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# FINANCIAL STATEMENT ANALYSIS OF TEN FAST-MOVING CONSUMER GOODS COMPANIES IN INDIA

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## ABSTRACT

Fast moving consumer goods (FMCG) is the fourth-largest sector in the Indian economy. There are three main segments in the sector food and beverages, which accounts for 19% of the sector; healthcare, which accounts for 31% of the share; and household and personal care, which accounts for the remaining 50% share. The urban segment contributes to about 55% of the revenue share, while the rural segment accounts for 45%. Rise in rural consumption will drive the FMCG market. India's FMCG sectors' significant characteristics can be listed as strong MNC presence, well established distribution network, intense competition between the organized and unorganized players and low operational cost. In present study we have made an attempt to analyse and compare the financial performance of FMCG companies of India. It was found that Nestle India is most fundamentally strong company among the companies under study.

**KEY WORDS**: *FMCG, Company, financial, performance, ratio*

## INTRODUCTION

Fast Moving Consumer Goods (FMCG) sector is India's fourth-largest sector with household and personal care accounting for fifty percent of FMCG sales in India. It is characterised by high turnover consumer packaged goods, i.e., goods that are produced distributed, marketed and consumed within a short period of time. FMCG products that dominate the market today are detergents, toiletries, tooth cleaning products, cosmetics etc. these products are daily consumed by each and every stratum of the society irrespective of social class, income group, age group etc. FMCG sector is more lucrative because of low penetration levels, well established distribution network, low operation cost, lower per capita consumption, large consumer base and simple manufacturing processes for most of products resulting in fairly low capital investments. The industry is highly competitive due to presence of multinational companies, domestic companies and unorganized sector. A major portion of the market is captured by unorganized players selling unbranded and unpackaged products Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector. An FMCG industry overview indicated that India's demographic profile plays a major role in the growth of this sector. Not only is India's demographic young, but this segment is also characterised by increased urbanisation and higher expenditure. Urban development initiatives by the government, as well as the increasing middle class of India, has led to an increase in the number of attractive markets in the country. Favourable demand drivers such as rising income levels and growing urbanisation, among others, have recently encouraged major and diverse investments in the FMCG sector. The penetration in the rural areas in India is not high as yet and the opportunity of growth in these areas is huge by means of enhanced penetration in to the rural market and conducting awareness programs in these areas. The scopes for the growth of the FMCG industry are high as the per capita consumption of the FMCG products in India is low in comparison to the other developed countries. The manufacturing of the FMCG goods is concentrated in the western and southern belt of the country. There are other pockets of FMCG manufacturing hubs. While top FMCG companies are expanding their capacity to feed the growing domestic demand, homegrown brands have ventured into international markets. The high growth rate of the FMCG industry in India goes beyond growth drivers such as income growth and urbanisation. The consumption habits of India's new age consumers have resulted in an attitudinal shift in the market. The new Indian consumer is characterised by high awareness, an affinity for health and nutrition and high expendable income. This has led to the emergence of new FMCG sub-sectors, such as the air and water purifier market and organic food staples. These trends will further lead the development of the FMCG industry profile. With the growth of the traditional FMCG sector- and the emergence of sub-sectors that were non-existent until a few years ago- the future of this industry looks good for investors.

In the present study, an attempt made by researcher to evaluate financial performance analysis of top ten Fast-Moving Consumer Goods companies of India for a period of five years.

## OBJECTIVES OF THE STUDY

The main objective of the study is to measure the financial performance of top ten Fast-Moving Consumer Goods companies in India. The specific objectives of the study are:

- To compare the liquidity position of the companies under study.
- To evaluate the profitability position of the companies under study.
- To measure the efficiency of the management in managing assets.

## HYPOTHESIS

**$H_0$** = There is no significant difference in the financial performance of the FMCG companies under study

**$H_1$** = There is significant difference in the financial performance of the FMCG companies under study

## SCOPE OF THE STUDY

The study deals with the financial performance analysis of Fast-Moving Consumer Goods Companies of India. Since it is a comparative study, a comparison of the performance of top ten FMCG companies is made. The study period is five years from March 2017 to March 2021.

## RESEARCH METHODOLOGY

The entire study is based on secondary collected from sources like books and websites. The sample size of the study is top ten automobile companies in India selected on the basis of judgemental sampling technique. Descriptive statistics like mean and standard deviation are used for the effective analysis. In addition to descriptive statistics, One Way ANOVA test is also used to test the hypothesis framed in the study.

