

Accounting and Financial Management(IC361)

Assignment



Submitted to-
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(Britannia Industries)

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1. INTRODUCTION:

Britannia Industries Limited is one of India's oldest and most well-known food companies, specializing in the production of biscuits, bread, cakes, and dairy products. Established in 1892, Britannia has a rich heritage spanning over a century and has become synonymous with trust and quality in the Indian market.

History: The company was founded in Kolkata, India, by a British entrepreneur, with its initial focus on biscuits. Over the years, it has expanded its product range to include a variety of bakery and dairy products.

Products: Britannia offers a wide range of products, including biscuits (both sweet and savory), bread, cakes, rusks, dairy products like cheese and milk, and other snack items. Some of its popular brands include Good Day, MarieGold, NutriChoice, Tiger, Milk Bikis, and Britannia Bread.

Market Presence: Britannia has a significant presence not only in India but also in several international markets. Its products are available in more than 60 countries across the globe.

Manufacturing Facilities: The company operates several manufacturing facilities strategically located across India to cater to the diverse regional preferences of consumers.

Innovation: Britannia has been known for its focus on innovation and product development. It continuously introduces new flavors, packaging formats, and healthier alternatives to cater to evolving consumer preferences.

Quality and Safety: Britannia emphasizes stringent quality control measures and adheres to food safety standards to ensure the highest quality and safety of its products.

Sustainability: Like many modern companies, Britannia has also been focusing on sustainability initiatives, including reducing its environmental footprint, improving water efficiency, and promoting responsible sourcing practices.

Corporate Social Responsibility (CSR): The company is actively involved in various CSR initiatives, particularly in the areas of education, healthcare, and community development, as part of its commitment to social responsibility.

Financial Performance: Britannia has consistently delivered strong financial performance over the years, reflecting its robust business model and market leadership position in the Indian food industry. Overall, Britannia Industries Limited continues to be a household name in India, known for its quality products, strong brand equity, and commitment to innovation and social responsibility.

2. COMMON SIZE STATEMENT (BALANCE SHEET)

| Britannia Industries Standalone Balance Sheet | | | | | | Common size Statement balancesheet | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------------|--------------|--------------|--------------|--------------|
| | Mar-23 | Mar-22 | Mar-21 | Mar-20 | Mar-19 | Mar-23 | Mar-22 | Mar-21 | Mar-20 | Mar-19 |
| | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths |
| [1] EQUITY AND LIABILITIES | | | | | | | | | | |
| Equity Share Capital | 24.09 | 24.09 | 24.09 | 24.05 | 24.03 | 0.27 | 0.34 | 0.32 | 0.33 | 0.42 |
| Other equity | 3,157.06 | 2,378.45 | 3,267.34 | 4,216.19 | 4,015.42 | 36.54 | 33.96 | 44.05 | 58.12 | 71.03 |
| Total Equity | 3,181.15 | 2,402.54 | 3,319.53 | 4,274.65 | 4,039.45 | 36.82 | 34.30 | 44.76 | 58.93 | 71.45 |
| LIABILITIES | | | | | | | | | | |
| NON-CURRENT LIABILITIES | | | | | | | | | | |
| Long Term Borrowings | 1,551.02 | 698.52 | 721.55 | 722.13 | 0.26 | 17.94 | 9.98 | 9.72 | 9.95 | 0 |
| Deferred Tax Liabilities [Net] | 0 | 0 | 7.85 | 10.97 | 3.87 | 0.00 | 0.00 | 0.1 | 0.15 | 0.06 |
| Other Long Term Liabilities | 60.91 | 52.42 | 39.32 | 30.53 | 27.03 | 0.70 | 0.75 | 0.53 | 0.42 | 0.47 |
| Total Non-Current Liabilities | 1,611.93 | 750.94 | 768.72 | 763.63 | 31.16 | 18.66 | 10.73 | 10.36 | 10.52 | 0.55 |
| CURRENT LIABILITIES | | | | | | | | 0 | 0 | 0 |
| Short Term Borrowings | 1,110.76 | 1,479.62 | 1,075.70 | 479.99 | 0 | 12.85 | 21.12 | 14.5 | 6.61 | 0 |
| Trade Payables | 1,308.76 | 1,156.62 | 1,191.09 | 955.98 | 1,032.54 | 15.15 | 16.55 | 16.06 | 13.17 | 18.26 |
| Other Current Liabilities | 917 | 762.07 | 695.34 | 596.39 | 361.3 | 10.61 | 10.89 | 9.37 | 8.22 | 6.39 |
| Short Term Provisions | 508.86 | 451.16 | 365.63 | 182.7 | 188.52 | 5.89 | 6.45 | 4.93 | 2.51 | 3.33 |
| Total Current Liabilities | 3,845.38 | 3,849.47 | 3,327.76 | 2,215.06 | 1,582.36 | 44.50 | 54.96 | 44.87 | 30.53 | 27.99 |
| Total Equity And Liabilities | 8,638.46 | 7,002.95 | 7,416.01 | 7,253.34 | 5,652.97 | 100 | 100 | 100 | 100 | 100 |
| [2] ASSETS | | | | | | | | | | |
| NON-CURRENT ASSETS | | | | | | | | | | |
| Tangible Assets | 2,220.21 | 1,327.41 | 1,360.02 | 1,416.02 | 1,283.85 | 25.7 | 18.95 | 18.33 | 19.52 | 22.71 |
| Intangible Assets | 12.75 | 15.6 | 8.54 | 8.37 | 7.62 | 0.14 | 0.22 | 0.11 | 0.11 | 0.13 |
| Capital Work-In-Progress | 104.47 | 535.27 | 111.66 | 38.92 | 64.91 | 1.2 | 7.64 | 1.5 | 0.53 | 1.14 |
| Other Assets | 60.5 | 34.42 | 35.28 | 36.14 | 36.13 | 0.7 | 0.49 | 0.47 | 0.49 | 0.63 |
| Fixed Assets | 2,397.93 | 1,912.70 | 1,515.50 | 1,499.45 | 1,392.51 | 27.75 | 27.31 | 20.43 | 20.67 | 24.63 |
| Non-Current Investments | 1,525.18 | 1,221.61 | 1,657.16 | 2,259.11 | 1,050.97 | 17.65 | 17.44 | 22.34 | 31.14 | 18.59 |
| Deferred Tax Assets [Net] | 48.31 | 40.58 | 0 | 0 | 0 | 0.55 | 0.57 | 0 | 0 | 0 |
| Long Term Loans And Advances | 150 | 100 | 70.73 | 192.03 | 15.55 | 1.73 | 1.42 | 0.95 | 2.64 | 0.27 |
| Other Non-Current Assets | 96.34 | 135 | 157.69 | 97.6 | 123.67 | 1.11 | 1.92 | 2.12 | 1.34 | 2.18 |
| Total Non-Current Assets | 4,217.76 | 3,409.89 | 3,401.08 | 4,048.19 | 2,582.70 | 48.82 | 48.69 | 45.86 | 55.81 | 45.68 |
| CURRENT ASSETS | | | | | | 0 | 0 | 0 | 0 | 0 |
| Current Investments | 1,798.47 | 802.5 | 1,292.96 | 882.06 | 594.7 | 20.81 | 11.45 | 17.43 | 12.16 | 10.52 |
| Inventories | 1,074.62 | 1,251.64 | 991.28 | 633.53 | 718.89 | 12.43 | 17.87 | 13.36 | 8.73 | 12.71 |
| Trade Receivables | 278.42 | 253.85 | 198.36 | 242.23 | 350.96 | 3.22 | 3.62 | 2.67 | 3.33 | 6.2 |
| Cash And Cash Equivalents | 63.85 | 52.29 | 110.8 | 39.16 | 40.48 | 0.73 | 0.74 | 1.49 | 0.53 | 0.71 |
| Short Term Loans And Advances | 560 | 698 | 946.09 | 1,075.73 | 1,121.41 | 6.48 | 9.96 | 12.75 | 14.83 | 19.83 |
| OtherCurrentAssets | 645.34 | 534.78 | 475.44 | 332.44 | 243.83 | 7.47 | 7.63 | 6.41 | 4.58 | 4.31 |
| Total Current Assets | 4,420.70 | 3,593.06 | 4,014.93 | 3,205.15 | 3,070.27 | 51.17 | 51.3 | 54.13 | 44.18 | 54.31 |
| Total Assets | 8,638.46 | 7,002.95 | 7,416.01 | 7,253.34 | 5,652.97 | 100 | 100 | 100 | 100 | 100 |

