

# Financial Performance of FMCG companies-Post COVID-19

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**Abstract:** COVID-19 impacted lives throughout the world and India was not an exception. It had impacted almost every business, but how did it impact our FMCG sector? The performance of business can be measured by different ways but generally financial performance is measured by evaluating liquidity, profitability, efficiency and leverage ratios. This study attempts to evaluate the financial performance of top nine FMCG companies listed in BSE to see the impact of COVID-19 on their financial health. The results show that there was an impact on liquidity, profitability and efficiency of FMCG sector.

**Key words:** Liquidity, Profitability, Efficiency, Financial Performance, FMCG Sector

## 1. Introduction

FMCG sector of India is the fourth largest sector of economy with personal care and household accounting for 50% of sales. Changes in lifestyle, awareness and easier access have been the key in growth of FMCG sector. The urban sector contributes around 55% of the total revenue but recent years the growth rate has been very good in rural areas of India. The retail sector market is estimated to reach \$ 1.1 trillion by 2021 from \$ 840 billion in 2017 and the growth is expected to be 20 percent per year. Indian rural market was mostly untapped and the rise in rural consumption is driving the FMCG growth. The rural sector contributes around 35 percent of overall FMCG spending in India. FMCG in rural India witnessed a double digit growth in third quarter of financial year 2020. The FMCG sector not only contributes to overall GDP, but also creates employment opportunities for huge population. The sector is poised for the growth as the income levels are increasing and people are becoming brand conscious, but the unorganized sector is falling. But due to COVID-19, the

FMCG sector was also badly hit because of lockdown like the other sectors of economy. Seeing the potential for growth and the contribution on FMCG sector to our economy, it brings us to the question, is FMCG sector effected by COVID-19? Or there is no impact of COVID-19 on financial performance of FMCG companies. In this study we will try to see the impact of COVID-19 on financial performance of Indian FMCG companies by comparing the performance of FMCG companies.

There are different measures of performance, but we will focus on financial performance of FMCG companies using different ratios like liquidity, profitability, efficiency, leverage and solvency. Every economic activity has the objective of earning a profit and business being an economic activity, has the first objective of earning a profit. The profitability shows the ability of a business to earn profits in relation to the investment. Liquidity performance is also important as it shows us how well the business can meet its short-term obligations when they are due. Liquidity crises are more dangerous and

sometimes may lead to bankruptcy. While the liquidity tells us about ability of business to meet short term obligations, solvency tells us the long term solvency or stability of a business. Efficiency ratios tell us how company is able to use its assets to generate income.

## 2. Review of Literature

Pooja and Abhay (2016) conducted a study on financial performance of FMCG companies using different ratio and found that ITC is was the most profitable company among the selected sample of companies. The study was based on top five companies. Bagchi, B. and Khamrui, B. (2012) conducted a study which focused on comparative analysis of two companies and the study was also conducted based on accounting ratios. Therefore accounting ratios are an important tool to analyze the financial performance of companies. Ranjit K. P. (2013) also conducted a study to know solvency of selected companies using accounting ratios. Shivanisinh S. (2017) conducted a study to know the financial efficiency of select FMCG companies using accounting ratios. All these studies have used accounting ratios for analyzing financial performance of FMCG companies. Be it for liquidity, profitability or efficiency accounting ratios provide an easy way of understanding the performance of a business. There are many examples were accounting ratios are used for measuring financial performance of companies like Kaushik & Subhasis (2015) also used accounting ratios to see financial performance post reforms in India. Alpa Joshi (2013) conducted a study to know the profitability performance of FMCG companies and used accounting ratios like net operating profit ratio, profit after tax ratio, net profit margin to analyze the financial performance of these companies. Sri Ayan C (2017) conducted a study

to know the financial performance of leading FMCG companies in India and the study was based on six leading companies in FMCG sector, as per the study Financial ratio analysis plays a significant role in evaluating the performance of a Company. Ranjana et al. (2018) in their study found that a there has to be a tradeoff between liquidity and profitability, the study used accounting ratios and was based on select FMCG companies in India. Talal & Jared (2014) in their study financial performance evaluation and bankruptcy prediction used bankruptcy models and accounting ratios for evaluating financial performance of companies. Gregor et al. (2019) in their study financial performance of most valuable brands found that most valuable brands outperformed the market and these brands were able to increase their brand value.