For the analysis of the financial statements of the companies, the researchers have used following ratios:

**Liquidity Ratios**

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current liabilties}}$$

$$\text{Quick Ratio} = \frac{\text{Quick Assets}}{\text{Quick Libilities}}$$

**Profitability ratios**

$$\text{Return on Capital Employed} = \frac{\text{Operating Profit}}{\text{Capital Employed}} \times 100$$

$$\text{Net Profit Margin} = \frac{\text{Net Profit}}{\text{Net Sales}} \times 100$$

**Investment ratios**

$$\text{Operating Profit per share} = \frac{\text{Operating Profit}}{\text{Number of shares}}$$

$$\text{Dividend per share} = \frac{\text{Amount of dividend}}{\text{Number of shares}}$$

**Turnover Ratios**

$$\text{Inventory Turnover Ratio} = \frac{\text{Cost of goods sold}}{\text{Average Inventory}}$$

$$\text{Debtors Turnover Ratio} = \frac{\text{Net Credit Sales}}{\text{Average Debtors}}$$

## LITERATURE REVIEW

**Sri Ayan Chakraborty (2017)** in his research paper titled 'Performance evaluation of leading FMCG firms' says that there is no significant relationship between price earnings ratio of five FMCG companies. This study included five FMCG companies and time period is five years i.e., 2011-2016.

**Shivanisinh Shailesh Kumar Parmar (2017)** in his research paper 'A study on financial efficiency of selected FMCG companies in India', it evaluated various financial ratios and provided conclusion upon 7 companies on the basis of financial ratios. This study included seven FMCG companies and time period included in this study is 10 years that is 2007-2015.

**Mr. Harish Patel and Prof. Vinod P Patel (2018)** carried out a research work entitled 'A study on fundamental analysis of five selected FMCG companies in FMCG sector'. They suggested that FMCG sector has tremendous growth rate with relevant other growing sectors.

**Dr. N Monicka Mahesh and S Saravana Kumar (2016)** carried out a research work titled 'Fundamental analysis of selected Indian FMCG companies listed in NSE of India limited'. They concluded that Procter and Gamble company enjoying the better position. In their study they included six major FMCG companies and the time period included in this study is eleven years.

**Prof. S M Imamul Hoque and Mohd Atif Afzal (2017),** 'An appraisal of financial performance of the FMCG industry in India'. This study states that, there is significant impact of sales on liquidity position of selected FMCG companies, there is no significant impact of sales on solvency position of selected FMCG companies and there is significant impact of sales on profitability position of FMCG companies. The study included the time period of five years i.e., 2011-12 to 2015-16.

**Alka Khatri and Dr. Ashok Agarwal (2021)** carried out a research work 'Measuring financial performance of selected Fast Moving Consumer Goods companies in India'. This study explained the factors for diversification and the effect of diversification on the financial health of diversified business. This study included five FMCG companies and time period of five years i.e., 2016-2020.

## RESEARCH GAP

After the review of above available research articles, we did not find the study on these ten FMCG companies and for the time period of five year i.e., 2017-2021. This is found as research gap and hence the current study has been undertaken.

## LIMITATIONS OF THE STUDY

The following are the limitations of the study;

- Financial performances of the companies are evaluated only through financial figures and other qualitative aspects of the companies are not included in the study.
- The study period is only five years.
- The study included only top ten FMCG companies.
- The study fully based on financial statement.
- The entire study is based on secondary data. Hence, the study might suffer from the limitations of secondary data.

## DATA ANALYSIS AND INTERPRETATION

**Table 1: Current Ratios of the companies under study**

| Sl. No | Name of the company | 2021 | 2020 | 2019 | 2018 | 2017 | Mean | SD |
|---|---|---|---|---|---|---|---|---|
| 1 | HUL | 0.65 | 1.08 | 1 | 0.94 | 0.82 | 0.898 | 0.150 |
| 2 | ITC | 1.52 | 1.9 | 1.8 | 1.68 | 1.94 | 1.768 | 0.153 |
| 3 | Britannia | 0.66 | 0.95 | 1.62 | 1.59 | 2 | 1.364 | 0.487 |
| 4 | Dabur | 1.17 | 1.5 | 0.92 | 0.95 | 0.83 | 1.074 | 0.241 |
| 5 | Marico | 1.55 | 1.68 | 1.88 | 1.8 | 1.66 | 1.714 | 0.115 |
| 6 | Godrej consumers ltd | 1.27 | 0.91 | 1.07 | 0.68 | 0.66 | 0.918 | 0.232 |
| 7 | Tata consumer product | 1.77 | 2.04 | 3.41 | 2.6 | 1.89 | 2.342 | 0.605 |
| 8 | Emami | 1.58 | 1.07 | 1.25 | 0.71 | 0.45 | 1.012 | 0.397 |
| 9 | Nestle India | 0.62 | 0.56 | 0.67 | 0.68 | 0.57 | 0.62 | 0.049 |
| 10 | Colgate- Palmolive India | 0.96 | 1.26 | 1.09 | 1.18 | 0.97 | 1.092 | 0.117 |