Table 1: Common Size (Balance sheet)

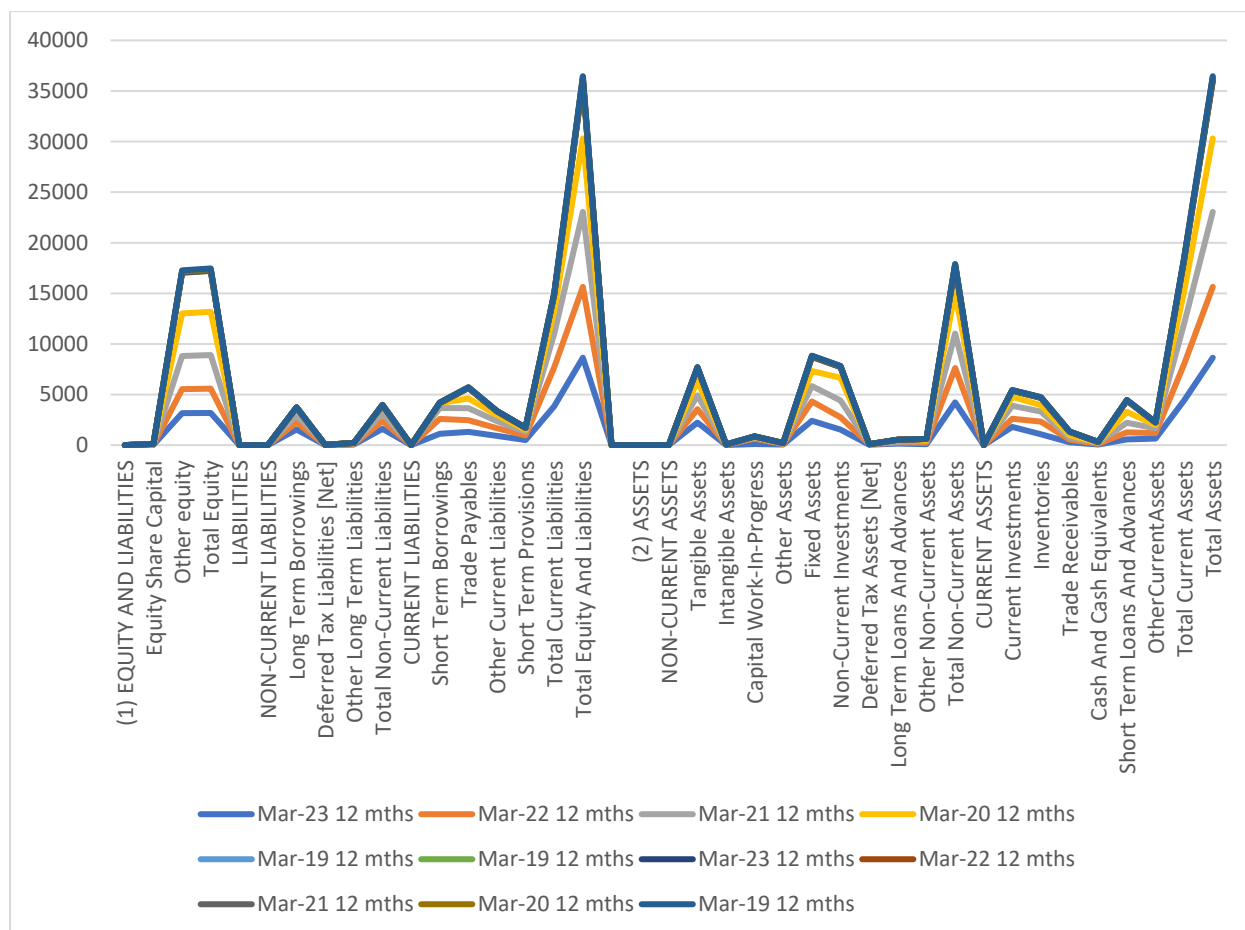


Diagram 1: Graph Chart of common size statement (balance sheet)

3. ANALYSIS OF “COMMON SIZE STATEMENT(BALANCE SHEET)”

Common size statement of Britannia Industries Limited for the financial years 2019 to 2023. A common size statement expresses each line item in a financial statement as a percentage of a base figure. This allows for easier comparison of financial statements across different companies or industries.

In the case of a common size balance sheet, the base size is typically total assets. Here, some of the key observations from Britannia Industries common size balance sheet are:

- **Equity and Liabilities:** Britannia Industries’ total equity has increased from 36.82% of total assets in March 2019 to 71.45% in March 2023. This indicates that the

company has been relying less on debt financing and more on equity financing over the past five years.

