

Financial Performance and Growth Prospects of Selected Consumer Staples Companies in India: A Cross-Sectional Analysis

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Abstract

The Consumer Staples sector plays a vital role in the Indian economy owing to its resilience, consistent consumer demand, and steady contribution to economic activity. Investors frequently consider companies in this sector for long-term wealth creation because of their stable earnings and defensive business characteristics. This study compares the financial performance and growth prospects of twelve purposively selected Consumer Staples companies listed in India, using cross-sectional secondary data drawn from Screener.in for July 2026. Seven financial indicators are analysed: Price-to-Earnings (P/E) Ratio, Market Capitalization, Dividend Yield, Net Profit, Quarterly Profit Growth, Quarterly Sales Growth, and Return on Capital Employed (ROCE). Beyond the descriptive comparison, the study employs descriptive statistics (mean, median, standard deviation and coefficient of variation) and Pearson correlation analysis to examine relationships among the selected financial indicators. The results show wide dispersion in profitability and growth (coefficients of variation exceeding 55 per cent for every growth and valuation variable), a weak negative association between ROCE

and quarterly profit growth ($r = -0.219$), and a moderate positive association between P/E ratio and quarterly sales growth ($r = 0.584$). Nestlé India, Britannia Industries and Marico demonstrated comparatively stronger financial performance based on the selected financial indicators, while Gopal Snacks and Krishival Foods stand out for short-term growth momentum despite lower capital efficiency. The findings offer a replicable, quantitatively grounded reference for investors, financial analysts and researchers assessing comparative financial strength within the Indian Consumer Staples sector.

Keywords: Consumer Staples; Financial Performance; Growth Prospects; ROCE; P/E Ratio; Correlation Analysis; Investment Analysis; India

1. Introduction

The Indian Consumer Staples sector is among the most stable segments of the economy because it caters to the daily consumption needs of households. Products such as food, beverages, dairy, tobacco and household essentials witness relatively stable demand irrespective of short-

term economic fluctuations. This characteristic leads investors and analysts to treat Consumer Staples companies as defensive holdings within a diversified portfolio.

The sector has grown steadily on the back of rising disposable income, urbanisation, population growth, evolving consumer preferences and the expansion of organized retail. Firms in this space continuously invest in operational efficiency, product innovation and distribution reach to protect and grow profitability in a competitive environment.

Financial statement analysis remains one of the principal tools available to investors for evaluating a company's current performance and estimating its future growth trajectory. Indicators such as the Price-to-Earnings (P/E) ratio, Return on Capital Employed (ROCE), Market Capitalization, Dividend Yield, Quarterly Profit Growth and Quarterly Sales Growth together provide a multi-dimensional view of valuation, efficiency, profitability and momentum. (Pandey, 2021; Brigham & Ehrhardt, 2022)

This study builds on a descriptive comparison of twelve Consumer Staples companies by adding inferential elements: descriptive statistics to characterise dispersion across the sample, correlation analysis to test whether efficiency and growth indicators move together

2. Review of Literature

Pandey (2021) argued that financial ratio analysis helps investors evaluate operational efficiency, profitability and long-term financial sustainability, and remains the starting point for any comparative firm-level study.

Damodaran (2012) emphasised that valuation multiples such as the P/E ratio embed market expectations about future earnings growth rather

than current profitability alone, which is consistent with the moderate positive correlation this study finds between P/E and sales growth.

Brigham and Ehrhardt (2022) identified ROCE as one of the strongest indicators of efficient capital utilisation, a view supported here by the wide spread in ROCE across the sample (12.14 per cent to 84.14 per cent).

Ross et al. (2022) suggested that comparative, ratio-based analysis allows investors to identify financially stronger firms within the same industry, an approach extended in this paper through comparative analysis of multiple financial indicators.

Porter (1985) argued that sustainable competitive advantage underpins long-run profitability and shareholder value creation, which helps explain why large, established brands such as Nestlé India and Britannia Industries sustain both high ROCE and premium valuations relative to smaller or newer entrants in the sample.