**Source: Annual Reports of the companies under study**

Current ratio is used to measure the liquidity position of the company. The standard ratio for manufacturing company is 2:1. Higher the ratio better the liquidity position of the company but more the opportunity cost. Table 1 presents the current ratios of the FMCG companies under the study. According to current ratios of the companies Tata Consumer Product company has the strong current ratio. Among other companies under the study, ITC is second strong company in its liquidity position with 1.768 current ratio and it is followed by Marico 1.714, Britannia with 1.364, Colgate – Palmolive India with 1.092, Dabur with 1.074, Emami with 1.012, Godrej with 0.918, HUL with 0.898. Nestle India has the least current ratio of 0.62. Tata Consumer Product has shown highest variation in the current ratio over the years and Nestle India has lowest variation in the current ratio over the years.

**Table 2: Quick Ratios of the companies under study**

| Sl. No. | Name of the company | 2021 | 2020 | 2019 | 2018 | 2017 | Mean | SD |
|---|---|---|---|---|---|---|---|---|
| 1 | HUL | 0.49 | 0.83 | 0.73 | 0.68 | 0.51 | 0.648 | 0.130 |
| 2 | ITC | 0.76 | 1.18 | 1.16 | 1.02 | 1.06 | 1.036 | 0.150 |
| 3 | Britannia | 0.85 | 1.11 | 1.18 | 1.16 | 1.45 | 1.15 | 0.191 |
| 4 | Dabur | 0.77 | 1.11 | 0.56 | 0.48 | 0.42 | 0.668 | 0.251 |
| 5 | Marico | 1.08 | 0.86 | 1.06 | 0.78 | 0.67 | 0.89 | 0.159 |
| 6 | Godrej consumers ltd | 0.5 | 0.59 | 0.5 | 0.39 | 0.38 | 0.472 | 0.078 |
| 7 | Tata consumer product | 1.13 | 1.37 | 1.88 | 1.66 | 0.69 | 1.346 | 0.415 |
| 8 | Emami | 1.33 | 1.3 | 1.08 | 0.88 | 0.29 | 0.976 | 0.380 |
| 9 | Nestle India | 0.37 | 0.32 | 0.45 | 0.45 | 0.32 | 0.382 | 0.058 |
| 10 | Colgate- Palmolive India | 0.77 | 0.97 | 0.87 | 0.96 | 0.69 | 0.852 | 0.109 |

**Source: Annual Reports of the companies under study**

Quick ratio is used to measure the liquidity position of the company. The standard quick ratio for a manufacturing company and also for a trading company is 1:1. According to Table 2, Tata Consumer Product has strong quick ratio with 1.346. Britannia and ITC also have standard quick ratio with 1.15 and 1.036 respectively, followed by Emami with 0.976, Marico with 0.89, Colgate Palmolive India with 0.852, Dabur with 0.668, HUL with 0.648, Godrej Consumer Product with 0.472. Nestle India has lowest current ratio of 0.382. Tata Consumer Product has highest Standard Deviation in quick ratio.