There are some studies which have used some models which are specifically meant for prediction of bankruptcy rather than evaluating financial performance like Talal & Jared (2014). But most of the studies have used accounting ratios to evaluate liquidity, profitability, Margin, efficiency and leverage performance of FMCG companies. But most of these studies were carried out prior to COVID-19, and they just focused on only few selected companies for a time period of 5 to 10 years.

In this study we shall use the accounting ratios which are used in most of the studies and the time period of the study shall also increase and also include data post covid-19 pandemic to know its effect.

### Objectives

1. To evaluate financial performance of FMCG companies.
2. To analyze the impact of COVID-19 on FMCG sector in India.

### 3. Methodology

The study is based on secondary data and data is extracted from the financial statements of top nine FMCG companies in India in terms of sales volume and these companies are Hindustan Unilever Ltd, ITC Ltd, Nestle India Ltd, Britannia Industries Ltd, Godrej Consumer Products Ltd, Dabur India Ltd, Marico Ltd, Varun Beverages Ltd, GlaxoSmithKline

Consumer Healthcare Ltd. The study is based 5 years financial data i.e. from 2017 to 2021. The previous studies have also used similar methodology like Pooja and Abhay (2016), Bagchi, B. and Khamrui, B. (2012) and Ranjit K. P. (2013). The study is limited to selected FMCG companies in India and it is also limited for a time period of 5 years.

#### Data Analysis

#### Liquidity Ratios

| Company         | Ratios        | 2021 | 2020 | 2019 | 2018 | 2017 | Average |
|-----------------|---------------|------|------|------|------|------|---------|
| HUL             | Current Ratio | 1.28 | 1.32 | 1.37 | 1.31 | 1.32 | 1.32    |
|                 | Quick Ratio   | 0.96 | 1.03 | 1.08 | 1.03 | 0.99 | 1.018   |
| ITC             | Current Ratio | 3.27 | 4.13 | 3.17 | 2.85 | 3.69 | 3.422   |
|                 | Quick Ratio   | 2.3  | 3.19 | 2.38 | 2.03 | 2.54 | 2.488   |
| Nestle          | Current Ratio | 1.68 | 1.74 | 2.55 | 2.64 | 2.01 | 2.124   |
|                 | Quick Ratio   | 1.11 | 1.16 | 2.03 | 2.03 | 1.43 | 1.552   |
| Britannia       | Current Ratio | 1.22 | 1.43 | 1.9  | 1.91 | 1.74 | 1.64    |
|                 | Quick Ratio   | 0.92 | 1.14 | 1.48 | 1.52 | 1.25 | 1.262   |
| Godrej          | Current Ratio | 1.08 | 1.06 | 1.2  | 1.24 | 1.31 | 1.178   |
|                 | Quick Ratio   | 0.67 | 0.68 | 0.8  | 0.86 | 0.89 | 0.78    |
| Dabur           | Current Ratio | 1.63 | 1.98 | 1.35 | 1.41 | 1.4  | 1.554   |
|                 | Quick Ratio   | 1.04 | 1.42 | 0.86 | 0.9  | 0.9  | 1.024   |
| Marico          | Current Ratio | 1.66 | 1.78 | 1.86 | 1.92 | 1.91 | 1.826   |
|                 | Quick Ratio   | 1.1  | 1.01 | 1.04 | 0.88 | 0.91 | 0.988   |
| Varun           | Current Ratio | 0.74 | 0.75 | 0.66 | 0.61 | 0.5  | 0.652   |
|                 | Quick Ratio   | 0.36 | 0.36 | 0.32 | 0.33 | 0.22 | 0.318   |
| GlaxoSmithKline | Current Ratio | 1.91 | 1.73 | 1.38 | 1.37 | 2.32 | 1.742   |
|                 | Quick Ratio   | 1.5  | 1.26 | 1.05 | 1.05 | 1.73 | 1.318   |

Source: Data extracted from annual financial statements of companies

Liquidity ratios of the FMCG companies show that most of the companies have not performed well in terms of liquidity, like HUL which had an

average CR of just 1.32 and average QR of 1.01. But ITC and Nestle have performed well in terms of their liquidity with average CR of 3.42, 2.12

and average QR of 2.48 and 1.55 respectively. Apart from these two companies all other

selected companies have not performed well in terms of liquidity.