Taken together, prior literature establishes the theoretical rationale for each indicator used in this study but stops short of providing a recent cross-sectional comparative analysis of selected Consumer Staples companies in India.

Baker and Ricciardi (2014) highlighted that investor decision-making is influenced not only by financial ratios but also by market expectations, behavioural biases and perceived future growth prospects. They suggested that fundamental financial indicators remain important in assessing investment quality despite behavioural influences.

Nofsinger (2018) observed that investors frequently rely on profitability, growth and valuation measures while evaluating equity investments. The study emphasized that firms

demonstrating consistent financial performance generally attract higher investor confidence and premium market valuations.

Penman (2020) argued that financial statement analysis plays a significant role in equity valuation by enabling investors to assess profitability, operational efficiency and future earnings potential. The study noted that ratio analysis provides meaningful insights into a firm's financial strength.

The reviewed literature indicates that profitability, operational efficiency, valuation and growth indicators play an important role in assessing corporate financial performance. However, limited studies have undertaken a recent cross-sectional comparative analysis of selected Indian Consumer Staples companies using multiple financial indicators. This study attempts to address this gap.

The reviewed literature suggests that financial indicators such as profitability, operational efficiency, valuation ratios, and earnings growth are widely used for evaluating corporate financial performance. However, comparatively fewer studies have undertaken a recent cross-sectional comparison of selected Consumer Staples companies in India using multiple financial indicators. The present study seeks to address this gap by providing a comparative assessment based on current financial data.

3. Research Gap

Most existing studies analyse the historical financial performance of individual companies over multiple years or examine an industry in aggregate rather than comparing specific firms at a single point in time. Comparative cross-

sectional evaluation of selected Consumer Staples companies using descriptive statistics and correlation analysis remains limited in the Indian context. This study addresses that gap using recent financial data.

4. Objectives

- To compare the financial performance of selected Consumer Staples companies in India.
- To analyse growth prospects using quarterly profit growth and sales growth indicators.
- To evaluate operational efficiency using Return on Capital Employed (ROCE).
- To test the statistical association between capital efficiency, growth and valuation indicators using correlation analysis.

5. Hypotheses

H01: There is no significant association between ROCE and Quarterly Profit Growth.

H02: There is no significant association between P/E Ratio and Quarterly Sales Growth.

H03: There is no significant association between P/E Ratio and ROCE.

H04: There is no significant association between Quarterly Profit Growth and Quarterly Sales Growth.

H05: There is no significant association between ROCE and Dividend Yield.

H06: There is no significant association between P/E Ratio and Quarterly Profit Growth.

6. Research Methodology

Particular	Description
Research Design	Descriptive and Comparative
Nature	Quantitative
Data Source	Secondary Data
Source	Screener.in
Sampling Technique	Purposive Sampling
Sample Size	12 Companies
Study Area	Consumer Staples Sector, India
Study Period	Cross-sectional data collected in July 2026
Statistical Tools	Descriptive Statistics, Pearson Correlation, Comparative Ranking
Software	Python (NumPy/Statistics), MS Excel

The study is exploratory and descriptive in nature. The analysis is limited to comparison of financial indicators based on cross-sectional secondary data collected during the study period.

7. Sample Companies

S.No	Company
1	Krishival Foods
2	Chamanlal Setia
3	Gopal Snacks
4	Dodla Dairy
5	Avanti Feeds
6	Godfrey Phillips
7	Varun Beverages
8	Marico
9	Britannia Industries
10	Nestlé India
11	ITC
12	Hindustan Unilever

