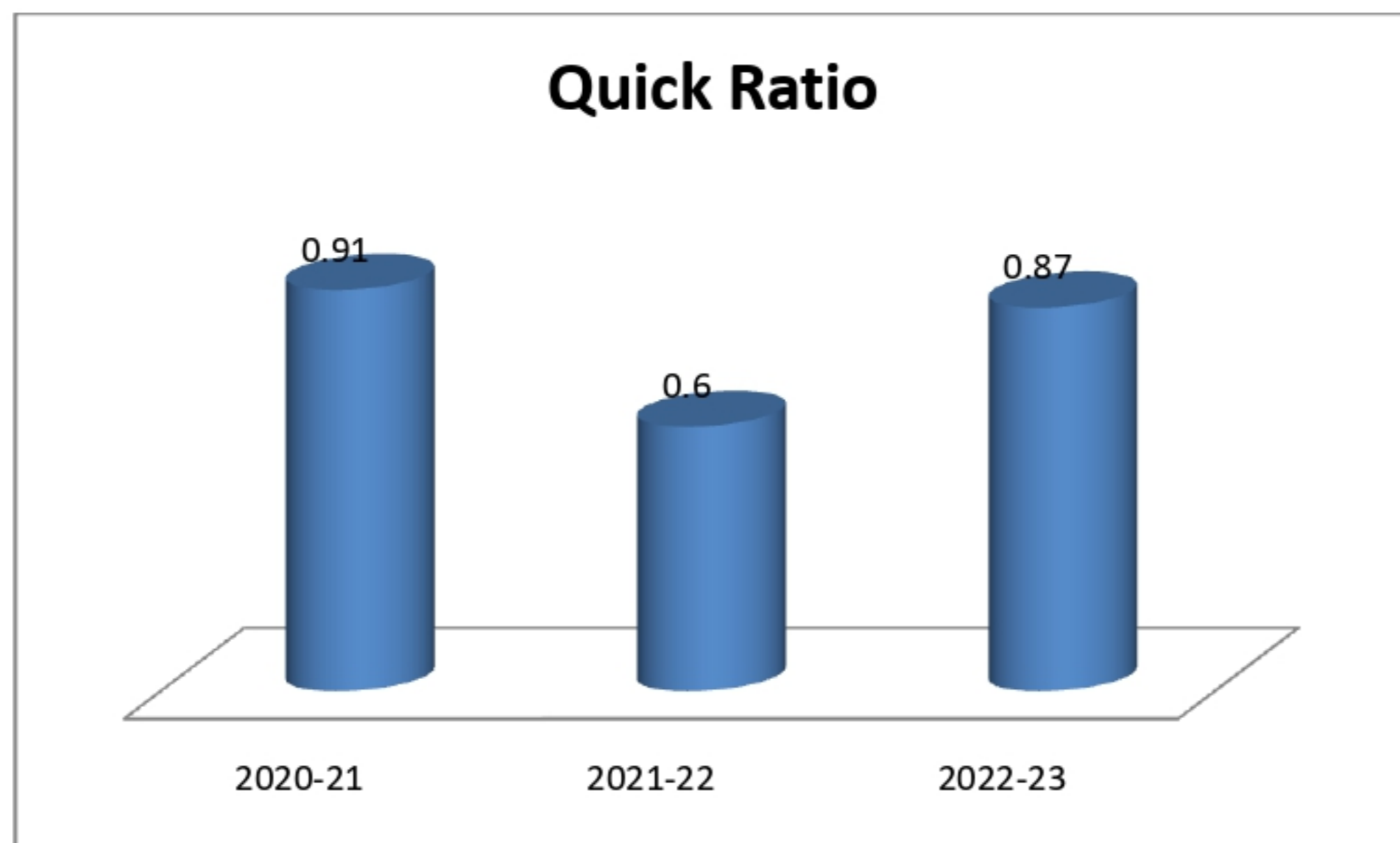
Quick ratio can be expressed as follows:

$$\text{Quick Ratio} = \frac{\text{Quick Asset}}{\text{Quick Liability}}$$

**Table No.2.4**  
**Calculation of Quick Ratio**

<b>Year</b>	<b>Quick Asset</b>	<b>Quick Liabilities</b>	<b>Quick Ratio</b>
<b>2020-21</b>	3023.43	3322.39	0.91
<b>2021-22</b>	2353.30	3861.35	0.60
<b>2022-23</b>	3346.08	3845.38	0.87

**Graph No. 2.2**



**Interpretation:**

The standard quick ratio is 1:1. However in case of Britannia Industry is varying between 0.91 to 0.87 in last 3 years. That means in the year 2020-21 it is 0.91, but in the year 2021-22 it decreases to 0.60 and 2022-23 it increases to 0.87. Therefore, it shows the bad liquid position of the Company.

**C. Debt-Equity Ratio:**

This is ratio which express the relationship between debt and equity. Debt generally refers to long term liabilities. Some authors consider debt was short term as well as long term liabilities. Equity means owners fund, it consists of capital, reserves and profits. If these are fixations assets they should be deducted from owner fund.