### Profitability Ratios

| Company         | Ratios             | 2021   | 2020   | 2019  | 2018  | 2017  | Average |
|-----------------|--------------------|--------|--------|-------|-------|-------|---------|
| HUL             | Return on Networth | 16.77  | 82     | 76.95 | 71.61 | 66.37 | 62.74   |
|                 | ROCE               | 19.01  | 87.58  | 88.98 | 82.03 | 78.54 | 71.228  |
|                 | Return On Assets   | 11.62  | 33.48  | 32.49 | 29.19 | 28.49 | 27.054  |
| ITC             | Return on Networth | 21.8   | 23.44  | 21.29 | 21.46 | 22.16 | 22.03   |
|                 | ROCE               | 28.49  | 29.8   | 31.04 | 31.03 | 32.86 | 30.644  |
|                 | Return On Assets   | 17.82  | 19.78  | 17.53 | 17.53 | 18.39 | 18.21   |
| Nestle          | Return on Networth | 103.12 | 102.58 | 43.74 | 35.81 | 30.74 | 63.198  |
|                 | ROCE               | 55.05  | 56.25  | 40.76 | 32.9  | 29.13 | 42.818  |
|                 | Return On Assets   | 26.36  | 27.44  | 19.86 | 16.64 | 13.61 | 20.782  |
| Britannia       | Return on Networth | 52.53  | 31.85  | 27.25 | 29.48 | 32.8  | 34.782  |
|                 | ROCE               | 59.71  | 36.72  | 40.49 | 28.36 | 32    | 39.456  |
|                 | Return On Assets   | 23.27  | 17.88  | 18.57 | 19.35 | 21.52 | 20.118  |
| Godrej          | Return on Networth | 18.23  | 18.94  | 32.22 | 26.11 | 24.59 | 24.018  |
|                 | ROCE               | 22.18  | 19.76  | 20    | 16.67 | 13.45 | 18.412  |
|                 | Return On Assets   | 12.04  | 10     | 16.52 | 11.7  | 10    | 12.052  |
| Dabur           | Return on Networth | 22.09  | 21.87  | 25.61 | 23.73 | 26.34 | 23.928  |
|                 | ROCE               | 26.38  | 27.24  | 32.18 | 28.08 | 23.18 | 27.412  |
|                 | Return On Assets   | 15.61  | 15.44  | 17.09 | 15.56 | 16.51 | 16.042  |
| Marico          | Return on Networth | 36.17  | 33.77  | 37.44 | 32.03 | 34.33 | 34.748  |
|                 | ROCE               | 44.2   | 45.16  | 40.75 | 31.04 | 33.5  | 38.93   |
|                 | Return On Assets   | 21.27  | 20.41  | 22.69 | 19.95 | 21.98 | 21.26   |
| Varun           | Return on Networth | 9.33   | 14.09  | 14.65 | 11.87 | 7.98  | 11.584  |
|                 | ROCE               | 11.78  | 16.23  | 14.99 | 13.58 | 13.12 | 13.94   |
|                 | Return On Assets   | 3.88   | 5.59   | 4.85  | 3.97  | 2.89  | 4.236   |
| GlaxoSmithKline | Return on Networth | 23.89  | 5.11   | 20.81 | 17.04 | 16.78 | 16.726  |
|                 | ROCE               | 40.8   | 30.95  | 26.63 | 14.93 | 14.74 | 25.61   |
|                 | Return On Assets   | 11.5   | 2.97   | 11.38 | 8.88  | 11.21 | 9.188   |

Source: Data extracted from annual financial statements of companies

Profitability refers to the ability of business to get return in relation to the investment, the HUL has performed very well in terms of profitability, and the company had average Return on Networth of 62.74 %, Average ROCE of 71.22 and average ROA of 27.05 for the period of study. Nestle, another leading FMCG company had shown the highest Return on Networth of 63.19 %, which is

best among the selected companies. The company had also shown a good performance in terms of ROCE and ROA. All other selected companies had shown a moderate to good performance in terms of profitability except Varun, which did not perform well as compared to other companies among the selected companies.