8. Financial Data

Company	P/E	ROCE (%)	Profit Growth (%)	Sales Growth (%)	Dividend Yield (%)
Krishival Foods	49.30	16.21	32.68	38.42	0.06
Chamanlal Setia	12.51	18.32	55.89	16.50	0.87
Gopal Snacks	75.31	12.14	119.01	29.02	0.37
Dodla Dairy	26.75	16.72	-2.00	18.12	0.45
Avanti Feeds	20.54	25.93	-12.84	6.19	0.97
Godfrey Phillips	21.60	32.84	77.36	13.59	1.50
Varun Beverages	50.83	19.71	20.08	18.09	0.31
Marico	62.81	47.21	13.99	22.09	0.47
Britannia Industries	50.89	56.02	21.14	6.47	1.69
Nestlé India	81.45	84.14	28.84	22.60	0.82
ITC	16.90	38.91	5.30	-5.01	5.15
Hindustan Unilever	33.17	28.42	8.62	7.64	1.91

Table 1: Key Financial Indicators of Selected Consumer Staples Companies
Source: Compiled by the researcher using data obtained from Screener.in (July 2026)

9. Descriptive Statistics

To characterise the dispersion of financial performance across the sample, descriptive statistics were computed for each indicator, including the mean, median, standard deviation and coefficient of variation (CV). The CV, expressed as a percentage of the mean, allows comparison of relative variability across indicators measured in different units.

Indicator	Mean	Median	Std. Dev.	Minimum	Maximum	CV (%)
P/E Ratio	41.84	41.23	23.35	12.51	81.45	55.80
ROCE (%)	33.05	27.18	20.95	12.14	84.14	63.39
Quarterly Profit Growth (%)	30.67	20.61	37.17	-12.84	119.01	121.19
Quarterly Sales Growth (%)	16.14	17.30	11.54	-5.01	38.42	71.51
Dividend Yield (%)	1.21	0.84	1.37	0.06	5.15	112.75

Table 2: Descriptive statistics of financial indicators (n = 12)

Quarterly Profit Growth shows the highest relative variability (CV = 121.19 per cent), driven by the exceptionally high growth reported by Gopal Snacks alongside the negative growth recorded by Avanti Feeds and Dodla Dairy. Dividend Yield is similarly dispersed (CV = 112.75 per cent), reflecting the sharp contrast between high-yield, low-growth stocks such as ITC and low-yield, high-valuation stocks such as Krishival Foods. ROCE and the P/E ratio show comparatively lower, though still substantial, dispersion (CV of 63.39 per cent and 55.80 per cent respectively), indicating that capital efficiency and market valuation differ meaningfully across the sample but less erratically than short-term growth.

