“ANALYSIS OF LIQUIDITY AND PROFITABILITY OF SELECTED FMCG COMPANIES OF INDIA”

A THESIS

SUBMITTED BY

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MASTER OF COMMERCE

UNDER THE GUIDANCE OF

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SUBMITTED TO

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DECLARATION BY THE CANDIDATE

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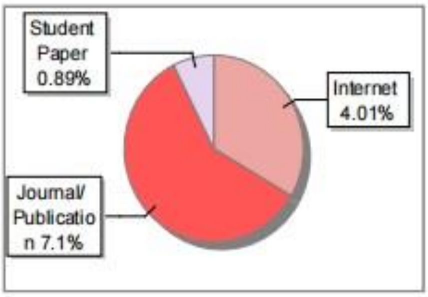

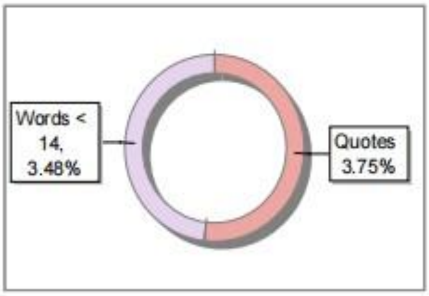

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PREFACE

In the contemporary landscape of business, the evaluation of financial health through liquidity and profitability analysis stands as a cornerstone for understanding the sustainability and growth potential of any enterprise. This preface introduces a comprehensive exploration into the liquidity and profitability dynamics of selected Fast Moving Consumer Goods (FMCG) companies operating in the vibrant market of India. The FMCG sector in India is emblematic of dynamism and resilience, characterized by fierce competition, evolving consumer preferences, and regulatory intricacies. Amidst this backdrop, it becomes imperative for stakeholders, ranging from investors to management teams, to discern the intricacies of liquidity and profitability within these companies.

This analytical endeavour is a result of meticulous research, drawing insights from financial statements, industry reports, and scholarly literature. Through this analysis, we aim to shed light on the financial standing of selected FMCG companies, unravelling the factors influencing their liquidity and profitability dynamics.

The genesis of this study lies in recognizing the pivotal role played by liquidity and profitability in shaping the operational efficacy and long-term viability of FMCG companies. Liquidity, denoting the ability to meet short-term obligations, is a barometer of financial health, ensuring the smooth functioning of day-to-day operations. On the other hand, profitability, epitomizing the capacity to generate surplus from operations, underscores the efficiency and competitiveness of a firm.

India's FMCG landscape presents a diverse array of companies, each grappling with unique challenges and opportunities. Through meticulous analysis, we seek to provide nuanced insights into the liquidity and profitability performance of selected FMCG companies, deciphering the underlying drivers and implications for stakeholders

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INTRODUCTION OF A FMCG INDUSTRY

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1.1 INTRODUCTION

Finance is like blood in our body because as long as blood circulates properly in our body, we feel healthy and have the capacity to work. The optimal capital structure should be determined by keeping in mind the long term and short-term requirements of finance. The small and important short-term transactions need availability of sufficient liquid fund. The FMCG – Fast moving consumer goods refer to consumer non -durable goods required for daily or frequent use by the customers. These goods satisfy comforts, needs, and indulgences. They satisfy the requirements of the whole segments of the populace. Demand elasticity of price and income varies throughout items and customers. Products that are consumed at least once a month, sold under national brands in consumer packages, distributed via a broad spared distribution network, and consumed directly by consumers are all considered FMCG according to the ICRA.

1.2 MEANING OF LIQUDITY:

The ability of an asset or security to be swiftly purchased or sold on the market without materially impacting its price is referred to as liquidity. To put it another way, liquidity is the degree to which an asset may be readily turned into cash without suffering a major loss in value.

1.3 MEANING OF PORFITABILITY:

Profitability is a measure of an organizations profit relative to its expenses. Organization that are more efficient will realize more profit as a percentage of its expenses than a less efficient organization which must spend more to generate the same profit.

(source: https://www.google.com/)

1.4 MEANING OF FMCG COMPANY:

The acronym for fast-moving consumer goods is FMCG. A fast-moving consumer goods (FMCG) company manufactures and markets consumer goods, which are usually inexpensive and have a limited shelf life. Customers buy these things regularly and use them up quickly. Packaged meals, drinks, toiletries, over-the-counter medications, and household goods like detergents and cleansers are a few examples of FMCG products.

To guarantee that their goods are delivered to customers promptly and effectively, FMCG companies frequently have extensive distribution networks. The competitive nature of the sector usually requires them to undertake massive marketing campaigns in order to sustain brand awareness and customer loyalty.

To summarize, fast-moving consumer goods (FMCG) companies focus on producing, distributing, and selling consumer goods that are in high demand and quickly consumed.

1.5 HISTORY OF FMCG COMPANY

The fast-moving consumer goods sector is an important contributor to India's GDP growth. The sector includes food & dairy products, packaged food product, household products, drinks and others. FMCG is the fourth biggest section in Indian economy. FMCG items are those which generally get replaced within a year. The first FMCG company in India is generally considered to be HUL (Hindustan Unilever Limited).

(1) Origins:

The mass production and distribution of consumer goods during the industrial revolution of the 19th century laid the foundation for the development of FMCG corporations. The FMCG sector was developed by companies such as Procter & Gamble (P&G), which was founded in 1837, and Unilever, which was formed in 1929 by merging British soap manufacturer Lever Brothers with Dutch margarine producer Margarine Unie.

(2) Expansion and Innovation:

FMCG firms increased their product lines and global footprints during the 20th century. To adapt to the shifting demands and tastes of customers, they launched cutting-edge goods and marketing techniques. In 1946, for instance, P&G launched Tide washing detergent, which completely changed how people cleaned their clothes.

(3) Consolidation and Diversification:

As businesses bought rivals to increase their market share and broaden their product lines, the FMCG sector underwent tremendous consolidation in the second half of the 20th century. For example, Unilever purchased multiple brands in the food, beverage, personal care, and home care industries.

(4) Globalization:

FMCG firms expanded their operations globally as a result of improvements in communication and transportation technologies. To meet rising customer demand, they set up production plants and distribution systems in developing nations. Both PepsiCo and Coca-Cola, which were established in the late 19th century, rapidly grew throughout the world and came to represent globalization.

(5) Digital Transformation:

To improve customer engagement, streamline operations, and maximize marketing budgets, FMCG companies used digital technologies in the twenty-first century. Due to the new opportunities that e-commerce platforms offered for direct product sales to consumers, businesses decided to engage in digital marketing campaigns and online retail channels.

(6) Sustainability and Social Responsibility:

FMCG firms gave priority to sustainability and CSR programs as customers become more aware of environmental and social issues. In order to keep up with changing customer attitudes, they introduced eco-friendly products, put ethical sourcing procedures into place, and pledged to reduce their carbon footprint.

(7) Opportunities and Challenges:

Supply chain disruptions, fierce rivalry, changing customer preferences, and regulatory pressures are just a few of the difficulties that FMCG companies continue to confront. But businesses also find room to grow through innovation, joint ventures, and market penetration, especially in developing nations where the middle class is growing.

The history of FMCG companies shows how resilient and adaptable they have been in navigating changing market conditions and trying to satisfy customers all around the world.

1.6 FMCG PROUCT CHARACECTERISTICK:

The FMCG segment's products typically possess the following attributes: They are utilised by the end user directly, at least once a month, are non-durable, come packaged, and have branding. Products including soaps, detergents, antiseptic cooking medium, tooth powder, and biscuits are the main subjects of this study. These are all often utilized. A consumer typically purchases these things on a regular basis. These are purchased for family care and personal use. Customers frequently buy these products and maintain a small supply on hand. Although the value of each of these individual products is modest, the total cost of FMCG products to consumers is substantial. These FMCG traits have significant consequences for Marketers of these good. When it comes to these purchases, the buyer has a completely different mindset. She makes her purchase decision quickly. Unlike industrial items, she seldom looks for technical specs. Purchase selections are influenced by brand value or a dependable person's 37 (retailer, dealer, or friend) suggestion. Prolonged advertising is typically the cause of brand switching, or the trial of a new product.

1.7 PROPERTIES OF FMCG BUSINESS

(1) Low Intensity of Capital:

The majority of FMCG product categories only require a little initial investment in fixed assets such as equipment and machinery. As a result, product shortages due to capacity constraints would be uncommon. Usually, the turnover of a Greenfield factory at full capacity is five to eight times the investment committed in it. This is also because players don't integrate backward because the business is driven by marketing. Additionally, the company has a low working capital intensity because the majority of its sales are made using cash.

(2) Exorbitant Launch Cost at First:

Nonetheless, there is a large front-ended investment made in new products including cost of product development, market research, test marketing and most importantly its launch. To create awareness and develop franchise for a new brand enormous initial expenditure is 38 required on launch advertisements, free samples and product promotions. Launch costs are as high as 50-100% of revenue in the first year and these costs progressively reduce as the brand matures, gains consumer acceptance and turnover rises. For established brands, advertisement expenditure varies from 5 - 12% depending on the categories.

(3) Technology:

Simple manufacturing technology is readily accessible. Additionally, most items' technologies have remained largely steady. The fundamental process is rarely altered by modification or improvement. Still, big international companies invest astronomical amounts in R&D because to their capacity to disperse expenses across a larger portion of their international activities. Their R&D efforts are focused on developing production processes that are economical without sacrificing functionality or quality.

(4) Marketing Drive

In FMCG organizations, the marketing function is more important in relation to other functions. The participants must appeal to the general public and contend with a number of other brands that effectively provide 39 identical things. The thought deviations beyond the actual variations in the product.

(5) Market research

Brand perceptions influence consumers' purchasing decisions. Along with fashion, economic, and lifestyle changes, they also never stop evolving. As opposed to industrial products, it is challenging to distinguish between products based on their functional or technological aspects. As rivalry grows, businesses invest vast amounts of money in new product introductions.

(6) Balance Sheets Are Misleading:

The brands and distribution network of FMCG firms are their most valuable assets. Like any other asset, brands may be purchased and sold. When an FMCG company is sold, its brand usually has a much higher value than its tangible assets. However, investments made in brand development are written off as revenue expenditures due to present accounting standards in the majority of countries. This is brought about by the significant risk associated with launching a new brand, the subjectivity of brand valuation, the lack of consistency, and the challenge of distinguishing a brand's worth from that of the physical assets used in the company. If a brand fails, the entire investment must be written off, even though a successful brand will return the investment several times over. The majority of established companies' high return on net 40 value is also deceptive because of the fact that the balance sheet significantly understates the assets without brands.

(7) Third-party Manufacturing:

It is not uncommon for third-party merchants to manufacture goods. Manufacturing by third parties is utilized to provide financial benefits, especially with regard to excise taxes. These have undergone significant diluting throughout the last seven years of revisions. The administration suggested shifting the excise tax basis to MRP basis in the 1997–1998 budget. In the budgets that followed, a total of forty-three product categories were brought under the MRP net. In addition to excise benefits, third-party manufacturing offers other advantages such production flexibility and inventory planning at the marketing company's discretion. making is largely freed from the need to account for manufacturing overheads when determining how flexible to keep labour expenses. The majority of small-scale third-party producers profit from having direct owner control and better ability to govern the surrounding environment. Unionization is another risk that the large organization faces. In terms of logistics, it is advantageous and occasionally necessary to have some items made close to the 41 market. Rather than establishing its own manufacturing facilities, a corporation can form partnerships with multiple 3P manufacturers located in different regions. In addition to providing technology and setting quality standards, the marketing firm usually oversees manufacturing, costs, and quality standards. In order to take advantage of bulk prices, the marketing organization could also coordinate the acquisition of raw materials. Although the manufacturing process is generally quite straightforward, certain Products need the marketing company to give a few essential materials. Support from working capital finance is also frequently found.

(8) Significant Presence of Unorganized Sector:

In India, the unorganized sector is widely prevalent. Historically, a number of reasons have contributed to the emergence of tiny, unorganized firms with a local presence, such as the relatively simple and readily available basic technology for most products. Money benefits: In India, the small-scale industry is excluded from or pays lower rates of sales tax, excise duty, and other taxes (although these concessions have been greatly reduced in recent years). They can now provide more competitive prices when compared to the organized industry.

Remote rural markets: Very few MNC corporations and organized players have been able to reach out to remote rural areas and even small towns due to the extremely dispersed market and inadequate transport infrastructure. Local players can promote their fake lookalike brands more easily when there is low brand awareness. Cost benefit: Reduced overhead is a result of two limited geography, family management, focused product lines and minimal expenditure on marketing.

1.8 GLOBAL SCENARIO:

expenditure on marketing. The majority of the global market is held by significant multinational consumer goods businesses as Unlevel, Procter & Gamble, Colgate, Nestle, Hinze, and others. These businesses have been around for a very long period and have a number of powerful companies that use exclusive technologies. The majority of these businesses are well-funded and expenditure on marketing. controlled. Their brands give them a lot of cash flow, which they can use to reinvest in further enhancing their brand equity through ongoing marketing campaigns and promotions. Additionally, they have the resources to buy up tiny, regional brands to bolster their standing within the group. To keep and strengthen their competitive advantage, many businesses also invest a sizable amount in research and development. The majority of these major players in the world are from the USA or Europe. They are looking to the third 43 world for more growth as their home markets are saturated. These businesses are setting up shop in these nations and continuously expenditure on marketing. strengthening their position through the development of fresh ideas for breaking into these markets or by adapting their strategy to the specifics of the area. In the past few years, especially with the decline in consumer spending amid the global The new catchphrase during the recession (1991–1994) is "value for money." The FMCG industry has grown extremely competitive, prompting massive restructuring and cost-cutting initiatives by corporations worldwide. In addition to other factors, technology has been crucial in preventing profit-margin erosion.

1.9 FMCGS HOW IT DEVELOPED IN INDIA & PRESENT PLAYERS:

FMCG (Fast moving consumer goods) have a rich history of development in India, evolving alongside the country’s economic growth and changing consumer preferences. Here’s an overview of how FMCGs developed in India and some of the present players in the market.

❖ DEVELOPMENT

(1) PRE-INDEPENDENCE STAGES

Before India gained independence in 1947 the FMCG sector was relatively underdeveloped with limit consumer goods available in the market. The industry primarily consisted of local producers catering to basic need.

(2) Post-Independence (1950-1970)

The period after independence saw gradual industrialization and economic reform leading to the emergence of indigenous FMCG companies. Companies like Hindustan Unilever limited formerly known as Hindustan lever limited established a strong presence during this time.

(3) Liberalization Era (1990)

India's economic liberalization in the early 1990 led to significant changes in the FMCG sector. Foreign direct investment regulation was relaxed allowing multinational corporation (MNC) to enter the Indian market. This period witnessed the entry of several global FMCG giants, contributing to increased competition and product diversification.

(4) Modernization and Expansion (2000 to present)

The FMCG sector in India has experienced exponential growth in recent decades fuelled by factors such as rising disposable income, urbanization changing lifestyles and increased consumer awareness. Companies have focused on innovation, distribution expansion and marketing strategies to capture market share.

❖ PRESENT PLAYERS

(1) Hindustan Unilever Limited (HUL)

HUL is one of the largest FMCG companies in India offering a wide range of products in categories such as personal care, home care, food and beverages and more.

(2) Nestle India:

Nestle is a global FMCG giant with a significant presence in India.it is known for its diverse portfolio of food and beverage product, including brands like Maggi, kit Kat and more.

(3) ITC Limited

ITC is a diversified conglomerate with a presence in several sectors, including FMCG portfolio includes product in categories like packages food, personal care and lifestyle products.

(4) BRITANNIA INDUSTRIES LIMITED

Britannia is a leading player in the Indian FMCG sector, specializing in bakery and dairy product. Its product range includes biscuits, bread, cakes and more.

(6) DABUR INDIA LIMITED

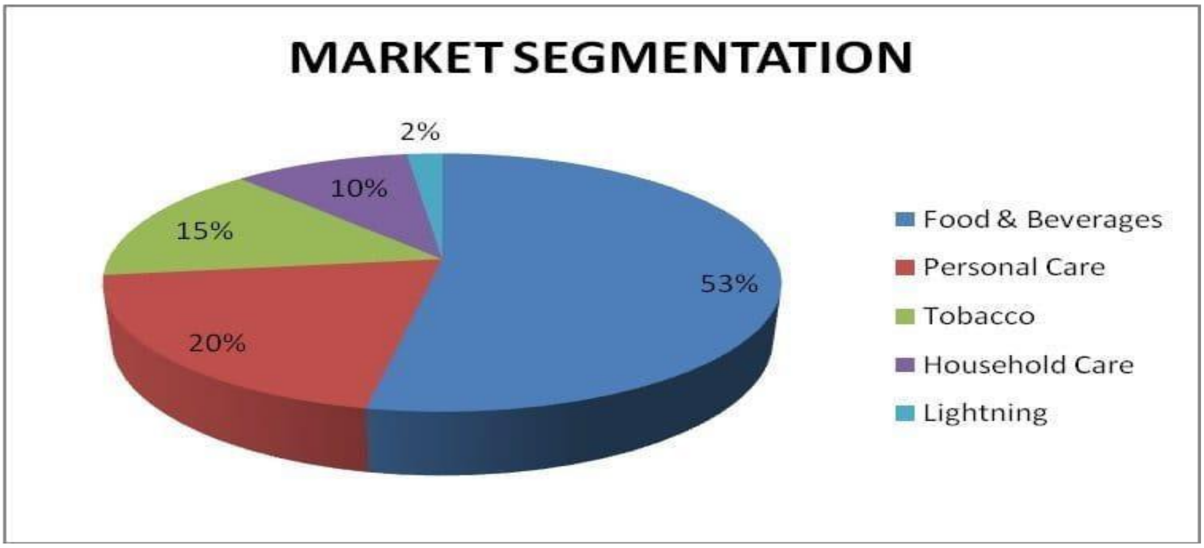
Dabur is a prominent FMCG company known for its Ayurveda healthcare and personal product. It offers a diverse range of product, including health supplements, hair care, oral care and skin care item

(7) GODRAJ CONSUMER PRODUCTS LIMITED (GCPL)

GCPL is a leading FMCG company with a presence in categories such as personal care house hold product and hair care. Its popular brand includes Godrej no1 Canthal good Knight and Hit.

These are just a few examples of the major players in the Indian FMCG sector. The market is highly competitive whit both domestic and international companies vying for market share though product innovation, branding and distributing strategies.

1.10 FMCG SEGMENT MARKET SHARE



(Source: https://blog.elearnmarkets.com)

FMCG brands con have high brand equity due to its unique characteristics and broad consumer base. As per “most trustworthy brands Survey 2014” conducted by brand equity out of top 20 brands 16 were FMCG brands like Colgate Dettol Parel Britannia etc.

1.11 REGULATORY PERSPECTIVE:

Numerous laws and regulations have historically governed the products and activities in the FMCG sector because the majority of these things are necessities. Nearly every part of the industry is governed by law, but to varying degrees depending on the product. The regulatory coverage includes, among other things, eligibility for ownership and investment, mix and ingredient selection, employment at the plant, package size and packaging, transportation, storage, and self-life. In addition, the tax system is extremely intricate.The FMCG are eliminated based on the products and production unit sizes. Then there is the intricate network of state and federal sales tax regulations. Now that new regulations have been established by the government for this industry, this regulatory viewpoint is shifting. Automatic approval of investments, up to 100% foreign equity or 100% for NRI and Overseas Corporate Bodies (OCBs) investment, is available for foreign technology agreements within specified rules. allowed for the majority of the food processing industry, with the exception of alcoholic beverages, malted goods, and items designated for small-scale industries (SSI). Within the small-scale sector, foreign equity is allowed up to twenty-four percent. The Director General of Foreign Trade may also grant imports temporary authorization for test marketing. The fact that some multinational corporations, like PepsiCo, are operating profitably in India is unmistakably evidence of the country's evolving more permissive FDI policy climate. The government of India has done away with licenses for nearly all food and agricultural processing. sectors, with the exception of some goods like alcohol, cane sugar, hydrogenated animal fats and oils, etc., and goods that are only manufactured in the SSI sector. 2001 saw the removal of quantitative limits, and the Union Budget 2004–05 went much farther. determined that 85 items would be removed from the reserved list. As a result of increased product opportunities and market expansion, the FMCG industry has experienced a boom. The governments of several states, including Jammu & Kashmir, Uttaranchal, and Himachal Pradesh, have offered a range of financial incentives to entice businesses to locate industrial plants in their areas. Jammu & Kashmir provides incentives include land allocation at discounted rates, 100% project report subsidy, and 30% capital investment subsidy on fixed capital investment up to $63,000.

The Himachal Pradesh government offers sales tax and power concessions, capital subsidies and other incentives for setting up a plant in its tax free zones.

1.12 SEGMENTS OF INDIAN FMCG SECTOR:

• Food and beverages.

• Personal care and household care.

• Cigarettes.

❖ **Food and beverages**:

concessions, capital subsidies and other incentives for setting up a plant in its tax free zones Health drinks, soft drinks, cereals, bakery goods (cakes, biscuits, bread), snack foods, chocolates, ice cream, tea, coffee, soft drinks, and processed fruits are all included in this industry. dairy products, vegetables, bottled water, and branded flour branded juice, rice, sugar, etc. The food market in India is diverse. Not only is it intricate, but its complexity has multiple facets. Among other things, the dimension covers the variety of cuisines, eating customs, and culinary methods. It is inherently challenging to address the market with standardized items. One of the biggest industries in India is the food processing sector. In terms of exports, consumption, production, and projected growth, it is rated fifth. In India, the food processing business is often regarded as a "sunrise industry" with enormous potential for boosting the agricultural economy and creating plenty of largescale processed food manufacturing and food chain infrastructures, and the subsequent creation of jobs and profits from exports. India has the ability to rise from its current position as the second-largest food producer in the world to the top spot. The prepared food Industry is the fifth largest sector in the nation, accounting for 6.3% of GDP.