**Efficiency Ratios**

| Company             | Ratios                   | 2021   | 2020   | 2019   | 2018   | 2017   | Average |
|---------------------|--------------------------|--------|--------|--------|--------|--------|---------|
| HUL                 | Asset Turnover Ratio     | 68.39  | 197.4  | 211.01 | 198.99 | 211.14 | 177.386 |
|                     | Inventory Turnover Ratio | 13.14  | 14.38  | 15.27  | 14.14  | 13.05  | 13.996  |
| ITC                 | Asset Turnover Ratio     | 66.74  | 63.85  | 67.34  | 67.58  | 76.46  | 68.394  |
|                     | Inventory Turnover Ratio | 4.74   | 5.51   | 6.09   | 5.73   | 5.23   | 5.46    |
| Nestle              | Asset Turnover Ratio     | 168.99 | 172.43 | 139.61 | 135.95 | 135.52 | 150.5   |
|                     | Inventory Turnover Ratio | 9.42   | 9.64   | 11.7   | 11.09  | 9.78   | 10.326  |
| Britannia           | Asset Turnover Ratio     | 164.02 | 147.91 | 177.1  | 191.09 | 220.35 | 180.094 |
|                     | Inventory Turnover Ratio | 12.04  | 15.65  | 14.15  | 15.19  | 13.69  | 14.144  |
| Godrej              | Asset Turnover Ratio     | 77.21  | 66.26  | 72.78  | 70.49  | 71.09  | 71.566  |
|                     | Inventory Turnover Ratio | 6.43   | 5.82   | 6.62   | 6.24   | 6.56   | 6.334   |
| Dabur               | Asset Turnover Ratio     | 88.14  | 92.84  | 100.92 | 88.74  | 98.46  | 93.82   |
|                     | Inventory Turnover Ratio | 5.51   | 6.3    | 6.55   | 6.15   | 6.88   | 6.278   |
| Marico              | Asset Turnover Ratio     | 146.06 | 146.24 | 149.39 | 154.89 | 162.9  | 151.896 |
|                     | Inventory Turnover Ratio | 7.15   | 5.3    | 5.2    | 4.18   | 4.72   | 5.31    |
| Varun               | Asset Turnover Ratio     | 76.25  | 84.99  | 84.64  | 75.77  | 73.66  | 79.062  |
|                     | Inventory Turnover Ratio | 6.94   | 8.09   | 8.83   | 9.12   | 7.86   | 8.168   |
| GlaxoSmi<br>thKline | Asset Turnover Ratio     | 102.74 | 102.83 | 79.97  | 72.74  | 96.82  | 91.02   |
|                     | Inventory Turnover Ratio | 5.85   | 6.68   | 6.43   | 5.74   | 6.83   | 6.306   |

Source: Data extracted from annual financial statements of companies

In terms of efficiency, which shows how actively the company is managed, HUL, Nestle Britannia, and Marico have shown a very good performance with an average ATR of 177.38, 150.5, 180.09 and 151.89 respectively for the period of study.

All other companies had shown a moderate performance in terms efficiency, and ITC was the least performing company in terms of ATR for the period of study.