**Table 3: Return on Capital employed (%) of the companies under study**

| Sl. No | Name of the company | 2021 | 2020 | 2019 | 2018 | 2017 | Mean | SD |
|---|---|---|---|---|---|---|---|---|
| 1 | HUL | 22.82 | 116.98 | 114.59 | 104.12 | 95.17 | 90.736 | 34.840 |
| 2 | ITC | 29.16 | 30.22 | 31.88 | 32.14 | 34.22 | 31.524 | 1.736 |
| 3 | Britannia | 48.41 | 35.68 | 42.51 | 44.58 | 48.5 | 43.936 | 4.721 |
| 4 | Dabur | 30.42 | 32.58 | 37.36 | 31.23 | 33.25 | 32.968 | 2.410 |
| 5 | Marico | 43.84 | 43.79 | 33.34 | 33.67 | 38.06 | 38.54 | 4.618 |
| 6 | Godrej consumers ltd | 25.69 | 26.76 | 31.21 | 28.88 | 25.27 | 27.562 | 2.211 |
| 7 | Tata consumer product | 8.26 | 7.42 | 13.3 | 14.46 | 11.4 | 10.968 | 2.747 |
| 8 | Emami | 32.46 | 18.36 | 20.08 | 18.76 | 25.95 | 23.122 | 5.407 |
| 9 | Nestle India | 144.92 | 142.11 | 68.5 | 55.88 | 49.46 | 92.174 | 42.374 |
| 10 | Colgate- Palmolive India | 116.43 | 66.05 | 73.11 | 65.24 | 66.84 | 77.534 | 19.646 |

**Source: Annual Reports of the companies under study**

It is clear from above table that the mean return on capital employed (%) of Nestle India is highest with 92.174%. HUL has second highest 90.736%, Colgate Palmolive India offers next highest return with 77.534%, followed by Britannia with 43.936%, Marico with 38.54%, Dabur with 32.968%, ITC with 31.524%, Godrej Consumer Product with 27.562%, Emami with 23.122%. Tata consumer products offers the least return on capital employed with 10.968. The Standard Deviation of return on capital employed of Nestle India is highest (42.374%), whereas Standard Deviation of the return on capital employed of ITC is least.

**Table 4: Net profit margin (%) of the companies under study**

| Sl. No | Name of the company | 2021 | 2020 | 2019 | 2018 | 2017 | Mean | SD |
|---|---|---|---|---|---|---|---|---|
| 1 | HUL | 17.29 | 17.37 | 15.79 | 15.16 | 14.07 | 15.936 | 1.265 |
| 2 | ITC | 28.65 | 33.17 | 27.7 | 27.62 | 25.44 | 28.516 | 2.554 |
| 3 | Britannia | 14.21 | 13.5 | 10.7 | 10.18 | 10.02 | 11.722 | 1.770 |
| 4 | Dabur | 19.23 | 18.54 | 20.15 | 19.17 | 18.86 | 19.19 | 0.539 |
| 5 | Marico | 17.45 | 17.2 | 18.9 | 13.89 | 17.37 | 16.962 | 1.653 |
| 6 | Godrej consumers ltd | 19.57 | 21.55 | 30.9 | 19 | 17.85 | 21.774 | 4.718 |
| 7 | Tata consumer product | 8.65 | 9.2 | 11.98 | 16.6 | 9 | 11.086 | 3.002 |
| 8 | Emami | 18.39 | 12.09 | 12.29 | 13.14 | 15.04 | 14.19 | 2.345 |
| 9 | Nestle India | 15.59 | 15.91 | 14.23 | 12.24 | 10.04 | 13.602 | 2.201 |
| 10 | Colgate- Palmolive India | 21.38 | 18.04 | 17.37 | 16.07 | 14.5 | 17.472 | 2.298 |

**Source: Annual Reports of the companies under study**

Net profit margin ratios of companies under study are presented in Table 4. It indicates that ITC offers highest return (28.516%), followed by Godrej Consumer Product (21.774%), Dabur (19.19%). Tata Consumer Product offers lowest return.

**Table 5: Operating Profit/share (₹) of the companies under study.**

| Sl. No. | Name of the Company | 2021 | 2020 | 2019 | 2018 | 2017 | Mean | SD |
|---|---|---|---|---|---|---|---|---|
| 1 | HUL | 48.2 | 44.35 | 39.9 | 33.61 | 27.94 | 38.8 | 7.284 |
| 2 | ITC | 12.61 | 14.57 | 14.12 | 12.73 | 12 | 13.206 | 0.973 |
| 3 | Britannia | 97.62 | 73.64 | 69.16 | 117.48 | 100.35 | 91.65 | 17.937 |
| 4 | Dabur | 8.82 | 7.81 | 7.74 | 6.98 | 6.31 | 7.532 | 0.846 |
| 5 | Marico | 8.94 | 8.68 | 7.82 | 7.09 | 7.41 | 7.988 | 0.715 |
| 6 | Godrej Consumers ltd | 61.17 | 53.55 | 55.56 | 77.22 | 139.4 | 77.38 | 32.104 |
| 7 | Tata consumer product | 9.97 | 8.72 | 6.94 | 7.94 | 5.75 | 7.864 | 1.449 |
| 8 | Emami | 18.97 | 13.06 | 15.44 | 30.82 | 32.56 | 22.17 | 8.016 |
| 9 | Nestle India | 332.05 | 303.47 | 271.5 | 217.45 | 177.5 | 260.394 | 56.266 |
| 10 | Colgate- Palmolive India | 55.5 | 44.18 | 45.45 | 40.9 | 34.69 | 44.144 | 6.791 |