❖ **Personal care and house hold care:**

An estimated Rs 170 billion is invested in the personal care sector in India. Oral care (toothpaste, toothpowder, toothbrush), hair care (shampoo, oil, colorants), skin care (cold cream fairness cream), personal wash (soaps), cosmetics and toiletries, deodorants, feminine hygiene, and paper goods are further subdivided under this industry. In the Rs 480 billion FMCG market, toilet soap holds the greatest single share, or around 128 billion. 45 billion is the projected size of Indian soap. The premium, medium-priced, and low-end soap categories are further divisions of the market. Additionally, soaps can be divided into categories such as common, ladies', and men's soaps. The market is anticipated to expand between less than 4 and These are fairly low rates, about 4.5%. These are extremely low rates in light of the fact that while the lifestyles of non-urbanites are changing, the rural population as a whole is changing at a very rapid rate. The market, currently valued at Rs 130 billion, is expected to grow to over 160 billion by 2009–2010. With (lux, lifebuoy, Breez, Rexona), HII leads the industry and holds the largest market share. Godrej soaps (Cinthol, Fair Glow, Shikakai, Nikhar) and Reckitt & Colman (Dettol) are the other two major players in this market. The remaining market is extremely fragmented, with businesses dominating only certain regions or market niches. At the luxury end, brand loyalty is predicted to be very low. Additionally, the crucial element for advertising and distribution (in rural markets) & marketing (in the city market). Oral care: The market for oral care is estimated to be worth Rs. 6 billion. The dental care industry can be divided into three segments: toothbrushes (23%), toothpaste (60%), and tooth powder. (17%). About 35% of toothpaste sales occur on cosmetic propositions, whereas 60% of toothpaste sales occur on the family platform. Conversely, toothpowder makes up 52% of the market, of which 40% is made up of red toothpowder and 8% is made up of black toothpowder. In metropolitan areas, toothpaste and powder are three times more likely to be used than in rural ones. Traditional cleaning supplies like tobacco and neem are widely used in rural areas, where penetration and per capita consumption are low, the 8–10% market increase is mostly driving toothpaste demand. The rural segment is also driving the expansion of powder. In the dental market, Colgate-Palmolive is the leader. paste market, with HLL serving as the primary rival 57 Products like fabric wash (laundry soaps and synthetic detergents), house hold cleaners (dish and utensil cleaners, air fresheners, insecticides and mosquito repellents, metal polish, and furniture polish) are included in the category of house hold care. Lighter In India, chewing tobacco has long been a custom. Roughly 48% of the tobacco produced in the nation is used for chewing, 38% is used for bidis, and only 14% is used for cigarettes. Therefore, chewing, snuff, and bidis The majority (86%) of India's tobacco production is made up of tobacco products like gutka, khaini, and zarda. Ninety percent of all products related to tobacco are produced in the rest of the world. India's per capita cigarette usage is under a tenth of the global average. This distinct pattern of tobacco use is a result of both custom and—more significantly—the tax on cigarettes that has been in place for the past 20 years. Smokers who use cigarettes pay over 85% of the total tax revenues. produced with tobacco. India is the world's second-largest tobacco producer, right after China. In FY03, it produced 572 million kg of tobacco. But just 0.7% of the US$ 30 billion worldwide tobacco trade, which includes cigarettes, is controlled by

India. making over 85 percent of all tobacco exports from the nation. India ranks tenth globally in terms of tobacco and tobacco product exports, while being the world's second-largest producer. Merely thirty percent of the tobacco cultivated in India is cured with flue smoke, making it fit for use in making cigarettes. For the production of bidis, chewing tobacco, and other inexpensive tobacco products that are unpopular abroad, the majority of tobacco yield is acceptable. Three significant tobacco companies rule the Indian market.

1.13 MOST TRUSTED BRANDS (FMCG) IN THE YEAR 2023-24

Table 1.1 most trusted brand Fmcg company

List of FMCG companies	Market cap	Close price
Hindustan Unilever Ltd	5,97,736.02	2,573.20
ITC Ltd	5,82,236.66	467.6
Nestle India Ltd	2,45,821	2,547.55
Britannia Industries Ltd	1,24,073.67	5,177.35
Godrej Consumer Products Ltd	1,18,186.89	1,134.00
Dabur India Ltd	97,408.87	554.15
Marico Ltd	68,875.52	529.95
Colgate – Palmolive (India) Ltd	66,673.20	2,486.90
EIMAMI	19,615.23	450.00
BAJAJ CONSUMER GOODS	3,248	220.65

The FMCG sector in Indian situation has a very indistinct meaning. It usually earning clubbing mainly customer merchandise items under one category.it is India's second major industry on the source of sales Tax waged and number of people working.it may be confidential as provision, comfort as well as luxuries and are unutilized by a great section of the population.

1.14 ANALYSIS OF FMCG SECTOR: PEST ANALYSIS

(1) POCITICAL:

(A) Policies and Regulations:

FMCG businesses must abide by a number of laws pertaining to product safety, labelling, advertising, and price. Government policy changes, such as trade agreements or tax reforms, can have an effect on market access, distribution routes, and production prices.

(B) Political Stability:

132 Supply chains, distribution networks, and consumer demand can all be affected by political instability or disturbance in important markets. FMCG companies keep a close eye on geopolitical concerns in order to minimize any possible interruptions.

(2) ECONOMICAL:

(A)Consumer Spending:

Consumer spending patterns on FMCG products are influenced by economic growth, inflation, unemployment rates, and levels of disposable income. Consumers may prefer necessities above discretionary items during economic downturns, which could affect sales of FMCG products that are not necessities.

(B)Currency Fluctuations:

Currency changes can have an impact on production costs, pricing strategies, and profitability for FMCG companies that operate globally. Hedging techniques may be necessary to control financial risks in light of exchange rate fluctuation.

(3) SOCIAL:

(A)Demographic Trends:

The demand for fast-moving consumer goods (FMCG) is shaped by evolving household arrangements, urbanization, aging populations, and population increase. Companies that want to serve a variety of demographic groups need to modify their product lines and marketing approaches.

(B) Trends in Health and Wellbeing:

The market is driven by consumer demand for FMCG items that are healthier, organic, and environmentally friendly due to rising health consciousness and sustainability concerns. In response, businesses are repurposing current goods, launching fresh lines, and placing a greater emphasis on CSR programs.

(5) TECHNOLOGY:

(A)Trends in Health & Wellbeing:

Growing consumer concerns about sustainability and health consciousness have fuelled the market for FMCG products that are healthier, organic, and ecologically friendly. As a result, companies are introducing new lines, reusing their existing products, and putting more of an emphasis on CSR initiatives.

(B) Innovation:

FMCG companies can remain competitive and adapt to changing consumer tastes by implementing rapid innovation in product composition, package designs, and manufacturing methods. Research & development expenditures are essential for launching unique goods and preserving market leadership.

A dynamic environment influenced by a range of political, economic, social, and technological elements shapes the FMCG sector's operations. FMCG companies need to keep a close eye on these variables, modify their plans as necessary, and take advantage of growth prospects while lowering risks.

1.15 HISTORY OF FMCG COMPANY IN INDIA:

(1) Prior to Independence

Prior to India's independence in 1947, global corporations like Nestlé, Colgate-Palmolive, and Lever Brothers (now Unilever) controlled the FMCG industry. To serve the Indian market, these businesses mostly concentrated on producing and distributing goods such packaged snacks, toothpaste, detergents, and soaps.

(2) Period Following Independence (1950s–1970s)

Import substitution industrialization (ISI) tactics were introduced as a result of the Indian government's adoption of policies that promoted protectionism and self-reliance. During this time, local FMCG companies like Dabur, Godrej, and Britannia Industries started to provide native substitutes for imported items.

Lever Brothers and the Indian corporation Hindustan Vanaspati Manufacturing corporation merged to form Hindustan Unilever Limited (HUL), originally known as Hindustan Lever Limited, in the 1950s. HUL grew to become one of India's biggest FMCG corporations, manufacturing a vast array of consumer goods.

(3) Market reforms and liberalization in the 1990s:

India started implementing globalization and economic liberalization measures in 1991, removing trade restrictions and promoting international investment. Global FMCG behemoths like Procter & Gamble, Coca-Cola, and PepsiCo entered the Indian market during this time in an attempt to take advantage of the expanding consumer base there.

Increased rivalry among FMCG companies during the liberalization era forced local players to improve product quality, develop creative packaging, and widen their distribution networks in order to hold onto market share.

(4) Fast Development and Growth (2000s–Present):

India's FMCG industry had strong development in the 2000s as a result of shifting consumer tastes for branded goods, urbanization, rising disposable incomes, and altered lifestyles. In response, FMCG businesses launched a wide selection of products catered to regional tastes and made investments in infrastructure for marketing and delivery.

Businesses like as ITC, Marico, and Patanjali Ayurveda have become important participants in the Indian FMCG market by capitalizing on their advantages in the cigarette, hair care, and Ayurveda product sectors, respectively.

The FMCG industry saw yet another upheaval with the emergence of e-commerce platforms, which allowed businesses to access a wider audience and provide convenience through online buying channels.

(5) Emphasis on Bottom of the Pyramid (Bop) Segment and Rural Markets

In order to meet the needs of customers in rural and semi-urban areas, FMCG businesses boosted their investment in rural distribution networks, localized their products, and created affordable packaging sizes after realizing the enormous potential in rural India.

A number of businesses adopted tactics aimed at the Bottom of the Pyramid (Bop) market sector, providing low-cost goods and sachets to enable low-income consumers to purchase branded FMCG products.

The development of technology, shifting consumer tastes, market liberalization, and strategic innovations to seize opportunities in a fast-expanding economy are all reflected in the history of FMCG companies in India.

1.16 FMCG INDUSTRIES INITIATIVES IN RURAL MARKETING

To take advantage of the enormous potential of rural markets, Fast-Moving Consumer Goods (FMCG) corporations frequently undertake a variety of rural marketing efforts. The following are some typical campaigns that FMCG businesses run in rural marketing:

(1) Distribution Network Expansion:

To reach isolated rural areas, FMCG firms concentrate on growing their distribution networks. This include establishing new routes of distribution, forming alliances with nearby merchants, and utilizing technology to manage the supply chain effectively.

(2) Product Customization:

It's critical to modify items to meet the requirements and tastes of rural customers. FMCG firms frequently tailor their product offerings to meet the unique needs of the rural market by adjusting container sizes, prices, and product formulations.

(3) Affordability techniques:

FMCG companies use reasonable pricing techniques and reduced pack sizes to make their products more accessible to rural consumers, who have less purchasing power. This involves providing single-use packs and sachets at reduced cost points.

(4) Promotional Campaigns:

To raise awareness of their products, FMCG businesses conduct focused promotional campaigns in rural areas. Roadshows, village fairs, and other grassroots marketing initiatives are frequently used in these campaigns to interact directly with rural consumers.

(5) Rural Brand Ambassadors:

Employing local influencers or brand ambassadors from rural areas can help build credibility and trust with rural customers. These individuals are known as rural brand ambassadors. Through community outreach initiatives and word-of-mouth marketing, these ambassadors can aid in the promotion of goods.

(6) Programs for Education and Awareness:

FMCG businesses fund educational initiatives to inform rural consumers about the uses and advantages of their products. This includes planning health camps, campaigns to raise awareness of hygiene, and product usefulness demos.

(7) Infrastructure Development:

To guarantee efficient distribution and product availability, FMCG companies must invest in the improvement of infrastructure, including roads, transportation, and storage facilities in rural areas. To assist with their rural marketing initiatives, several businesses make infrastructure upgrades or construction investments.

(8) Digital Outreach:

It's become more and more crucial to reach rural consumers by utilizing digital platforms and mobile technology. FMCG companies reach out to rural consumers with product information, encourage online purchases when possible, and use social media platforms, SMS advertising, and mobile apps.

(9) Credit Facilities:

Credit facilities or choices for instillment payments can make FMCG products more affordable for rural consumers, particularly for more expensive items like durable goods or appliances. Such agreements can be facilitated by collaborating with regional cooperatives or microfinance organizations.

(10) Localization:

Effective rural marketing requires an understanding of the customs, language, and culture of the area. FMCG firms frequently use vernacular languages in their advertising, incorporate regional celebrations and events into their promotional campaigns, and consider cultural sensitivity when positioning their products in order to localize their marketing efforts.

Through the implementation of these projects, FMCG firms hope to increase sales, foster enduring relationships with rural consumers, and capitalize on the enormous potential of rural markets.

1.17 FMCG COMPANY PORFIL:

(1) HINDUSTAN UNILEVER LIMITED

(source: https://www.google.com)

HINDUSTAN UNILEVER LIMITED'S (HUL) PAST:

HUL, or Hindustan Unilever Limited, is a prominent consumer goods company in India. Lever Brothers India Limited was its original name when company was founded in 1933. In 1956, it changed to Hindustan Lever Limited. The Lever Brothers soap factory was established in India in 1888, which is where the company got its start. With time, HUL has expanded into a conglomerate offering a wide range of goods, including foods, beverages, home care, and personal care.

HEAD OFFICE:

Mumbai, Maharashtra, India is home to the headquarters of Hindustan Unilever Limited. Unilever House, B.D. Sawant Marg, Chakala, Andheri East, Mumbai - 400099, Maharashtra, India is the address of the corporate office.

BENEFITS FOR EMPLOYEES:

Benefits related to healthcare: Full medical insurance coverage for staff members and their dependents.

Wellness Programs: Efforts to improve the well-being of employees, including as physical exercise regimens, stress reduction techniques, and mental health assistance.

Retirement Benefits: For retirement planning, consider Provident Fund (PF), Employee Pension Scheme (EPS), and Gratuity benefits.

Flexible Work Arrangements: Telecommuting, remote work, and flexible work hours are all available.

Training and Development: Possibilities for professional growth, training courses, and skill development.

Employee assistance programs (EAP): support for obstacles in both the personal and professional spheres, financial planning advice, and counselling services.
Work-Life Balance: Work-life balance promoting policies, such as sabbaticals, childcare assistance, and parental leave.

(sources: https://www.google.com/)

COUNT OF WORKERS:

Thousands of people are employed by Hindustan Unilever Limited across its businesses in India, according to the most recent data available. The precise number of workers may fluctuate over time as a result of organizational reorganization, corporate expansions, and operational changes.

WORTH NET:

Hindustan Unilever Limited's net worth varies according to a number of variables, including the state of the market, the company's performance, its investments, and its liabilities. According to the most recent financial records that are readily available, HUL is a financially sound business with sizable assets and market capitalization.

SUMMARY

of Hindustan Unilever Limited's history, headquarters, employee perks, workforce size, and net value is given in this synopsis. Official company documents, financial reports, and news sources are recommended for comprehensive information, in-depth analysis, and up-to-date updates.

(2) ITC LTD:

(sources: https://www.google.com/)

AN OVERVIEW OF ITC LTD.

With its headquarters located in Kolkata, India, ITC Limited was formerly known as the Imperial Tobacco Company of India Limited. It is a diverse corporation. The company was founded in 1910 and has a long history that spans more than a century. It began in the tobacco sector and has grown to become one of India's biggest FMCG (fast-moving consumer goods) corporations.

ITC LTD.'S PAST:

ITC Ltd.'s origins can be found in the British-based Imperial Tobacco Company, which opened a branch in India in the early 1900s. The business increased its market share in India over time by branching out into industries other than tobacco. Its name was changed to ITC Limited in 1970 to better represent its wide range of commercial ventures.

HEAD OFFICE:

ITC Ltd.'s corporate office is situated in Kolkata, West Bengal, India. Strategically located in the middle of the city, the headquarters acts as the hub for all business activities, strategic planning, and decision-making.

OVERVIEW OF THE COMPANY:

ITC Ltd. is involved in several business segments, such as:

FMCG (fast-moving consumer goods): Well-known brands in areas like food, stationery, personal care, education, and more are part of ITC's FMCG portfolio. People in India are familiar with and trust brands like Ashirwad, SunFest, Classmate, and Fiama.

AGRIBUSINESSs: ITC is heavily involved in the agricultural industry, sourcing, processing, and exporting agricultural products, among other things. The business has invested heavily in creating a value chain for agriculture that is sustainable.

HOTELS:

Known by its brand name ITC Hotels, ITC's hotel segment provides opulent lodging, fine dining, and hospitality services all over India. The business is well known for both its opulent mansions and its environmentally conscious projects.

PAPERBOARDS AND PACKAGING:

ITC is a major participant in the paperboard and packaging sector, producing a broad range of goods for a variety of uses, such as writing, printing, and packaging.

AGRI-EXPORTS:

By utilizing its vast network and knowledge of agricultural sourcing and processing, ITC's Agri-exports section exports agricultural commodities to markets across the globe.

BENEFITS FOR EMPLOYEES:

ITC Ltd is dedicated to offering its staff members a positive work atmosphere, chances for advancement, and a variety of benefits, such as:

Competitive Salary: In order to draw and keep top personnel, ITC provides competitive pay as well as performance-based incentives.

Health and Wellness Programs: The organization places a high priority on the health and happiness of its workers, including access to fitness centres, health insurance, and a range of wellness activities.

Training and Development: ITC makes investments in the professional growth of its staff members by providing them with workshops, leadership development programs, and training courses to improve their knowledge and talents.

Employee Assistance Programs: ITC offers tools for work-life balance as well as counselling services to help its employees manage both personal and professional issues.

Work-Life Balance: By providing flexible work schedules, paid time off, and family-friendly policies, the company encourages a positive work-life balance.

(sources: https://www.google.com)

COUNT OF WORKERS:

Thousands of people are employed by ITC Ltd across its many business divisions and operations, according to the most recent data available. The precise number of workers may change over time as a result of things like market conditions, company expansion, and reorganization.

WORTH NET:

ITC Ltd. has a substantial market capitalization and net value, making it one of the most valuable corporations in India. Although the precise net worth is subject to fluctuations due to many factors such as market dynamics and financial performance, the company's overall value and financial health are largely attributed to its varied business portfolio and strong market position

TO SUM UP,

ITC Ltd is a significant participant in the Indian corporate scene, and its headquarters is the hub of both its operations and strategic orientation. ITC is still a major force behind innovation and economic progress in India and around the world thanks to its extensive market presence, varied business portfolio, emphasis on employee well-being, and rich historical background.

(3) **NESTLE INDIA LTD**

(sources: https://www.google.com/)

Based in Vevey, Switzerland, Nestlé is a global food and beverage corporation. Henri Nestlé, a German pharmacist who created a baby formula made of milk, launched it in 1866. Nestlé has expanded over the years to become one of the biggest and most powerful corporations in the world, offering a vast array of goods from chocolate and coffee to baby food and bottled water.

THE HEADQUARTERS of Nestlé are situated in Vevey, a charming town situated on the shores of Lake Geneva in Switzerland. The town has a rich history. The location was selected by the corporation because of its central location in Europe and ease of access to other important cities such as Geneva and Zurich. Nestlé's contemporary headquarters building is a testament to the company's dedication to sustainability and innovation.

Nestlé has a rich and extensive past spanning over 150 years. The company has grown quickly from its modest beginnings as a tiny manufacturer of infant food by combining organic growth with well-timed acquisitions. Today, Nestlé employs over 290,000 people worldwide and conducts business in more than 180 countries.

(sources: https://www.google.com/)

EMPLOYEE BENEFITS:

Nestlé is renowned for providing competitive benefits, such as health insurance, retirement programs, and tuition reimbursement, to its staff members. The organization also offers training programs and mentorship activities as means of fostering professional growth and progress. Nestlé also encourages a healthy work-life balance by providing telecommuting and flexible scheduling alternatives.

The ability to access Nestlé's wide range of brands and goods is one of the main advantages of working with the company. Discounts on Nestlé products and chances to take part in product testing and sampling are frequently given to employees. This helps to increase brand awareness and customer loyalty in addition to cultivating a sense of pride and commitment among staff.

NUMBER OF EMPLOYEES:

According to the most recent data available, Nestlé employed more than 290,000 people globally. These workers perform a wide range of jobs and duties, such as corporate administration, marketing, sales, production, and research and development. Nestlé aspires to establish a welcoming and inclusive work environment for each and every employee, and it is dedicated to diversity and inclusion in its workforce.

Nestlé boasts a net value of over $300 billion, making it one of the biggest and most lucrative firms in the world. Its robust portfolio of brands, extensive worldwide distribution system, and emphasis on innovation and quality are all factors in the company's success. Nestlé has persevered in growing and expanding its business operations, creating value for its customers, despite obstacles from shifting consumer preferences and economic situations.

IN CONCLUSION,

The brains of a worldwide empire spanning countries and industries are found in Nestlé's headquarters in Vevey, Switzerland. Nestlé is well-positioned to maintain its leadership position in the food and beverage sector for some time to come because to its extensive workforce, competitive perks for employees, historic history, and large net worth.

(4) BRITANNIA INDUSTRIES LTD

(sources: https://www.google.com)

INFORMATION ABOUT BRITANNIA INDUSTRIES HEADQUARTERS' HISTORY

One of the top food firms in India, Britannia Industries Limited specializes in bakery goods such as cakes, biscuits, bread, and dairy items. The company was founded in 1892 and has a lengthy history that spans more than a century.

EARLY YEARS:

C.H. Holmes, a British businessman, launched Britannia in Kolkata, India. The company was originally established as a biscuit production facility and quickly became well-known for its superior goods. As it developed, Britannia's product line and distribution system grew, making it a well-known brand in India.

EXPANSION & EXPANSION:

Under the Gupta brothers' direction, Britannia saw tremendous expansion in the early 20th century. The brothers bought the company in 1921. They added new items and updated its processes, which helped it succeed in the Indian market.

POST-INDEPENDENCE ERA:

Britannia prospered under Indian ownership after India gained its independence in 1947. The corporation introduced a number of brands that target distinct consumer categories in an effort to diversify its product offering. Britannia was able to hold onto its position as the industry leader thanks to its dedication to quality and innovation.

RECENT DEVELOPMENTS:

Britannia has prioritized growth and diversification in the last few decades. In response to shifting consumer demands, it has expanded into new product categories, such as dairy, snacks, and beverages. Additionally, the business has increased its global footprint by exporting its goods to more than 60 nations.

HEADQUARTER:

Bangalore, Karnataka, India is home to Britannia Industries Limited's headquarters. The company's dedication to innovation and sustainability is reflected in its sleek and functional headquarters. The headquarters, which are in a prime location, act as the centre of Britannia's administrative, scientific, and developmental endeavours.

BENEFITS FOR EMPLOYEES:

Britannia Industries cherishes its workers and provides a full range of benefits to guarantee their happiness and well-being. Among the benefits the corporation offers its employees are:

Competitive Salary: In order to draw and keep the best employees in the business, Britannia pays competitive salaries.

Health Insurance: To address their healthcare demands, employees are given access to medical, dental, and vision services through their health insurance coverage.
Retirement Plans: Britannia provides pension plans and provident funds to help employees plan for their future financial security.

Training and Development: To improve employees' abilities and knowledge and create possibilities for professional growth and promotion, the corporation funds training and development initiatives.

Work-Life Balance: Britannia provides paid time off, flexible work schedules, and other benefits to encourage a healthy work-life balance.