**Margin Ratios**

| Company             | Ratios              | 2021  | 2020  | 2019  | 2018  | 2017  | Average |
|---------------------|---------------------|-------|-------|-------|-------|-------|---------|
| HUL                 | Gross Profit Margin | 25.59 | 26.37 | 23.98 | 22.17 | 20.23 | 23.668  |
|                     | Operating Margin    | 23.3  | 23.85 | 22.55 | 20.71 | 18.92 | 21.866  |
|                     | Net Profit Margin   | 17    | 16.98 | 15.41 | 14.7  | 13.53 | 15.524  |
| ITC                 | Gross Profit Margin | 39.85 | 44.24 | 42.56 | 42.15 | 40.2  | 41.8    |
|                     | Operating Margin    | 36.51 | 40.91 | 39.67 | 39.3  | 37.5  | 38.778  |
|                     | Net Profit Margin   | 27.17 | 31.54 | 26.52 | 26.43 | 24.47 | 27.226  |
| Nestle              | Gross Profit Margin | 25.07 | 25.65 | 25.47 | 22.71 | 20.17 | 23.814  |
|                     | Operating Margin    | 22.29 | 22.65 | 22.5  | 19.29 | 16.34 | 20.614  |
|                     | Net Profit Margin   | 15.59 | 15.91 | 14.23 | 12.24 | 10.04 | 13.602  |
| Britannia           | Gross Profit Margin | 21.48 | 18.29 | 17.54 | 16.82 | 15.77 | 17.98   |
|                     | Operating Margin    | 19.97 | 16.7  | 16.08 | 15.39 | 14.46 | 16.52   |
|                     | Net Profit Margin   | 14.08 | 12.01 | 10.46 | 10.12 | 9.76  | 11.286  |
| Godrej              | Gross Profit Margin | 22.26 | 22.75 | 21.58 | 22.09 | 21.28 | 21.992  |
|                     | Operating Margin    | 20.41 | 20.76 | 19.93 | 20.51 | 19.76 | 20.274  |
|                     | Net Profit Margin   | 15.6  | 15.09 | 22.69 | 16.59 | 14.1  | 16.814  |
| Dabur               | Gross Profit Margin | 24.34 | 24.15 | 23.9  | 24.89 | 23.73 | 24.202  |
|                     | Operating Margin    | 21.83 | 21.61 | 21.83 | 22.79 | 21.86 | 21.984  |
|                     | Net Profit Margin   | 17.73 | 16.67 | 16.97 | 17.57 | 16.81 | 17.15   |
| Marico              | Gross Profit Margin | 20.93 | 21.77 | 19.48 | 19.33 | 21.23 | 20.548  |
|                     | Operating Margin    | 19.2  | 19.86 | 17.69 | 17.92 | 19.7  | 18.874  |
|                     | Net Profit Margin   | 14.92 | 14.25 | 15.43 | 13.08 | 13.72 | 14.28   |
| Varun               | Gross Profit Margin | 19.2  | 20.9  | 20.14 | 21.19 | 21.54 | 20.594  |
|                     | Operating Margin    | 11    | 14.04 | 12.6  | 12.53 | 11.88 | 12.41   |
|                     | Net Profit Margin   | 6.57  | 6.56  | 5.81  | 5.31  | 4.15  | 5.68    |
| GlaxoSmit<br>hKline | Gross Profit Margin | 25.19 | 22.83 | 22.47 | 19.51 | 16.91 | 21.382  |
|                     | Operating Margin    | 22.71 | 20.26 | 20.92 | 18.19 | 16.01 | 19.618  |
|                     | Net Profit Margin   | 11.19 | 2.89  | 14.23 | 12.21 | 11.58 | 10.42   |

Source: Data extracted from annual financial statements of companies

In terms of Margin Ratios, ITC has outperformed with an average Gross Profit Margin of 41.8,

Operating Margin of 38.77 and Net Profit Margin of 27.22, which is best among the FMCG sector

of India. The other companies which performed well are HUL, Nestle, Dabur, Varun and Glaxo,

the only company which had less than 20% of Gross Profit Margin is Britannia.

### Leverage Ratios

| Company             | Ratios                   | 2021   | 2020   | 2019     | 2018     | 2017     | Average |
|---------------------|--------------------------|--------|--------|----------|----------|----------|---------|
|                     | Debt to Equity           | 0      | 0      | 0.01     | 0        | 0.04     | 0.01    |
| HUL                 | Interest Coverage Ratios | 93.69  | 80.43  | 268.64   | 283.19   | 179.34   | 181.058 |
|                     | Debt to Equity           | 0      | 0      | 0        | 0        | 0        | 0       |
| ITC                 | Interest Coverage Ratios | 403.54 | 369.66 | 422.36   | 189.95   | 660.27   | 409.156 |
|                     | Debt to Equity           | 0.02   | 0.03   | 0.01     | 0.01     | 0.01     | 0.016   |
| Nestle              | Interest Coverage Ratios | 18.13  | 21.71  | 22.7     | 21.01    | 429.4    | 102.59  |
| Britannia           | Debt to Equity           | 0.59   | 0.34   | 0.03     | 0.05     | 0.04     | 0.21    |
|                     | Interest Coverage Ratios | 23.66  | 25.2   | 195.6    | 201.05   | 240.27   | 137.156 |
| Godrej              | Debt to Equity           | 0.08   | 0.34   | 0.4      | 0.4      | 0.63     | 0.37    |
|                     | Interest Coverage Ratios | 17.78  | 9.47   | 9.17     | 12.56    | 12.61    | 12.318  |
| Dabur               | Debt to Equity           | 0.06   | 0.07   | 0.09     | 0.15     | 0.19     | 0.112   |
|                     | Interest Coverage Ratios | 67.77  | 37.89  | 31.2     | 33.18    | 30.81    | 40.17   |
| Marico              | Debt to Equity           | 0.11   | 0.11   | 0.12     | 0.12     | 0.1      | 0.112   |
|                     | Interest Coverage Ratios | 45.47  | 29.06  | 32.45    | 70.09    | 70.34    | 49.482  |
| Varun               | Debt to Equity           | 0.76   | 0.85   | 1.18     | 1.16     | 0.72     | 0.934   |
|                     | Interest Coverage Ratios | 2.53   | 3.23   | 3.03     | 2.36     | 2.13     | 2.656   |
| GlaxoSmit<br>hKline | Debt to Equity           | 0      | 0      | 0        | 0        | 0        | 0       |
|                     | Interest Coverage Ratios | 205.84 | 103.16 | 1,180.81 | 2,762.33 | 1,862.82 | 1222.99 |