**Source: Annual Reports of the companies under study**

Operating profit per share is one of the Investment ratios. Higher the ratio of the company, it is better for the investors to invest in them. As per above table Nestle India offers highest operating profit per share (₹260.394), Colgate-Palmolive offers second highest operating profit per share (91.65). Dabur offers lowest operating profit per share (7.532). Nestle India has highest standard deviation in its operating profit per share.

**Table 6: Dividend/share of the companies under study.**

| Sl. No | Name of the Company | 2021 | 2020 | 2019 | 2018 | 2017 | Mean | SD |
|---|---|---|---|---|---|---|---|---|
| 1 | HUL | 31 | 34.5 | 22 | 20 | 17 | 24.9 | 6.113 |
| 2 | ITC | 10.75 | 10.15 | 5.75 | 5.15 | 4.75 | 7.31 | 2.365 |
| 3 | Britannia | 157.5 | 35 | 15 | 25 | 22 | 50.9 | 49.009 |
| 4 | Dabur | 4.75 | 3 | 2.75 | 7.5 | 2.25 | 4.05 | 1.752 |
| 5 | Marico | 7.5 | 6.75 | 4.75 | 4.25 | 3.5 | 5.35 | 1.389 |
| 6 | Godrej consumers ltd | 16.16 | 14.16 | 14.8 | 19.53 | 33.36 | 19.602 | 6.504 |
| 7 | Tata consumer product | 4.05 | 2.7 | 2.5 | 2.5 | 2.35 | 2.82 | 0.571 |
| 8 | Emami | 8 | 4 | 4 | 7 | 7 | 6 | 1.528 |
| 9 | Nestle India | 200 | 342 | 115 | 86 | 63 | 161.2 | 92.760 |
| 10 | Colgate- Palmolive India | 38 | 28 | 23 | 24 | 10 | 24.6 | 8.238 |

**Source: Annual Reports of the companies under study**

Dividend Per Share another important Investment ratio. It is known from Table 6 that Nestle India offers highest average Dividend Per Share (161.2) followed by Britannia (50.9), HUL (24.9) and Colgate Palmolive India (24.6). Tata Consumer product offers lowest (2.82) average Dividend Per Share. The Standard Deviation of Dividend Per Share is highest for Nestle India.

**Table 7: Inventory Turnover Ratio of the companies under study**

| Sl. No | Name of the company | 2021 | 2020 | 2019 | 2018 | 2017 | Mean | SD |
|---|---|---|---|---|---|---|---|---|
| 1 | HUL | 13.6 | 14.71 | 15.78 | 14.93 | 14.6 | 14.724 | 0.698 |
| 2 | ITC | 5.12 | 5.82 | 6.03 | 6.13 | 7.05 | 6.03 | 0.620 |
| 3 | Britannia | 12.49 | 17.34 | 14.58 | 15.78 | 14.41 | 14.92 | 1.605 |
| 4 | Dabur | 6.45 | 7.8 | 8.56 | 7.96 | 8.96 | 7.946 | 0.856 |
| 5 | Marico | 7.26 | 5.02 | 4.84 | 3.95 | 4.5 | 5.114 | 1.133 |
| 6 | Godrej consumers ltd | 8.9 | 8.32 | 9.23 | 9.29 | 9.06 | 8.96 | 0.348 |
| 7 | Tata consumer product | 5.08 | 6.19 | 4.05 | 4.32 | 4.01 | 4.73 | 0.825 |
| 8 | Emami | 9.59 | 10.58 | 11.63 | 12.86 | 13.84 | 11.7 | 1.526 |
| 9 | Nestle India | 9.42 | 9.64 | 11.7 | 11.29 | 10.13 | 10.436 | 0.904 |
| 10 | Colgate- Palmolive India | 14.42 | 15.24 | 17.95 | 19.09 | 15.45 | 16.43 | 1.778 |

**Source: Annual Reports of the companies under study**

Inventory Turnover Ratio another important ratio to measure the efficiency of the management in utilising the assets of the organisation. Inventory Turnover Ratio for Colgate-Palmolive is highest (16.43times) followed by Britannia (14.92), HUL (14.72). Tata Consumer Products has least Inventory turnover ratio i.e., 4.73 times.