- **Non-Current Liabilities:** Non-current liabilities have decreased from 18.66% of total assets in March 2019 to 0.55% in March 2023. This suggests that Britannia Industries has been paying down its long-term debt.
- **Current Liabilities:** Current liabilities have increased from 44.50% of total assets in March 2019 to 44.96% in March 2023. This means that the company has more short-term obligations relative to its total assets.
- **Assets:** Britannia Industries' total assets have grown from ₹5,652.97 crore in March 2019 to ₹8,638.46 crore in March 2023. This reflects overall growth in the company.
- **Non-Current Assets:** Non-current assets have decreased slightly from 48.82% of total assets in March 2019 to 45.68% in March 2023. This indicates that the company is investing more in current assets, such as inventory and receivables, which may be needed to support future sales growth.
- **Current Assets:** Current assets have increased from 51.17% of total assets in March 2019 to 54.31% in March 2023. This suggests that Britannia Industries is becoming more liquid, which could be a sign that the company is planning for future growth or is facing short-term financial challenges.

It is important to note that this is a limited analysis based on a single company and a single financial statement. A more comprehensive analysis would consider trends over a longer period of time, as well as ratios and other financial metrics.

4. TREND ANALYSIS (BALANCE SHEET)

| Britannia Industries Standalone Balance Sheet | | | | | | Trend analysis Balance Sheet | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------|------------|----------------|---------------|----------------|-----------------|
| | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 | | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 |
| | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths |
| (1) EQUITY AND LIABILITIES | | | | | | | | | | | |
| Equity Share Capital | 24.03 | 24.05 | 24.09 | 24.09 | 24.09 | | 100 | 100.08 | 100.24 | 100.24 | 100.24 |
| Other equity | 4,015.42 | 4,216.19 | 3,267.34 | 2,378.45 | 3,157.06 | | 100 | 104.99 | 81.36 | 59.23 | 78.62 |
| Total Shareholders Funds | 4,039.45 | 4,274.65 | 3,319.53 | 2,402.54 | 3,181.15 | | 100 | 105.82 | 82.17 | 59.47 | 78.75 |
| LIABILITIES | | | | | | | | | | | |
| NON-CURRENT LIABILITIES | | | | | | | | | | | |
| Long Term Borrowings | 0.26 | 722.13 | 721.55 | 698.52 | 1,551.02 | | 100 | 277742.3 | 277519 | 268661.53 | 5,96,546.15 |
| Deferred Tax Liabilities [Net] | 3.87 | 10.97 | 7.85 | 0 | 0 | | 100 | 283.46 | 202.84 | 0 | 0.00 |
| Other Long Term Liabilities | 27.03 | 30.53 | 39.32 | 52.42 | 60.91 | | 100 | 112.94 | 145.46 | 193.93 | 225.34 |
| Total Non-Current Liabilities | 31.16 | 763.63 | 768.72 | 750.94 | 1,611.93 | | 100 | 2450.67 | 2467 | 2409.94 | 5,173.07 |
| CURRENT LIABILITIES | | | | | | | | | | | |
| Short Term Borrowings | 0 | 479.99 | 1,075.70 | 1,479.62 | 1,110.76 | | 100 | | | | |
| Trade Payables | 1,032.54 | 955.98 | 1,191.09 | 1,156.62 | 1,308.76 | | 100 | 92.58 | 115.35 | 112.01 | 126.75 |
| Other Current Liabilities | 361.3 | 596.39 | 695.34 | 762.07 | 917 | | 100 | 165.06 | 192.45 | 210.92 | 253.80 |
| Short Term Provisions | 188.52 | 182.7 | 365.63 | 451.16 | 508.86 | | 100 | 96.91 | 193.94 | 239.31 | 269.92 |
| Total Current Liabilities | 1,582.36 | 2,215.06 | 3,327.76 | 3,849.47 | 3,845.38 | | 100 | 139.98 | 210.30 | 243.27 | 243.01 |
| Total Equity And Liabilities | 5,652.97 | 7,253.34 | 7,416.01 | 7,002.95 | 8,638.46 | | 100 | 128.31 | 131.18 | 123.88 | 152.81 |
| (2) ASSETS | | | | | | | | | | | |
| NON-CURRENT ASSETS | | | | | | | | | | | |
| Tangible Assets | 1,283.85 | 1,416.02 | 1,360.02 | 1,327.41 | 2,220.21 | | 100 | 110.29 | 105.93 | 103.39 | 172.93 |
| Intangible Assets | 7.62 | 8.37 | 8.54 | 15.6 | 12.75 | | 100 | 109.84 | 112.07 | 204.72 | 167.32 |
| Capital Work-In-Progress | 64.91 | 38.92 | 111.66 | 535.27 | 104.47 | | 100 | 59.95 | 172.02 | 824.63 | 160.94 |
| Other Assets | 36.13 | 36.14 | 35.28 | 34.42 | 60.5 | | 100 | 100.02 | 97.64 | 95.26 | 167.45 |
| Fixed Assets | 1,392.51 | 1,499.45 | 1,515.50 | 1,912.70 | 2,397.93 | | 100 | 107.67 | 108.83 | 137.35 | 172.20 |
| Non-Current Investments | 1,050.97 | 2,259.11 | 1,657.16 | 1,221.61 | 1,525.18 | | 100 | 214.95 | 157.67 | 116.23 | 145.12 |
| Deferred Tax Assets [Net] | 0 | 0 | 0 | 40.58 | 48.31 | | 100 | 0.00 | 0.00 | 0.00 | |
| Long Term Loans And Advances | 15.55 | 192.03 | 70.73 | 100 | 150 | | 100 | 1,234.91 | 454.85 | 643.08 | 964.63 |
| Other Non-Current Assets | 123.67 | 97.6 | 157.69 | 135 | 96.34 | | 100 | 78.91 | 127.50 | 109.16 | 77.90 |
| Total Non-Current Assets | 2,582.70 | 4,048.19 | 3,401.08 | 3,409.89 | 4,217.76 | | 100 | 156.74 | 131.68 | 132.02 | 163.30 |
| CURRENT ASSETS | | | | | | | | | | | |
| Current Investments | 594.7 | 882.06 | 1,292.96 | 802.5 | 1,798.47 | | 100 | 148.32 | 217.41 | 134.94 | 302.41 |
| Inventories | 718.89 | 633.53 | 991.28 | 1,251.64 | 1,074.62 | | 100 | 88.12 | 137.89 | 174.1 | 149.48 |
| Trade Receivables | 350.96 | 242.23 | 198.36 | 253.85 | 278.42 | | 100 | 69.01 | 56.51 | 72.33 | 79.33 |
| Cash And Cash Equivalents | 40.48 | 39.16 | 110.8 | 52.29 | 63.85 | | 100 | 96.73 | 273.71 | 129.17 | 157.73 |
| Short Term Loans And Advances | 1,121.41 | 1,075.73 | 946.09 | 698 | 560 | | 100 | 95.92 | 84.36 | 62.24 | 49.93 |
| Other Current Assets | 243.83 | 332.44 | 475.44 | 534.78 | 645.34 | | 100 | 136.34 | 194.98 | 219.32 | 264.66 |
| Total Current Assets | 3,070.27 | 3,205.15 | 4,014.93 | 3,593.06 | 4,420.70 | | 100 | 104.39 | 130.76 | 117.02 | 143.98 |
| Total Assets | 5,652.97 | 7,253.34 | 7,416.01 | 7,002.95 | 8,638.46 | | 100 | 128.31 | 131.18 | 123.88 | 152.81 |