$$\text{Debt-Equity Ratio} = \frac{\text{Debt}}{\text{Equity}}$$

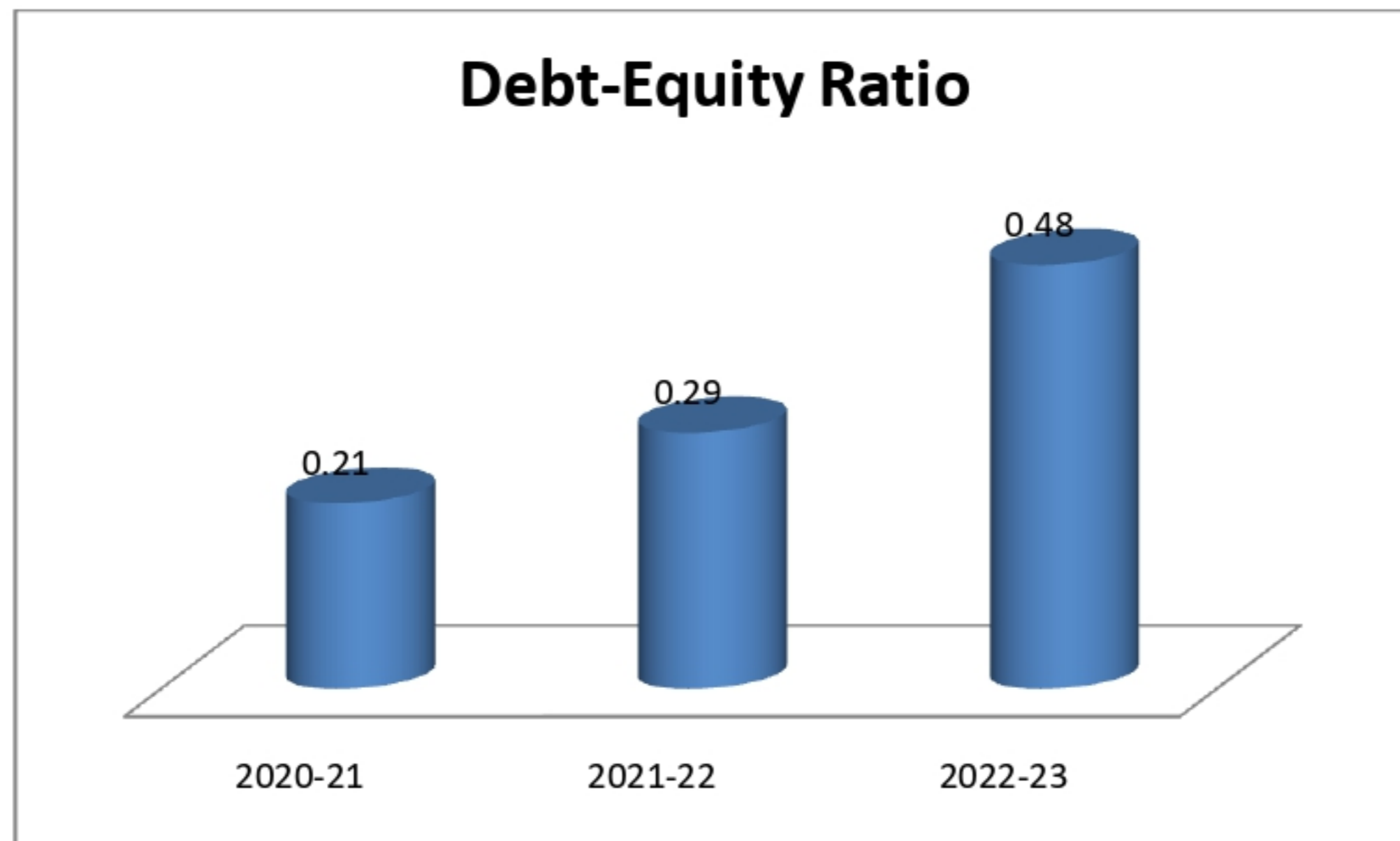
**Table No.2.5**

**Calculation of Debt-Equity Ratio**

Year	Debt	Equity	Debt-Equity Ratio
2020-21	721.55	3319.53	0.21
2021-22	698.55	2402.54	0.29
2022-23	1551.78	3181.15	0.48



Graph No. 2.3

**Interpretation:**

The debt-equity of the corporation is reducing every year. It is the good sign for the Companying. 2:1 is considered as standard or ideal debt-equity ratio. However, the debt is more than 2 times the equity therefore, the financial structure of the Companying is weak so the risk of long term creditor is relatively more.

**D. Proprietor Ratio or Networth Ratio:**

It is the ratio which expresses the relationship between network or equity and total assets. Net worth or equity means the excess of total assets over total liabilities. In other words it means the where fund or proprietors fund.

Total assets refer to all realizable assets. They also include intangible assets like patent rights. Copy rights and trade marks if they can be realize. However they do not include good.

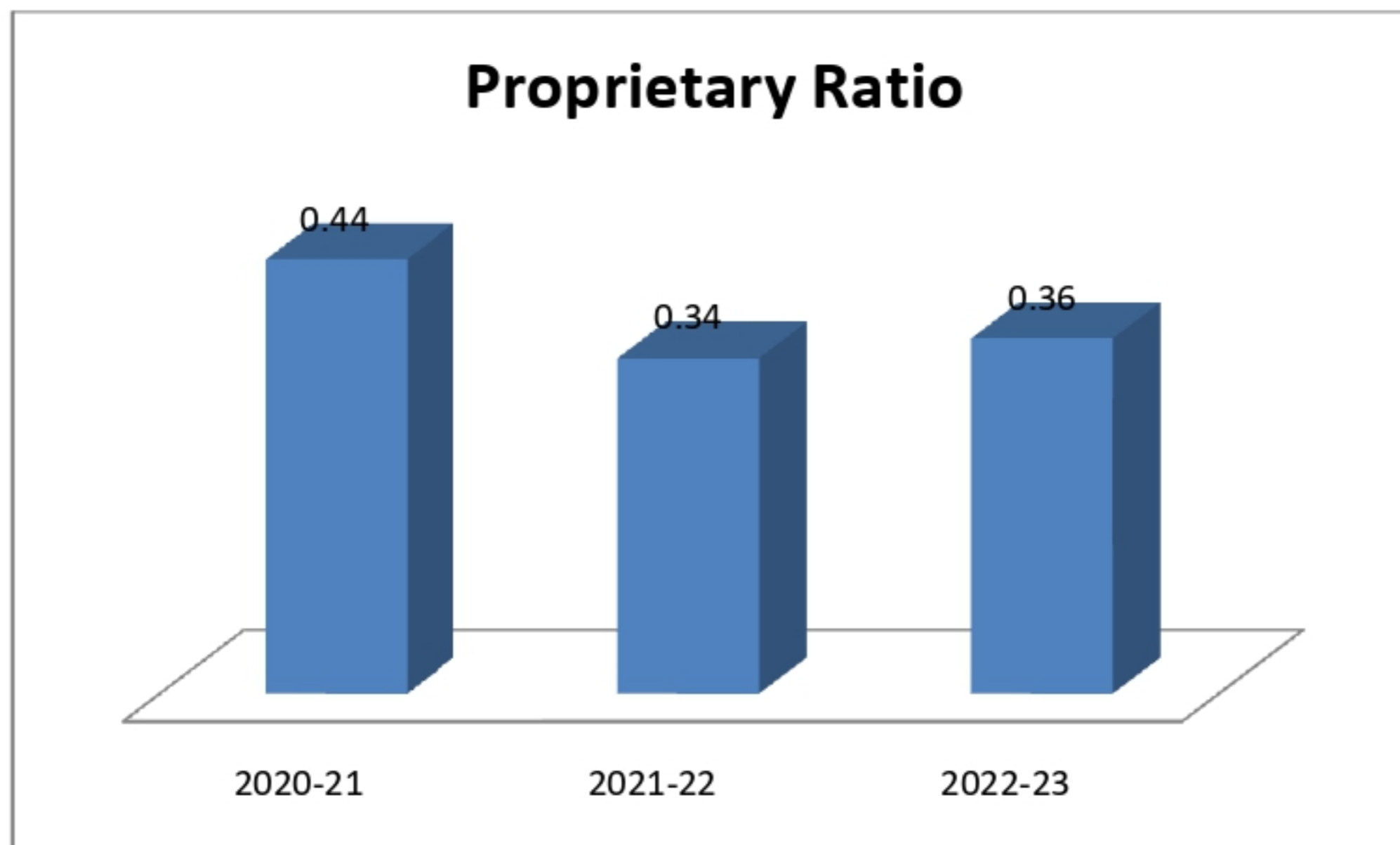
This ratio indicates the proportion between shareholders fund and borrowed fund. It also indicated the relative risk of the owners and creditors of Companying.

**Table No.2.6**  
**Calculation of Proprietary Ratio**

Year	Net worth	Total Assets	Proprietary Ratio
2020-21	3319.53	7416.01	0.44
2021-22	2402.54	7014.83	0.34
2022-23	3181.15	8638.46	0.36

**Source:** Annual Report

**Graph No. 2.4**



**Interpretation:**

The ratio of 0.5:1 is considered as an ideal proprietary ratio. The proprietary ratio of Britannia Industry is less than the ideal ratio therefore the financial is weak.

**E. Return on Capital Employed / Over All Profitability Ratio:**

It is the ratio between return on capital employed and capital employed means operating profit or net profit before deducting interest on long term loans, deposits, debentures and taxes. Capital employed refers to the total long term funds employed in the business. Return on capital employed indicates the earning power of capital employed. It is the best method for measuring the overall efficiency or performance of a business.

$$\text{Return on Capital Employed Ratio} = \frac{\text{Operating Profit}}{\text{Capital Employed}}$$