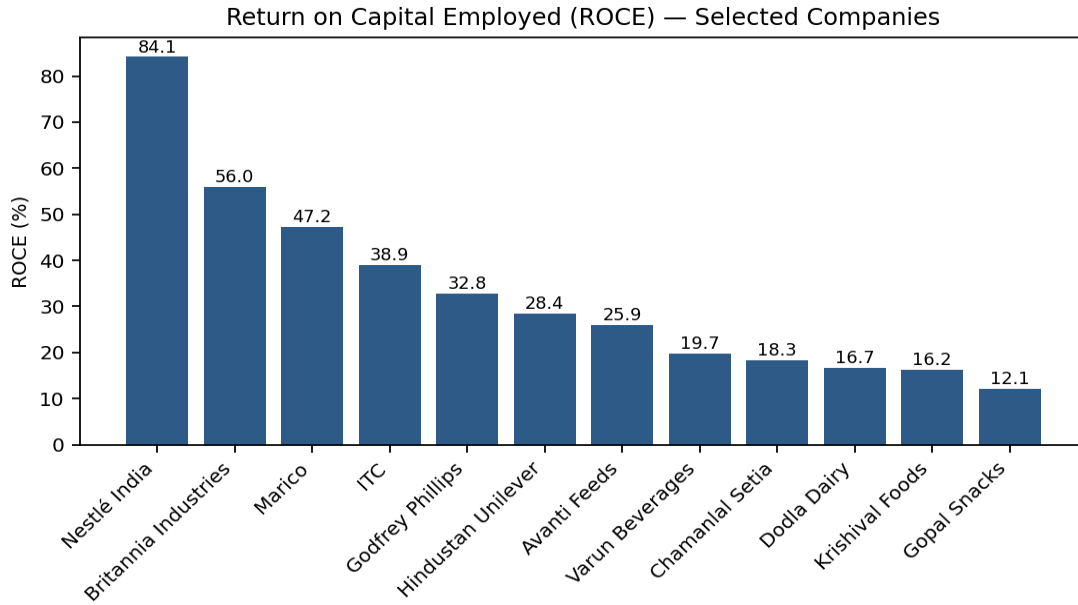


Figure 1: Return on Capital Employed (ROCE) across selected companies
Source: Author's compilation using data obtained from Screener.in (July 2026).

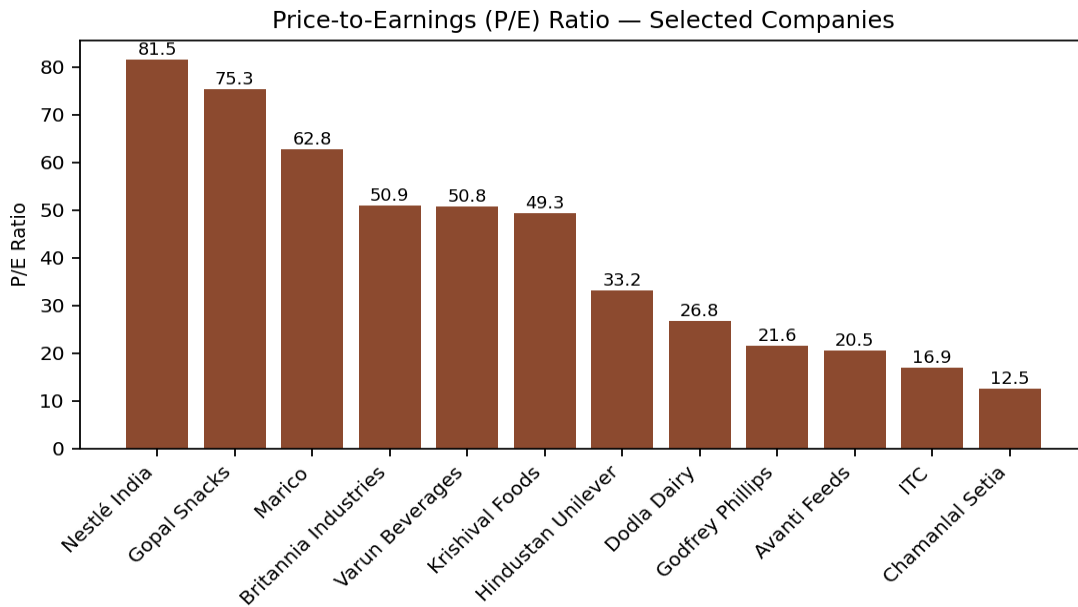


Figure 2: Price-to-Earnings (P/E) ratio across selected companies
Source: Author's compilation using data obtained from Screener.in (July 2026).