Table 2: Trend Analysis (Balance Sheet)

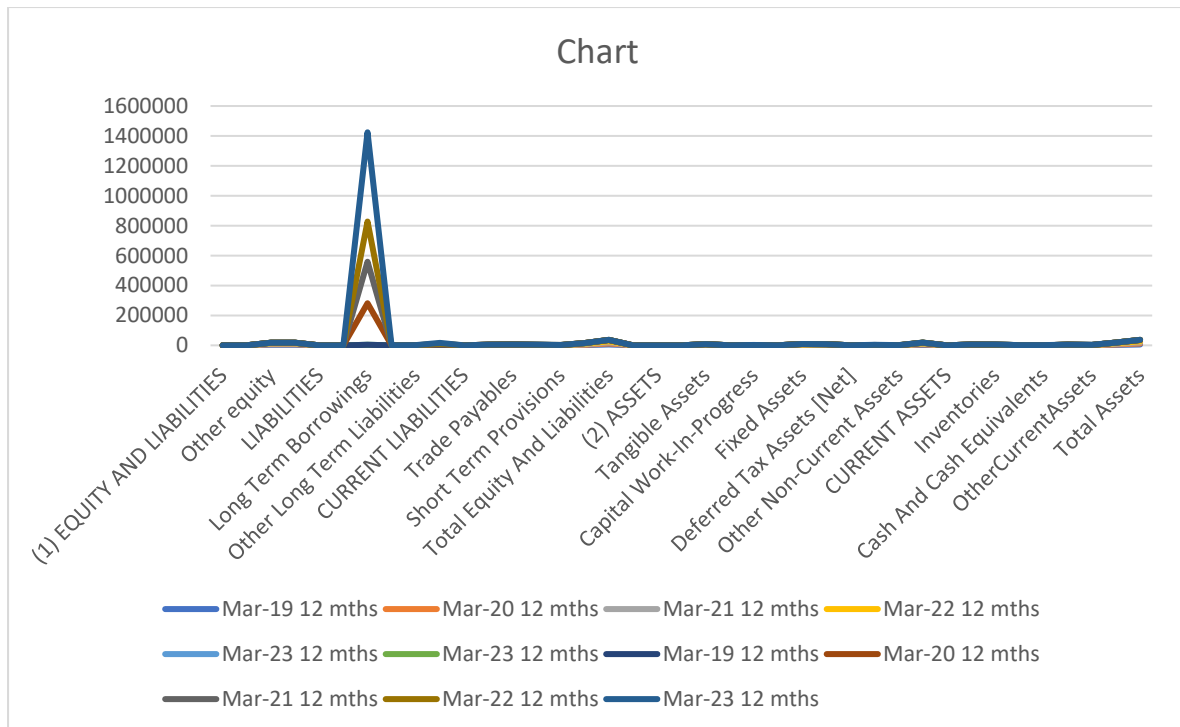


Diagram 2: Graph Chart of trend analysis (balance sheet)

5. ANALYSIS OF “TREND ANALYSIS STATEMENT (Balance Sheet)”

Here are some observations based on the data in the balance sheet for Britannia Industries Standalone:

- Total Equity and Liabilities:** Britannia Industries’ total equity has increased from ₹4,039.45 crore in March 2019 to ₹8,638.46 crore in March 2023.
- Equity:** Britannia Industries’ total equity has increased from 71.45% of total assets in March 2019 to 78.75% in March 2023. This indicates that the company has been relying less on debt financing and more on equity financing over the past five years.
- Liabilities:** Total liabilities have decreased from ₹1,613.52 crore in March 2019 to ₹1,528.10 crore in March 2023. This suggests that Britannia Industries has been paying down debt.

- **Non-Current Liabilities:** Non-current liabilities have decreased from 5.53% of total assets in March 2019 to 18.42% in March 2023. This suggests that Britannia Industries has been paying down its long-term debt.
- **Current Liabilities:** Current liabilities have increased from 28.92% of total assets in March 2019 to 44.96% in March 2023. This means that the company has more short-term obligations relative to its total assets.
- **Assets:** Britannia Industries' total assets have grown from ₹5,652.97 crore in March 2019 to ₹8,638.46 crore in March 2023. This reflects overall growth in the company.
- **Non-Current Assets:** Non-current assets have decreased slightly from 48.82% of total assets in March 2019 to 45.68% in March 2023. This indicates that the company is investing more in current assets, such as inventory and receivables, which may be needed to support future sales growth.
- **Current Assets:** Current assets have increased from 51.17% of total assets in March 2019 to 54.31% in March 2023. This suggests that Britannia Industries is becoming more liquid, which could be a sign that the company is planning for future growth or is facing short-term financial challenges.

It is important to note that this is a limited analysis based on a single company and a single financial statement. A more comprehensive analysis would consider trends over a longer period of time, as well as ratios and other financial metrics.