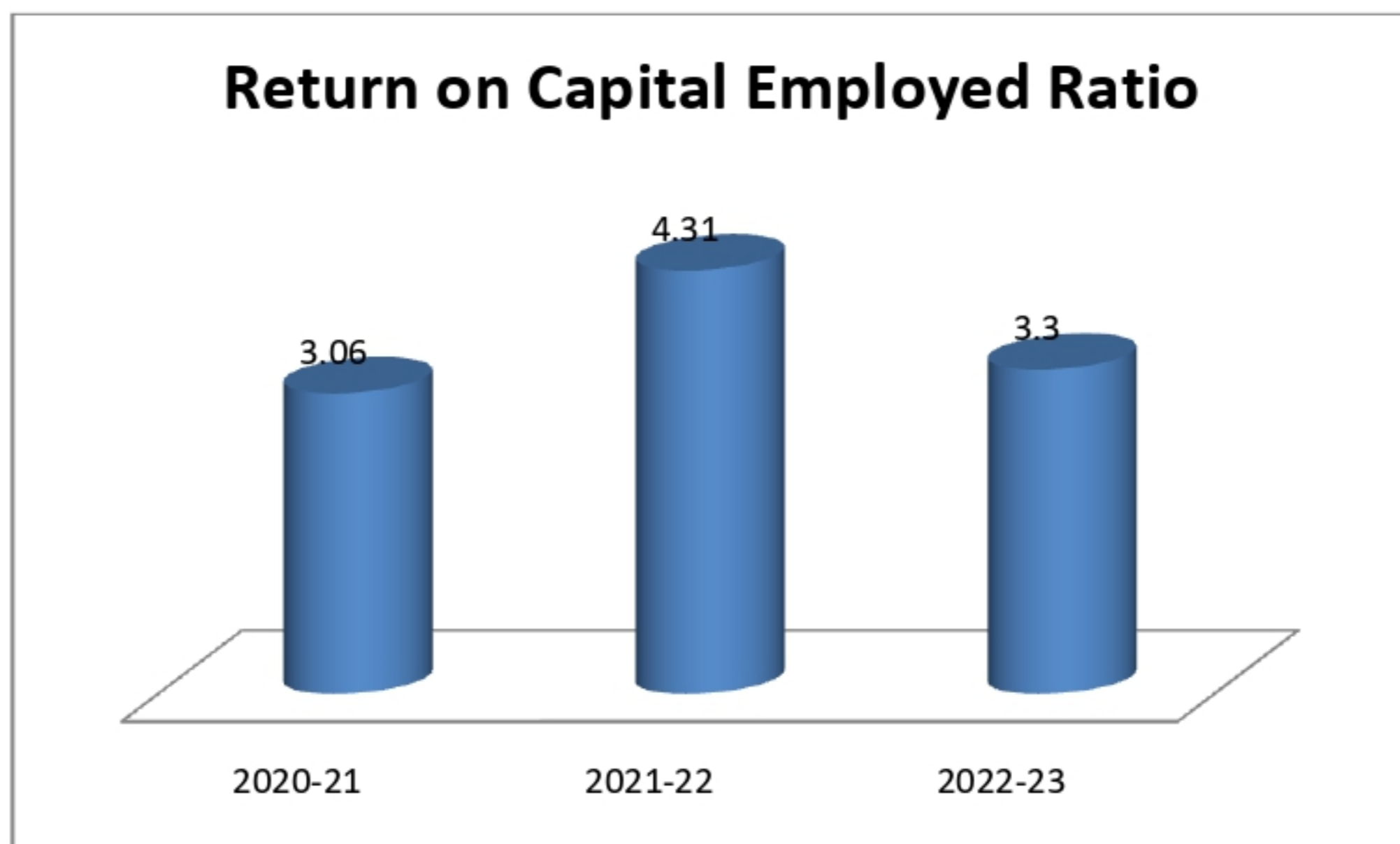


**Table No.2.7**

**Calculation of Return on Capital Employed Ratio**

Year	Operating Profit	Capital Employed	Return on Capital Employed Ratio
2020-21	12378.83	4040.48	3.06
2021-22	13371.62	3101.06	4.31
2022-23	15618.42	4732.17	3.30

**Graph No. 2.5**



**Interpretation:**

The return on Capital Employed indicates the earning power of capital employed, with the help of this ratio it is possible to measure the overall efficiency or performance of the Company. This can be clear with the help of above table and chart i.e., in case of 2020-21 it increases to 3.06, in the year 2021-22 it increases to 4.31 and in the year it decreases to 3.30. Hence it shows the efficiency of the Company is normal.

**F. Net Profit Ratio**

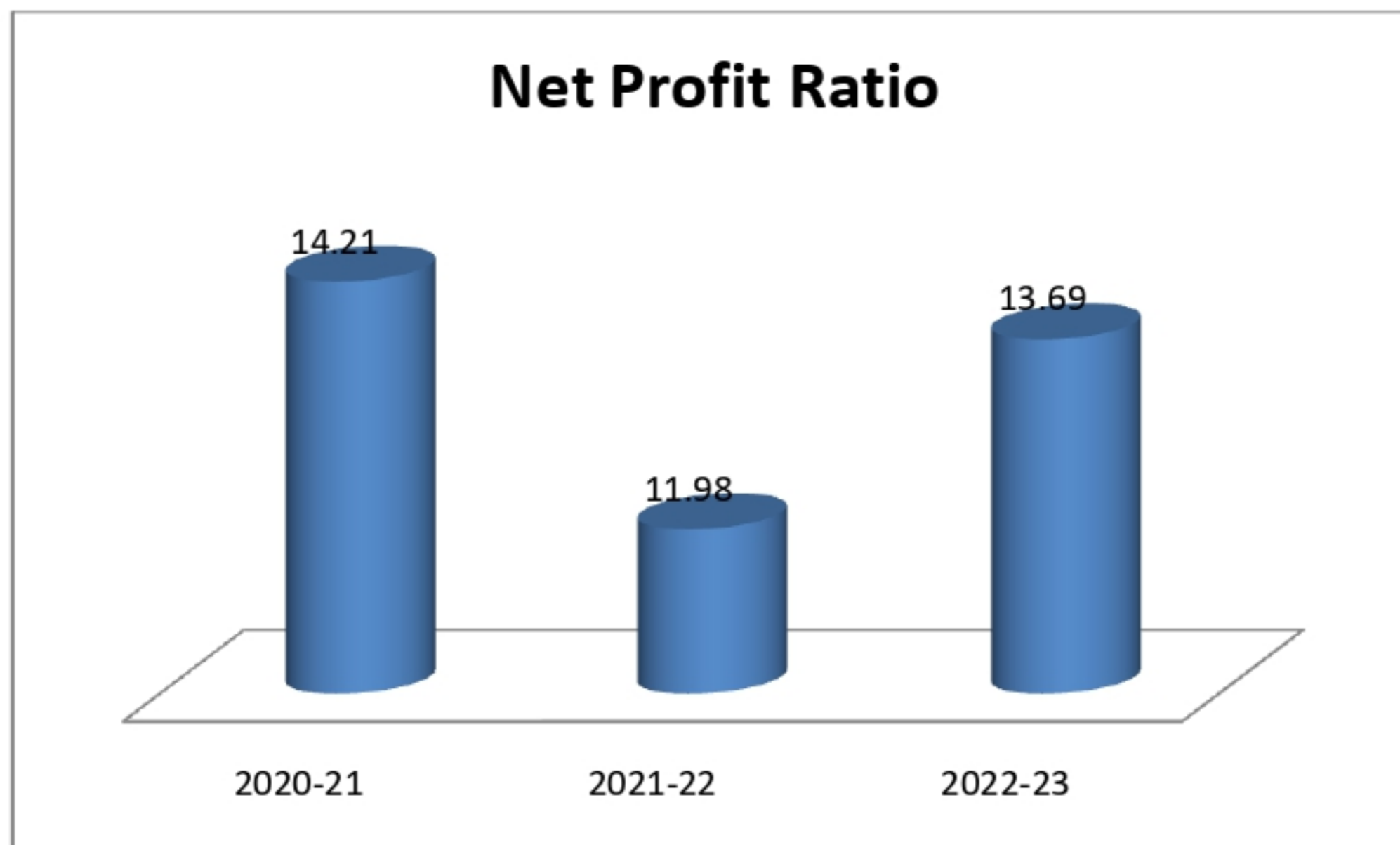
It is calculated by dividing the net profit by the net sales. This ratio is the overall measure of firms profitability. High ratio indicates the profit concern is good & low ratio indicates that profitability of the concern is poor.

$$\text{Net Profit Ratio} = \frac{\text{Net Profit}}{\text{Revenue from Operation}} \times 100$$

**Table No.2.8**  
**Calculation of Net Profit Ratio**

Year	Net Profit	Revenue from Operation	x	Net Profit Ratio
2020-21	1760.03	12378.83	X100	14.21
2021-22	1603.19	13371.62	X100	11.98
2022-23	2139.30	15618.42	X100	13.69

**Graph No. 2.6**



**Interpretation:**

From the above chart we find out the analysis of net profit ratio for the past 3 years are 14.21%, 11.98% and 13.69% in the year 2020-21, 2021-22 and 2022-23 respectively. This can show that there is no ideal ratio, but it should achieve high ratio. Here the Company indicates the low rate of negative profit shows loss or the poor performance of the firm in achieving the more sales and profit.