(sources: https://www.google.com/)

NUMBER OF EMPLOYEES:

Britannia Industries employs over 10,000 individuals across its businesses in India and overseas, according to the most recent data available. The company's success and expansion are attributed to the diversified workforce, which consists of people with a range of backgrounds and specialties.

NET WORTH:

As a result of its solid commercial performance and dominant market position, Britannia Industries has seen considerable financial success throughout the years. According to the most recent financial records, the company is among the most valuable food companies in India, with a net value exceeding several billion dollars.

TO SUM UP,

Britannia Industries Limited has a rich history of invention, expansion, and achievement. From its modest origins in Kolkata to its current status as one of the world's leading food companies, the company has upheld quality and excellence as its heritage. Thanks to its committed employees, state-of-the-art headquarters, and dedication to worker welfare, Britannia is well-positioned to continue leading the food sector for many years to come.

(5) GODREJ CONSUMER PRODUCTS LTD

(sources: https://www.google.com/)

AN INNOVATIVE AND SUCCESSFUL HISTORY:

Godrej Consumer Products Ltd (GCPL), one of India's top FMCG (fast-moving consumer goods) companies, was established in 2001 and has a long and illustrious history dating back more than a century. GCPL, which was founded as a division of the prestigious Godrej Group, has grown into one of the world's leading companies in the consumer products industry. This essay explores Godrej Consumer Products Ltd.'s financial elements, headquarters, staff benefits, and fascinating history.

EVOLUTION AND HISTORY:

The Godrej Group's origins may be located in 1897, when Ardeshir Godrej established the business with the intention of producing premium locks. The business expanded its product line over time to include a variety of consumer goods like haircare, soaps, household insecticides, and personal hygiene items.

With a sole focus on consumer goods, Godrej Consumer Products Ltd was founded in 2001 as a distinct organization under the Godrej Group. The company started on a path of growth and innovation under the visionary leadership of Adi Godrej, and it quickly became well-known both in India and abroad.

IMPORTANT DETAILS

Headquarter: Mumbai, Maharashtra, India is home to GCPL's headquarters. Located in the core of Mumbai, the financial hub, the company's headquarters functions as the hub for strategy development, operations, and decision-making.

BENEFITS FOR EMPLOYEES:

Godrej Consumer Products Ltd. gives its workers' happiness and well-being a high priority. The organization provides a wide range of perks, such as competitive pay, health insurance, retirement plans, flexible work schedules, programs for employee involvement, and training and development. These perks are intended to draw in top talent, encourage creativity within the workforce, and guarantee employee motivation and retention.

(sources: https://www.indianretailer.com)

NUMBER OF EMPLOYEES:

Godrej Consumer Products Ltd. employed over 25,000 individuals worldwide as per the most recent data available.

NET WORTH AND FINANCIAL PERFORMANCE:

Thanks to its wide range of products, wise investments, and market expansion plans, Godrej Consumer Products Ltd. has continuously produced impressive financial results. The company's strong base and steady growth trajectory are reflected in its net worth. Godrej Consumer Products Ltd. is one of the most valuable FMCG companies in India, with a net worth surpassing USD 4 billion as per the most recent financial reports. The company's remarkable net worth highlights its long-term sustainability, profitability, and financial stability in the fiercely competitive consumer products sector.

TO SUM UP,

Godrej Consumer Products Ltd is a prime example of quality, inventiveness, and tenacity in the FMCG industry. From its modest origins more than a century ago to its current position as a major player on the international scene, the company has upheld honesty, quality, and customer satisfaction. GCPL is well-positioned to influence the direction of the consumer products sector for many years to come because of its unwavering dedication to its stakeholders, consumers, and workers.

(6) DABUR INDIA LTD

(sources: https://www.google.com)

A HISTORY OF CUSTOM, DEVELOPMENT, AND WORKERS' EMPOWERMENT

Dr. S.K. Burman founded Dabur India Ltd. in 1884, and it has since developed into one of the country's top consumer goods corporations. With its headquarters located in Ghaziabad, Uttar Pradesh, Dabur is a company with a rich history that dates back more than a century and is firmly based on Ayurvedic medicine.

THE PAST AND PRESENT DEVELOPMENT

Dr. S.K. Burman started producing Ayurvedic medications in a small pharmacy in Calcutta, which is where Dabur's history began. The company leveraged the traditional knowledge of Ayurveda along with contemporary research and technology to develop its product line throughout time to encompass a wide range of food, personal care, and healthcare goods. Dabur's main offering, the health supplement Dabur Chyawanprash, which is made from an old Ayurvedic formula, was introduced in 1896. This launched Dabur's success story, as it became India's go-to brand for natural healthcare.

The company's success was driven by its dedication to quality, innovation, and customer international expansion into markets spanning over 100 nations. Dabur's wide range of products includes renowned brands such as Dabur Amla, Vatical, Real, and Fem, catering to various consumer needs.

HEADQUARTER:

The headquarters of Dabur India Ltd. are located in Ghaziabad, Uttar Pradesh, India. The company's corporate office is the hub of its operations, supervising coordination, strategic planning, and decision-making among its several business verticals.

The headquarters, housed in a cutting-edge building, represent Dabur's dedication to quality and innovation in every facet of its company operations. The company's entire performance is attributed to the different departments housed inside it, such as marketing, finance, research and development, human resources, and corporate affairs.

(sources: https://www.google.com)

BENEFITS FOR WORKERS:

Dabur values its workers as priceless assets, and the company places a high priority on their personal and professional development. Dabur provides a wide range of advantages to its workers in order to guarantee their wellbeing, motivation, and general contentment. Key benefits offered to Dabur employees include:

Programs for Employee Health and Well-Being: Dabur supports worker health and well-being by offering wellness seminars, fitness classes, and health examinations, among other things.

Training and Development: To improve workers' talents, competencies, and knowledge while creating chances for career progression, the organization funds training and development initiatives.

Performance-Based Incentives: Dabur promotes excellence and productivity at all organizational levels by identifying and rewarding employee performance through aggressive incentive programs.

Work-Life Initiatives: Dabur recognizes the value of a healthy work-life balance and provides its employees with paid time off, flexible work schedules, and other perks to help them strike a balance between their personal and professional lives. **Retirement Benefits**: To guarantee its employees' financial stability after retirement, Dabur offers retirement benefits such pension plans, gratuities, and provident funds.

THE QUANTITY OF WORKERS:

According to the most recent information available, Dabur India Ltd. has thousands of workers spread throughout its many global divisions and locations. Skilled experts from various backgrounds make up the company's personnel, and they are all committed to advancing Dabur's expansion and prosperity.

SALARY:

Dabur India Ltd.'s financial performance has been consistently good, which can be attributed to its strategic objectives, strong business strategy, and market leadership. Dabur's credibility as a reliable and worthwhile investment in the consumer products industry is reinforced by its financial stability and growth trajectory, even though the precise net worth may change depending on the state of the market and financial reporting periods.

To sum up, Dabur India Ltd. is proof of the strength of custom, creativity, and worker empowerment. From its modest beginnings as a tiny pharmacy to its current position as a major player in the consumer goods industry, Dabur has improved millions of people's lives while upholding its dedication to quality, integrity, and sustainable growth.

(7) MARICO LTD:

(sources: https://www.google.com)

FIRST OF ALL,

One of the top consumer products firms in India, Marico Limited focuses mostly on the beauty and wellness industries. Since its founding in 1990, Marico has developed into a well-known brand with a wide range of goods, including skincare, edible oils, hair care, and more. The company has established itself as a market leader not just in India but also in a number of foreign countries thanks to its dedication to innovation, quality, and sustainability.

HISTORY

In 1990, Marico Limited was founded by Harsh Mariwala, the company's chairman and founder, from his family-owned company, Bombay Oil Industries. Over time, Marico's product portfolio was diversified through both organic expansion and strategic acquisitions, with an initial focus on edible oils. The introduction of Parachute coconut hair oil, which swiftly rose to prominence as one of India's most reputable and well-known hair care brands, marked a turning point in Marico's history. In the years that followed, Marico added brands including Saffola, Livon, and Nihar to further broaden its selection of products. The company's growth was not restricted to India; it also entered other markets, making a big impact in nations in Asia, the Middle East, and Africa. Marico's unwavering emphasis on innovation and customer-focused

BENEFITS FOR EMPLOYEES:

Providing a positive work environment and looking out for the welfare of its staff are very important to Marico. The business provides a wide range of benefits to its employees, including

Health Insurance:

Marico guarantees access to high-quality healthcare services by offering health insurance coverage to its employees and their family.

Retirement Benefits:

To assist employees in making post-retirement plans, the organization provides retirement plans and pension schemes.

Employee Assistance Programs:

Marico offers a range of support services to its staff members, such as financial planning, career development programs, and counselling.

Flexible Work Arrangements:

Marico encourages flexible work arrangements, such as remote work choices and flexible scheduling, because he understands the value of work-life balance.

Training and Development:

Marico makes investments in its staff members' professional growth by providing them with workshops, leadership development programs, and training courses.

Employee Engagement Activities:

To promote a feeling of community and camaraderie among its employees, the organization hosts a number of team-building exercises, recreational activities, and employee engagement events.

NUMBER OF EMPLOYEES:

According to the most recent information available, Marico employs [insert number] people worldwide. Talented workers with a range of backgrounds and specialties make up the company's staff, which contributes to its success in a number of areas and roles.

(sources: https://www.google.com)

FINANCIAL STATUS:

The solid business model, strong brand equity, and wise investments of Marico are all evident in its financial performance. The company recorded a net worth of [enter net worth] as of [insert latest financial year] and has maintained consistent revenue growth and profitability. Marico is well-positioned for long-term success in the fast-paced consumer goods sector thanks to its strategic focus on innovation and market expansion as well as its careful financial management.

TO SUM UP,

Marco Limited's rise from a small start to become a well-known consumer goods giant is evidence of its visionary leadership, steadfast dedication to quality, and ceaseless pursuit of excellence. Marico has a solid financial basis, a committed staff, and a wide portfolio of reliable brands that will allow it to maintain its current development trajectory and generate value for its stakeholders going forward.

(8) **COLGATE LTD:**

(sources: https://www.google.com)

A LOOK BACK AT COLGATE:

The multinational consumer goods corporation Colgate-Palmolive corporation, also referred to as Colgate, has its headquarters located in New York City, in the United States. Its lengthy history dates back to the first half of the 1800s.

YEARS OF FOUNDATION:

William Colgate established the company in 1806 as a little soap and candle enterprise in New York City. Colgate began as a little business that made candles, soap, and starch. But its high-quality items quickly made it popular.

GROWTH AND EXPANSION:

Colgate released their first toothpaste in jars in 1873. This was the company's first foray into dental care goods, a development that would have a lasting impact. The toothpaste's efficiency in maintaining dental cleanliness led to its broad reputation.

In the late 19th and early 20th century, Colgate broadened its range of products and established new markets. In the late 1890s, toothpaste in tubes was first produced, revolutionizing oral care practices and increasing toothpaste accessibility for people.

INNOVATION AND PRODUCT DEVELOPMENT:

Colgate has consistently innovated and produced new goods throughout the years. It introduced the first toothpaste containing fluoride in 1928, which was a big step forward for dental health. Global oral health has improved and tooth decay has been prevented because to this invention.

The company's success has been largely attributed to its dedication to research and development. Colgate makes significant investments in scientific research to create products that satisfy changing consumer demands and uphold the highest levels of quality.

GLOBAL PRESENCE:

Colgate has a significant global presence thanks to its dedication to innovation and quality. Currently, the business serves billions of customers globally and is active in more than 200 nations and territories.

Its goods are offered in a number of categories, such as pet nutrition, home care, oral care, and personal care. Colgate, Palmolive, Speed Stick, Ajax, and Hill's Pet Nutrition are a few of its well-known brands.

(sources: https://www.google.com/)

BENEFITS FOR COLGATE EMPLOYEES:

Colgate is well known for its dedication to creating a healthy work environment and its employee-centric strategy. The organization provides a wide range of perks to its staff members in an effort to support their personal and professional development.

PROGRAMS FOR EMPLOYEE HEALTH AND WELLNESS:

Colgate places a high priority on employee health and wellness and provides a variety of initiatives to enhance both their emotional and physical well-being. Medical insurance, dental coverage, vision care, and mental health assistance are some examples of these programs. Additionally, the organization encourages healthy living by offering access to nutritional advice, support in quitting smoking, and fitness programs. Furthermore, Colgate might provide its staff with on-site health tests and preventive care services.

WORK-LIFE BALANCE:

Colgate values a healthy work-life balance and makes an effort to provide its staff with a flexible and encouraging work environment. Employees may be eligible for flexible work arrangements, such as reduced workweeks, flexible hours, and remote work possibilities, depending on their function and location. In addition, the corporation provides ample paid time off policies encompassing personal leave, holidays, and vacation days. Colgate encourages staff members to take time off in order to unwind and spend time with their loved ones. Career Development and Training: Colgate is dedicated to assisting its staff members in realizing their full potential and provides a range of chances for growth and promotion within the company. The organization offers continuous training and development initiatives to assist staff in learning new skills and staying current with market developments. To promote their ongoing education and development, employees may have access to online courses, workshops, seminars, and tuition aid programs. Colgate also supports internal mobility and promotes from within wherever feasible, giving staff members the chance to take on new responsibilities and develop their careers inside the organization.

FINANCIAL ADVANTAGES:

Colgate provides its employees with a variety of financial advantages to enhance their financial well-being in addition to competitive compensation. These perks could include stock purchase programs, employee discounts on corporate merchandise, and retirement savings plans like 401(k) plans with employer matching payments. To assist staff members in successfully managing their funds and making future plans, the organization may also offer financial planning tools and counselling services.

VOLUNTEER OPPORTUNITIES AND COMMUNITY ENGAGEMENT:

Colgate is a company that firmly believes in corporate social responsibility. As such, it actively encourages its workers to volunteer in the communities in which they live and work. The business may plan events and programs for community service and provide paid time off for volunteer work. Colgate may offer its employees the chance to take part in social impact projects, environmental efforts, and charitable programs. Employees can positively impact the world and support the company's overarching goal of creating a brighter future for everybody by volunteering.

CONCLUSION:

Colgate's success as a worldwide consumer goods firm may be attributed to its rich history, innovation, and devotion to the welfare of its people. With its extensive efforts and programs for employee perks, Colgate continues to attract and retain top talent while fostering a culture of excellence, collaboration, and social responsibility.

(9) **EIMAMI:**

(sources: https://www.google.com)

EMAMI LIMITED: AN INNOVATIVE AND EXPANDING HERITAGE:

Leading Indian conglomerate Emami Limited offers a wide range of FMCG (fast-moving consumer goods) products as well as healthcare and personal care items. Two boyhood friends, R.S. Agarwal and R.S. Goenka, founded the business in 1974, and it has since expanded from modest beginnings to become one of India's most well-known companies. Emami has made a name for itself in various worldwide areas in addition to India by focusing on innovation, quality, and customer happiness.

FOUNDATION & EARLY YEARS:

The founders of Emami, R.S. Agarwal and R.S. Goenka, were both chartered accountants who had a similar idea of what it meant to be an entrepreneur in Kolkata, India. They made the decision to go out on their quest in 1974 and founded Emami Limited. The first two letters of the founders' surnames are where the name "Emami" originates.

The company began by producing Ayurvedic medicines in a small production plant. Inspired by the extensive history of traditional medical systems in India, Emami launched a line of herbal goods that were well-liked by customers very fast. Emami's early success served as a springboard for its growth into further consumer goods industry categories.

(sources: https://www.google.com/)

INCREASING SIZE AND ADDING VARIETY:

Emami took advantage of chances for growth and diversification as it acquired traction in the home market. Personal care and cosmetic goods were added to Emami's product line in the late 1980s and early 1990s. Emami launched a broad range of skincare, haircare, and hygiene products that appealed to customers looking for natural alternatives by utilizing its experience in herbal formulations.

Strategic alliances and acquisitions by the business accelerated its rate of expansion. Emami was able to increase its market presence and diversify its product line by working with foreign brands and acquiring domestic competitors. Emami has built a reputation for providing goods that satisfy the changing needs of its clients because to its dedication to quality and innovation.

MARKETING AND BRAND BUILDING:

Emami's success has been largely attributed to its emphasis on marketing and brand development. Emami has used daring advertising campaigns, celebrity endorsements, and creative promotional activities to highlight their marketing methods. Famous brands from the company including Zandu Balm, Nartana, Boro plus, and Fair and Handsome have come to represent efficacy, quality, and confidence. In addition to increasing brand awareness, Emami's marketing initiatives have aided in forging emotional bonds with customers. Emami has successfully conveyed the distinctive value propositions of its products through its advertising campaigns, establishing itself as a dependable partner in the everyday lives of millions of customers.

GLOBAL EXPANSION AND INTERNATIONAL PRESENCE:

Emami has undertaken an ambitious expansion strategy in order to seize opportunities in international markets, in addition to solidifying its leadership position in the Indian market. Today, the company's goods may be found in more than 60 nations throughout the Americas, Africa, the Middle East, and Asia. Strategic alliances, a strong distribution network, and regional marketing campaigns all contribute to Emami's global reach. Emami's ability to modify its products to suit the unique requirements and tastes of various consumer segments is responsible for its success in other markets. Emami has been able to forge a solid presence in areas marked by increasing urbanization and disposable incomes by utilizing its profound comprehension of regional customs and market dynamics.

SUSTAINABLE GROWTH AND CORPORATE SOCIAL RESPONSIBILITY:

Emami is dedicated to sustainable business practices and social development as a responsible corporate citizen. The company's CSR initiatives cover a wide range of topics, including healthcare, education, women's empowerment, and environmental conservation. Emami's philanthropic endeavours aim to make a positive impact on society while balancing its business objectives with the overarching goal of sustainable development. Emami invests in initiatives that tackle pressing social challenges in order to contribute to the prosperity and well-being of communities where it operates.

POSSIBILITIES AND DIFFICULTIES:

Even with its incredible success, Emami has not been immune to difficulties. These include escalating competition, shifting customer tastes, and unstable economic conditions. Nonetheless, the business has been able to weather difficult times and come out stronger thanks to its tenacity, adaptability, and dedication to innovation. In the near future, Emami is still well-positioned to take advantage of new prospects in the thriving consumer goods sector in India and elsewhere. Emami's focus on product innovation, digital transformation, and strategic alliances places it in a strong position to maintain its current growth trajectory and meet its stakeholders' needs going forward.

CONCLUSION

The growth of Emami Limited from a small-scale producer of Ayurvedic medicines to a multinational corporation is a credit to the vision, tenacity, and spirit of entrepreneurship of its founders and staff. Emami is a shining example of success in India's corporate scene because it stays true to its basic values of integrity, excellence, and customer-centricity while it forges ahead and broadens its horizons.

(10) **BAJAJ CONSUMER GOODS:**

(sources: https://www.google.com)

THE BAJAJ CONSUMER GOODS COMPANY:

A Tradition of Quality For many years, Bajaj Consumer Goods Company, a division of the Bajaj Group, has been a major force in the Indian consumer goods market. Bajaj Consumer Goods was founded on the principles of innovation, quality, and trust. Its lengthy history is filled with significant events and accomplishments. This article explores the history of

Bajaj Consumer Goods, including its creation, development, range of products, position in the market, and potential future growth.

BEGINNINGS AND FORMATIVE YEARS:

The founding of Bajaj Consumer Goods as Bajaj Sevashram in 1961 is credited to visionary entrepreneur Kamalnayan Bajaj. The company's first focus was on producing hair oils to meet Indian consumers' needs for grooming. Bajaj Almond Drops Hair Oil, the company's main product, became well-known very fast because of its high calibre and efficiency.

DEVELOPMENT AND BROADENING:

Bajaj Consumer Goods has added a wide variety of home and personal care products to their product line over time. Under the Bajaj brand, the business introduced shampoos, conditioners, and other grooming items, using its experience in hair care. It also entered the home hygiene market, introducing items including hand sanitizers, dishwashing solutions, and floor cleaners.

STRATEGIC PURCHASING:

Bajaj Consumer Goods explored strategic acquisitions in order to improve its market position and broaden its product offerings. The skincare brand NOMARKS, which was well-known for its herbal formulas, was purchased by the firm in 2008. With this acquisition, Bajaj was able to enter the skincare market and increase the range of products it offers.

DEDICATION TO INNOVATION AND QUALITY:

Bajaj Consumer Goods has stayed dedicated to providing high-quality goods that satisfy changing consumer demands throughout its history. The business makes large investments in R&D to innovate and enhance its manufacturing procedures, packaging, and formulas. Bajaj has been able to maintain its market leadership and stay ahead of the competition because to its unwavering focus on innovation.

(sources: https://www.google.com)

MARKET SHARE AND CHANNEL OF DISTRIBUTION:

Bajaj Consumer Goods is a well-known brand in India thanks to its extensive online, brick-and-mortar, and distributor network. Products from the company are sold in both rural and urban areas, appealing to a wide range of socioeconomic groups. Bajaj's wide distribution network makes sure that its products are delivered to clients efficiently, which boosts revenue and sales.

INITIATIVES FOR CORPORATE SOCIAL RESPONSIBILITY (CSR):

Bajaj Consumer Goods actively participates in a number of CSR projects with the goal of advancing societal welfare in its capacity as a responsible corporate citizen. The organization concentrates on projects pertaining to community development, healthcare, education, and environmental sustainability. Bajaj hopes to improve people's lives and the areas it serves through its CSR initiatives.

PROSPECTS FOR THE FUTURE:

With a bright future ahead of it, Bajaj Consumer Goods is well-positioned to thrive in the fiercely competitive consumer goods sector. The company's core values of quality, innovation, and client happiness continue to guide its operations. Bajaj wants to take advantage of new prospects and solidify its place in the market by extending its product line, improving its distribution system, and utilizing digital technology.

SUMMARY

Bajaj Consumer Goods Company has distinguished itself in the Indian consumer goods market with its steadfast dedication to quality and customer-focused philosophy. Reiterating its position as a reliable household name for future generations, Bajaj is well-positioned to tackle the opportunities and challenges of the changing market landscape thanks to its strong brand equity, rich legacy, and enthusiasm for innovation.

1.18 SUMMARY:

In summary, the Fast-Moving Consumer Goods (FMCG) sector is characterized by a dynamic and competitive environment in which businesses must continuously innovate and adapt in order to thrive. This analysis makes it clear that FMCG companies deal with a variety of issues, such as changing consumer preferences, pressure from competitors, legal restrictions, and the requirement for sustainability.

Nevertheless, by concentrating on crucial tactics like innovation, market expansion, sustainability initiatives, and technological integration, FMCG companies can still experience growth and sustainability in spite of these obstacles. FMCG companies may set themselves up for future success by making consistent investments in R&D, branching out into new areas, implementing sustainable practices, and utilizing technology to improve operations and interact with customers.