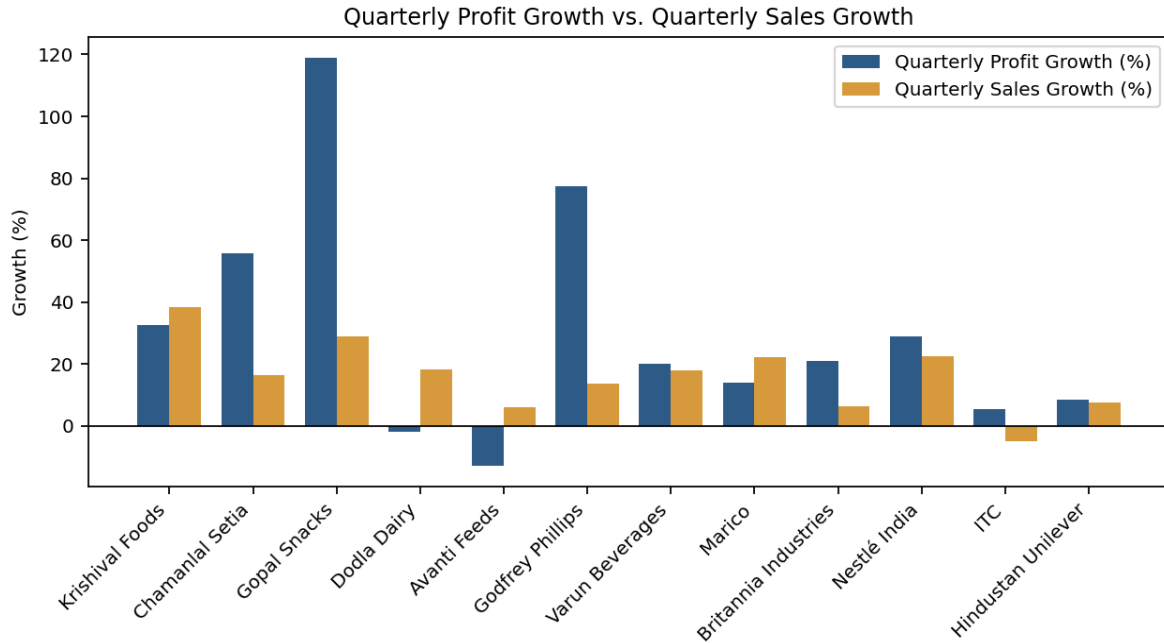


Figure 3: Quarterly Profit Growth versus Quarterly Sales Growth
Source: Author's compilation using data obtained from Screener.in (July 2026).

10. Correlation Analysis

Pearson correlation coefficients were computed between pairs of indicators to test whether capital efficiency, valuation and growth move together across the sample. The results are summarised in Table 3.

Variable Pair	Correlation (r)	Interpretation
ROCE vs. Quarterly Profit Growth	-0.219	Weak negative
P/E Ratio vs. Quarterly Sales Growth	0.584	Moderate positive
P/E Ratio vs. ROCE	0.430	Moderate positive
ROCE vs. Dividend Yield	0.217	Weak positive
Quarterly Profit Growth vs. Quarterly Sales Growth	0.450	Moderate positive
P/E Ratio vs. Quarterly Profit Growth	0.307	Weak positive

Table 3: Pearson correlation coefficients among selected financial indicators ($n = 12$)

The correlation between ROCE and Quarterly Profit Growth is weak and negative ($r = -0.219$), indicating that companies with higher capital efficiency in this sample did not necessarily report higher short-term profit growth, several high-ROCE majors such as Nestlé India and Britannia Industries reported comparatively moderate profit growth, while a lower-ROCE company such as Gopal Snacks reported the highest profit growth in the sample. Given the small sample size ($n = 12$), the observed correlation should be interpreted as descriptive evidence rather than conclusive statistical proof. The P/E ratio shows a moderate positive correlation with Quarterly Sales Growth ($r = 0.584$) and with ROCE ($r = 0.430$),

consistent with Damodaran's (2012) view that valuation multiples reflect market expectations of future growth and capital efficiency rather than current earnings alone. Quarterly Profit Growth and Quarterly Sales Growth are moderately positively correlated ($r = 0.450$), suggesting that revenue expansion is one, though not the only, driver of profit growth in this sector.

The study formulated six null hypotheses corresponding to the selected pairs of financial indicators. The Pearson correlation coefficients presented in Table 3 provide descriptive evidence regarding the direction and strength of these relationships. Owing to the small sample size ($n = 12$), the correlations are interpreted cautiously and are intended to support comparative analysis rather than establish definitive statistical significance.