**G. Total Assets Turnover Ratio:**

This ratio expresses the relationship between total assets and turnover or sales. Total assets mean all current and fixed assets. This ratio indicates the efficiency or inefficiency in the uses of total resources.

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

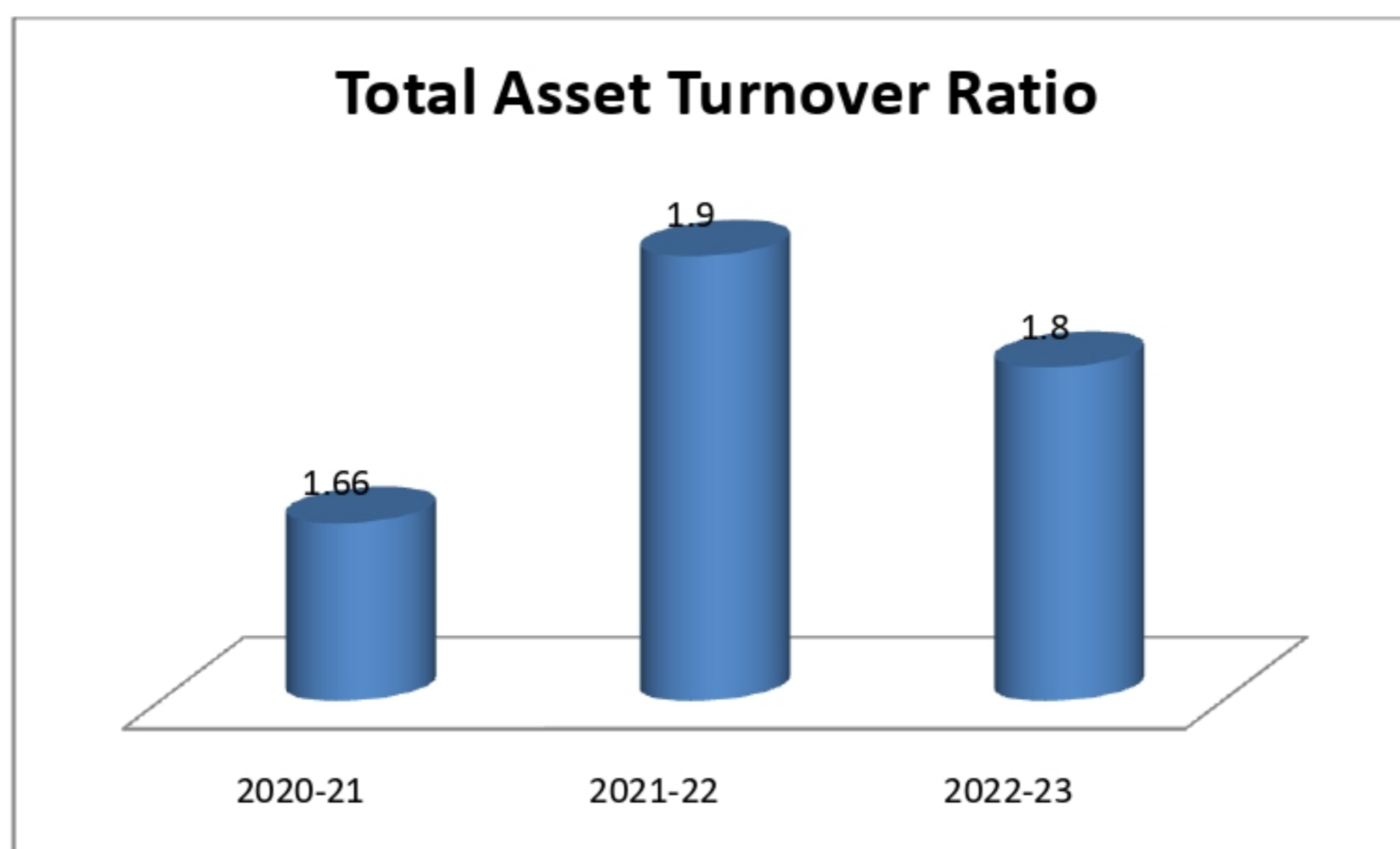


**Table No.2.9**

**Calculation of Total Asset Turnover Ratio**

Year	Net Sales	Total Asset	Total Asset Turnover Ratio
2020-21	12378.83	7416.01	1.66
2021-22	13371.62	7014.83	1.90
2022-23	15618.42	8638.46	1.80

**Graph No. 2.7**



**Interpretation:**

From the above chart we find out the analysis of total asset turnover ratio is in the in the year and 2020-21 it is 1.66, in the year 2021-22 it is 1.90 and in the year 2022-23 it is 01.80. From the above analysis we can know that the Company is not achieving the growth in 2021-22. It is moving towards its achievement in the year 2021-22 but in the year 2022-23 it decreased.

## CHAPTER-3

### MANAGEMENT AND LEADERSHIP

#### 3.1 Leadership Team

##### Nusli N Wadia, Chairman



Mr. Nusli N Wadia is a well-known Indian Industrialist. He is the Chairman of Wadia Group companies and also Director on the Board of several Indian companies. He has contributed actively in the deliberations of various organisations such as the Cotton Textiles Export Promotion Council (TEXPROCIL), Mill Owners' Association (MOA), Associated Chambers of Commerce & Industry, etc. He is the former Chairman of TEXPROCIL and also of MOA. He was appointed on the Prime Minister's Council on Trade & Industry during 1998 to 2004. He was the Convenor of the Special Group Task Force on Food and Agro Industries Management Policy in September, 1998. He was a Member of the Special Subject Group to review regulations and procedures to unshackle Indian Industry and on the Special Subject Group on Disinvestment. He was a member of ICMF from 1984-85 to 1990-91. He is Trustee of the Executive Committee of the Nehru Centre, Mumbai. He has a distinct presence in public affairs and has been actively associated with leading charitable and educational institutions.

##### Varun Berry, Md & Vice Chairman



Mr. Varun Berry, holds a graduate degree in BE Mechanical from the Punjab University. He has also attended a course in Strategic Management from Wharton University and the Global Leadership Program at IMD, Switzerland. Mr. Varun Berry



joined the Company as Vice President & Chief Operating Officer with effect from 1st February, 2013. He has an experience of over 27 years with premier companies like Hindustan Unilever and Pepsico, both in India and overseas and a successful track record in leading start ups, turnarounds, joint ventures and growth businesses.

**Avijit Deb, Non Executive Independent Director**



Mr. Avijit Deb is a solicitor and an Advocate enrolled with the Bar Association of the Calcutta High Court. He maintains his own firm of Solicitors in Kolkata and has over 45 years of experience in the Legal field. He was also on the Board and Committees of the Board of several other leading companies.

**Keki Dadiseth, Non Executive Independent Director**



Mr. Keki Dadiseth, a Fellow of the Institute of Chartered Accountants of England & Wales. He has to his credit, an illustrious career of 27 years at Hindustan Lever Limited from 1973 to 2000. During his term, he served as the Chairman of the Board from 1996 to 2000. He was also associated with the Unilever Group as Director and Member of the Executive Committee between 2000 and 2005. In India, he has been closely associated with various industries, educational, management and medical bodies. He is a member of the Managing Committee, Breach Candy Hospital Trust, member of B.