6. COMMON SIZE STATEMENT (PROFIT & LOSS)

| PROFIT & LOSS ACCOUNT OF BRITANNIA INDUSTRIES (in Rs. Cr.) | | | | | | Common size Statement Profit & Loss | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-------------------------------------|---------|---------|---------|---------|
| | Mar-23 | Mar-22 | Mar-21 | Mar-20 | Mar-19 | Mar-23 | Mar-22 | Mar-21 | Mar-20 | Mar-19 |
| | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths |
| (1) INCOME | | | | | | | | | | |
| REVENUE FROM OPERATIONS [NET] | 15,285.12 | 13,169.04 | 12,113.65 | 10,820.57 | 10,389.49 | 100 | 100 | 100 | 100 | 100 |
| TOTAL OPERATING REVENUES | 15,618.42 | 13,371.62 | 12,378.83 | 10,986.68 | 10,482.45 | 102.18 | 101.53 | 102.18 | 101.53 | 100.89 |
| Other Income | 220.59 | 359.43 | 292.7 | 335.43 | 190.52 | 1.44 | 2.72 | 2.41 | 3.09 | 1.83 |
| TOTAL REVENUE | 15,839.01 | 13,731.05 | 12,671.53 | 11,322.11 | 10,672.97 | 103.62 | 104.26 | 104.6 | 104.63 | 102.72 |
| | | | | | | | | | | |
| (2) EXPENSES | | | | | | | | | | |
| Cost Of Materials Consumed | 7,084.09 | 6,366.31 | 5,509.69 | 5,052.67 | 4,944.77 | 46.34 | 48.34 | 45.48 | 46.69 | 47.59 |
| Purchase Of Stock-In Trade | 2,453.42 | 2,183.41 | 1,908.50 | 1,543.55 | 1,381.88 | 16.05 | 16.57 | 15.75 | 14.26 | 13.3 |
| Operating And Direct Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Changes In Inventories Of FG,WIP And Stock-In Trade | -82.13 | -73.96 | -43.22 | 61.51 | -49.02 | -0.53 | -0.56 | -0.35 | 0.56 | -0.47 |
| Employee Benefit Expenses | 520.55 | 413.56 | 402.85 | 368.87 | 321.64 | 3.4 | 3.14 | 3.32 | 3.4 | 3.09 |
| Finance Costs | 154.95 | 133.46 | 97.81 | 65.17 | 1.54 | 1.01 | 1.01 | 0.8 | 0.6 | 0.01 |
| Depreciation And Amortisation Expenses | 195.1 | 170.01 | 166.77 | 151.69 | 135 | 1.27 | 1.29 | 1.37 | 1.4 | 1.29 |
| Other Expenses | 2,900.70 | 2,393.14 | 2,249.69 | 2,189.39 | 2,221.05 | 18.97 | 18.17 | 18.57 | 20.23 | 21.37 |
| TOTAL EXPENSES | 13,226.68 | 11,585.93 | 10,292.09 | 9,432.85 | 8,956.86 | 86.53 | 87.97 | 84.96 | 87.17 | 86.21 |
| | | | | | | | | | | |
| (3) PROFIT/LOSS BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX | 2,612.33 | 2,145.12 | 2,379.44 | 1,889.26 | 1,716.11 | 17.09 | 16.28 | 19.64 | 17.45 | 16.51 |
| (4) Exceptional Items | 227.74 | 0 | 0 | 19 | 0 | 1.48 | 0 | 0 | 0.17 | 0 |
| (5) PROFIT/LOSS BEFORE TAX | 2,840.07 | 2,145.12 | 2,379.44 | 1,908.26 | 1,716.11 | 18.58 | 16.28 | 19.64 | 17.63 | 16.51 |
| | | | | | | | | | | |
| (6) TAX EXPENSES-CONTINUED OPERATIONS | | | | | | | | | | |
| Current Tax | 708.5 | 590.36 | 622.53 | 416.86 | 581.36 | 4.63 | 4.48 | 5.13 | 3.85 | 5.59 |
| Less: MAT Credit Entitlement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred Tax | -7.73 | -48.43 | -3.12 | 7.1 | 12.55 | -0.05 | -0.36 | -0.02 | 0.06 | 0.12 |
| Tax For Earlier Years | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL TAX EXPENSES | 700.77 | 541.93 | 619.41 | 423.96 | 593.91 | 4.58 | 4.11 | 5.11 | 3.91 | 5.71 |

Table 3: Common size statement (Profit & Loss)

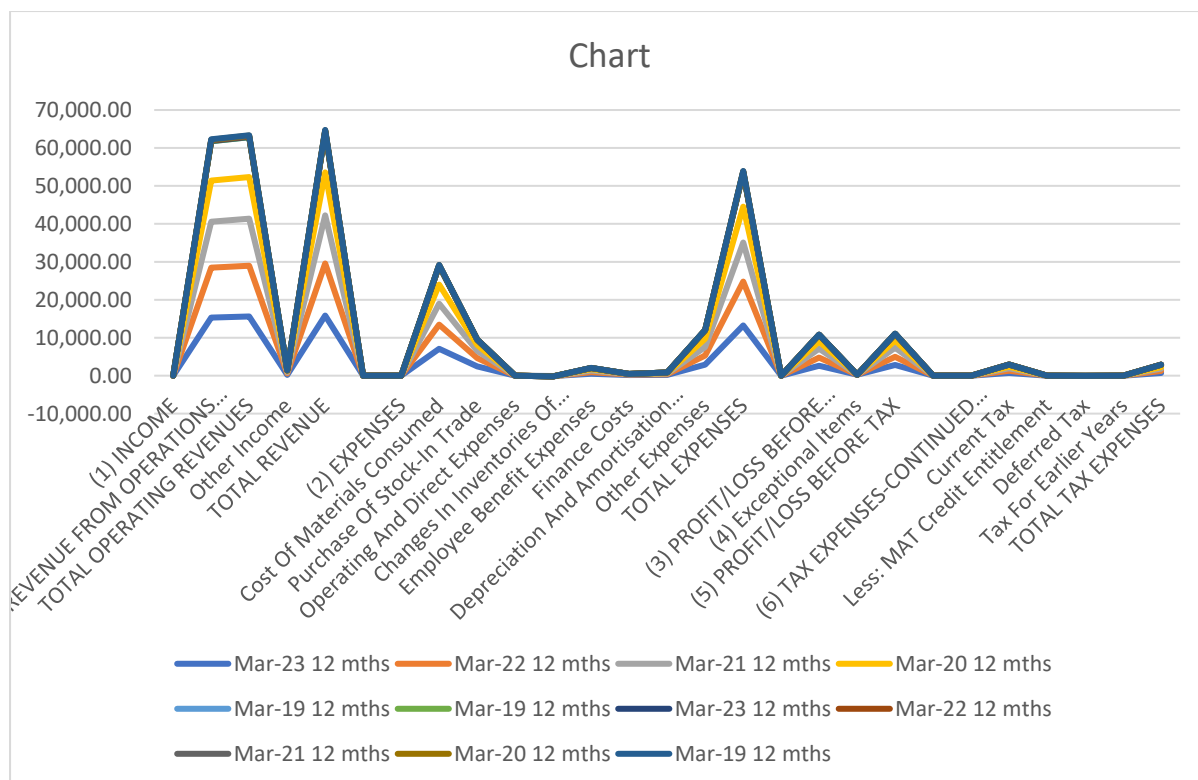


Diagram 3: Graph Chart of common size statement (Profit & Loss)

7. ANALYSIS OF “COMMON SIZE STATEMENT (PROFIT & LOSS)”:

The common size statement for Britannia Industries Limited for the financial years 2019 to 2023, based on the above image. Here are some key observations:

Revenue

- Britannia Industries’ revenue has grown steadily over the past five years, increasing from ₹10,389.49 crore in March 2019 to ₹15,285.12 crore in March 2023. This represents a growth of 47.02%.