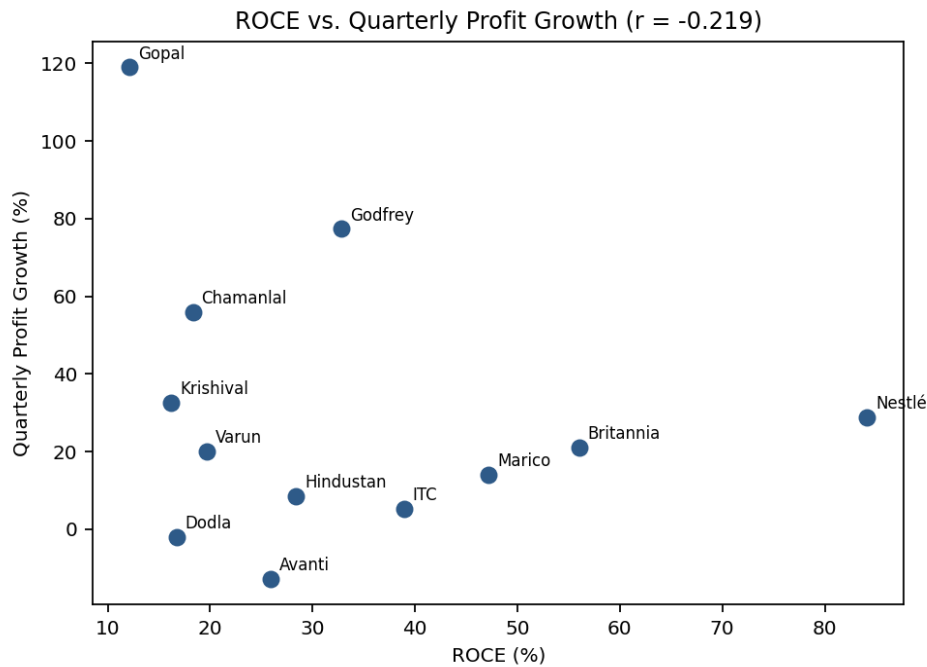


Figure 4: Scatter plot of ROCE against Quarterly Profit Growth
Source: Author's compilation using data obtained from Screener.in (July 2026).

11. Analysis and Interpretation

11.1 P/E Ratio

Nestlé India recorded the highest P/E ratio (81.45), indicating strong investor confidence in future earnings. Gopal Snacks (75.31) and Marico (62.81) also carried relatively rich valuations. Chamanlal Setia (12.51) had the lowest P/E ratio among the sample, consistent

with its classification as a value stock rather than a growth stock.

11.2 ROCE

ROCE measures how efficiently a company converts capital employed into operating profit. Nestlé India achieved the highest ROCE (84.14 per cent), followed by Britannia Industries (56.02 per cent), Marico (47.21 per cent) and ITC (38.91 per cent). Gopal Snacks recorded the lowest ROCE (12.14 per cent) in the sample, suggesting

that its rapid profit growth has not yet translated into comparable capital efficiency.

11.3 Quarterly Profit Growth

Gopal Snacks reported the highest quarterly profit growth (119.01 per cent), followed by Godfrey Phillips (77.36 per cent) and Chamanlal Setia (55.89 per cent). Avanti Feeds (-12.84 per cent) and Dodla Dairy (-2.00 per cent) recorded negative profit growth over the same period.

11.4 Quarterly Sales Growth

Krishival Foods recorded the highest quarterly sales growth (38.42 per cent), followed by Gopal Snacks (29.02 per cent) and Nestlé India (22.60 per cent). ITC was the only company to show a decline in quarterly sales growth (-5.01 per cent).

11.5 Dividend Yield

ITC offered by far the highest dividend yield (5.15 per cent), followed by Hindustan Unilever (1.91 per cent) and Britannia Industries (1.69 per cent), reflecting their status as mature, cash-generative businesses that return a larger share of earnings to shareholders.