D. Petit Parsee General Hospital and also a Director on the Board of the Indian Business School. He was also on the Board and Committees of the Board of several other leading companies.

**Dr. Ajai Puri, Non Executive Independent Director**



Dr. Ajai Puri holds a PhD in Food Science from the University of Maryland and an MBA from the Crummer Business School, Rollins College, Florida. He has vast knowledge and international experience in the fields of Management, R&D, Innovation, Marketing, Manufacturing, Product Safety and Quality Assurance in the Food Industry. These experiences were gained during his assignments with Companies namely - Cadbury Schweppes PLC, The Minute Maid Company/The Coca-Cola Company and latest with Royal Numico N.V. in the Netherlands. During his career, he has held a variety of global positions including that of Senior Vice President Technical (Science and Technology) at The Minute Maid Company in the U.S., and President Research, Development and Product Integrity at Royal Numico in the Netherlands. He was also on the Board and Committees of the Board of several other leading companies.

**Ness N Wadia, Promoter Non-Executive Director**



Mr. Ness N Wadia has a Master's degree in Science (M.Sc.) of Engineering Management from the University of Warwick with a thesis titled "Leading to Success in



India”. He has extensive experience in leading operations of large organisations and possess expertise in developing and implementing business strategies for the Company. He is the Chairman of National Peroxide Ltd, Managing Director of The Bombay Burnah Trading Corporation Limited and Director on boards of Wadia Group Companies. He is deeply involved in philanthropic activities and is associated with leading educational institutions and charitable hospitals. He is also a co-owner of Kings XI Punjab, a prominent cricket team in the Indian Premier League.

**Dr. Ysp Thorat, Non Executive Independent Director**



Dr. Thorat holds a distinction in Law, a doctorate in Economics and D.Litt. He started his career with the Reserve Bank of India (RBI) in 1972 and was appointed as its Executive Director in 2003. He retired as Chairman, NABARD in November 2007 and was an Executive Chairman of the Dry Land Farming Commission and Chairman of the Agriculture Universities Recruitment Board, Government of Maharashtra. Earlier, he was associated with the Planning Commission, Government of India for the 10th and 11th Five Year Plans. He was Chief Executive of the Rajiv Gandhi Trust and Foundation, New Delhi and served on the Board of the National Institute of Bank Management, Pune. He is a University ranker having received the prestigious Gopal Krishna Gokhale Award for being adjudged the best student of Political Science amongst all universities in Maharashtra. His main contribution has been in the field of policy support for agriculture finance, urban cooperative banks, cooperative policy and credit. He is on the Board of several companies and trusts.



**Dr. Ajay Shah, Non Executive Independent Director**

Dr. Ajay Shah studied at IIT, Bombay and USC, Los Angeles. He has held positions at Centre for Monitoring Indian Economy (CMIE), Indira Gandhi Institute for Development Research (IGIDR), Department of Economic Affairs at the Ministry of Finance and National Institute for Public Finance and Policy (NIPFP). He is now part of XKDR Forum and Jindal Global University. His research is at the intersection of economics, law and public administration. His second book, co-authored with Mr. Vijay Kelkar, “In service of the republic: The art and science of economic policy”, featured in Bloomberg’s global “2020 Best Books on Business and Leadership”. In the past decade, he was extensively involved in the policy process in the reforms of the equity market and the new pension system.

**Keki Elavia, Non Executive Independent Director**

Mr. Keki Elavia is a Chartered Accountant and a retired Senior Partner of M/s. Kalyaniwalla & Mistry, Chartered Accountants. He was associated with M/s. Kalyaniwalla & Mistry for more than 40 years and has also been a partner of M/s. S.R. Batliboi, Chartered Accountants for a brief period. He was a Member of India UK Accountancy Task Force constituted by Ministry of Commerce, Government of India, Indian Advisory Committee of the Hong Kong and Shanghai Banking Corporation



Limited and other renowned committees and bodies. He is also on the Board and Committees of the Board of several other leading companies and trusts.

**Tanya Dubash, Non Executive Independent Director**



Ms. Tanya Dubash is AB cum laudé, Economics & Political Science, Brown University, USA, and an alumna of the Harvard Business School. She is the Executive Director and Chief Brand Officer of Godrej Industries Limited and is responsible for the Godrej Group’s brand and communications function, including guiding the Godrej Masterbrand. She is also a Director on the Board of Godrej Industries Limited, Godrej Consumer Products Limited, Godrej Agrovet Limited, Escorts Kubota Limited and Go Airlines (India) Limited. She was a member on the Board of the Bharatiya Mahila Bank between November 2013 and May 2015. She was a trustee of Brown University between 2012 and 2018 and continues to be member of the Brown India Advisory Council and on the Watson Institute Board of Overseers. She was recognized by the World Economic Forum as a Young Global Leader in 2007.

**Rajneet Kohli, Executive Director & CEO**



Mr. Rajneet Singh Kohli is an MBA from University of Wales, UK and executive courses from Columbia Business School, NY & Indian School of Business (ISB). He



joined Britannia as an Executive Director & Chief Executive Officer on 26th September 2022. He has served in numerous senior leadership roles during his 25+ years career in sectors like FMCG & Retail and joins Britannia from India's largest Food Services Company Jubilant FoodWorks. Over the last 4+ years as President & Chief Business Officer for Domino's Pizza, he has been instrumental in leading several transformational changes with a clear focus on data, technology, and digital transformation. Prior to JFL, he worked 14 years with Coca-Cola, both in Franchise & Bottling, as Senior Vice President building high performance businesses with leading roles in sales, marketing, commercial & plant operations with complete P&L responsibility. He played a pivotal role in transforming segmented channel strategy, spearheading culture of Right Execution Daily (RED), RTM and pioneered Premium products division setup in Coke. He has previously worked 5.5 years with Asian Paints and a stint in Color Steels, UK. He has a great track record of building & scaling up high performance businesses and has been successful in shaping & executing winning strategies.

#### **Venkataraman N, Executive Director & CFO**



Mr. N. Venkataraman is the Executive Director and Chief Financial Officer of the Company. He has over 35 years of rich experience and has been associated with Britannia Industries Limited since April, 2007. Prior to this, he was heading the Finance functions of two wheeler and commercial vehicle businesses of Eicher Motors Limited. He heads Finance, Business Commercial, IT, Legal, Secretarial and Business Strategy functions in Britannia and is also responsible for the Cost efficiency and IT Transformation initiatives of the Company.



## **3.2 Corporate Governance and Decision Making Process**

### **1. Company's Philosophy on Code of Corporate Governance**

The Company considers good Corporate Governance, a pre-requisite for meeting the needs and aspirations of its stakeholders and firmly believes that the same could be achieved by maintaining transparency in its dealings, creating robust policies and practices, effective processes and systems with clear accountability, integrity, transparency, governance practices and the highest standards of governance.

### **2. Board of Directors**

The Board has an optimum combination of Executive, Non-Executive and Independent Directors and is headed by a Non-Executive Chairman, Mr. Nusli N. Wadia. The Board of the Company is diverse in terms of qualifications, competencies, skills and expertise which enables it to ensure long term value creation for all the stakeholders.

#### **Board Meetings:**

During the year under review, 7 (seven) Board Meetings were held on 2 May 2022, 29 July 2022, 4 August 2022, 23 September 2022, 4 November 2022, 28 November 2022 and 1 February 2023. The maximum gap between any two Board Meetings held during the year was not more than 120 days.

### **3. Board of Directors and Committees**

The Committees of the Board functions as per the powers and terms of reference approved by the Board. The details of the Committees are given below:

#### **a. Audit Committee**

The Audit Committee comprises of Mr. Keki Elavia as Chairman and Mr. Keki Dadiseth, Mr. Avijit Deb, Mr. Ness N. Wadia, Dr. Y.S.P. Thorat as Members of the Committee. The Company Secretary is the Secretary to the Committee.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements of Section 177 of the Companies Act, 2013 read with the Rules made thereunder and Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations, 2015'). Apart from the above, the Committee



also carries out such responsibilities entrusted upon it by the Board of Directors from time to time.