Moreover, since customer loyalty and trust are so important in this sector, FMCG companies must put the needs of their customers first. Creating powerful brands, producing top-notch goods, and offering top-notch customer support are necessary to keep a competitive edge and promote long-term growth.

It is anticipated that the FMCG sector would see additional upheavals and changes in the future due to shifting customer preferences, technology breakthroughs, and worldwide developments. Therefore, in order to overcome these obstacles and take advantage of development prospects in the quickly changing industry, FMCG companies need to continue being flexible, inventive, and adaptive.

In summary, the fast-moving consumer goods (FMCG) sector poses a multitude of obstacles; yet, it also presents noteworthy prospects for enterprises capable of anticipating and adapting to evolving market conditions. FMCG companies may prosper in this competitive and dynamic industry landscape by adopting innovation, sustainability, and consumer-centric tactics.

1.19 References:

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3) "Fast Moving Consumer Goods" available at
4) http://consumergoods.indiabizclub.com last visited on July 27, 2007
5) Retrieved from the website www.IndiainfoIine.com on 25 August
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CHAPTER 2:

LITERATURE REVIEW

INDEX

2.1 INTRODUCTION:

A literature review is an in-depth analysis and synthesis of previous studies and academic publications pertaining to a certain topic. It offers a framework for comprehending the state of knowledge at the moment, pointing out areas in need of more study, and emphasizing important ideas and arguments in the area. A well-written literature review, an essential part of academic writing, serves as the foundation for developing and expanding new information in addition to demonstrating the researcher's expertise with the body of existing literature. We examine the relevant literature on [your particular issue] in this review with the goal of providing a comprehensive appraisal of the state of the field and adding to the current body of knowledge.

A review of the literature is a corpus of writing that attempts to examine the important aspects of current knowledge, including significant discoveries along with theoretical and methodological contributions to a certain subject. Because they are secondary sources, literature reviews don't report on any recent or unique experimental study. A literature review can also be thought of as an assessment of an intangible achievement. A literature review is most frequently connected with academic literature, such theses, and it typically comes before the research proposal and results section. Its primary objectives are to give the reader with context and to place the current study within the larger body of literature. In any research project, the literature review is crucial since it provides an explanation for the need for the current research initiatives.

Scholars have endeavoured to examine every study pertaining to the fast-moving consumer goods (FMCG) industry, which has grown to become one of the most significant sectors in the Indian economy with an astounding double digit growth rate. Revenue growth rate during the previous two years. Given the significance of the FMCG industry to India's economic development, the study's main objective is to assess the profitability and liquidity management of FMCG companies operating in the country. An assessment of numerous research done in the area of profitability and liquidity, together with their disclosure, is done in this chapter. Here, the researcher examined the body of literature pertaining to the field of study, thoroughly reading through a large number of books, journals, periodicals, research publications, and websites in order to gather a wealth of data.

2.2 REVIEW OF LITERATURE:

(Rohit Bansal, **2014**)The Fast-Moving Consumer Goods (FMCG) sector is crucial to a nation's economic growth. A sizable number of FMCG enterprises, which provide the populace with a wide range of consumer and durable goods, are a component of the Indian FMCG system. HUL, formerly known as Hindustan Unilever Ltd., is a prominent fast-moving consumer goods (FMCG) company in India. With a history spanning more than 80 years, Hindustan Unilever Limited (HUL) is the biggest fast-moving consumer goods firm in India, impacting the lives of two out of every three Indians. In addition to HUL, we have acquired V2 Retail, formerly known as Vishal Retail, Shoppers Stop, a prominent retailer of products in the fashion and cosmetics sectors, and Pantaloons Fashion & Retail, [1]

(**Shweta Mehrotra, 2013**)One of the most crucial aspects of business management is working capital management. Any company, regardless of size or type of business, public or private, profit-oriented or not, need a sufficient level of working capital. For every company organization to be viable, liquid, solvent, and profitable, effective working capital management is essential. Working capital is the total amount of money required by a business to cover its operating costs, including the acquisition of raw materials and daily overhead. [2]

(P.K. Agarwal & Kapil Garg, 2022) Liquidity is defined as the running company's capacity to settle its debts. As a result, it is essential to keep a close eye on the company's liquidity situation because without it, it cannot function. Managers and business owners are focused on developing a strategy that will support both enhancing profitability and preserving liquidity. Liquidity and profitability are closely associated because one increases as the other does. Two important elements that could have an impact on a business's ability to survive and operate well overall are profitability and liquidity. While liquidity gauges an organization's ability to pay

[1] Bansal, R. (2014). A Comparative Financial Study: Evidence from Selected Indian Retail Companies. In Journal of Finance and Investment Analysis (Vol. 3, Issue 3). Scie press Ltd. https://www.researchgate.net/publication/271499069

[2] Shweta Mehrotra, S. M. (2013). Working Capital Trends and Liquidity Analysis of Fmcg Sector in India. IOSR Journal of Business and Management, 9(4), 45–52. https://doi.org/10.9790/487x-0944552

down short-term debt, profitability shows how profitable a firm may be when making investments.[3]

(**Sailaja Vedala, 2018**)In the finance industry, dividend policy is still a contentious topic. The subject of why and when do businesses pay dividends is still relevant today. Numerous scholarly works have analyzed the dividend policy of developed firms, with a focus on India. However, comparatively little research has been published on the dividend policies of businesses in developing nations. Examining the financial dividend payments made by FMCG companies is the main objective of this article. Panel information analysis is used in this study to investigate the factors that influence FMCG companies' dividend policy. This study also shows how several factors affect the FMCG sector's dividend policy[4].

(Jaydeep Ramanuj's, 2023) Ratios measuring profitability and liquidity are crucial markers of a company's performance in both the short and long term. Sustaining profit aids in the company's future expansion, while liquidity demonstrates the short-term smooth operation of the enterprise. This study employs a selection of Indian automakers for its investigation. The study's goal is to ascertain each company's profitability and liquidity performance. additionally, to examine the connection between the chosen companies' profitability and liquidity. Three businesses from the automotive sector—Maruti Suzuki India Ltd., Tata Motors, and Mahindra & Mahindra Ltd.—were chosen for the study. The information is gathered from the annual reports of particular businesses. Ten years are allotted for the study.[5]

(Mohd Atif Afzal, 2022) The fast-moving consumer goods (FMCG) business makes up the fourth-largest economic sector in India. In terms of GDP, it is a very competitive industry that contributes significantly to the Indian economy. The financial success of a company serves as a blueprint for its overall viability and shows how well its management has guided the company's growth. Many research works have been done on the assessment of the financial

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[3] Shweta Mehrotra, S. M. (2013). Working Capital Trends and Liquidity Analysis of Fmcg Sector in India. IOSR Journal of Business and Management, 9(4), 45–52. https://doi.org/10.9790/487x-0944552

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[5] Ramanuj, J., & Memon, S. (n.d.). Peer-Reviewed, Multidisciplinary & Multilingual Journal liquidity and profitability analysis of the selected automobile companies of India. http://vidyajournal.org

performance of FMCG companies in India. However, this analysis offers a novel perspective on this sector's financial success during the last five years. The study examines the FMCG company's financial performance throughout a quinquennium, from 2011–2012 to 2015–2016, based on secondary data.[6]

(Thayumanavar Balasubramaniam, 2023) Overview An organization's procedure for regularly monitoring and evaluating employee performance is called a performance management system, or PMS. It entails establishing precise objectives and standards for workers, keeping a close eye on how well they're doing in reaching those objectives, giving them coaching and feedback, and reviewing their work at the conclusion of a predetermined amount of time. PMS's primary goals are to increase worker productivity and performance while coordinating individual performance with organizational objectives. PMS has grown to be a crucial tool for businesses in India's fast-moving consumer goods (FMCG) industry to make sure that workers are delivering optimal performance. Because the FMCG industry is so competitive, businesses must make sure they are always enhancing their processes and remaining one step ahead of their rivals. [7]

(Mala Dani, 2023) The practice of using borrowed money to finance a business's operations or investments is known as leverage. While it can increase a company's profits, it also raises the risk associated with those profits. As a result, the relationship between leverage and profitability can be complex and vary depending on a number of variables. Financial leverage, or the use of debt financing to raise potential returns to shareholders, helps to understand how leverage affects profitability. The way financial leverage works is by increasing the impact that shifts in a company's earnings have on shareholder returns. When a business borrows money to finance operations or assets, it may be able to generate larger returns than it would if it only used equity financing.[8]

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[6] Afzal, M. A. (n.d.). An Appraisal of Financial Performance of the Fast-Moving Consumer Goods (FMCG) Industry in India. https://www.researchgate.net/publication/360619068

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[8] Dani, m., mochi, r., & Dr., c. a. (2023). a study on impact of leverage on profitability of selected steel companies of India. https://www.researchgate.net/publication/374926396

(Dr Subramanyachary Palakonda, 2017) This essay emphasizes the significance of the fast-moving consumer goods (FMCG) industry, examines how demonetization has affected it, and offers advice on how to mitigate its negative effects. On November 8, 2016, the Indian government, led by the NDA alliance, declared the demonetization of all Rs. 500 and Rs. 1,000 banknotes. The government asserted that by taking this move, it will suppress the shadow economy and stop money laundering and terrorism financing. The abrupt announcement and the protracted cash shortages had an impact on the economy's growth and commercial activity. There were protests, lawsuits, and strikes in response to the action, which was harshly criticized for being unfair and ill-planned.[9]

(Satish Dhokare, 2020) One of the most important and long-awaited tax reforms in India is the Goods and Services Tax (GST). It is a complete legal framework that will incorporate all indirect taxes from the federal, state, and local governments as well as the entire economy into a unified market. By creating a common Indian market and lowering the tax's cascading effect on the value of goods and services, the Goods and Services Tax (GST) would revolutionize the Indian economy. A consumption-based tax known as GST may be applied nationally on the production, sale, and consumption of goods and services. In India, the fast-moving consumer goods (FMCG) sector accounts for around 50% of the food and beverage business and an additional 30% comes from personal and household care.[10]

(Raman Ramesh Tirpude, 2021) The coronavirus pandemic is causing an unprecedented shift in the world, and developing nations like India are particularly affected. Fast-moving consumer goods (FMCG) is one of the most significant industries in India. It encompasses a wide range of industries, such as care, home, and others, and has high demand, frequent consumption, and services that are rendered for a fee. The purpose of this article is to investigate the COVID-19 outbreak in the FMCG industry. It demonstrates how the FMCG industry is unusually impacted by a variety of circumstances, including labourers returning home, problems with logistics, and

[9] Palak Onda, S., & Subramanya chary, P. (2017). Demonetization-Impact on FMCG Sector in India 1 www.ijemr.in Demonetization-Impact on FMCG Sector in India. 7, 12. www.ijemr.in

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shifts in the consumer's basket that result in an increase in demand for cosmetics and sanitary items. Key words: FMCG, pandemic, outbreak, coronavirus[11].

(Shivam M Tripathi, 2020)M&A is a widely used company restructuring technique in the current economic climate. Organizations across all industries recognize this system for its rapid advancement and enhancement. The FMCG sector has a significant market share in a country like India. This study attempts to deconstruct the effects of M&As in the Indian FMCG sector. It is generally acknowledged that increased market control, improved benefits, and increased risk are the reasons why mergers and acquisitions enhance an organization's performance. The focus of the research is the M&A activity in the FMCG sector, which peaked between 2000 and 2010.[12]

(Rabia Khatun, 2013) Design/methodology/approach: For the sake of our analysis, we have included all seven of the firms listed in the FMCG category on the BSE. We used CMIE's Prowess Data Base to obtain annual data from 1991 to 2011. As a measure of profitability, we used return on total assets. As exogenous variables, we used average cash conversion cycle, average collection period, average payment period, and average inventory turnover days. We performed the Hausman test and multicollinearity check before using the random effect approach to run panel regression. Results: The analysis shows that when the average collection period factor was eliminated, all the variables were significant. When the cash conversion cycle was removed, all the factors were significant except for average inventory turnover days[13].

(Rahul Kumar, 2022) The term "fast-moving consumer goods" (FMCG) is an acronym. These products are not very long-lasting and are reasonably inexpensive to purchase on a regular basis from the supermarket or local market. With regard to FMCG businesses listed on the National Stock Exchange of India, the purpose of the current study is to determine the "Impact of

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[11] tirpude, r. (2021). impact of covid-19 on fmcg sector in india. international journal for research in applied science and engineering technology, 9(12), 1012–1014. https://doi.org/10.22214/ijraset.2021.39457

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[13] chaklader, b. (n.d.). relationship of working capital management with fmcg sector firm's profitability. https://www.researchgate.net/publication/267871139

Dividend Policy on Market Price of Share." The research has taken into account secondary data that was obtained from the company's annual reports that were posted on the website of the relevant business. The study's goal is to determine whether dividend policies and share prices are related in any way. Using SPSS 20.0 and correlation and linear regression, the data have been analyzed to evaluate the hypothesis[14].

(Krishnakumar Krishnasamy, 2018)A significant portion of India's GDP comes from the fast-moving consumer goods industry. In every nation, fast-moving consumer items account for a sizable portion of consumer spending. The FMCG industry in India is the fourth largest employer and economic sector in the country. Its main products include food and drink, personal care products, and domestic care. The purpose of this study is to analyze the FMCG industries' financial performance. The secondary data used in this investigation. The Indian Tobacco Companies (ITC), Britannia, Colgate, Palmolive's, Dabur, Nestles, Hindustan Foods, Procter and Gamble Hygiene, and the health care sector are among the selected FMCG industries that are employed in this study. According to this survey, Indian FMCG companies are struggling to increase employment opportunities, increase market share, and improve distribution[15].

(mandeep, Rashi, & Kakar, 2013) The majority of Indian households make their initial purchases from Kirana stores, which have a wide range of goods from numerous brands and kinds. All FMCG firms consider it a vital channel and make every effort to be present in these stores. For customers to easily purchase their products, FMCG companies must make sure they are both available and visible in the store. In order to guarantee that the distribution can sell to the retailer and that the customers can quickly obtain the products they want, it has become necessary for them to routinely inspect and keep inventory data.[16]

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[14] Kumar, M. R., & Sharma, A. (n.d.). an international bilingual peer reviewed refereed research journal s h o d h sa r I t a approved ugc care shod Sarita impact of dividend policy on share price: with special reference to selected fmcg companies of india. lls shod Sarita abstract. quarterly bi-lingual research journal, 7.

[16] Kakar, H., & Singh, M. (n.d.). Use Of Image Recognition Technology in Generating Reports from Kirana Stores in India for FMCG Companies. https://www.researchgate.net/publication/373951572

(Hetal Kherala, 2021)"India is one of the fastest growing startup landscapes in the world and every major accelerator, investor, and angel group is participating in becoming a part of this growth journey," stated Raman Roy, CEO & MD of Quatro Global Services and chairman of NASSCOM. The Indian ecosystem is overflowing with creative ideas these days, but they need the correct channel and direction for financing, development, and acceleration." The "Startup India" project, which has a direct or indirect impact on the Indian economy, is complemented by a variety of government efforts, including "Make in India," "Skill India," and "Digital India[17]."

(Prema Ramasamy & Rajakrishnan Manivel, 2021) Global industry, especially FMCG and retail, is being significantly impacted by the coronavirus/COVID-19 pandemic. Many countries are experiencing a recession as a result of the pandemic. The FMCG sector in India is very competitive, with a significant portion of the market made up of unorganized firms selling unbranded and unpackaged goods. This is in stark contrast to industrialized nations where the market is controlled by a few numbers of large players. Finding the different elements impacting FMCG consumers' purchasing behaviour was the study's primary goal. For the study, t-test, ranking analysis, and descriptive analysis were employed[18].

(Usha C., 2020) Products that can be sold to customers quickly, simply, and for a cheaper price are known as fast-moving consumer products, or FMCG. The fourth-largest economic sector in India is FMCG. FMCG, which includes food and drink, healthcare, and personal care, makes up 50% of the industry. GST implementation has had a comparable impact on all industries, including the FMCG industry. Since the GST replaced a number of indirect taxes, FMCG companies' costs, prices, and marketing methods have changed. By combining many taxes, getting rid of the cascading effect of taxes, making input tax credit claims easier, and other improvements, the evolution of GST streamlines the indirect tax structure[19].

[17] kerala, h. (n.d.). a study on status of fmcg startup in india. https://www.researchgate.net/publication/353285871

[18] Prema, r., & Ramakrishnan, m. (2021). impact of covid-19 pandemic on fmcg market in india: a study on customer preference in selected areas of Coimbatore district. special issue on recent research trends in management, science and technology.

[19]Usha c. (n.d.). performance evaluation of fmcg companies in post gst regime in india approved ugc care an international bilingual peer reviewed refereed research journal shod Sanchar bulletin performance evaluation of fmcg companies in post gst regime in india. 10. https://www.researchgate.net/publication/375058939

(Yogesh Mahajan, 2020) The coronavirus pandemic's effects on India's fast-moving consumer goods (FMCG) industry Summary: The FMCG sector in India is seeing rapid expansion, encompassing a wide range of industries such as food, beverages, cereals, cosmetics, and more. This article examines how the coronavirus pandemic has affected the FMCG industry in India as well as consumer behaviour in that country. The study discovered that the coronavirus pandemic has a significant impact on the FMCG industry and has an impact on employment in India since workers have relocated to their home countries.[20]

(Kamal Singh Rathaur, 2022) This essay investigates FMCG digital advertising in rural India. The study centres on the contemporary notion of digital advertising, which has brought about a significant transformation in the FMCG industry's promotion strategies during the past ten years. The way we communicate has changed over the past ten years due to advancements in technology, such as smartphones, 3G and 4G internet, and others. A few years ago, internet shopping was unknown to most people, and we never would have imagined that we would be buying groceries, furniture, or clothing online. Today, we book our hotels, trains, flights, and other travel-related activities online. With e-commerce apps on our phones like Amazon, Flipkart, and Snapdeal, we can purchase anything online. I investigated the ideas of digital marketing and digital advertising for this paper. [21]

(Vimla Virparia, 2023) The risk and return calculations for three FMCG companies—Nestle, ITC, and Hindustan Unilever—are examined in this study. Using historical price data, the stocks are compared to the risk and return benchmark. A chart that displays the scrip's price moment over time is also given in the study for anyone to analyze. Keywords: BSE, Valuation, FMCG, Risk, Return, Nestle, ITC, Hindustan Unilever[22]

(Rubab Panhwar, 2022) The current study looked at how solvency and multinationalism affected the profitability of multinational corporations. A panel framework of 45 FMCG products has been drawn for this study between 2005 and 2017. In order to address endogeneity concerns and achieve robustness, this work employed the simultaneous equation approach in

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[20] Mahajan, y., & Mahajan, y. d. (n.d.). impact of coronavirus pandemic on fast moving consumer goods (fmcg) sector in india. https://doi.org/10.37896/jxat12.09/2854
[21] studyofdigitaladvertisingstrategiesinfmcgsectorofruralindia (1). (n.d.).
[22] Virparia, v. (n.d.). risk and return analysis of selected fmcg companies. https://www.researchgate.net/publication/373522396

conjunction with the dynamic generalized method of moments (GMM). The majority of research that have been published on large heterogeneous enterprises have included dummy variables, which can potentially lead to endogeneity. Large, probably homogeneous enterprises have thus been employed as samples in this study. The study's findings imply that solvency has a significant impact on output.[23]

(Ariba Naz & Tabish E Waris, 2023) This study investigates how the green marketing mix affects Indian consumers' purchasing decisions for fast-moving consumer goods (FMCGs). This study investigates how consumer behaviour is influenced by green product, green price, green place, and green promotion in light of the growing environmental concerns and need for sustainable consumption. Self-administered questionnaires were used to poll 877 individuals from a sample of large Indian cities. The data was examined using Smarts structural equation modelling. The findings show that consumer behaviour toward purchasing green FMCGs is considerably impacted by each of the four elements of the green marketing mix. This study adds to our understanding of consumer behaviour in the Indian market and offers FMCG businesses useful information for creating green marketing campaigns that encourage sustainable consumption habits and to global environmental goals.[24]

(Nikhilesh Kariya, 2023) The secret to any advertising strategy is choosing an appealing advertisement. The chosen appeal should be able to draw customers in, pique their interest, or affect their emotions in order to satisfy human needs and wants with the promoted goods or services. The creative message approach and the execution style, which employs the right emotional appeal, are crucial to an advertising campaign's success. Marketers look for distinct emotional connections, which are frequently more significant than understanding the features of a good or service, and they employ emotions sensibly. Children are frequently featured in advertisements for goods aimed towards kids and other household consumers, wherein they

[23] Panhwar, R., Pathan, Dr. S. K., & Gilal, M. A. (2022). The Impact of Multinationalism and Solvency on Profitability of Fast-Moving Consumer Goods (FMCG) Multinational Enterprises. International Research Journal of Management and Social Sciences, 3(1), 67–84. https://doi.org/10.53575/irjmss.v3.1(22)8.67-84

[24] Naz, A., & Waris, T. E. (n.d.). Embracing eco-friendly consumption: Evaluating the impact of green marketing mix on consumer buying behaviour towards FMCGs in India. https://www.researchgate.net/publication/377363973

assist in the purchase of items such as fridges, TVs, cars, food, toothpaste, soap, investments, etc[25]

(**Chakkaravarthy Kumaresan R, 2022**)Green marketing is a strategy used by FMCG companies to address environmental challenges. These days, consumers are more concerned with eco-friendly products, eco-friendly production methods, natural material sources, eco-friendly packaging, and trash recycling. As a result, FMCG companies started using green marketing. The purpose of this study is to highlight the importance of green marketing and demonstrate how FMCG companies can use it to differentiate themselves from the competition. It is difficult to integrate green marketing into the marketing mix in its entirety[26].

(**Saji T.G, 2017**)For many years, capital intensity and business value have been hotly debated study topics, and many academics are still looking at this relationship. This article aims to establish a connection between capital intensity and firms' profitability and capital gearing practices by analysing the last ten years' worth of financial data from the annual reports of fifteen top FMCG companies in India. The study's main objective is to find out how capital intensity affects the market value of businesses as determined by Tobin's q. The study employs a panel regression approach to investigate the impact of capital intensity on the fluctuations in financial leverage of businesses[27].