**Table 8: Debtor turnover ratio of the companies under study**

| Sl. No | Name of the Company | 2021 | 2020 | 2019 | 2018 | 2017 | Mean | SD |
|---|---|---|---|---|---|---|---|---|
| 1 | HUL | 34.15 | 28.53 | 27.11 | 33.28 | 32.02 | 31.018 | 2.735 |
| 2 | ITC | 21.75 | 15.9 | 14.99 | 17.8 | 20.59 | 18.206 | 2.610 |
| 3 | Britannia | 56.19 | 37.04 | 36.07 | 52.16 | 72.19 | 50.73 | 13.377 |
| 4 | Dabur | 21.74 | 15.56 | 16.67 | 17.09 | 14.03 | 17.018 | 2.588 |
| 5 | Marico | 16.35 | 13.08 | 16.63 | 20.05 | 23.11 | 17.844 | 3.435 |
| 6 | Godrej consumers ltd | 22.62 | 16.62 | 18.88 | 22.98 | 19.53 | 20.126 | 2.390 |
| 7 | Tata consumer product | 25.04 | 22.94 | 21.53 | 27.23 | 27.39 | 24.826 | 2.316 |
| 8 | Emami | 18.35 | 14.76 | 23.4 | 45.2 | 53.44 | 31.03 | 15.406 |
| 9 | Nestle India | 92.3 | 99.38 | 105.75 | 107.11 | 104.61 | 101.83 | 5.437 |
| 10 | Colgate- Palmolive India | 38.78 | 26.44 | 21.72 | 25.31 | 34.41 | 29.332 | 6.285 |

**Source: Annual Reports of the companies under study**

Higher the debtor turnover ratio, more the efficiency of the company is in managing in debtors. Here, Nestle India has highest Debtor Turnover Ratio (101.83 times) and Dabur has lowest Debtor Turnover Ratio (17.018). Standard Deviation of Debtor Turnover Ratio is highest for Emami and Lowest for 2.31

**TESTING OF HYPOTHESIS**

Following are the hypotheses framed in the study

**$H_0$** = There is no significant difference in the financial performance of the FMCG companies under study

**$H_1$** = There is significant difference in the financial performance of the FMCG companies under study

One way ANOVA test is used to test the above hypotheses and the results of hypothesis tested is presented in Table 9

**Table 9: One-way ANOVA**

| **Current Ratio** | | | | | | |
|---|---|---|---|---|---|---|
| Source of Variation | SS | df | MS | F | P-value | F crit |
| Between Groups | 12.11786 | 9 | 1.346429 | 11.35307 | 1.44E-08 | 2.124029 |
| Within Groups | 4.74384 | 40 | 0.118596 | | | |
| Total | 16.8617 | 49 | | | | |
| **Quick Ratio** | | | | | | |
| *Source of Variation* | *SS* | *df* | *MS* | *F* | *P-value* | *F crit* |
| Between Groups | 4.11644 | 9 | 0.457382 | 7.288495 | 3.45E-06 | 2.124029 |
| Within Groups | 2.51016 | 40 | 0.062754 | | | |
| Total | 6.6266 | 49 | | | | |
| **Return on capital employed** | | | | | | |
| *Source of Variation* | *SS* | *df* | *MS* | *F* | *P-value* | *F crit* |
| Between Groups | 38247.14 | 9 | 4249.683 | 9.742806 | 1.07E-07 | 2.124029 |
| Within Groups | 17447.47 | 40 | 436.1867 | | | |
| Total | 55694.61 | 49 | | | | |
| **Net Profit Margin** | | | | | | |
| *Source of Variation* | *SS* | *df* | *MS* | *F* | *P-value* | *F crit* |
| Between Groups | 1219.083 | 9 | 135.4537 | 17.71687 | 2.35E-11 | 2.124029 |
| Within Groups | 305.8186 | 40 | 7.645465 | | | |
| Total | 1524.902 | 49 | | | | |
| **Operating Profit per share** | | | | | | |
| *Source of Variation* | *SS* | *df* | *MS* | *F* | *P-value* | *F crit* |
| Between Groups | 269380.6 | 9 | 29931.18 | 51.10004 | 3.91E-19 | 2.124029 |
| Within Groups | 23429.48 | 40 | 585.7369 | | | |
| Total | 292810.1 | 49 | | | | |
| **Dividend per share** | | | | | | |
| *Source of Variation* | *SS* | *df* | *MS* | *F* | *P-value* | *F crit* |
| Between Groups | 104598.1 | 9 | 11622.01 | 6.938233 | 5.95E-06 | 2.124029 |
| Within Groups | 67002.71 | 40 | 1675.068 | | | |
| Total | 171600.8 | 49 | | | | |
| **Inventory turnover ratio** | | | | | | |
| *Source of Variation* | *SS* | *df* | *MS* | *F* | *P-value* | *F crit* |
| Between Groups | 817.7844 | 9 | 90.86493 | 57.82485 | 4.10E-20 | 2.124029 |
| Within Groups | 62.85528 | 40 | 1.571382 | | | |
| Total | 880.6397 | 49 | | | | |
| **Debtor turnover ratio** | | | | | | |
| *Source of Variation* | *SS* | *df* | *MS* | *F* | *P-value* | *F crit* |
| Between Groups | 29977.13 | 9 | 3330.792 | 50.35057 | 5.10E-19 | 2.124029 |
| Within Groups | 2646.081 | 40 | 66.15203 | | | |
| Total | 32623.21 | 49 | | | | |