During the year under review, 9 (nine) Audit Committee Meetings were held on 12 April 2022, 2 May 2022, 22 July 2022, 4 August 2022, 7 September 2022, 4 November 2022, 28 November 2022, 7 December 2022 and 1 February 2023. The maximum gap between any two Meetings of the Committee held during the year was not more than 120 days.

All the Members of the Committee are financially literate and Mr. Keki Elavia, Mr. Keki Dadiseth and Dr. Y.S.P. Thorat possess financial management expertise. The Executive Vice-Chairman and Managing Director, Executive Director and Chief Executive Officer, Executive Director and Chief Financial Officer, Statutory Auditors and Internal Auditors are invitees to the Meetings of the Committee.

**Broad Terms of Reference of the Committee, *inter-alia*, includes:**

- Review of Company's financial statements, internal financial reporting process and effectiveness of audit process;
- Review of adequacy, reliability and effectiveness of internal financial controls, risk management process and vigil mechanism;
- Appointment and performance evaluation of statutory and internal auditors;
- Approval of related party transactions and subsequent modifications thereon;
- Monitoring of processes for compliance with laws, regulations and the code of conduct;
- Review of compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015;
- Scrutiny of inter-corporate loans and investments;
- Review of utilization of loans and/or advances from/investment by the holding Company in the subsidiary exceeding `100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- Consider and comment on rationale, cost benefits and impact of the schemes involving merger, demerger, amalgamation etc., on the Company and the shareholders.



**Internal Audit:**

M/s. BDO India LLP, Internal Auditors of the Company have carried out the Internal Audit for FY 2022-23. The reports and findings of the Internal Auditors are periodically reviewed by the Audit Committee.

**b. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of Mr. Keki Dadiseth as Chairman and Mr. Nusli N. Wadia, Dr. Ajai Puri, Mr. Avijit Deb, Mr. Ness N. Wadia and Dr. Y.S.P. Thorat as Members of the Committee.

The Company Secretary is the secretary to the Committee. The composition, powers, role and terms of reference of the Committee are in accordance with the requirements of Section 178 of the Companies Act, 2013 read with the Rules made thereunder and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, 2015. Apart from the above, the Committee also carries out such responsibilities entrusted upon it by the Board of Directors from time to time.

During the year under review, 3 (three) Nomination and Remuneration Committee Meetings were held on 2 May 2022, 23 September 2022 and 1 February 2023.

**Broad Terms of Reference of the Committee, *inter-alia*, includes:**

- Recommendation of nominations for membership of the Board, its Committees and the leadership team of the Company including Key Managerial Personnel ('KMP') and Senior Management;
- Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors, a policy relating to the remuneration of the Directors, KMP and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Recommendation of remuneration payable to Senior Management.



**Evaluation of Performance of the Board, its Committees and Directors:**

Pursuant to the provisions of the Companies Act, 2013 read with the Rules made thereunder and the SEBI Listing Regulations, 2015, performance evaluation of Directors, Committees and the Board as a whole was carried out. Detailed evaluation questionnaires were circulated to all the Directors and the summary of the responses received were placed before the Board, Committees and Independent Directors.

**A separate Meeting of Independent Directors was also held to review:**

- Performance of the Non-Independent Directors and the Board as a whole;
- Performance of the Chairman of the Company taking into account the views of Executive Directors and Non-Executive Directors.

The criteria for performance evaluation of the Committees and the Board as a whole include aspects like composition, functioning, effectiveness of processes & meetings, interaction with management and other measures. The criteria for Performance Evaluation of the Directors include aspects like professional conduct, competency, integrity, contribution to the Board and Committee Meetings and other measures. In addition, the performance of the Chairman is also evaluated on key aspects of his roles and responsibilities.

**Remuneration Policy:**

The Company has adopted the Remuneration Policy for Directors, KMP and other employees as required under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, 2015. The salient features of the Remuneration Policy are as follows:

- To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management;
- To provide to KMP and Senior Management rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.



**Board Diversity:**

The Company has adopted the Policy on Board Diversity as required under Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, 2015.

**Succession Planning:**

The Nomination and Remuneration Committee works with the Board for succession planning for its Directors, KMPs and Senior Management.

**Remuneration to Non-Executive Directors:**

The Non-Executive Directors are entitled to Commission on the net profits of the Company in addition to sitting fees for attending the Meetings. The Board collectively decides the aggregate amount of Commission for each year. The amount of Commission payable to individual Non-Executive Directors is determined based on their attendance and contribution at the Meetings of the Board of Directors and its Committees as well as time spent on operational matters other than at the Meetings. The Members of the Company have approved the payment of Commission to Non-Executive Directors at the 95th Annual General Meeting held on 12 August 2014.

**c. Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee comprises of Mr. Avijit Deb as Chairman and Mr. Varun Berry, Dr. Y.S.P. Thorat as Members of the Committee.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations, 2015.

Mr. T.V. Thulsidass is the Company Secretary and Compliance Officer of the Company. During the year under review, the Committee met once on 14 March 2023.

**Broad Terms of Reference of the Committee, *inter-alia*, includes:**

- Approval and monitoring of issuance of Letter of Confirmation *in lieu* of duplicate share certificate(s), transmission, split, consolidation, dematerialization and re-materialization of shares/securities;



- Overseeing various issues relating to security holders, including redressal of complaints relating to transmission of shares, non-receipt of annual reports, non-receipt of dividends, issue of new/ duplicate certificate(s), general meetings etc.;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for effective exercise of voting rights by the shareholders, reducing the quantum of unclaimed dividends/debenture interests and ensuring timely receipt of dividend/debenture interest/annual reports/statutory notices by the shareholders of the Company.

#### **d. Finance Committee**

The Finance Committee comprises of Mr. Nusli N. Wadia as Chairman and Mr. Ness N. Wadia, Mr. Varun Berry as Members of the Committee. The broad terms of reference of the Committee are to approve investments/divestments of funds of the Company within the limits prescribed by the Board from time to time. During the year under review, no Meeting of Finance Committee was held.

- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- To approve appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

#### **e. Strategy and Innovation Steering Committee**

The Strategy and Innovation Steering Committee comprises of Mr. Nusli N. Wadia as Chairman and Mr. Varun Berry, Mr. Ness N. Wadia, Mr. Keki Dadiseth, Dr. Ajai Puri, Dr. Ajay Shah, Dr. Y.S.P. Thorat, Ms. Tanya Dubash as Members of the Committee.

The broad terms of reference of the Committee *inter-alia* include review and formulation of Company's business plans & strategies, product plans and technical development activities.



During the year under review, no Meeting of Strategy & Innovation Steering Committee was held.

#### **f. Corporate Social Responsibility Committee**

The Corporate Social Responsibility (CSR) Committee comprises of Mr. Ness N. Wadia as Chairman and Mr. Keki Dadiseth, Dr. Ajai Puri, Dr. Y.S.P. Thorat, as Members of the Committee. The composition, powers, role and terms of reference of the Committee are in accordance with the requirements of Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014. During the year under review, the Committee met once on 31 January 2023.

#### **Broad Terms of Reference of the Committee, *inter-alia*, include:**

- Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- Formulate and recommend to the Board, an Annual Action Plan in pursuance of its CSR policy;
- Recommendation of the amount of expenditure to be incurred on CSR activities;
- Monitoring compliance to the CSR Policy of the Company.

#### **g. Risk Management Committee**

The Risk Management Committee comprises of Dr. Ajay Shah as Chairman and Mr. Keki Dadiseth, Dr. Y.S.P. Thorat, Mr. Keki Elavia, Mr. Varun Berry, Mr. N. Venkataraman as Members of the Committee.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements of Regulation 21 read with Part D of Schedule II of the SEBI Listing Regulations, 2015. Apart from the above, the Committee also carries out such functions/responsibilities entrusted on it by the Board of Directors from time to time. During the year under review, the Committee met twice on 14 September 2022 and 20 January 2023. The gap between the Meetings of the Committee held during the year was not more than 180 days.