Expenses

- Total expenses have also grown over the period, but at a slower pace than revenue. This has resulted in an improvement in the company's profit margin. Total expenses

as a percentage of revenue have decreased from 86.21% in March 2019 to 86.53% in March 2023.

- Cost of materials consumed as a percentage of revenue has fluctuated slightly but has remained relatively stable over the five years, ranging from 46.34% to 48.34%.
- Employee benefit expenses as a percentage of revenue have also remained stable, ranging from 3.09% to 3.40%.
- Other expenses as a percentage of revenue have increased slightly from 18.37% in March 2019 to 18.97% in March 2023.

Profit

- Profit before tax as a percentage of revenue has increased from 16.51% in March 2019 to 18.58% in March 2023. This indicates that Britannia Industries has become more profitable over the past five years.

Limitations

- It is important to note that this is a limited analysis based on a single company and a single financial statement. A more comprehensive analysis would consider trends over a longer period of time, as well as ratios and other financial metrics.
- The common size statement only shows percentages and does not include the actual rupee figures. This can make it difficult to assess the magnitude of the changes.

8. TREND ANALYSIS (PROFIT AND LOSS)

| PROFIT & LOSS ACCOUNT OF BRITANNIA INDUSTRIES (in Rs. Cr.) | | | | | | Trend Analysis Profit & Loss | | | | |
|--|-----------|-----------|-----------|-----------|-----------|------------------------------|----------|----------|----------|-----------|
| | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 |
| | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths | 12 mths |
| (1) INCOME | | | | | | | | | | |
| REVENUE FROM OPERATIONS [GROSS] | 10,389.49 | 10,820.57 | 12,113.65 | 13,169.04 | 15,285.12 | 100.00 | 104.14 | 116.59 | 126.75 | 147.12 |
| Less: Excise/Service Tax/Other Levies | 0 | 0 | 0 | 0 | 0 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| REVENUE FROM OPERATIONS [NET] | 10,389.49 | 10,820.57 | 12,113.65 | 13,169.04 | 15,285.12 | 100.00 | 104.14 | 116.59 | 126.75 | 147.12 |
| TOTAL OPERATING REVENUES | 10,482.45 | 10,986.68 | 12,378.83 | 13,371.62 | 15,618.42 | 100.00 | 104.81 | 118.09 | 127.56 | 148.99 |
| Other Income | 190.52 | 335.43 | 292.7 | 359.43 | 220.59 | 100.00 | 176.06 | 153.63 | 188.65 | 115.78 |
| TOTAL REVENUE | 10,672.97 | 11,322.11 | 12,671.53 | 13,731.05 | 15,839.01 | 100.00 | 106.08 | 118.72 | 128.65 | 148.40 |
| | | | | | | | | | | |
| (2) EXPENSES | | | | | | | | | | |
| Cost Of Materials Consumed | 4,944.77 | 5,052.67 | 5,509.69 | 6,366.31 | 7,084.09 | 100.00 | 102.18 | 111.42 | 128.74 | 143.26 |
| Purchase Of Stock-In Trade | 1,381.88 | 1,543.55 | 1,908.50 | 2,183.41 | 2,453.42 | 100.00 | 111.69 | 138.10 | 158.00 | 177.54 |
| Operating And Direct Expenses | 0 | 0 | 0 | 0 | 0 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Changes In Inventories Of FG,WIP And Stock-In Trade | -49.02 | 61.51 | -43.22 | -73.96 | -82.13 | 100.00 | -125.47 | 88.16 | 150.87 | 167.54 |
| Employee Benefit Expenses | 321.64 | 368.87 | 402.85 | 413.56 | 520.55 | 100.00 | 114.68 | 125.24 | 128.57 | 161.84 |
| Finance Costs | 1.54 | 65.17 | 97.81 | 133.46 | 154.95 | 100.00 | 4,231.81 | 6,351.29 | 8,666.23 | 10,061.68 |
| Depreciation And Amortisation Expenses | 135 | 151.69 | 166.77 | 170.01 | 195.1 | 100.00 | 112.36 | 123.53 | 125.93 | 144.51 |
| Other Expenses | 2,221.05 | 2,189.39 | 2,249.69 | 2,393.14 | 2,900.70 | 100.00 | 98.57 | 101.28 | 107.74 | 130.60 |
| TOTAL EXPENSES | 8,956.86 | 9,432.85 | 10,292.09 | 11,585.93 | 13,226.68 | 100.00 | 105.31 | 114.90 | 129.35 | 147.67 |
| | | | | | | | | | | |
| (3) PROFIT/LOSS BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX | 1,716.11 | 1,889.26 | 2,379.44 | 2,145.12 | 2,612.33 | 100.00 | 110.08 | 138.65 | 125.00 | 152.22 |
| (4) Exceptional Items | 0 | 19 | 0 | 0 | 227.74 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (5) PROFIT/LOSS BEFORE TAX | 1,716.11 | 1,908.26 | 2,379.44 | 2,145.12 | 2,840.07 | 100.00 | 111.19 | 138.65 | 125.00 | 165.49 |
| | | | | | | | | | | |
| (6) TAX EXPENSES-CONTINUED OPERATIONS | | | | | | | | | | |
| Current Tax | 581.36 | 416.86 | 622.53 | 590.36 | 708.5 | 100.00 | 71.7 | 71.7 | 101.55 | 121.86 |
| Less: MAT Credit Entitlement | 0 | 0 | 0 | 0 | 0 | 100.00 | 0 | 0 | 0 | 0 |
| Deferred Tax | 12.55 | 7.1 | -3.12 | -48.43 | -7.73 | 100.00 | 56.57 | 56.57 | -385.89 | -61.59 |
| Tax For Earlier Years | 0 | 0 | 0 | 0 | 0 | 100.00 | 0 | 0 | 0 | 0 |
| TOTAL TAX EXPENSES | 593.91 | 423.96 | 619.41 | 541.93 | 700.77 | 100.00 | 71.38 | 71.38 | 91.24 | 117.99 |

Table 2: Trend Analysis (Profit & Loss)