12. Discussion

The findings broadly corroborate the theoretical positions reviewed in Section 2 while adding cross-sectional, statistical nuance. Consistent with Brigham and Ehrhardt (2022), Companies with higher ROCE generally exhibited stronger operational efficiency and comparatively better overall financial performance, supporting the view that capital efficiency is a durable marker of financial strength. However, the weak negative correlation between ROCE and profit growth ($r = -0.219$) qualifies Ross et al.'s (2022) suggestion that comparative ratio analysis alone identifies the 'stronger' firm: in this sample, the companies compounding capital most efficiently are not the

same companies growing profits fastest in the short run, so investors optimising for one objective may need to accept a trade-off against the other.

The moderate positive correlation between the P/E ratio and both ROCE ($r = 0.430$) and sales growth ($r = 0.584$) lends empirical support to Damodaran's (2012) argument that valuation multiples price in expected future performance rather than only current profitability. This is visible in the sample: Nestlé India and Marico command premium P/E multiples alongside strong fundamentals, whereas Chamanlal Setia's low P/E aligns with its comparatively modest ROCE and lower growth profile.

Porter's (1985) emphasis on sustainable competitive advantage helps explain why the largest, most established brands in the sample, Nestlé India, Britannia Industries, Hindustan Unilever and ITC combine stable-to-high ROCE with lower volatility in growth, while smaller or newer entrants such as Gopal Snacks and Krishival Foods post higher but more volatile growth rates, a pattern consistent with the very high coefficients of variation observed for the growth indicators in Table 2.

Overall, the discussion suggests that no single financial indicator fully captures overall financial performance.

The findings should be interpreted within the scope of the selected sample and the limitations of cross-sectional financial data. Future research may validate these findings using longitudinal datasets covering multiple financial years.

The results of this study should be interpreted within the limitations of cross-sectional secondary data and should not be generalized

beyond the selected sample without further longitudinal investigation.

The findings of the present study are broadly consistent with previous research. Pandey (2021) emphasized that financial ratio analysis is an effective tool for evaluating operational efficiency and profitability, which is reflected in the superior performance of companies such as Nestlé India and Britannia Industries. Similarly, Damodaran (2012) argued that valuation multiples incorporate market expectations of

future growth, a finding supported by the moderate positive relationship observed between the P/E ratio and quarterly sales growth. The study also aligns with Brigham and Ehrhardt (2022), who identified ROCE as a key indicator of efficient capital utilization. From a practical perspective, the results provide investors and financial analysts with a comparative framework for identifying companies exhibiting strong operational efficiency, growth potential, or dividend-paying capacity based on multiple financial indicators.

13. Overall Ranking

Table 5 presents the comparative ranking of selected companies based on the observed financial indicators.

Rank	Company
1	Nestlé India
2	Britannia Industries
3	Godfrey Phillips
4	Gopal Snacks
5	Marico
6	ITC
7	Krishival Foods
8	Chamanlal Setia
9	Varun Beverages
10	Hindustan Unilever
11	Dodla Dairy
12	Avanti Feeds

Table 5: Overall interpretive ranking

Table 6: Comparative Summary of Strengths and Weaknesses of Selected Consumer Staples Companies

Company	Strengths	Weaknesses
Nestlé India	Highest ROCE, Highest P/E, Strong Sales Growth	Moderate Profit Growth
Britannia Industries	High ROCE, Stable Performance, Good Dividend	Lower Sales Growth
Godfrey Phillips	High Profit Growth, Strong ROCE	Moderate Sales Growth
Gopal Snacks	Highest Profit Growth, Strong Sales Growth	Lowest ROCE
Marico	High ROCE, Premium Valuation	Moderate Profit Growth
ITC	Highest Dividend Yield, Strong ROCE	Negative Sales Growth
Krishival Foods	Highest Sales Growth	Low Dividend Yield, Low ROCE
Chamanlal Setia	Strong Profit Growth	Low P/E, Moderate ROCE
Varun Beverages	Balanced Growth	Moderate ROCE
Hindustan Unilever	Good Dividend, Stable ROCE	Lower Growth
Dodla Dairy	Moderate Sales Growth	Negative Profit Growth
Avanti Feeds	Good Dividend	Negative Profit Growth