**Broad Terms of Reference of the Committee, *inter-alia*, includes:**

- To formulate a detailed risk management policy and recommend the same to the Board;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy at least once in two years, considering the changing industry dynamics and evolving complexity;
- 

**h. IT Committee**

The IT Committee comprises of Dr. Ajay Shah as Chairman and Mr. Varun Berry as Member of the Committee. During the year under review, no Meeting of IT Committee was held.

**i. Bonus Debenture Committee 2020**

The Bonus Debenture Committee 2020 constituted by the Board of Directors at their Meeting held on 5 October 2020 comprises of Mr. Keki Elavia, Mr. Avijit Deb, Mr. Varun Berry and Mr. N. Venkataraman as Members of the Committee. During the year under review, no Meeting of the Bonus Debenture Committee 2020 was held.

**4. Independent Directors**

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations, 2015 and all are independent of the Management.

The Independent Directors are appointed/re-appointed by the Members of the Company and letter of appointment is issued to them as per Schedule IV to the Companies Act, 2013.

During the year under review, Meeting of the Independent Directors was held on 1 February 2023, without the attendance of Non-Independent Directors and Members of the Management, to evaluate, *inter-alia*:



- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors;
- The quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. All the Independent Directors attended the Meeting.

**Familiarization Programme:**

At the time of induction, the Company familiarizes the Independent Directors with industry outlook, business strategy, Company's operations, their roles and responsibilities, etc. Thereafter, the Independent Directors are provided with necessary presentations, documents, reports, internal policies and updates to familiarise them with the Company's business, policies, procedures and practices at various Meetings held during the year.

**5. General Body Meetings**

a. Location and time where the last three Annual General Meetings were held and the Special Resolutions passed thereat

**b. Resolution passed through Postal ballot during the financial year 2022-23**

During the year under review, approval of shareholders of the Company was sought through postal ballot by voting through electronic means (remote e-voting) for the following:

- Appointment of Mr. Rajneet Singh Kohli (DIN: 09743554) as a Director of the Company.
- Appointment of Mr. Rajneet Singh Kohli (DIN: 09743554) as a Whole-Time Director, designated as Executive Director and Chief Executive Officer of the Company.

**c. Whether any Special Resolution is proposed to be passed through postal ballot this year**

Currently, there is no proposal to pass any Special Resolution through Postal Ballot.

## **6. Means of Communication**

Annual Reports, notice of the Meetings and other communications to the Shareholders are sent through e-mail, post or courier.

Quarterly, half-yearly and yearly financial results of the Company are published as per the requirements of Regulation 33, 47, 52 and other applicable provision of the SEBI Listing Regulations, 2015 in leading newspapers i.e., Financial Express (all editions) and Sangbad Pratidin, a vernacular newspaper (Kolkata edition).

## **7. General Shareholder Information**

### **(i) Annual General Meeting - Date, time and venue**

28 August 2023 at 3:30 P.M. IST through Video Conference (“VC”)/Other Audio Visual Means (“OAVM”)

### **(ii) Financial Year - 1 April 2023 to 31 March 2024**

**(iii) Book closure period** - Tuesday, 22 August, 2023 to Monday, 28 August 2023 (both days inclusive)

**(iv) Dividend Payment date** - Not Applicable

**(v) Listing on Stock Exchanges**

**(vi) Stock Price Data**

### **(vii) Investor Education and Protection Fund (‘IEPF’)**

Pursuant to Section 124(6) of the Companies Act, 2013 read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer unclaimed dividend and equity shares in respect of which dividends have not been claimed for a period of seven consecutive years to IEPF. Accordingly, the Company has transferred unclaimed dividend amounting to ` 1,09,81,728/-.



## CHAPTER-4

### SWOT ANALYSIS

#### 4.1 Strengths in Britannia SWOT Analysis

##### 1. Forte in Distribution Channel

The company has a PAN India presence and has direct access to **2.49 million retail outlets** as on March 31, 2022, against 0.73 million outlets as of FY2014 end. Rural markets account for a **sizeable share of the demand** for biscuits in the country and the company increased its access to about 27,000 **rural preferred dealers (RPDs)** as on June 30, 2022, up from 7,000 RPDs as on March 31, 2015.

##### 2. Undisputed Focus in biscuit segment

Biscuits currently contribute **80-85% of the company's revenues** while the balance is derived from other categories. As opposed to its direct rivals Nestle, ITC, Parle, etc., which aim to produce various kinds of food and beverages, Britannia has **capitalised** on its competence in the biscuit market.

##### 3. Creation of a new category

The launch of an innovative **Britannia Gifting segment** that allowed consumers to select a **Britannia Shubh Kamnaye** as gift hamper, **personalize it with** a message & photograph and have it seamlessly delivered to their loved ones. Britannia Shubh Kamnaye Biscuits is a **premium cookies** segment & mainly marketed for gifting purpose, and in widely celebrated Indian festivals like Diwali, Holi, Rakshabandhan, etc

##### 4. Lead with new-to-market concepts

Company strives to lead the segments it operates in with **new-to-market innovations** as per changing consumer needs and preferences. The pillars of the company's innovation strategy include deriving inspiration from **adjacent categories** (like choco bakery, cheese bakery, cracker and snacking etc.), reimagining health, exploring newer flavours and leveraging current and new technologies.

##### 5. Manufacturing & cost power

In contrast to other brands that just market and sell the product, Britannia currently manufactures **60% of its products internally** and has been increasing its manufacturing capacity to accommodate continued expansion into new products/categories. This has helped to **maintain costs** and allowed Britannia to achieve **good margins** despite rising commodity prices, packaging costs, fuel prices, and transportation costs, where many costs are at 10-year highs.



## 6. 80:20 Growth Strategy

The company performed well during the covid crisis by following the **80:20 rule**, that is the company focused on 20% of the brands like Marie Gold, Good Day, Milk Bikis & Nutri Choice, which contributes 80% of the companies revenue, were put on priority list which enabled the company to **streamline its productivity** and increase the efficiency of the production.

## 4.2 Weaknesses in Britannia SWOT analysis

### 1. Too much reliance on the biscuit business

Britannia's **more than 80% revenue** comes from biscuit business. Although they are market leader in the same but over dependency on the same may affect their long term existence in the business. Despite **consistently focusing** on dairy products like milk, cheese, flavored yoghurt, etc., it is up against fierce competition from unorganised markets and industry giants like Amul.

### 2. Dependency on the Indian market

The company derives only **5.5% of the revenue** from the global Markets. Despite continuous efforts Britannia has been not able to capture **global market share**. Issues like lack of differentiation in its product offerings, strong competition from well-established international food companies, cultural and regulatory barriers making it difficult for the company to **establish a foothold** in foreign markets.

### 3. Intense competition

With multiple major businesses like Parle, Sunfeast, and Priyagold as well as a large number of smaller brands, the biscuit market is **quite competitive**. As Britannia is **unable to develop a differentiator** that stands out in this competitive industry, this could have a long-term negative impact on the business.

### 4. Giving up on consumer surplus

Britannia brand sells identically priced goods in rural and urban locations because it **doesn't concentrate** on a specific income category, Britannia may need to **spend more on marketing** and advertising to reach a broad range of customers. This can be an **expensive proposition**, and may result in **lower profit margins** for the company. Sometimes it misses out an opportunity to sell higher-priced products resulting in a loss of consumer surplus



### 4.3 Opportunities in Britannia SWOT analysis

#### 1. Demand for low-calorie products

The good day was always a rich taste, but today the customers are **aware of calories** and looks for healthy cookies that are low in sugar and calories. This can give the cookie-inspired biscuit plenty of room to develop newer, **healthier variations**.