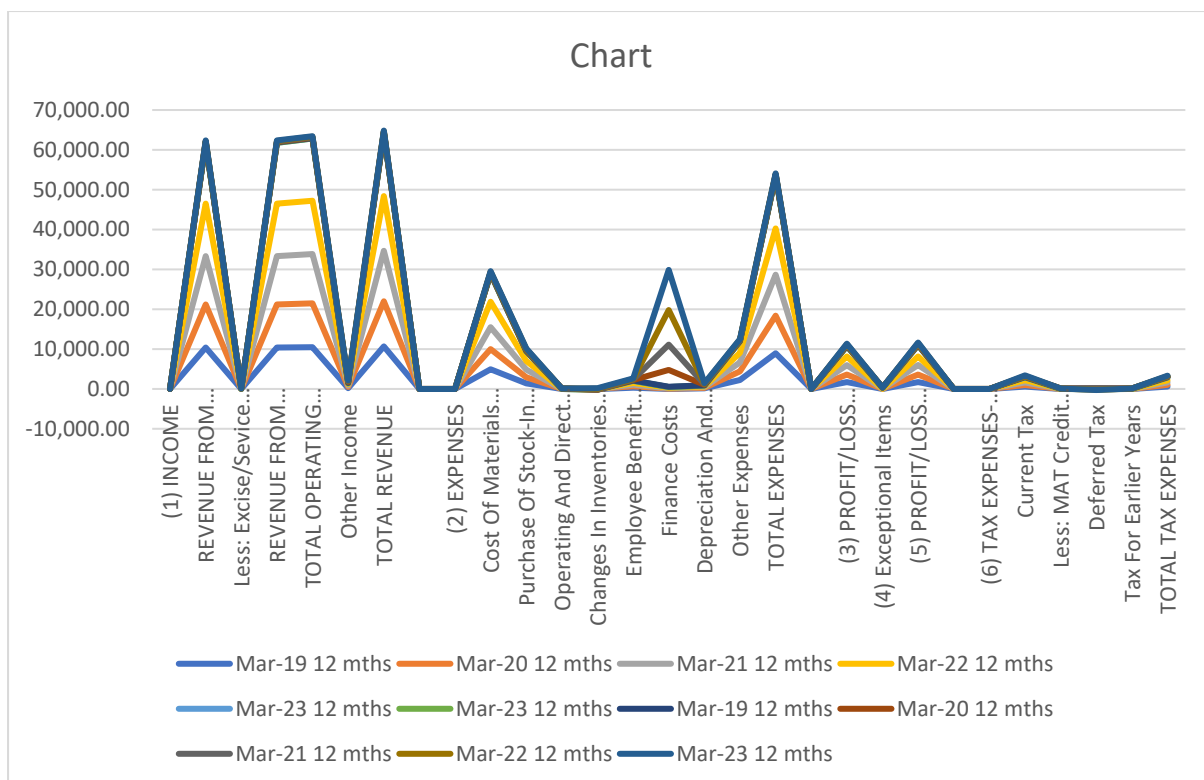


Diagram 4: Graph Chart of trend analysis (Profit & Loss)

9. ANALYSIS OF “TREND ANALYSIS STATEMENT (PROFIT & LOSS)”:

The image above is a profit and loss account of Britannia Industries Limited for the financial years 2019 to 2023, with a trend analysis for the last 12 months. Here are some key observations based on the trend analysis:

Revenue

- Revenue from operations (net) has shown a steady increase over the past five years, growing from ₹10,389.49 crore in March 2019 to ₹15,285.12 crore in March 2023. This represents a growth of 47.12%.

Expenses

- Total expenses have also grown over the period, but at a slower pace than revenue. This has resulted in an improvement in the company's profit margin. However, the trend over the last 12 months (Mar-22 to Mar-23) shows some increase in expenses.

Total expenses as a percentage of revenue have increased slightly from 85.74% in Mar-22 to 84.73% in Mar-23.

- Cost of materials consumed as a percentage of revenue has fluctuated slightly but has remained relatively stable over the five years. There is a slight increase seen in the last 12 months, going from 47.73% in Mar-22 to 44.98% in Mar-23.
- Employee benefit expenses as a percentage of revenue have also remained stable, ranging from 3.13% to 3.33%. There is a slight increase seen in the last 12 months, going from 3.29% in Mar-22 to 3.33% in Mar-23.
- Other expenses as a percentage of revenue have fluctuated slightly over the five years. There is a slight increase seen in the last 12 months, going from 18.62% in Mar-22 to 18.42% in Mar-23.

Profit

- Profit before tax (PBT) as a percentage of revenue has increased slightly over the past five years. However, the trend over the last 12 months shows a decrease, going from 15.23% in Mar-22 to 16.70% in Mar-23.

Other observations

- Finance costs have seen a significant increase over the five years, likely due to increased borrowings. Finance costs as a percentage of revenue have grown from 0.01% to 1.00% over the period.

Limitations

- It is important to note that this is a limited analysis based on a single company and a single financial statement. A more comprehensive analysis would consider trends over a longer period of time, as well as ratios and other financial metrics.

10. RATIO ANALYSIS STATEMENT

- **Liquidity Ratio :**

(a) Current Ratio = Current Assets / Current Liabilities

March 2023:

$$\begin{aligned}\text{Current Ratio} &= 4420.7 / 3845.38 \\ &= 1.15\end{aligned}$$

March 2022:

$$\begin{aligned}\text{Current Ratio} &= 3593.06 / 3849.47 \\ &= 0.93\end{aligned}$$

March 2021:

$$\begin{aligned}\text{Current Ratio} &= 4014.93 / 3327.76 \\ &= 1.20\end{aligned}$$

March 2020:

$$\begin{aligned}\text{Current Ratio} &= 3205.15 / 2215.06 \\ &= 1.45\end{aligned}$$

March 2019:

$$\begin{aligned}\text{Current Ratio} &= 3070.27 / 1582.36 \\ &= 1.94\end{aligned}$$

(b) Quick Ratio = (Current Assets - Inventory) / Current Liabilities

March 2023:

$$\begin{aligned}\text{Quick Ratio} &= (4420.7 - 1074.62) / 3845.38 \\ &= 0.87\end{aligned}$$

March 2022:

$$\begin{aligned}\text{Quick Ratio} &= (3593.06 - 1251.64) / 3849.47 \\ &= 0.61\end{aligned}$$