(Sahila C., 2023)Fast-moving consumer goods are those that sell quickly and at a reasonable price. Products in the FMCG category are ones that are replaced annually. Fast-moving consumer goods (FMCG), sometimes referred to as consumer-packaged goods (CPG), can generate significant cumulative profits even if their absolute profit margins are typically modest due to their high sales volume. the study's objectives, to analyze the factors influencing Karur District consumers' decisions to buy FMCG products. The methodology used in this

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[25] kardiya, n. (n.d.). children consumer television advertising in india: a study based on emotion facial expression analysis of fmcg segment. https://www.researchgate.net/publication/372890833
[26] Kumares an, c., research, r., & Chandramohan, s. (n.d.). green marketing and brand equity of fmcg companies in india. ugc care group 1 journal, 16(3). https://www.researchgate.net/publication/371207033
[27] saji, t. g., & eldhose, k. v. (2017). capital intensity, financial leverage and market valuations in india: evidence from a panel of fmcg firms. Asian journal of management, 8(4), 1037. https://doi.org/10.5958/2321-5763.2017.00159.7

study combines analytical and descriptive methods. The interview schedule is one of the instruments used to gather primary data.[28]

(Shailesh Jadhav, 2023) Green practices are already being implemented in FMCG companies thanks to proactive efforts. As part of this approach, businesses are switching from traditional to eco-friendly packaging for their goods and assuming responsibility for recovering, reusing, and recycling the plastic that was used to package them. This study's main goal was to investigate the packaging-related green practices of a few chosen Indian FMCG companies. The study's findings provide information on the many steps FMCG businesses have made to alter their packaging in an effort to improve the products' overall sustainability. The organization that could be considering putting these green practices into reality could find this study to be helpful as well[29].

(Vinod Bhatnagar, 2013) Debt and equity made up of the company make up the capital structure in general. Management and stakeholders contemplate the optimal blend of debt and equity to be utilized. To put it simply, profitability is the ability to turn a profit, which is the amount of money left over after all expenditures and expenses associated with generating the income have been subtracted. The primary goal of the research was to determine how capital structure affects profitability. The research used empirical methods. The population was a BSE-listed firm. Elements were sampled by individual firms. Five NSE-listed companies made up the sample size. Secondary sources of data served as the study's foundation. Data from radiffmoney.com and moneycontrol.com were computed. [30]

(Ruchika Yadav, 2020) The notion and assessment of performance as a measuring instrument for the attainment of organizational performance are essential to an organization's existence, survival, and advancement. In order for an organization's performance to accurately represent the dynamics of its life cycle, it must be able to demonstrate the degree of accomplishment that can be attained and replicate the success of its leadership. The study looks at how well a firm does when its leadership is effective in a certain FMCG in India. Performance can be improved

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[28]Sahila c. (n.d.). a study on factors influencing purchase decision towards selected fmcg with special reference to Karur district. https://www.researchgate.net/publication/370690645
[29] Jadhav, s., & zaware, n. (n.d.). an assessment of green practices in relation to the packaging of selected Indian fmcg companies. https://www.researchgate.net/publication/369553758
[30] Bhatnagar, v. (n.d.). effect of change in capital structure on profitability of fmcg sector companies. https://www.researchgate.net/publication/296407884

when businesses adopt effective leadership behaviours in response to novel circumstances. The behaviour of a leader to gather and guide others toward any goals is referred to as leadership.[31]

(Bhavik Umakant Swadia, 2018) In terms of production, value, quantity, and units, the Indian pharmaceutical business is expanding quickly. Two key trends seem to fit the narrative of the overall expansion of the Indian economy. Second, the fundamental framework of the Indian pharmaceutical industry has undergone a significant transformation. India has completed the 10-year process by issuing a patent legislation, which satisfies the WTO's obligation to identify foreign goods patents as of January 1, 2005. Indian pharmaceutical producers, who have long produced copyrighted medications using a different method, will not be able to do so under the new circumstances. This study was conducted as part of a critical assessment of the Indian pharmaceutical industry[32].

(**Nathani, 2018)**This study looks on the FMCG industry's dividend policy. The FMCG companies that were listed on the NSE 100 between 2007 and 2016 for a ten-year span. The data is subjected to factor analysis in order to pinpoint notable factors. Multiple regression is then employed to determine the most important element that FMCG companies consider when determining dividend payments. The factor analysis resulted in the identification of five factors: market value, growth opportunities, company size, liquidity, and profitability indicators.[33]

(N. S. Pandey, 2017) The goal of this essay was to investigate the factors that influence the FMCG industry's dividend policy (DP) in India. There are fifteen FMCG businesses listed on the NSE's sectoral index for CNX FMCG. Just twelve businesses were selected for the research. The study period was taken into consideration for ten years, specifically from 2003–04 to 2012–13. This research takes into account a number of variables that affect DP, including the dividend payout ratio (DPR), debt equity ratio (DER), earnings (ERN), corporate tax (CT), earnings per share (EPS), and firm size (FS). The study's empirical data shows that DPR, DER,

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[31] Yadav, R., & Khera, G. S. (n.d.). A Study on Effective Leadership Styles in the FMCG Sector in India. https://www.researchgate.net/publication/343541404
[32] Swadia, B. U. (2018). A Comparative Study of Profitability of Selected Pharma Companies of India. Journal of Business Administration Research, 7(1), 27. https://doi.org/10.5430/jbar.v7n1p27
[33] Nathani, N., & Gangil, R. (2018). Determinants of dividend policy: A study of FMCG sector in India. 20(2), 40–46. https://doi.org/10.9790/487X-2002014046

ERN, and CT have a major impact on EPS and are reliable indicators of dividend payout in the FMCG industry. To determine the influence of DER, ordinary least square models (OLS) are utilized.[34]

(Oluwaseun Lottu, 2024) In the Fast-Moving Consumer Goods (FMCG) sector, sustainable packaging technologies have become a vital means of resolving environmental issues and improving operating efficiency. This analysis explores the complex ways that developments in sustainable packaging have affected HSE (health, safety, and environmental) procedures in this industry. FMCG businesses are increasingly incorporating sustainable packaging solutions into their operations as a result of the growing attention being paid on a worldwide scale to environmental sustainability. These advances cover a wide range of strategies, such as renewable resources, biodegradable packaging, lightweight designs, and recyclable materials. These programs are meant to lessen the negative environmental consequences of conventional packing methods, like increased trash production and carbon emissions. The FMCG industry's HSE practices are significantly impacted by the adoption of innovative sustainable packaging solutions. [35]

[34] Nathan, n., & gangil, r. (2018). determinants of dividend policy: a study of fmcg sector in india. 20(2), 40–46. https://doi.org/10.9790/487x-2002014046
[35] Ayodeji abatan, Oluwa Seun Augustine Lottu, Eike David ugwuanyi, boma Sonimitiem jacks, epoch oluwademilade Sodiya, Andrew Ifesinachi Daraojimba, & alexander Obaigbena. (2024). sustainable packaging innovations and their impact on hse practices in the fmcg industry. magna Scientia advanced research and reviews, 10(1), 379–391. https://doi.org/10.30574/msarr.2024.10.1.0029

CHAPTER :3

RESEARCH METHODOLOGY

INDEX

3.1 INTRODUCTION:

Fast-moving consumer goods, or FMCG, are essential to the Indian economy since they meet the everyday demands of people in a range of demographics. Policymakers, analysts, and stakeholders need to understand the research methodology used in these firms' studies as the FMCG sector grows and changes. This article presents the research approach used to look into a few Indian FMCG companies. The goal of this study is to shed light on the complexities of the FMCG industry and how they affect market dynamics and corporate strategy by clarifying the research framework, data gathering strategies, and analytical methodologies.

3.2 RESEARCH METHODOLOGY:

This relates to the research approach and theoretical framework used in this study. It gives a summary of the various facets of the ongoing study and the procedures used for the gathering of information and choice of study sample companies. “The study's goals, hypothesis, sampling strategy, sample size, and methods and instruments used for data processing are also covered.

"For every commercial entity, profitability and liquidity are the most crucial factors. The ultimate indicator of a company's financial success in relation to the capital put in it is its profitability, as opposed to the ability of the business to pay off maturing short-term debt (within a year) is known as liquidity. While keeping sufficient liquidity is more than just a corporate purpose, the primary goal of businesses operating in the economy is to earn an appropriate return over the level of risk tolerated by the shareholders. It is impossible for a firm to survive without liquidity.

A business firm's ability to operate successfully is greatly influenced by its liquidity. In order to fulfil a company's short-term needs, liquidity must be balanced, meaning that neither an excess of neither a shortage of liquidity nor a lack thereof." The examination of liquidity by both internal and external analysts is crucial since liquidity and a company's daily operations are closely related.

FMCG manufacturers and retailers are working toward the same objective of properly marketing their goods. Retailers aren't growing like crazy these days; instead, consolidation is the main goal.

Its profitability, as well as the fact that Indian FMCG consumers are in an experimental mindset and are establishing new standards for product consumption and media usage.

Since profit is the primary factor determining these companies' long-term success, profitability and liquidity are the primary concerns. The goal of the current investigation is to ascertain the profitability status of the chosen study companies over a specific time frame. The approach of research is its central idea.

A problem can be solved systematically using research technique. It is a science that studies the best ways to do research. In essence, the Research methodology refers to the processes that researchers use to describe, explain, and forecast events. It can also mean the study of knowledge-gathering strategies. Its objective is to provide the research work plan.

A methodical approach to addressing the research challenge is through research technique. It is regarded as a science that studies the methods used in research. In it, the different actions a researcher took to complete research projects and their rationale are examined." It's important to understand both the process and the techniques used in the research. It entails being aware of the presumptions that underpin different methods and the standards by which specific problems will lend themselves to specific strategies and procedures, while others will not.

- **PROBLEM IDENTIFICATION:**

The researcher contacted a reputable research guide after looking through the library's existing literature, reviewing a number of articles, published data, and having a knowledgeable discussion with the relevant experts. Based on the research guide's expertise, the researcher chose the following research title to conduct the study on the problem.

"Analysis of Profitability and Liquidity of Selected FMCG Companies in India"

3.3 SIGNIFICANCE OF THE STUDY:

In the current globalization environment, competition is fierce across all industries. Without assigning sufficient weight to these factors, it has become increasingly difficult for a corporation to develop, stabilize, and perform well in the marketplace. trade-off between profitability and liquidity. Furthermore, there is a significant shift in the business climate. Future events are exceedingly hard to foresee. There is a great deal of risk associated with it. A systematic and continuous approach is important when examining issues of profitability and liquidity.

The FMCG sector in India is expanding quickly. Customers buy fast-moving consumer goods (FMCG) more often than other types of commodities, hence demand for them is also higher. Customers make frequent purchases of these things. All families spend a significant amount of their monthly money on fast-moving consumer goods.

Every economy needs the FMCG sector's contribution greatly. MNC entries and less expensive imports have increased competition, which has made things more challenging.

Businesses can develop new methods for entering unexplored areas by researching and managing liquidity and profitability well. This research will also assist businesses equip themselves to synchronize profit-making with providing superior services.

Scop of study:

Research's periphery is determined by its scope. It is a crucial component of the study. If not, conducting research is not practical.

The suggested study's scope is as follows:

Study Period:

The study will run from the Financial Year 2019 to the Financial Year 2023, a total of five years.

Companies under Study:

Regarding FMCG, there are a lot of businesses involved, and owing to funding constraints, it is not feasible to include every company in a Ph.D. study. Furthermore, a small business cannot be compared to a large one due to the wide variance in size across them. Because of this, a sample of ten organizations that is an acceptable size based on turnover has been chosen for the study.

1. **HINDUSTAN UNILIVER**:

One of the biggest consumer products firms in India is HUL, or Hindustan Unilever Limited. It is a division of the global conglomerate Unilever. HUL was founded in 1933 and offers a wide range of goods, including water purifiers, food and drink, personal care, and home care. HUL, which has a significant market share in India, is well-known for its renowned brands, which include Lifebuoy, Lux, Surf Excel, Dove, and many more. The business is dedicated to ethical and sustainable business methods, which include community development and environmental preservation programs.

2. ITC:

ITC Limited is an Indian conglomerate that operates in a number of different industries, including information technology, hotels, paperboards & packaging, agribusiness, and fast-moving consumer goods (FMCG). Originally established as the Imperial Tobacco Company of India Limited in 1910, it has subsequently grown and changed into a multi-company corporation. Among other well-known FMCG brands, ITC is well-known for Ashirwad, SunFest, Bingo, and Classmate. The corporation is a major participant in the paper and packaging industries and also runs opulent hotels under the ITC Hotels brand. Furthermore, ITC regularly participates in sustainability programs and has received recognition for its social responsibility and environmental conservation efforts.

3. NESTLE:

Nestle is a global food and beverage corporation with its main office located in Vevey, Switzerland. Henri Nestlé founded the business in 1866, and at first it concentrated on making baby formula. With a vast array of goods including baby food, bottled water, breakfast cereals, candies, ice cream, dairy products, pet foods, and more, Nestle has expanded over time to become one of the biggest food and beverage corporations in the world. Nestle is a multinational corporation that sells its goods under a number of well-known brands, including Nescafé, KitKat, Maggi, Nestea, and Purina. It is present in many nations. The business has been working to improve nutrition and fitness, lessen its impact on the environment, and participate in a number of sustainability projects.

4. **BRITANNIA**:

Romans called the island of Great Britain, which is now a part of the United Kingdom, "Britannia," a name from Latin. The phrase has cultural and historical significance, conjuring up ideas of mythology and ancient Britain. Britannia has evolved into a representation of British perseverance and identity over time, showing up in a variety of national symbols, literary works, and artistic mediums. A female figure representing power, liberty, and maritime prowess, Britannia is frequently portrayed in art. Coins, stamps, and military insignia have all featured the image of Britannia, demonstrating the symbol's ongoing influence on British history and culture. One of the top producers of food items in India, Britannia Industries Limited is well-known for its extensive line of cakes, cookies, dairy products, and breads. Britannia, which was founded in 1892, has a long and illustrious history and has developed into one of the most recognizable and trusted brands in the food sector in India. Britannia provides a wide range of products to suit different consumer interests and preferences. Among its well-known biscuit brands are Nutri Choice, 50-50, Marie Gold, Treat, and Good Day. Furthermore, Britannia manufactures dairy goods under the Britannia Dairy brand, including cheese, milk, and yogurt. In order to satisfy changing consumer demands, Britannia never stops innovating and introducing new products and tastes.

5. GODREJ:

A well-known consumer goods manufacturer in India, Godrej Consumer Products Limited (GCPL) offers a wide range of goods in the personal care, hair care, home care, and hygiene sectors. GCPL, which was founded in 2001, is a division of the Godrej Group, a corporation with a history that dates back to 1897. Brands like Cinthol, Godrej No.1, Good Knight, Hit, and Ezee from GCPL have gained the respect and allegiance of customers both domestically and abroad. The company's growth and success over the years have been driven by its dedication to innovation, sustainability, and client happiness. Focusing on affordability and quality, GCPL keeps growing its product line and market presence to meet the varied needs of customers in different markets.

6. MARICO:

Reputable Indian Fast-Moving Consumer Goods (FMCG) company Marico Limited is known for its wide selection of consumer goods in the health and beauty market. Since its founding in 1990, Marico has expanded to rank among the top FMCG companies in India, with a significant market share across more than 25 nations. Popular brands including Parachute, Saffola, Livon, Set Wet, and Nihar are among the company's varied portfolio offerings; they meet a range of customer needs in the areas of hair care, edible oils, skincare, and personal care. Marico is renowned for emphasizing quality, innovation, and a customer-centric strategy, all of which have helped it to stay ahead of the competition in the market. Marico keeps growing its product line and geographic reach while putting an emphasis on sustainability and ethical business practices. Marico also makes investments in research and development to meet evolving consumer preferences

7. DABUR:

Leading Indian multinational corporation Dabur India Limited is an expert in food, personal care, and health care goods. Founded by Dr. S.K. Burman in 1884, Dabur has expanded to become one of the biggest FMCG firms in India, with a significant global footprint spanning over 100 countries. Well-known brands including Dabur Chyawanprash, Dabur Honey, Dabur Red Toothpaste, Vatika hair care, and Real fruit juices are among the many products offered by the company. Dabur is well known for emphasizing Ayurvedic-inspired goods and using conventional Indian medicine to provide safe, all-natural health and wellness solutions. Dabur is dedicated to quality, innovation, and sustainability. As a result, it keeps growing its product line and market reach to meet the various demands of customers across the world.

8. COLGATE:

The Colgate-Palmolive Company is a multinational consumer goods corporation with a focus on pet nutrition, personal care, home care, and dental care. William Colgate established the business in 1806, and it has since grown to become one of the most well-known oral hygiene brands worldwide. To meet a variety of oral hygiene needs, Colgate, the company's flagship brand, provides a large selection of toothpaste, toothbrushes, mouthwashes, and dental floss. Colgate, which has operations in more than 200 nations and territories, is renowned for its dedication to sustainability, innovation, and high standards of quality. The business makes ongoing investments in R&D to create cutting-edge oral care products that support good oral hygiene and dental health. Colgate provides goods in personal care areas such body wash, shampoo, and soap under names like Palmolive and Soft-soap in addition to dental care.

9. EIMAMI:

A well-known FMCG (fast-moving consumer goods) firm in India, Emami Limited is well-known for the wide range of goods it offers in the skincare, healthcare, and personal care industries. R.S. Agarwal and R.S. Goenka founded Emami in 1974, and it has since expanded to rank among the top companies in the Indian FMCG sector. Well-known brands including Boro plus, Nartana, Fair and Handsome, Zandu, and Kesh King are among the products offered by the company, which serves a range of customer needs. Emami is well known for emphasizing natural and herbal ingredients in its goods, which is in line with consumers' increasing need for offers that are wellness-focused. Emami is committed to quality, innovation, and customer happiness, and it is actively growing its market share both nationally and globally.

10. BAJAJ CONSUMER GOODS:

Renowned Indian FMCG (fast-moving consumer goods) manufacturer Bajaj Consumer Care Limited is well-known for its assortment of skincare and personal care products. The company was founded as a division of Bajaj Corp Limited and has a history that dates back to 1953, when it started working with hair products.
A wide range of goods are available from Bajaj Consumer Care Limited, including as skincare creams, hair oils, and personal hygiene items. Among its well-known brands are Bajaj Brahmi Amla Hair Oil, Bajaj Nomarks Cream, Bajaj Almond Drops Hair Oil, and Bajaj Nomarchs skincare line.

The company's dedication to quality, innovation, and affordability has resulted in the trust and devotion of its customers. Natural components are included in the formulation of Bajaj's products, which address a range of customer demands and offer practical answers for hair care and skincare.

Bajaj Consumer Care, which upholds its purpose to improve the well-being and beauty of consumers through its creative and high-quality products, continues to increase its presence and offers while maintaining a strong distribution network throughout India and a few chosen overseas countries.

3.4 OBJECTIVES OF THE STUDY:

Given the significance of the FMCG industry to India's economic expansion, the study's main objective is to assess the profitability and liquidity management of FMCG firms operating in the country. The study especially focuses on the concerns listed below.

1.to conduct a comprehensive analysis of the liquidity and profitability of Indian FMCG companies

2.to observe each of the chosen organizations under study's liquidity status and potential weak points.

3.Investigating the profitability trade-off between liquidity.

4.To determine the causes behind FMCG firms' slow growth rate

5.to evaluate the outcomes of comparisons between and within firms.

6. To research different instruments and methods that are necessary for profitability and liquidity analysis.

7. To determine, examine, and measure the impediments to high profitability and liquidity attained by Indian FMCG companies.

8. To offer some ideas and detailed advice for enhancing the management of liquidity and profitability.

3.6 HYPOTHESES OF STUDY:

For this investigation, the researcher has developed two different kinds of hypotheses: an alternative hypothesis and a null hypothesis. Statistical methods will be utilized to examine both hypotheses. The following determines both hypotheses:

- **NULL HYPOTHESIS (H0)**

Throughout the course of the study, there won't be any appreciable variations in the profitability ratios of the chosen FMCG companies in India.

Throughout the study period, there won't be any appreciable variations in the liquidity ratios of the chosen FMCG companies in India.

- **ALTERNATIVE HYPOTHESIS (H1)**

Throughout the course of the study, there will be a noticeable variation in the profitability ratios of the chosen FMCG companies in India.

Throughout the course of the study, there will be a noticeable variation in the liquidity ratio of the chosen FMCG companies in India.

3.5 SCOPE OF STUDY:

The study has a very broad reach. There is no established sample methodology used in the selection of the research business. The selection of ten companies is based on certain criteria. Nonetheless, the researcher has chosen FMCG companies in India. These companies were chosen for the study based on which are the most well-known in India; the study also includes the following companies:

1. HINDUSTAN UNILEVER LTD
2. ITC
3. NESTLE
4. BEITANNIA
5. GODREJ
6. MARICO
7. DABUR
8. COLGATE
9. EIMAMI
10. BAJAJ CONSUMER GOODS

3.7 PERIOD OF THE STUDY:

A researcher's general goal is to gather all the information, details, and data needed for the study. Additionally, he is interested in choosing a brief study time because it will make data gathering and processing easier.

reach a decision. As a result, the researcher conducts a 5 year study on the financial analysis of particular Indian FMCG companies. The current analysis covers the 5 accounting years that conclude on 31-3-2023

3.8 SOURCES OF DATA:

Gathering data for any kind of research is pointless. One of the most crucial aspects of research is the type of data collected and the methodology employed to obtain it. There are two fundamental methods for gathering data.

3.8.1 primary data

3.8.2 secondary data

For his convenience, the researcher collects data using both approaches. However, the researcher places a greater emphasis on secondary data because they study financial analysis techniques, which requires them to obtain full annual reports and records from the chosen businesses. Secondary data must be used in research with extreme caution. It is imperative for the researcher to conduct a thorough examination as there is a chance that the secondary data may not be appropriate or sufficient for the problem under investigation. Prior to utilizing the secondary data, the researcher needs to confirm that they.

- Adequacy of data
- suitability of data
- reliability of data

3.9 RESEARCH METHODOLOGY:

Since this is an empirical study, the researcher must create the research process using a scientific method. The researcher used secondary data for this study, such as material from websites, annual reports, and other publications. The study has categorized the following tools and techniques.

3.9.1 Accounting Techniques:

The researcher picks up the techniques to suit their requirement and also basis to data available to them. The accounting techniques which are used for the analysis is as under:

3.9.2 Ratio analysis:

A ratio is the relationship represented between two figures and the quotient of two numbers. The technique of comparing one figure to another to get a ratio is known as ratio analysis.

The power of ratio analysis is immense. The focus of the ratio analysis is on how the numbers in the financial statement relate to one another.