Table 6: Comparative Summary

14. Findings

- Nestlé India emerged as the strongest overall performer, combining the highest ROCE and the highest P/E ratio among the selected companies and comparatively stronger financial performance.
- Britannia Industries and Marico demonstrated consistently strong operational efficiency.
- Gopal Snacks recorded exceptional quarterly profit growth (119.01 per cent) but the lowest ROCE in the sample, illustrating a growth-versus-efficiency trade-off.
- Krishival Foods achieved the highest quarterly sales growth among the selected companies but the second-lowest dividend yield.
- ITC offered the highest dividend yield (5.15 per cent) and strong ROCE, reflecting its comparatively higher dividend distribution among the selected companies despite modest recent sales growth.
- The coefficient of variation exceeded 55 per cent for all financial indicators, indicating substantial variability across the selected companies. — even the least volatile indicator (P/E, CV = 55.80 per cent) shows

substantial dispersion, confirming considerable heterogeneity within the sector.

- ROCE and Quarterly Profit Growth showed a weak negative correlation ($r = -0.219$), indicating that operational efficiency and short-term profit growth were largely independent within the selected sample.
- P/E ratio correlates moderately with both ROCE ($r = 0.430$) and sales growth ($r = 0.584$), suggesting the market prices in expectations of both efficiency and revenue expansion.

15. Practical Implications

- The findings of the study may assist investors, researchers and financial analysts in evaluating the comparative financial performance of Consumer Staples companies.
- Future investment-related studies may incorporate multi-year financial data to evaluate long-term growth trends.
- Companies reporting negative profit growth, such as Avanti Feeds and Dodla Dairy, should focus on cost management and operational efficiency to stabilise earnings.

16. Conclusion

This study extends a descriptive comparison of twelve Indian Consumer Staples companies into a quantitatively grounded cross-sectional analysis using descriptive statistics, correlation analysis. Established companies : Nestlé India, Britannia Industries, Marico and ITC, combine strong capital efficiency with stable profitability, supporting their reputation as core defensive holdings. Companies such as Gopal Snacks and Krishival Foods display markedly higher short-term growth but at the cost of lower capital

efficiency, a trade-off made explicit through the weak negative correlation between ROCE and profit growth documented here. The study contributes a replicable methodological framework, combining descriptive statistics and correlation analysis, which can be extended to longitudinal or cross-sector research on the Indian Consumer Staples industry.

17. Limitations

- The study is based on a single cross-sectional snapshot of financial data (July 2026) rather than a multi-year time series, limiting conclusions about trend sustainability.
- Only 12 companies from the Consumer Staples sector were included via purposive sampling, which may not be representative of the full universe of listed Consumer Staples firms in India.
- With $n = 12$, the correlation coefficients reported in Section 10 have wide confidence intervals and should be treated as indicative rather than statistically conclusive.
- Qualitative factors such as management quality, corporate governance and brand strength were not examined.
- Macroeconomic variables and broader market sentiment were beyond the scope of this study.
- The findings should not be interpreted as investment recommendations.
- The study does not establish causal relationships among financial indicators because it is based on a single cross-sectional observation.

18. Future Scope

- Analyse five- or ten-year financial trends to test the persistence of the growth-versus-efficiency trade-off identified here.
- Incorporate investor perception through primary survey data to complement the secondary financial data.
- Apply advanced techniques such as multiple regression, factor analysis or panel data models to formally test the hypotheses proposed in Section 5.
- Future studies may compare the Consumer Staples sector with other sectors such as Healthcare, Banking, Information Technology, or Consumer Discretionary to understand sectoral differences in financial performance.
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