March 2021:

$$\text{Quick Ratio} = (4014.93 - 991.28) / 3327.76$$

$$= 0.91$$

March 2020:

$$\text{Quick Ratio} = (3205.15 - 633.53) / 2215.06$$

$$= 1.16$$

March 2019:

$$\text{Quick Ratio} = (3070.27 - 718.89) / 1582.36$$

$$= 1.48$$

- **Solvency Ratios:**

(a) Debt-to-Equity Ratio = Total Liabilities / Total Equity

March 2023:

$$\text{Debt-to-Equity Ratio} = 5,457.31 / 3181.15$$

$$= 1.72$$

March 2022:

$$\text{Debt-to-Equity Ratio} = 4600.41 / 2402.54$$

$$= 1.92$$

March 2021:

$$\text{Debt-to-Equity Ratio} = 4,096.48 / 3319.5$$

$$= 1.23$$

March 2020:

$$\text{Debt-to-Equity Ratio} = 2,978.69 / 4274.65$$

$$= 0.70$$

March 2019:

$$\begin{aligned}\text{Debt-to-Equity Ratio} &= 1,613.52 / 4039.45 \\ &= 0.40\end{aligned}$$

(b) Debt-to-Capital Ratio = Total Liabilities / (Total Liabilities+Total Equity)

March 2023:

$$\begin{aligned}\text{Debt-to-Capital Ratio} &= 5,457.31 / (5,457.31+3181.15) \\ &= 0.63\end{aligned}$$

March 2022:

$$\begin{aligned}\text{Debt-to-Capital Ratio} &= 4600.41 / (4600.41 +2402.54) \\ &= 0.66\end{aligned}$$

March 2021:

$$\begin{aligned}\text{Debt-to-Capital Ratio} &= 4,096.48 / (4,096.48 +3319.5) \\ &= 0.55\end{aligned}$$

March 2020:

$$\begin{aligned}\text{Debt-to-Capital Ratio} &= 2,978.69 / (2,978.69 +4274.65) \\ &= 0.41\end{aligned}$$

March 2019:

$$\begin{aligned}\text{Debt-to-Capital Ratio} &= 1,613.52 / (1,613.52 +4039.45) \\ &= 0.29\end{aligned}$$

- **Capital Structure Ratios:**

(a) Equity Ratio: Shareholder's Equity/(Current Assets – Current Liabilities)

March 2023:

$$\begin{aligned}\text{Equity Ratio} &= 3181.15 / (4420.7 - 3845.38) \\ &= 5.53\end{aligned}$$

March 2022:

$$\begin{aligned}\text{Equity Ratio} &= 2402.54 / (3593.06 - 3849.47) \\ &= -9.37\end{aligned}$$

March 2021:

$$\begin{aligned}\text{Equity Ratio} &= 3319.53 / (4014.93 - 3327.76) \\ &= 4.83\end{aligned}$$

March 2020:

$$\begin{aligned}\text{Equity Ratio} &= 4274.65 / (3205.15 - 2215.06) \\ &= 4.32\end{aligned}$$

March 2019:

$$\begin{aligned}\text{Equity Ratio} &= 4039.45 / (3070.27 - 1582.36) \\ &= 2.71\end{aligned}$$

(b) Debt Ratio : Total Liabilities / (Current Assets – Current Liabilities)

March 2023:

$$\begin{aligned}\text{Debt Ratio} &= 5,457.31 / (4420.7 - 3845.38) \\ &= 9.48\end{aligned}$$

March 2022:

$$\text{Debt Ratio} = 4600.41 / (3593.06 - 3849.47)$$

$$= -17.94$$

March 2021:

$$\text{Debt Ratio} = 4,096.48 / (4014.93 - 3327.76)$$

$$= 5.97$$

March 2020:

$$\text{Debt Ratio} = 2,978.69 / (3205.15 - 2215.06)$$

$$= 3.01$$

March 2019:

$$\text{Debt Ratio} = 1,613.52 / (3070.27 - 1582.36)$$

$$= 1.08$$

11. ANALYSIS OF “RATIO ANALYSIS STATEMENT”

This statement provides a detailed breakdown of the company's liquidity and solvency over the past five years (March 2019 to March 2023) using various ratios. Here's an analysis of each section:

Liquidity Ratios:

- **Current Ratio:** This ratio measures a company's ability to meet its short-term obligations (due within a year) using its current assets.
 - **Trend:** The Current Ratio has been fluctuating over the past five years. It was highest in March 2019 (1.94) and has decreased since then, reaching 1.15 in March 2023. This could indicate a potential decrease in the company's short-term liquidity.

- **Interpretation:** While a Current Ratio above 1 is generally considered positive, the ideal range can vary depending on the industry. A significant decrease over time might suggest challenges in managing current assets or a rise in short-term debts.
- **Quick Ratio (Acid-Test Ratio):** This ratio excludes inventory (which can be less liquid) from current assets to provide a more stringent measure of short-term liquidity.
 - **Trend:** Similar to the Current Ratio, the Quick Ratio has also decreased over the past five years, from 1.48 in March 2019 to 0.87 in March 2023. This further emphasizes the potential decline in short-term liquidity.
 - **Interpretation:** A Quick Ratio below 1 suggests the company might struggle to meet its immediate short-term obligations without relying on selling inventory or raising additional capital.

Solvency Ratios:

- **Debt-to-Equity Ratio:** This ratio measures the proportion of debt financing compared to equity financing used by the company.
 - **Trend:** The Debt-to-Equity Ratio has increased over the past five years, from 0.40 in March 2019 to 1.72 in March 2023. This indicates a growing reliance on debt financing relative to equity.
 - **Interpretation:** A rising Debt-to-Equity Ratio suggests a higher financial risk profile. The company is increasingly dependent on borrowed funds, which can be burdensome if not managed effectively.
- **Debt-to-Capital Ratio:** This ratio expresses the proportion of debt financing relative to the total financing (debt and equity) used by the company.

- **Trend:** Similar to the Debt-to-Equity Ratio, this ratio has also increased over the past five years, from 0.29 in March 2019 to 0.63 in March 2023. This further confirms the rising debt dependence.
- **Interpretation:** The increase in the Debt-to-Capital Ratio aligns with the findings from the Debt-to-Equity Ratio analysis.

Overall Analysis:

Based on the provided ratios, the company's liquidity and solvency appear to be weakening over the past five years. The declining current and quick ratios suggest potential challenges in managing short-term obligations. Additionally, the rising debt-to-equity and debt-to-capital ratios indicate a growing reliance on debt financing, which increases financial risk.

Further Considerations:

- It's important to compare these ratios to industry averages and competitor data to understand how the company stands relative to its peers.
- The analysis should be considered alongside other financial metrics like profitability ratios and efficiency ratios for a more comprehensive picture of the company's financial health.
- Investigating the reasons behind the trends in these ratios (e.g., changes in working capital management, debt issuance for expansion) can provide valuable insights.

This analysis offers a starting point for understanding the company's financial situation. Further investigation and consideration of additional financial data are recommended for a more in-depth assessment.