#### 2. Overseas Market

Extending its business to another **international market** will enable the company to become a global player in food products. Currently, it is also the **number 2 biscuit player** in UAE with a strong contention to leadership and has a similarly **strong market position** in the other GCC countries.

International business, although contributing modestly at present to the company's revenues, holds **substantial potential** for expansion over the medium term, with territories such as Nepal and the Middle East expected to contribute sizeably to the overall revenues going forward.

#### 3. Use of social media marketing

Being an Indian company, Britannia can use **social media to promote** its products. Social media marketing can be a useful and affordable technique to reach a larger audience and **enhancing a company's reputation** in the marketplace. It currently has more than 117 thousand subscribers on Youtube, more than **964 thousand followers on LinkedIn**, 3 accounts with total of more than 65.8 thousand followers on twitter.

#### 4. Croissant market

In India, croissants are still a **relatively new category**. It is an important category in a lot of the world's emerging nations, though. As consumers in India are getting exposed to an increasing consumption of global food, this category has **enormous potential** for acceptance in the domestic market. Britannia has the chance to lead and **actively promote** the development of this market.

#### 5. Dairy Business

India continues to be the **largest producer and consumer** of dairy products in the world accounting for 22% of the global production. The organized sector contributes to just 20% of the category while **80% is still unorganized**. As the dairy industry in the country matures, there is a discernible shift in consumption from plain milk to value added dairy products. It plans to make **significant investments** in scaling-up its back end capability through the creation of a milk collection and manufacturing infrastructure. The



Company's milk procurement in Maharashtra has been **scaled-up to 36,500 Liters/day** from 1450 farmers in and around Ranjangaon.

## 6. Untapped cream wafer segment

Wafers are a category **worth Rs.7000 million** that is expanding well, and Britannia has introduced the **first brand** with a national presence to join this market. The market has a lot of room to grow because it is so **fragmented and disorganized**.

## 4.4 Threats in Britannia SWOT analysis

### 1. Rising Inflation

The company's **major raw materials** are wheat flour, sugar, milk and RPO. Competition and price-sensitive customers could constrain the pricing flexibility, exposing BIL's margins to fluctuations in raw material prices. The **gross margin contracted** by 390 bps YoY to 38.0% in FY2022 due to the material inflation in RPO (+26% YoY), cashew (+35% YoY), laminates and corrugated boxes. The gross margin further contracted to 36.9% in Q1 FY2023.

### 2. Local bakery products

Many people still choose **freshly baked cookies** from their neighbourhood bakery over packages of **ready-to-eat** biscuits, which poses a serious threat to Britain. Loss of revenue and ultimately of market share could arise from this.

### 3. Fake products

Counterfeit products can be made to look **almost identical** to the genuine article, but they are often made with **lower quality ingredients** and may not meet the same health and safety standards as the genuine product. This can lead to consumer dissatisfaction, **damage to Britannia's brand reputation**, and loss of revenue.

### 4. Desire for healthy biscuits

Demand for healthy biscuits is increasing due to the **active lifestyle** of consumers who are looking for convenient eating options. Currently, India has 64% of its population in the working age group which makes millennials the **driving force** behind modern consumer trends. Despite Nutrchoice's success, more of these products are needed to keep up with the tough competition.



## CHAPTER-5

# FINDINGS, SUGGESTIONS AND CONCLUSION

### 5.1 Findings

Ratios are taken as parameters for interpretation financial data because ratio expresses relationship between variables. The following are the major findings.

- The analysis shows that in the year in the year 2020-21 it is 1.20, but in the year 2021-22 it decreases to 0.93 and 2022-23 also it increases to 1.14. Therefore it shows the bad financial position of the Company.
- The quick ratio of Britannia Industry is varying between 00.91 to 0.87 in last 3 years. That means in the year 2020-21 it is 0.91, but in the year 2021-22 it decreases to 0.60 and 2022-23 it increases to 0.87. Therefore, it shows the bad liquid position of the Company.
- The debt-equity of the corporation is reducing every year, therefore, the financial structure of the Companying is weak so the risk of long term creditor is relatively more.
- The proprietary ratio of Britannia Industry is less than the ideal ratio therefore the financial is weak.
- The return on Capital Employed indicates the earning power of capital employed, with the help of this ratio it is possible to measure the overall efficiency or performance of the Company. This can be clear with the help of above table and chart i.e., in case of 2020-21 it increases to 3.06, in the year 2021-22 it increases to 4.31 and in the year it decreases to 3.30.
- The net profit ratio for the past 3years are 14.21%, 11.98% and 13.69% in the year 2020-21, 2021-22 and 2022-23 respectively.
- The analysis shows that the total asset turnover ratio is in the in the year and 2020-21 it is 1.66, in the year 2021-22 it is 1.90 and in the year 2022-23 it is 01.80. From the above analysis we can know that the Company is not achieving the growth in 2021-22. It is moving towards its achievement in the year 2021-22 but in the year 2022-23 it decreased.



## 5.2. Suggestions

As observed earlier in the findings, the present position of Britannia Industry is good, but it can be even better. It may be useful to Company improve its performance if the following suggestions are implemented.

- The debt equity ratio of the Company is high, which is threatening to Company. Hence, Company should maintain debt equity ratio according to the standard norms.
- The capital employed ratio has been maintained according to the standard format, but it is to be maintained consistently.
- The proprietary ratio maintained by Company is satisfactory. But the performance decreased by year to year. Company need to increase its proprietary ratio for the better performance.
- Even though the current ratio is satisfactory, Company has to maintain the same in future.

## 5.3 Conclusion

Britannia Industry has one of the leading public sector Company has been the cup of tea for everyone. Since from its inception to till now Companys performance is considerably increasing. Beside, Britannia Industry always strives to bring a weightage to its balance sheet with efficient management.

From this study I conclude that, the whole performance of the Company is said to be satisfactory because Company shown its performance above the standard format in proprietary, fixed asset, current and ROCE rations.

The profitability of Britannia Industry is very good and satisfactory, as there it shows an increasing trend. However Company has to improve its performance in debt equity ratios because the payment of long term liabilities may become overburden to its growth. Company is very excellent in maintain liquidity.

Although Company showing good performance, it would have done best by finding the weaker parts of its operational areas. On the whole the Company has to improve its performance and growth.



---

## QUESTIONNAIRE

1. When was Britannia Industries Founded?
2. Who is the founder of Britannia industries?
3. What is the main objective of Britannia industries?
4. What is the major products of Britannia industries?
5. Who is the CEO of Britannia?
6. What were challenges faced Britannia industries?
7. What are the weakness of Britannia company?
8. What is the social message of Britannia industries?

## BIBLIOGRAPHY

### Books:

- Annual report of Britannia Industries.
- I.M. Pandey, *Financial management*, Vikas publishing, 9<sup>th</sup> edition
- M.Y. Khan and P.K. Jain, *Financial management*, tata publishers, 4<sup>th</sup> edition
- Prasanna Chandra, *Fundamentals of financial management*, Tata macgrewhill publishing company ltd., 3<sup>rd</sup> edition.

### Websites

- [https://en.wikipedia.org/wiki/Britannia\\_Industries](https://en.wikipedia.org/wiki/Britannia_Industries)
- <https://www.britannia.co.in/about-us>
- [https://tracxn.com/d/companies/britannia/\\_\\_6hRT\\_d\\_bKkVTpnweNSYzkRbT4Tg4mCQypKFpDjxkZFo/competitors](https://tracxn.com/d/companies/britannia/__6hRT_d_bKkVTpnweNSYzkRbT4Tg4mCQypKFpDjxkZFo/competitors)
- <https://britanniamarine.com/about-us/vision-values/>
- <https://www.indiamart.com/britannia-industries-kolkata/infrastructure-and-facilities.html>
- [https://www.marketing91.com/swot-analysis-of-britannia/#google\\_vignette](https://www.marketing91.com/swot-analysis-of-britannia/#google_vignette)