3.9.3 Statistical Techniques:

The statistical techniques which are used for the analysis are as under:

The Arithmetic Average: It is referred to as the average of the item's value deviation from a series average. The arithmetic mean, often known as the mean, is the most widely used average, according to Gulezian. It is calculated by adding up all the variables and dividing the result by the total number of years measured.

3.9.4 The Standard Deviation:

Karl Pearson first proposed the idea of the standard deviation in 1823. The standard deviation is the most commonly cited indicator of a standard deviation is regarded as the square root of the average of square of deviations when such deviations for the values of individual items in series are determined from the arithmetic average. It is often represented by the symbol "

3.9.5 One-way Analysis of Variance Test (ANOVA):

ANOVA, or one-way analysis of variance It is helpful when comparing units. Based on an ANOVA one-way analysis, the following null and alternative hypotheses have been tested. test for variance analysis.

3.10 IMPORTANCE OF THE STUDY:

This study is significant and helpful in a number of key areas, including

• It can provide insight into a practical strategy or an overview of implementation.

• It can also provide a corporative summary of the financial analysis features offered by FMCG companies in India.

• It can also provide financial analysis to the FMCG industry in India.

• It can also provide a ratio analysis of Indian FMCG companies.

• It can provide a comparative study of FMCG companies operating in India. Therefore, the study has a very high significance. Moreover, policy leaders, businesspeople, and academics may find certain observations beneficial.

3.11 LIMITATIONS STUDY:

Each living creature and every non-living object in our world has a constraint that limits how useful it can be. This research project is subject to the same rule. The following is the study's primary limitation:

• Since this is a novel and evolving concept, not all novel and emerging companies can implement it.

•Since each study is conducted by a single researcher, all of the limitations associated with that specific researcher also apply here.

• Indian FMCG firms also participate in it.

Additionally, it is carried out by 10 FMCG companies in India, and data going back 5 years is taken into account

• Since the study is based on secondary data, the limitations of the secondary data demonstrates with this research.

• Since it's a novel idea, accountants and accounting practitioners have a difficult time following all the requirements. Numerous internal and external factors can impact profitability; however, the researcher has only examined a subset of these aspects that are pertinent to the study.

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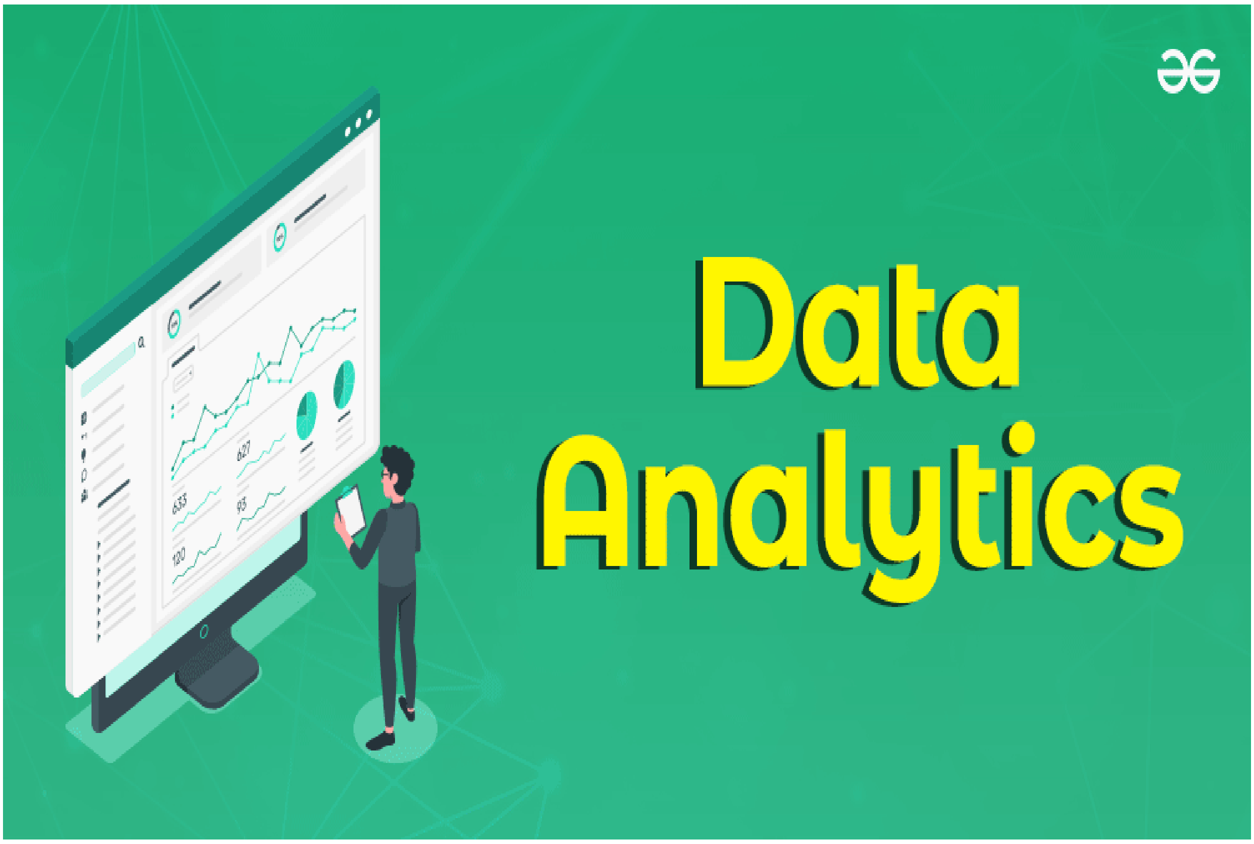
CHAPTER 4

DATA ANALYSIS



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4.1 MEANING OF LIQUIDITY

The ability of a business to quickly and easily convert its present assets into cash without suffering a large loss in value is referred to as liquidity. No company keeps all of its available funds in cash. This is because unused money is not productive unless it is invested in securities or deposits that yield interest. However, in order to preserve the business's liquidity, such investments should be made in a way that makes them quickly and easily convertible into financial resources. These are the many kinds of liquid assets.

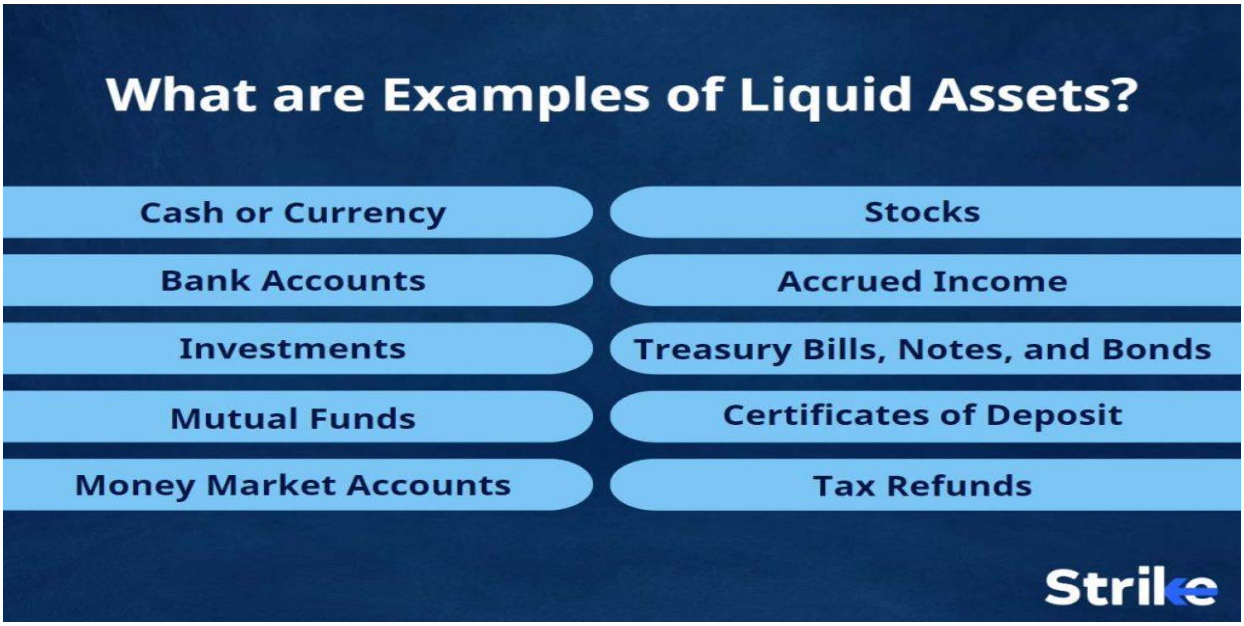
4.2 TYPES OF LIQUID ASSETS

1) Cash Balance

Although it is the highest kind of liquidity, it does not yield interest because it is not retained for a certain amount of time. Businesses typically keep between four and seven percent of their entire assets in cash. Nevertheless, depending on the type of organization, this percentage can be different. Some businesses may continue to keep up to twenty percent of their total assets in cash if their operations are cash-oriented. Businesses like manufacturing firms and finance and trade firms, whose operations involve cash production, also require more cash, especially if their operational cycles are lengthy. Service-oriented businesses, however, need less money."

2) Bank Overdraft Facilities

Those companies with active accounts are eligible to use this resource. There is no interest paid on the amount kept inactive in the current account. Following arbitration, the banks determine the overdraft limit based on the business's credit rating. "The firm or corporation is unable to get or generate payment in excess of the current account's maximum limit. In addition, the bank will demand that the overdraft amount be repaid together with interest. Banks may require businesses to maintain deposit security, however this may depend on the terms of the overdraft facility. The balance sheet does not list this facility as an asset.



4.3 Current Assets:

The phrase "current assets" refers to assets that are obtained and assumed with the intention of turning them into cash within the course of the company's regular business operations. However, Grady provided the clearest explanation of the phrase "Current Assets" in the following manner.

According to accounting principles, cash and other assets or property that are generally referred to as those that are normally and logically to be realized in cash or sold or consumed during the business's operational cycle are referred to as "current assets."

"Cash and bank balance, which includes set deposits with banks, accounts receivable, which includes deal debtors and bills receivable, inventory, which includes stocks of raw materials, work-in-progress, finished goods, stores, and extra parts, and advances recoverable, which includes deposits with the government or other public establishments like customs, harbour authorities, go forward income tax, etc., are the main categories of current assets. Pre-paid payment, such as the price of services that are not yet rendered, such as insurance premiums that are paid in advance, etc." It should be highlighted that the definition of the word "current assets" should include limited investments, and loose tools should not be included in the current asset class. Of course, this complies with the Companies Act's requirements regarding the appearance of financial statements, which

(**Figure :4.1 types of liabilities)**

state that loose tools should be listed under current assets and that investments, even if they are only intended to be made temporarily, must be shown separately from current assets.

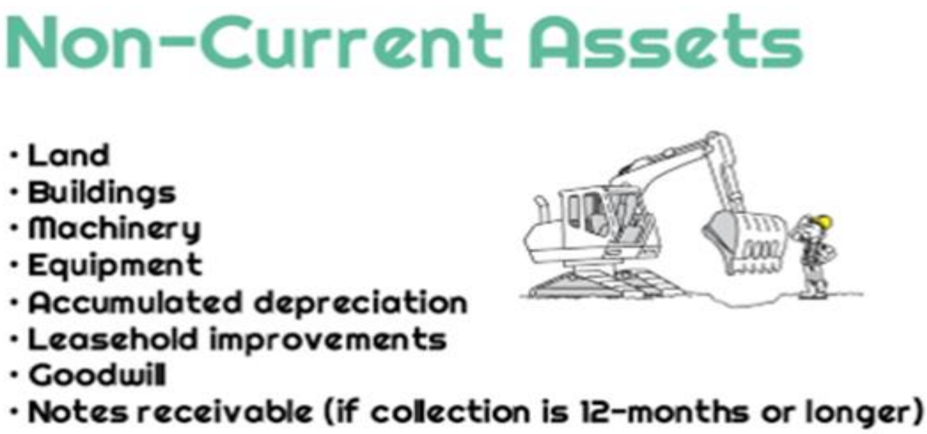
4.3.1 Non-Current Assets

"Such assets comprise goodwill, land, building, long-term investments, patent rights, machinery, furniture trademarks, debit balance of the Profit & Loss Account, discount on issuance of shares and debentures, initial expenses, etc." are all considered non-current assets.

4.4 LIABILITY TYPES:

A number of broad categories can be used to classify liability, each having unique traits and legal ramifications. We'll look at TWO primary categories of liability here:

1) Current liability 2) Non-current lability



4.4.1 Current Liabilities:

The term "current liabilities" refers primarily to a debt whose insolvency is likely to require the use of current assets that are not publicly traded on the same balance sheet or the creation of additional current obligations, or those that are typically satisfied in a brief working cycle. But this understanding of the present Liabilities are now twisted. "The supplementary contemporaneous account classifies present liabilities as any obligation that will arise from (i) the use of alive present assets or (ii) the establishment of other current obligations within the next year or the effective cycle, whichever is longer. To put it another way, just knowing that something is due within a year does not automatically turn it into a current responsibility unless it comes from the creation of new current liabilities or from alive current possessions. For instance, if a loan is used to purchase wealth assets like land and is billed within a year of the balance sheet date, it won't be considered a current liability if the loan is paid back with proceeds from the sale of another piece of land or capital asset or with shares or debentures.

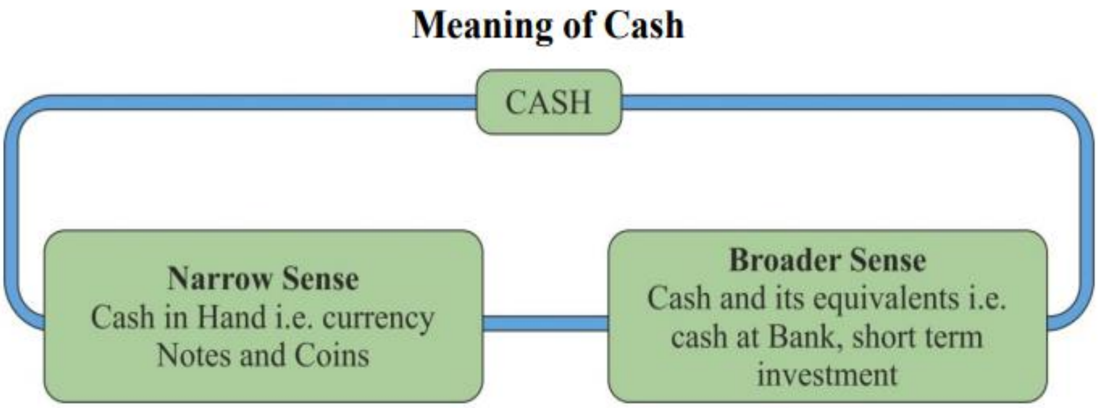
"Amounts provided for any branded liability or set a part against multiple liabilities of which the amount cannot be deliberate with extensive planning are also included in the term current-liabilities. “Precision, such as provisions for questionable debts, employee pensions, taxes, etc., In technical parlance, these liabilities are referred to as provisions rather than liabilities."

4.4.2 Non-Current Liabilities

To put it simply, any liabilities that are not current get closer to falling into the non-current liability group. They include shares, debentures, split capital, and long-term loans. premium, income and capital reserves (such as the general reserve, dividend equalization fine should only be stopped after comparing the balance sheets from the two periods.

4.5 IMPACT OF CASH MANAGEMENT ON LIQUIDITY:

Cash is regarded as a valuable asset, and managing it well helps a business grow and improves its financial situation. A robust cash management plan prepared by businesses can aid in Recognize this power and growth. Money is a crucial component of any organization since it is required to buy supplies, machinery, and other assets that are utilized to produce goods and support the armed forces. Marketable securities, which are also significant under near cash, act as a liquidity option that offers instant cash when required."



(Figures:4.2 meaning of cash)

The prudent use of an entity's financial resources is referred to as cash management. “The notion of cash management is not new, but it has grown in importance in today's business environment for the following reasons: shift in how businesses operated, as well as persistent issues and rising borrowing costs" (29) (Howard, 1953). Cash is the most liquid current asset and serves as the common denominator to which all other current assets, such as a list of them, can be reduced. and over the course of company, receivables are ultimately converted into cash (Khan, 1983). This emphasizes how crucial monetary management is. The term "money management" describes how financial resources are managed so that generally acknowledged company goals can be accomplished. Within this scope, an association's goals can be jointly defined as achieving harmonization and maximizing an organization's potential for efficiency and liquidity. The ability of a management to identify potential cash-related problems that may arise in a course of action, find suitable solutions to address those issues, and then delegate those solutions to the appropriate levels to address them are the distinguishing characteristics of cash management. In order to pay business responsibilities, cash management keeps a suitable amount of cash on hand in a way that indicates the lowest possible cash number. It entails financial flow management. (into and out of the company), inside the company, and the cash balances that a company might have at any given time. The collecting, handling, and use of cash are only a few of the many financial operations that fall under the umbrella of cash management. Assessments of cash flow, investments, and market liquidity are also included. The concept of cash management is not new, but it has gained importance in today's corporate environment because of changes in how businesses are conducted, the escalating issues they face, and the rising cost of loans."

4.6 IMPACT OF RECEIVABLE MANAGEMENT ON LIQUIDITY:

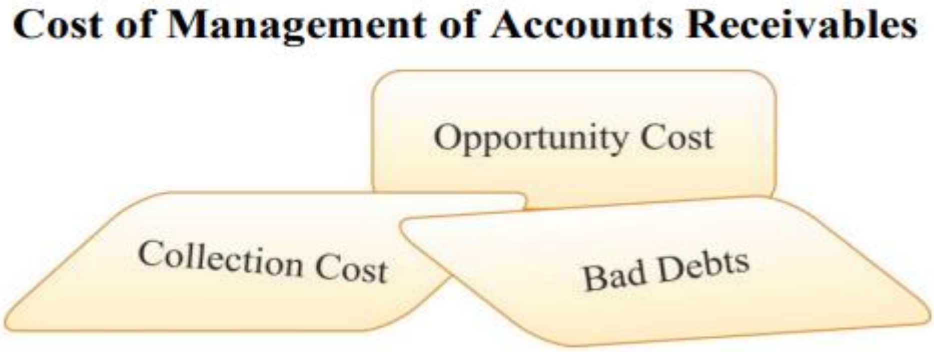
Accurate inventory and liquid asset management are prerequisites for a resonance managerial control. These assets are part of the company's working capital. To avoid financial hardship, financial resources must be used effectively. Credit sales result in receivables. There are situations when practicing credit sales leads to anxiety in an attempt to boost sales volume. A company is unlikely to sustain its sales on a cash basis indefinitely. Other companies in that industry have frequently seen a practice of selling goods on credit. "In order to prevent negative effects on sales volume, it is vital to offer goods on credit foundation under such circumstances. Sales volume needs to increase in order to increase profit in a proportionate manner. Sales growth will not result in a corresponding increase in production costs beyond a specific sales threshold. At that level, the rise in sales will result in higher earnings." Receivables are therefore carefully considered as a significant component of a company's current assets. However, in order to create investment in receivables, a business must bear some charges. Additionally, there is a risk of bad loans. Having effective control over the organization of receivables is crucial.

4.6.1 MEANING OF RECEIVABLE MANAGEMEN:

Receivables are monies that are owed to the company as a result of sales of goods or services made during regular business operations. Receivables are the company's claims against its clients and, as such, constitute a portion of its current assets. Accounts receivable, client receivables, trade receivables, and book debts are also recognized as forms of receivables. The firm's credit policy determines the duration of credit and amount of receivables. The primary goal of maintaining or the goal of investing in receivables is to satisfy the demanding demands and, as a result, boost sales and profits. “Organizing receivables is the process of deciding which trade debtors to invest in. As previously mentioned, a company needs to invest a specific amount in receivables in order to improve sales and profits. Cost considerations are present in receivables assets, though. It also carries the danger of bad loans. Therefore, the goal of receivables management is to make informed decisions about debtor investments. To support sales and profits awaiting that direct is reached where the homecoming on asset in future funding of receivables is less than the cost of money raised to finance that more credit, to use the words of Bolton, S.E., are the goals of receivables management.

4.7 OBJECTIVES OF RECEIVABLES MANAGEMENT:

Receivables management aims to boost sales and works up to the point when the cost of capital required to finance the additional credit is less than the return on investment in additional financial assistance for receivables. Accounts receivable management is a quite opulent process. The expenses related to accounts receivable organization are as follows:



(Sources: https://www.google.com)

Cost of Financing Receivables: Giving consumers credit to purchase products and services entails granting them access to the company's money. The monies intended for long-term financing from shareholders and booked earnings are used to finance the receivables. Anxiety must bear several expenses in order to collect revenue, including money receivable.

Cost of Collection: An appropriate compilation technique is required for the effective management of receivables. Clients who fail to make payments within the allotted credit term will receive reminders for their near-beginning spending. It could be necessary to send some people away in order to reclaim these sums. These expenses collectively are referred to as collection costs, which are typically borne by a company.

Bad Debts: Customers may occasionally neglect to make the payments owed to them. Bad debts are amounts that a consumer fails to pay. But a worry could be able to decrease bad debts by efficient collection equipment, however this cost cannot be entirely disregarded.

4.8 BENEFITS OF RECEIVABLES MANAGEMENT

Increased Sales: By retaining current clients and drawing in new ones, offering products or services on credit boosts sales.

Increased Market Share: The market split will naturally rise to the level of new sales when the company is able to keep its current clientele and draw in new ones. **Profit growth:** Since it must create more items with a certain fixed cost and sell products with a known sales network, higher sales will aid in profit growth. Because of this, the income will improve and the cost per unit will decrease.

Variables Affecting Receivables Size:

Size of Credit Sales: The main variable that influences how big receivables are is the volume of credit sales. A concerned party won't have any receivables if they solely sell for cash. The percentage of advanced credit sales will correspond with higher receivables, or vice versa. Size of Credit Sales: The main variable that influences how big receivables are is the volume of credit sales. A concerned party won't have any receivables if they solely sell for cash. The percentage of advanced credit sales will correspond with higher receivables, or vice versa.

Credit Policies: Accounts receivable from a company with a rigorous credit policy will be close to the ground, whereas accounts receivable from a company with an accommodating credit policy will be larger. Receivables will stay under control even if credit is bigger if collections happen more quickly. Bad debts are always a possibility if receivables are left unpaid for an extended length of time.

Terms of Trade: The terms of the transaction also affect the number of receivables. The length of loan permitted and the discount rates offered are dependent on receivables. There will be more receivables if the credit period permitted is extended. It is frequently necessary to take into account the trading practices of manufacturing competitors in order to enhance sales.