It can be observed from Table 9 that the calculated F value for all the variables used for the purpose of measuring the financial performance of the companies are greater than critical value (2.124029) at 5%

level of significance. Hence, the calculated F values lies in the rejection region, the hypothesis need to be rejected.

**FINDINGS AND CONCLUSIONS**

After the detailed analysis of the financial statements of the companies by using ratio analysis, the following results are arrived:

- None of the companies maintained standard current ratio. Tata Consumer Product (2.342) has the strong current ratio. Nestle India has lowest average current ratio.
- In quick ratio none of the companies maintained standard quick ratio. Tata Consumer Product has strong quick ratio with 1.346 and Nestle India has the least current ratio of 0.62.
- Nestle India has highest capital employed i.e., 92.174% and it is followed by HUL 90.736%, Colgate Palmolive India offers next highest return with 77.534%, followed by Britannia with 43.936%, Marico with 38.54%, Dabur with 32.968%, ITC with 31.524%, Godrej Consumer Product with 27.562%, Emami with 23.122%. Tata Motor offers the least return on capital employed with 10.968.
- ITC offers highest Net Profit Margin (28.516%), followed by Godrej Consumer Product (21.774%), Dabur (19.19%). Tata Consumer Product has lowest Net Profit Margin (11.086).
- Nestle India offers highest operating profit per share (₹260.394), Colgate-Palmolive offers second highest operating profit per share (91.65). Dabur offers lowest operating profit per share (7.532).
- It is found from the study that Nestle India offers highest average Dividend Per Share (161.2) followed by Britannia (50.9), HUL (24.9) and Colgate Palmolive India (24.6). Tata Consumer product offers lowest (2.82) average Dividend Per Share.
- Inventory Turnover Ratio for Colgate-Palmolive is highest (16.43times) followed by Britannia (14.92), HUL (14.72). Tata Consumer Products has least Inventory turnover ratio i.e., 4.73 times.
- Nestle India has highest Debtor Turnover Ratio (101.83 times) and Dabur has lowest Debtor Turnover Ratio (17.018). Standard Deviation of Debtor Turnover Ratio is highest for Emami and Lowest for 2.31.

As we know, Fast Moving Consumer Goods (FMCG) sector is India’s fourth-largest sector. Here we analysed financial statements of India’s top ten FMCG companies. It is found in the study that Tata consumer Product has strong liquidity position and Nestle India has lowest liquidity position among the companies under study. Nestle India has highest return on capital employed and Tata Consumer Product has lowest return on capital employed. ITC has highest net profit margin and Tata Consumer product has lowest net profit margin. Operating leverage is highest for Nestle India and lowest for Dabur. Nestle India offers highest dividend per share. Colgate Palmolive India is leading in Inventory turnover ratio and Nestle India leading in debtor’s turnover ratio. The results of hypothesis tested shows that there is difference in financial performance of the companies under the study. Hence it can be concluded that Nestle India is the strongest company among the companies under study.

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