Source: Data extracted from annual financial statements of companies

In terms of leverage, all the companies have underperformed with no company having more than 1 DE Ratio. But interest coverage of all the companies was good except Varun, which had an

average of just 2.65. Therefore all companies have not performed well in terms of leverage but except Varun all are safer when it comes to payment of interest.

| Average Ratios | 2021  | 2020  | 2019   | 2018   | 2017   |
|----------------|-------|-------|--------|--------|--------|
| Liquidity      | 1.36  | 1.51  | 1.47   | 1.44   | 1.50   |
| Profitability  | 27.96 | 30.98 | 29.51  | 25.58  | 25.08  |
| Efficiency     | 57.21 | 64.01 | 64.64  | 62.99  | 67.83  |
| Margin Ratios  | 20.78 | 20.72 | 20.47  | 19.47  | 18.36  |
| leverage       | 48.89 | 37.86 | 120.43 | 198.76 | 193.87 |

The average liquidity ratio of all the companies for the year 2017 was 1.50, which decreased in 2018 and 2019, but again reached to 1.51 in 2020, but in 2021, the ratio decreased to 1.36. The profitability ratios has an average of 25.08 for the year 2017, which increased in 2018 to 25.58 and further to 29.51 in 2019. There was further improvement in 2020, then a sudden decrease in 2021 to 27.96. The average efficiency ratio had shown a consistent decrease from 67.83 in 2017 to 57.21 in 2021. The margin ratios had an average of 18.36 in 2017, which increased to 19.47 in 2018, further to 20.47 in 2019. There was a further increase in margin in 2020 and it reached to 20.72 but in 2021 there was a slight decrease and it reached to 20.78. In initial years of study, there was a decrease in leverage from 193.87 in 2017 to 37.86 in 2020, but in 2021, there was an increase and leverage reached to 48.48.

#### 4. Findings

In terms of liquidity, most of the companies have not performed well, as the average current ratio of most of the selected companies were less than 2, which is not a good sign like HUL which had an average CR of just 1.32 and average QR of 1.01. But ITC and Nestle have performed well in terms of their liquidity with average CR of 3.42, 2.12 and average QR of 2.48 and 1.55 respectively. Apart from these two companies all other selected companies have not performed well in terms of liquidity. HUL has performed very well in terms of profitability, and the company had average Return on Networth of 62.74 %, Average ROCE of 71.22 and average ROA of 27.05 for the period of study. Nestle,

another leading FMCG company had shown the highest Return on Networth of 63.19 %, which is best among the selected companies. The company had also shown a good performance in terms of ROCE and ROA. All other selected companies had shown a moderate to good performance in terms of profitability except Varun, which did not perform well as compared to other companies among the selected companies. HUL, Nestle Britannia, and Marico have shown a very good performance with an average ATR of 177.38, 150.5, 180.09 and 151.89 respectively for the period of study. All other companies had shown a moderate performance in terms efficiency, and ITC was the least performing company in terms of ATR for the period of study. In terms of Margin Ratios, ITC has outperformed with an average Gross Profit Margin of 41.8, Operating Margin of 38.77 and Net Profit Margin of 27.22, which is best among the FMCG sector of India. The other companies which performed well are HUL, Nestle, Dabur, Varun and Glaxo, the only company which had less than 20% of Gross Profit Margin is Britannia. In terms of leverage, all the companies have underperformed with no company having more than 1 DE Ratio.

When we observe the impact of COVID-19 on performance of FMCG's in India, we can see that average liquidity of the companies had decreased from 1.51 to 1.36 in 2021, average profitability decreased from 30.98 to 27.96 in 2021, efficiency decreased from 64.01 in 2020 to 57.21 in 2021. But there was an improvement in average margin ratios which increased from 20.72 in 2020 to 20.78 in 2021. There was also

an increase in leverage from 37.86 in 2020 to 48.89 in 2021, which shows companies borrowed more due to pandemic.

It is evident that most of the FMCG companies performed well for the period of study which is a good sign and most of the companies had shown

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