Relationship with Profits: Increasing sales is a goal of credit policy. The additional expenses incurred are less than the increase in revenues when sales surpass a certain threshold. After that point, increasing sales will be beneficial since it will result in higher earnings. As a result, an increase in proceeds will either be followed by an increase in receivables or vice versa.

Credit Collection Efforts: Credit should be compiled in a more efficient manner. If a consumer does not make their payment on time, they will receive journal reminders. The company may find itself in serious financial trouble if credit collection is not given enough attention. The amount of receivables will reduce with an effective credit collection team.

Plans for Growth: An association may seek to grow by entering new markets and growing its business. Credit amenities will be provided as an incentive to entice customers. The credit era might be ended whenever the business is able to acquire loyal clients. Easy credit periods become crucial in the early phases of expansion, and receivables will be larger in size.

Consumer Payment Patterns: The number of receivables is also influenced by the payment patterns of the customer. Even if they have plenty of money, some clients have a propensity of delaying payments. The company should continue to communicate with these clients and help them understand how important their demands are.

4.9 LIQUIDITY ANALYSIS OF FMCG COMPANIES UNDER STUDY:

series of ratios is used to compute and analyse the liquidity. These liquidity measures show the company's financial standing and its capacity to produce enough cash to cover its obligations. The balance sheet, profit and loss account, cash flow statement, and notes of accounts are the parts of financial statements that contain the data used to compute the liquidity ratios. The value of the company's current assets is typically compared to the value of its current liabilities (short-term) to determine the liquidity of the business. Receivables, inventories, and cash are the current assets. and other assets that, within a year or throughout the regular course of the operating cycle, are anticipated to be realized in cash or cash equivalents, sold, or consumed. Accounts receivable, short-term investments, inventory, cash and cash equivalents, and prepayments for expenses are all included in the category of current assets. The amount relevant to the following financial year must be revealed in the account notes if current assets contain goods with life cycles longer than twelve months. Only if short-term investments are anticipated to be realized in less than a year will they be classified as current assets (even though the management wants these investments to be recognized for their potential for liquidity). Liabilities that are scheduled to be paid off quickly—typically within a year—are known as current liabilities. These consist of: interest, accounts payable, accrued payments, current tax, short-term loans (including bank overdrafts and all other short-term commitments bearing interest), and dividends that are due. Like other ratios employed in financial research, liquidity ratios have no meaning in absolute terms. They must be calculated and understood appropriately over an extended period of time (allowing for the observation of the object under analysis's trend over time) or by making comparisons with other entities. It is frequently instructive to examine a company's historical trends or make comparisons between various businesses. Availability of liquid assets Ratios are computed to assess a company's ability to settle its short-term debts when they become due. Put otherwise, the firm's cash balance or its ability to pay down its present liabilities with its assets. The coverage of short-term liabilities in an emergency is determined by comparing current liabilities to liquid assets. Liquidity ratios are used by lenders and bankruptcy analysts to Analyse going concern concerns since cash flow positioning is indicated by liquidity measurement ratios.

4.9.1 Current Ratio: This ratio measures the ability of firm to pay off its short-term liabilities in respect of its current assets. The current ratio is a significant measure of liquidity because short-term liabilities are due within a year need to be paid off.It indicates that businesses have a limited window of time to raise money to pay down their current indebtedness. Marketable securities, cash, and cash equivalents are examples of current assets that can be quickly converted into cash. It illustrates how businesses with higher current asset levels are better equipped to settle their current liabilities when they become due. It is not necessary to sell off its long-term assets that generate money in order to pay off its short-term debt. The current ratio is calculated by dividing current assets by current liabilities. The calculation is made as under:

$$\text{Current ratio} = \frac{current\ \ assets}{current\ lability}*100$$

Current Assets = Stock, Debtor, Cash and bank, receivables, loan and advances, and other current assets.

Current Liability = Creditor, Short-term loan, bank overdraft, outstanding expenses, and other current liability

TABLE 4.1: CURRENT RATIO (IN PERCENTAGE)

COMPANY	2019	2020	2021	2022	2023	average
HUL	1.37	1.32	1.27	1.37	1.41	1.348
ITC	3.17	4.13	3.27	2.81	2.9	3.256
NESTEL	1.74	2.07	1.05	1.13	3.26	1.85
BRITANNIYA	1.9	1.42	1.22	0.96	1.14	1.328
GODREJ	1.2	1.05	1.08	1.43	2.81	1.514
DABUR	1.34	1.98	1.62	1.29	1.17	1.48
MARICO	1.85	1.79	1.65	1.62	1.56	1.694
COLGETE	1.08	1.08	0.89	1.15	1.17	1.074
EIMANI	2.89	1.47	1.61	1.17	1.77	1.782
BAJAJ CON GOODS	3.81	3.91	5.24	6.32	5.85	5.026

(Sources: Compiled from Annual Reports & Accounts of the Companies under Study)

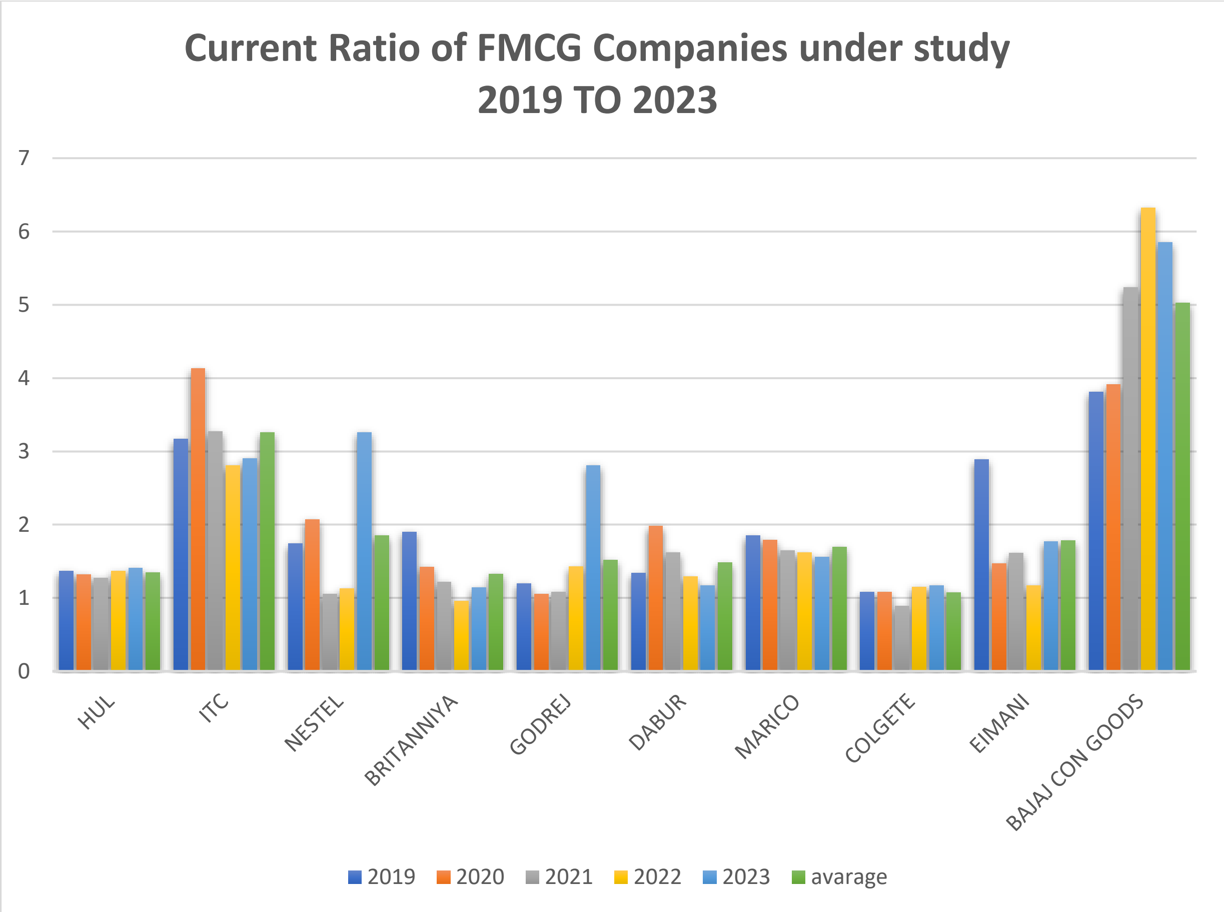
❖ **INTERPRETATION:**

1) **HUL**: The current ratio, a measure of a company's ability to pay its short-term liabilities with its short-term assets, fluctuated for Hindustan Unilever Limited (HUL) over the past five years. In 2019, it stood at 1.37, dipped slightly to 1.32 in 2020, declined further to 1.27 in 2021, then rebounded to 1.37 in 2022, and increased again to 1.41 in 2023. The average current ratio over this period was calculated as 1.348.
2) **ITC**: Analysing the current ratio trend for ITC Limited over the past five years reveals fluctuations. In 2019, the current ratio was 3.17, significantly increasing to 4.13 in 2020. However, it decreased to 3.27 in 2021, further dropping to 2.81 in 2022, and slightly recovering to 2.9 in 2023. The average current ratio during this period stands at 3.256, indicating variations in the company's short-term liquidity position over time.
3) **NESTLE**: The current ratio trend for Nestlé over the past five years shows fluctuations. In 2019, the ratio was 1.74, increasing to 2.07 in 2020. However, it sharply decreased to 1.05 in 2021 and slightly increased to 1.13 in 2022. Remarkably, in 2023, it surged to 3.26. The average current ratio over this period is 1.85, suggesting variability in Nestlé's ability to cover short-term liabilities with short-term assets.

4) **BRITANNIYA:** Analysing Britannia Industries' current ratio over the past five years reveals a declining trend. In 2019, the ratio stood at 1.90, but it dropped to 1.42 in 2020 and further decreased to 1.22 in 2021. By 2022, it fell to 0.96, showing a concerning trend in short-term liquidity. However, there was a slight recovery in 2023 with the ratio rising to 1.14. The average current ratio over this period is 1.328.
5) **GODREJ:** Analysing Godrej Industries' current ratio over the past five years indicates fluctuations. In 2019, the ratio was 1.20, declining slightly to 1.05 in 2020 before increasing to 1.08 in 2021. Subsequently, in 2022, there was a significant jump to 1.43, followed by a substantial surge to 2.81 in 2023, suggesting improved short-term liquidity. The average current ratio over this period is 1.514, indicating overall stability with notable increases in recent years.
6) **DABUR:** Analysing Dabur India Ltd.'s current ratio over the past five years shows variability. Starting at 1.34 in 2019, it surged to 1.98 in 2020 before slightly decreasing to 1.62 in 2021. However, there was a notable decline to 1.29 in 2022 and a further drop to 1.17 in 2023. The average current ratio over this period is 1.48, indicating fluctuations in the company's ability to cover short-term liabilities with short-term assets, albeit remaining generally stable**.**
7) **MARICO:** Analysing Marico Ltd.'s current ratio over the past five years reveals a decreasing trend. Starting at 1.85 in 2019, it slightly declined to 1.79 in 2020, followed by further decreases to 1.65 in 2021, 1.62 in 2022, and 1.56 in 2023. The average current ratio over this period is 1.694, indicating a declining ability to cover short-term liabilities with short-term assets. This trend suggests potential challenges in managing liquidity in the short term.
8) **COLGETE:** Analysing Colgate-Palmolive Company's current ratio over the past five years indicates fluctuations. Starting at 1.08 in 2019, it remained unchanged in 2020 before decreasing to 0.89 in 2021. However, there was an improvement in 2022 with the ratio increasing to 1.15, followed by a slight rise to 1.17 in 2023. The average current ratio over this period is 1.074, suggesting overall stability despite variations, but attention may be needed to manage short-term liquidity effectively**.**
9) **EMAMI:** Analysing Emami Limited's current ratio over the past five years shows fluctuations. Beginning at 2.89 in 2019, it decreased notably to 1.47 in 2020 before rebounding to 1.68 in 2021. However, there was a decline to 1.17 in 2022 followed by an increase to 1.77 in 2023. The average current ratio over this period is 1.782,

suggesting varying levels of short-term liquidity. Management may need to address factors impacting liquidity to ensure stability in the future.

10) **BAJAJ CON GOODS:** Analysing Bajaj Consumer Goods Ltd.'s current ratio over the past five years demonstrates a consistently high level of short-term liquidity. Starting at 3.81 in 2019, it increased slightly to 3.91 in 2020 before a significant surge to 5.24 in 2021. Subsequently, it continued to rise to 6.32 in 2022 before slightly decreasing to 5.85 in 2023. The average current ratio over this period is 5.026, indicating a robust ability to cover short-term obligations with current assets.



ANOVA TEST:

❖ **HYOPTHRSIS:**

H0: There is no significance difference in current ratio of the difference selected FMCG company during the study period.

H1: There is significance difference in current ratio of the difference selected FMCG company during the study period.

4.2 ANOVA OF SINGAL FACTOR

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	1.056548	4	0.264137	0.150497	0.961819	2.578739
Within Groups	78.9793	45	1.755096			
Total	80.03585	49				

RESLUTE OF ANOVA TABALE:

From the above table we can identify that "F" test one way ANOVA, it displays that F Calculated value is 0.15 while the F – critical value is of 2.57 Hence Null Hypothesis will be accepted hence There is no significance difference in Current ratio of the different selected FMCG companies during the study period.

4.9.2 Quick Ratio:

The quick ratio shows how much cash the company has on hand compared to how much it owes in current liabilities. The quick ratio evaluates a company's capacity to meet its short-term obligations using its most liquid assets, providing insight into its short-term liquidity position. It is also known as the acid test ratio because it shows the company's ability to quickly employ its liquid, or close to money, assets to pay down its current liabilities. An acid test is a fast test with immediate results in mind

Current liabilities are the debts or commitments that a business must pay to creditors within a year, whereas liquid assets are those that may be swiftly converted into cash with a stripped-down impact to the value gained on the open market.

Quick ratio is calculated as follows:

$$\text{Quick Ratio} = \frac{liqudity\ assests}{current\ lability}$$

TABLE 4.3 QUICK RATIO (IN PERCENTAGE)

COMPANY	2019	2020	2021	2022	2023	average
HUL	1.07	1.01	0.94	0.98	1.03	1.006
ITC	2.28	3.13	2.19	1.82	1.98	2.28
NESTEL	1.15	1.11	0.44	0.5	0.45	0.73
BRITANNIYA	1.48	1.16	0.91	0.6	0.87	1.004
GODREJ	0.8	0.68	0.66	0.89	1.29	0.864
DABUR	0.85	1.42	1.036	0.72	0.61	0.9272
MARICO	1.03	1	1.09	0.97	1.06	1.03
COLGETE	0.72	0.82	0.64	1.03	1.11	0.864
EIMANI	0.97	0.96	1.29	0.74	1.57	1.106
BAJAJ CON GOODS	2.65	3.54	4.97	5.83	5.48	4.494

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1) **HUL:** When the quick ratio for Hindustan Unilever Limited is examined over the last five years, a steady but somewhat erratic pattern emerges. It dropped slightly from 1.07 in 2019 to 1.01 in 2020 and then to 0.94 in 2021. But in 2022 and 2023, there was a minor rebound to 0.98 and 1.03, respectively. During this time frame, the average quick ratio has been 1.006, which suggests a relatively steady capacity to meet short-term obligations with quick assets including cash and cash equivalents as well as accounts receivable.
2) **ITC**: Variations can be seen while examining ITC Limited's quick ratio trend during the previous five years. It started off well in 2019 at 2.28 and jumped to 3.13 in 2020, indicating good liquidity. It did, however, fall to 2.19 in 2021 and then noticeably to 1.82 in 2022, which may have indicated difficulties in turning current assets into cash fast. However, in 2023, there was a minor improvement, reaching 1.98. During this time, the quick ratio has averaged 1.006, indicating a typically consistent but erratic ability to pay short-term obligations with liquid assets.
3) **NESTALE:** Examining Nestlé's quick ratio trend over the previous five years reveals notable oscillations. It began at a robust 2.15 in 2019 and fell precipitously to 1.11 in 2020 and 0.44 in 2021, presumably reflecting difficulties in turning current assets into

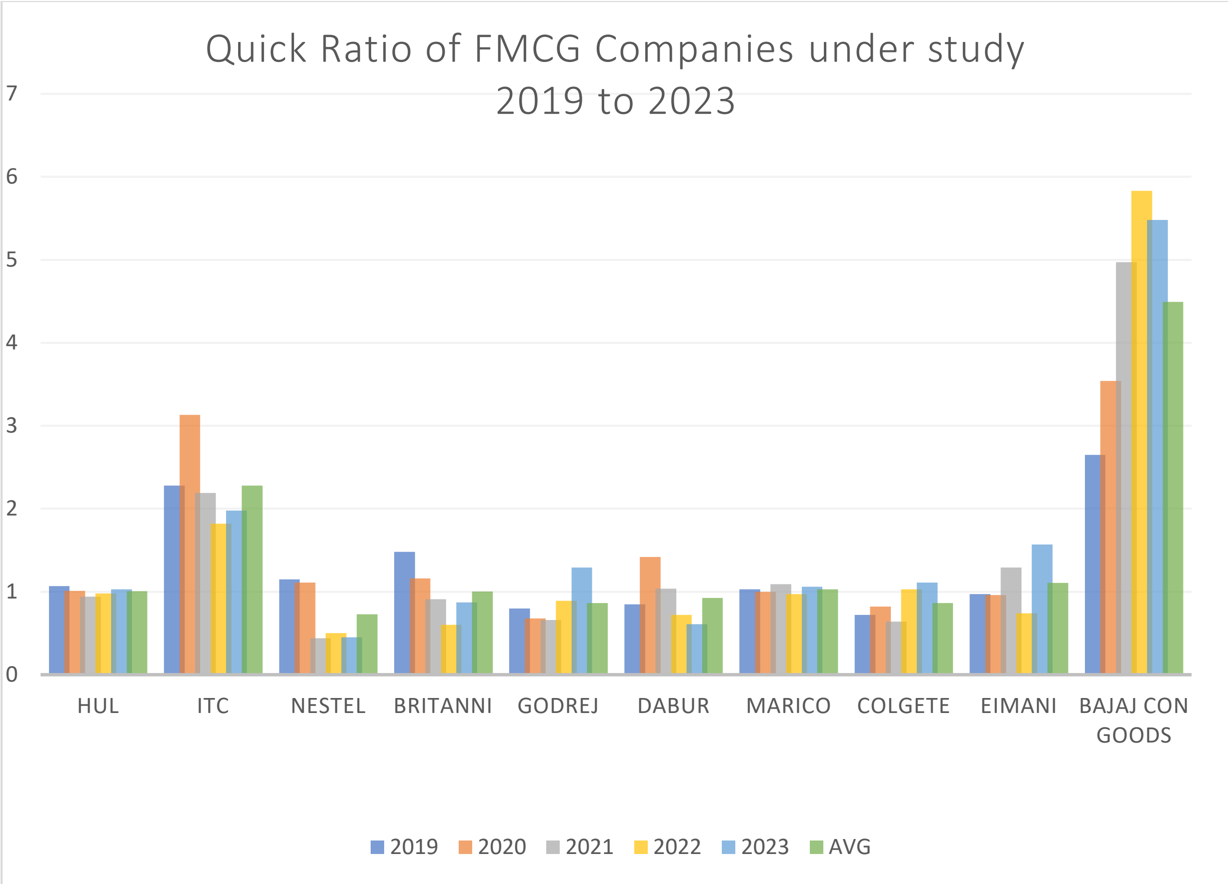
cash fast. In 2022, the ratio improved slightly to 0.50. But in 2023, there was a notable spike to 10.45, indicating a significant rise in liquid assets compared to short-term liabilities. Throughout this time, the quick ratio has averaged 0.73, indicating an erratic liquidity position.

4) **BRITANNIYA**: A five-year analysis of Britannia Industries' quick ratio shows a downward tendency. It reduced to 1.16 in 2020 and 0.91 in 2021 from a starting point of 1.48 in 2019, potentially suggesting difficulties in swiftly turning current assets to cash. By 2022, the ratio had dropped to 0.60, indicating possible liquidity issues. In 2023, there was a minor improvement, reaching 0.87. Over this time, the quick ratio has averaged 1.004, suggesting a relatively stable but declining ability to pay short-term obligations using liquid assets.
5) **GODREJ**: Variations can be seen while examining Godrej Industries' quick ratio throughout the previous five years. It began at 0.80 in 2019 and declined slightly to 0.68 in 2020 and 0.66 in 2021, suggesting that there would be difficulties in swiftly turning current assets into cash. But in 2022 and 2023, there was a considerable improvement to 0.89 and 1.29, respectively, indicating improved liquidity. Over this time, the company's average quick ratio has been 0.604, which shows general unpredictability in its ability to pay short-term obligations with liquid assets, while there has been a noticeable improvement in recent years.
6) **DABUR:** Variations can be seen while examining Dabur India Ltd.'s quick ratio over the previous five years. It grew dramatically from 0.85 in 2019 to 1.42 in 2020, demonstrating a strong liquidity position. It did, however, drop to 1.03 in 2021, indicating possible difficulties in swiftly turning current assets into cash. The ratio showed signs of possible liquidity issues as it fell much lower to 0.72 in 2022 and noticeably to 0.61 in 2023. The quick ratio's average for this time frame is 0.9272, which indicates fluctuations in the business's capacity to meet short-term obligations using liquid assets.
7) **MARICO:** A five-year analysis of Marico Ltd.'s quick ratio shows consistency with some slight changes. It began at 1.03 in 2019 and stayed quite steady at 1.00 in 2020 before rising marginally to 1.09 in 2021. In 2022, there was a minor decrease to 0.97, suggesting possible difficulties in swiftly turning existing assets into cash. It did, however, rebound to 1.06 in 2023. Throughout this time, the average quick ratio has been 1.03, indicating a steady ability to sustain short-term financial stability by covering immediate liabilities with liquid assets.

8) **COLGATE:** Variations can be seen when examining the quick ratio for the Colgate-Palmolive Company over the previous five years. It began at 0.72 in 2019, went up a little to 0.82 in 2020, then fell to 0.64 in 2021, indicating possible difficulties in swiftly turning current assets to cash. But in 2022 and 2023, there was a noticeable improvement to 1.03 and an additional rise to 1.11, suggesting improved liquidity. The quick ratio's average for this time frame is 0.864, which shows some variation in the company's capacity to pay short-term obligations using liquid assets, however there have been notable advancements in recent years.

9) **EIMAMI:** A five-year analysis of Emami Limited's quick ratio shows fluctuations. It started in 2019 at 0.97 and stabilized at 0.96 in 2020 before rising to 1.29 in 2021. But in 2022, there was a notable decline to 0.74, indicating possible difficulties in swiftly turning existing assets into cash. However, in 2023, it increased to 1.57, showing more liquidity. Over this time, the quick ratio has averaged 1.106, indicating a usually sufficient ability to meet urgent liabilities with liquid assets, with some years showing considerable improvements.

10) **BAJAJ CONSUMER GOODS:** A five-year analysis of Bajaj Consumer Goods Ltd.'s quick ratio shows a stable and strong liquidity position. Starting at 2.65 in 2019, it grew dramatically to 3.54 in 2020 and then to 4.97 in 2021, indicating a considerable capacity to meet short-term obligations with liquid assets. The ratio increased further, reaching 5.83 in 2022 and holding steady at 5.48 in 2023. The company's ability to cover short-term obligations with liquid assets is demonstrated by the average quick ratio of 4.494 throughout this period, which shows the company's efficiency and sound financial standing.



H0: There is no significance difference in current ratio of the difference selected FMCG company during the study period.

H1: There is significance difference in current ratio of the difference selected FMCG company during the study period.

TABLE:4.4 ANOVA OF SINGAL FACTOR

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	0.335962	4	0.083991	0.053355	0.994494	2.578739
Within Groups	70.83766	45	1.57417			
Total	71.17362	49				

RESLUTE OF ANOVA TABALE:

From the above table we can identify that "F" test one way ANOVA, it displays that F Calculated value is 0.05 while the F – critical value is of 2.57 Hence Null Hypothesis will be accepted hence There is no significance difference in quick ratio of the different selected FMCG companies during the study period.

4.10 MEANING AND CONCEPT OF PROFIT

For example, different people businesspeople, accountants, policymakers, workers, policymakers, and economists have varied definitions of what constitutes profit. Simply put, profit is the amount of money left over after all costs and expenses have been subtracted from business operations or investments. It refers to the remaining balance following the deduction of the amount spent on purchasing, running, or creating anything from the amount received.

Profit, sometimes referred to as net income, is the amount of earnings over expenses for the given time period. It is the remaining income for the given period after all required and matching expenses have been subtracted. It is also known as the excess of returns over expenditure for a single transaction or set of related transactions. When the quantity of money received from a commercial activity exceeds the expenditures, expenses, and taxes required to keep the activity going, profit is realized financially. Any profit made goes to the company's owners, who choose whether or not to use it for other business expenses."

Profit is the amount of money a company has left over after all costs are paid. Since making a profit is every company's objective, profitability in all of its manifestations plays a major role in determining business success. Depending on who is using the financial data, some people are more interested in the bottom line, while others might be more interested in profitability before costs like taxes and interest, and some analysts might be more interested in profitability after all costs have been covered.

4.11 Meaning and Concept of Profitability:

The terms "profit" and "ability" combine to form the term "profitability." The ability of a company to turn a profit is referred to as its resources. An organization's ability also refers to its earning potential, operational effectiveness, and capacity for both the financial and operational efficiency of the company. Profitability may therefore differ from the capacity to obtain a return on investment through efficient utilization of resources. Profitability is "the net extra of a large number of policy and decision," according to Weston and Brigham.

Profitability is the ability to increase profit from all the performance of a business. It reflects how good management of an enterprise creates earnings by using the resources at its clearance. The word profit depicts the unconditional figure of profit but total figure itself is not enough give an exact idea of the adequacy or otherwise of increase or variation in presentation as shown in the financial.

4.12 Profit and Profitability

Profit is a total that does not accurately reflect changes in competence or the adequacy of income coming from a business's operational and financial performance. Interpreting absolute profit data when there are historical or inter-firm comparisons, such as differences in the amount of investment or volume of sales, can be exceedingly challenging and confusing. These kinds of issues occur when profit margins are linked to sales volume or investment levels. A ratio or percentage might be used to establish the quantitative association. We refer to these measures as profitability ratios. Therefore, profitability is a relative concept that may be measured in terms of profit and how it relates to other factors that have a direct impact on profit.

Profit and profitability are two distinct concepts, despite their obvious relationship and need on one another. "Whereas the analytical idea of profitability addresses the future accumulation of wealth, the accounting concept of profit deals with ways that have already accumulated. A business's profit tells us something about how financially and operationally efficient it is. On the other hand, profitability analyses the profit and how it relates to earlier factors that have an impact on earnings to assist with executive.

In contrast to profitability, which is viewed as a relative concept, profit is thought of as an absolute. While profit is the amount remaining after deducting all administrative and manufacturing costs, profitability is the capacity to turn a profit from a business endeavour. The profit figure shows how much money a business made over a given time period. On the other hand, profitability describes the extent to which profits can be increased and whether they are stable, improving, or declining. Even when two distinct businesses have the same profit, their profitability may differ when expressed in terms of the quantity of the investment. It has been observed that the functions performed by profits and profitability in business enterprises are comparable.

4.13 IMPORTANCE OF PROFITABILITY:

"As long- and short-term goals are taken into consideration, profitability is examined in relation to corporate operations. While short-term commercial operations, such as product mix, are supported by profitability. Long-term managerial decision-making for expansion programs is aided by the profitability propensity." The profitability dimension matters to various groups of people from various backgrounds.

In terms of management: Since profitability analysis is linked to an examination of a company's internal operations, it can be internal. Profitability analysis and measurement enable the financial adviser to guide management on a range of operational matters. Revenue is not the only consideration when deciding whether to expand a firm; management, growth, and other factors must also be taken into consideration. The office team should have the cunning to accept more responsibility. drafting a company plan for growth and researching market trends and financial aspects that impact the industry;

Regarding Shareholders: The owners are able to assess the value of their investments based on their potential for profit. A business that generates consistent profits is viewed by savers as a potentially favourable investment option since they anticipate a respectable return on their investment.

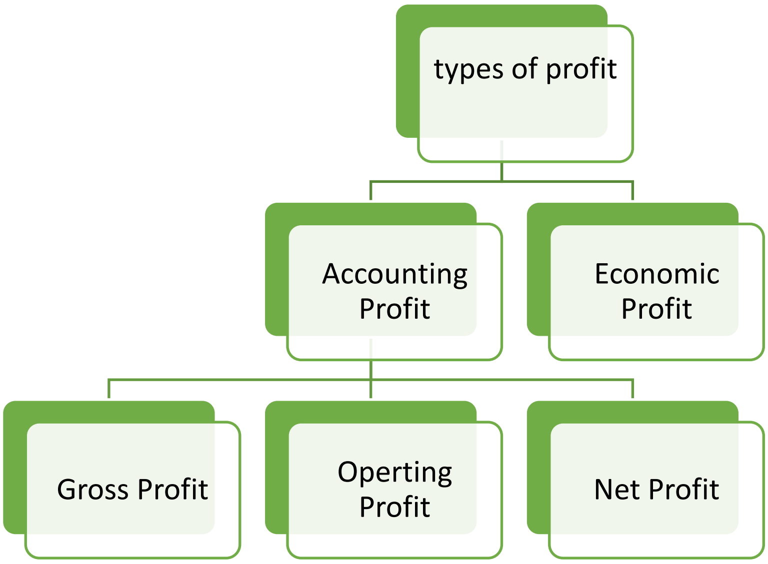
Regarding Employees: The employees are worried about their pay rates as well as additional and supplementary fringe perks. Workers are satisfied with their current compensation when profitability is measured and analyzed properly. Should there be a surplus in profitability, the staff members can rationalize their increased stress.

Regarding Lender and Financial Institution: Creditors can depend on promptness and safeguard their assets. When it comes to determining whether a bank will lend money or whether the public will contribute to an enterprise's debentures, productivity plays a big part. Lending decisions are influenced by security and the business's credit score in order to increase profit. a nonprofit creating business that the lender usually views as a default risk.

Towards Other Stakeholders: Whether directly or indirectly, profitability is an important consideration for everyone involved in a given corporate endeavour. Profitability statistics are used as measures of trade activity in numerous industries, including manufacturing.

4.14 TYPES OF PROFIT:

(Figure 4.3 Types of Profit)



(Figure 4.3 Types of Profit)

4.14.1Accounting Profit: From an accounting perspective, profit is defined as the difference between revenues earned and overall costs, which includes material costs, labour and salary costs, finance charges, and administrative charges. Calculating the accounting profit can be done as

Accounting Profit = TR – (W+ R+ I+ M)

TR = Total Revenue, W = Wages and Salaries, R = Rent, I = Interest, M = Cost of materials

4.14.1.1Gross Profit: For every produced goods line, revenue is subtracted from unknown expenses to determine gross profit. Only the expenses required to make each product—such as labour, materials, and direct expenditures—are considered variable costs. It excludes fixed costs such as those associated with the human capital department, plants, and equipment. Comparing product lines might assist determine which is the most profitable.

$$\text{Gross Profit Ratio } \frac{GROSS\ PROFIT}{NET\ SALES} * 100$$

Cost of Goods Sold = Opening Stock + Purchases + Direct Expenses-Closing Stock

Net Sales = Cash Sales + Credit Sales – Sales Return

Gross Profit Ratio of Companies under Study:

TABLI:4.5 GROSS PFOFIT RATIO (IN PERCENTAGE)

COMPANY	2019	2020	2021	2022	2023	AVG
HUL	22	24.26	24.21	24.43	23.25	3.93
ITC	39.33	46.24	37.48	36.77	39.5	6.64
NESTEL	23.64	23.94	22.56	22.28	0.00	3.080
BRITANNI	15.68	15.74	19.09	15.56	19.7	2.859
GODREJ	23.11	20.91	21.35	19.53	24.01	3.630
DABUR	19.58	19.52	21.01	19.87	18.72	3.29
MARICO	18.08	19.64	19.89	17.64	18.53	3.126
COLGETE	28.38	26.55	31.18	30.7	29.38	4.873
EMAMI	11.3	11.61	15.9	26.25	18.42	2.782
BAJAJ CON. GOODS	24.2	19.27	14.48	25.56	24.12	3.587

1) **HUL**: A five-year analysis of Hindustan Unilever Limited's gross profit margin reveals a steadily excellent performance. It was 22.0 percent in 2019 and grew to 24.26% in 2020 before staying mostly steady at 24.21% in 2021 and 24.43% in 2022. Surprisingly, it increased to 23.25% in 2023. After subtracting the cost of goods sold, the average gross profit margin for this time period is 23.933%, demonstrating a significant ability to turn a profit from sales. This pattern points to efficient pricing and/or cost control methods that improve the overall financial stability and profitability of the business.
2) **ITC**: Variations can be seen when looking at ITC Limited's gross profit margin over the previous five years. It began the year with a strong 39.33% and increased to 46.24% in 2020, demonstrating significant profitability. But in 2021 and 2022, it fell to 37.48% and 36.77%, respectively, suggesting possible difficulties or changes in cost structures. Interestingly, in 2023 there was a minor comeback to 39.50%. The average gross profit margin for this time frame is 6.64%, which indicates that profitability might fluctuate and emphasizes how crucial it is to keep an eye on revenue-generating and cost-controlling tactics for long-term financial success.

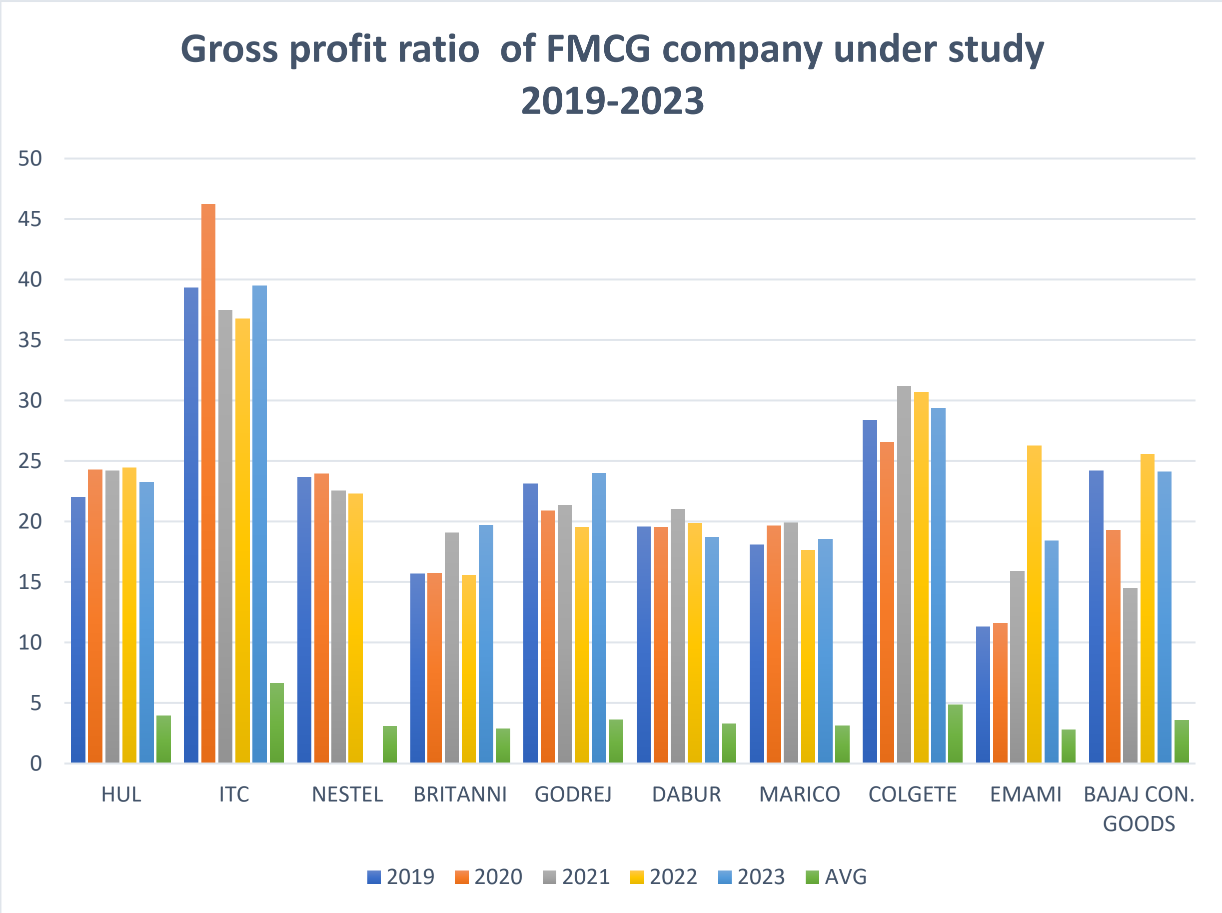
3) **NESTEL**: A five-year analysis of Nestlé's gross profit margin reveals a generally constant performance with some variations. It started at 23.64% in 2019 and went up a little to 23.94% in 2020, but then it started to decline to 22.56% in 2021 and then to 22.28% in 2022. The gross profit margin did, however, noticeably decline to 0.00% in 2023, suggesting that there may be difficulties or exceptional conditions affecting profitability. The average gross profit margin for this time frame is 3.080%, which emphasizes the necessity of closely examining the variables that impact profitability and putting plans in place to keep finances stable.
4) **BRITANNIYA**: Variability can be seen while examining Britannia Industries' gross profit margin over the last five years. It increased slightly to 15.74% in 2020 from 15.68% in 2019. But in 2021, there was a noticeable increase to 19.09%, suggesting increased profitability. After that, it dropped to 15.56% in 2022 before sharply increasing to 19.70% in 2023. Throughout this time, the average gross profit margin has been 28.59%, indicating variations in profitability that may have been brought about by adjustments to pricing policies, cost structures, or market dynamics.
5) **GODREJ**: Variations can be seen while examining Godrej Industries' gross profit margin during the previous five years. It dropped from 23.11% in 2019 to 20.91% in 2020, which can point to difficulties or changes in cost structures. In 2021, there was a minor uptick, reaching 21.35%. It then dropped once more to 19.53% in 2022 and then increased to 24.01% in 2023, indicating increased profitability. Throughout this time, the average gross profit margin has been 3.630%, demonstrating fluctuations in profitability and emphasizing the significance of modifying tactics to sustain or improve financial success.
6) **DABUR**: A five-year analysis of Dabur India Ltd.'s gross profit margin shows consistency with some slight changes. After peaking at 19.58% in 2019, it stabilized at 19.52% in 2020 and then grew to 21.01% in 2021, suggesting increased profitability. It did, however, slightly decline to 19.87% in 2022 and then to 18.72% in 2023. Over this time, the average gross profit margin has been 3.29%, indicating a steady although somewhat downward trend in profitability. In order to sustain or improve financial performance in the future, it could be necessary to keep an eye on cost control and income development tactics.
7) **MARICO**: A five-year analysis of Marico Ltd.'s gross profit margin reveals some minor variations. It rose from 18.08% in 2019 to 19.64% in 2020, demonstrating increasing profitability. It did, however, hold steady at 19.89% in 2021 before dropping

to 17.64% in 2022. In 2023, there was a minor recovery to 18.55%. Throughout this time, the average gross profit margin has been 31.26%, indicating a relatively stable but somewhat downward path in profitability. To sustain or improve financial performance in the future, cost structures and income streams may need to be continuously monitored.

8) **COLGATE**: Variations can be seen when looking at the gross profit margin for the previous five years at Colgate-Palmolive Company. It dropped from 28.38% in 2019 to 26.55% in 2020, which can be a sign of difficulties or changes in cost structures. But in 2021, there was a noticeable rise to 31.18%, indicating increased profitability. After that, there was a minor drop to 30.70% in 2022 and a further drop to 29.38% in 2023. Throughout this time, the average gross profit margin has been 48.73%, suggesting fluctuations in profitability that may be brought about by adjustments to cost controls, pricing policies, or market dynamics.

9) **EIMAMI**: Notable swings can be seen when examining Emami Limited's gross profit margin during the previous five years. After starting at 11.13% in 2019 and rising marginally to 11.61% in 2020, it had a notable spike to 15.09% in 2021, suggesting enhanced profitability. But in 2022, there was a notable increase to 26.25%, maybe as a result of improved cost control or pricing tactics. After that, in 2023, it dropped to 18.42%. The average gross profit margin for this time span is 2.782%, which shows significant variation in profitability and highlights the necessity of constant strategy modification and oversight to preserve financial stability.

10) **BAJAJ CONSUMR GOODS:** Analysing Bajaj Consumer Goods Ltd.'s gross profit margin over the past five years reveals significant fluctuations. Starting at 24.2% in 2019, it decreased notably to 19.27% in 2020, potentially indicating challenges or shifts in cost structures. This trend continued with a further decline to 14.48% in 2021. However, there was a remarkable increase to 25.56% in 2022, potentially due to improved efficiency or pricing strategies. Subsequently, it slightly decreased to 24.12% in 2023. The average gross profit margin over this period is 3.587%, indicating substantial variability in profitability, requiring careful management strategies.



❖ **HYPOTHISIS**

H0: There is no significance difference in Gross profit ratio of the difference selected FMCG company during the study period.

H1: There is significance difference in Gross profit ratio of the difference selected FMCG company during the study period

TABLE:4.6 ANOVA OF SINGAL FACTOR

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	18.11101	4	4.527753	0.080403	0.987961	2.583667
Within Groups	2477.773	44	56.31302			
Total	2495.884	48				

RESLUTE OF ANOVA TABALE:

From the above table we can identify that "F" test one way ANOVA, it displays that F Calculated value is 0.05 while the F – critical value is of 2.57 Hence Null Hypothesis will be accepted hence There is no significance difference in quick ratio of the different selected FMCG companies during the study period.

4.141.2 Net Profit Ratios: It conveys the connection between sales and net profit after taxes. This ratio serves as a gauge for total profitability. After accounting for both operating and non-operating components of income and expenses, the net profit is determined. The ratio calculates the number of net sales that the owners kept after all costs were paid.

$$\text{Net Profit Ratio} = \frac{Net\ profit}{Net\ sales} * 100$$

Net Profit Ratio of Companies under Study

TABLI:4.7 NET PROFIT RATIO (IN PERCENTAGE)

COMPANY	2019	2020	2021	2022	2023	AVG
HUL	15.41	17.02	17	16.94	16.74	16.622
ITC	27.37	32.86	29.49	36.95	39.65	33.264
NESTEL	15.91	15.15	14.37	14.14	15.23	14.96
BRITANNI	10.46	12.01	14.08	10.72	14.2	12.294
GODREJ	22.69	17.75	18.86	14.52	19.74	18.712
DABUR	17	16.76	17.79	20.83	19.24	18.346
MARICO	15.43	15.62	14.92	13.19	13.53	14.538
COLGETE	17.38	23.05	21.38	21.14	20.03	20.596
EMAMI	26.25	15.93	11.61	11.3	12.2	15.458
BAJAJ CON. GOODS	24.12	21.68	24.2	19.27	14.48	20.75

1) **HUL:** The net profit ratio for Hindustan Unilever Limited over the previous five years shows a generally stable trend with some slight variations. Its profitability rose from 15.41% in 2019 to 17.02% in 2020, a modest improvement. At 17.00% in 2021, the ratio was very constant. It then declined slightly to 16.94% in 2022 and 16.74% in 2023. Throughout this time, the average net profit ratio has been 16.222, indicating steady profitability. To sustain or improve financial performance in the future, operational efficiency may need to be monitored and adjusted.
2) **ITC:** A five-year analysis of ITC Limited's net profit ratio shows a tendency toward general growth. It increased from 27.37% in 2019 to 32.86% in 2020, demonstrating significant profitability. The ratio increased dramatically to 36.95% in 2022 after

slightly declining to 29.49% in 2021, indicating better financial success. By 2023, this tendency had reached a new high of 39.65%. The average net profit ratio for this time frame is 33.264%, which shows steady and significant profitability and highlights efficient operations and management practices that support the company's financial performance.

3) **NESTEL:** A five-year analysis of Nestlé's net profit ratio shows consistency with some modest changes. It started at 15.91% in 2019 and dropped to 15.59% in 2020. But in 2021, there was a more noticeable drop to 14.37%, which would suggest difficulties in sustaining profitability. Before slightly increasing to 15.23% in 2023, the ratio stayed reasonably constant at 14.14% in 2022. Throughout this time, the average net profit ratio has been 14.96%, indicating generally stable profitability with some fluctuations. To maintain or improve financial performance, strategies may need to be continuously monitored and adjusted.

4) **BRITANNIA:** Variations can be seen when examining Britannia Industries' net profit ratio during the last five years. Its rise from 10.46% in 2019 to 12.01% in 2020 suggests that profitability has improved. In 2021, there was a significant increase to 14.08%, indicating improved financial performance. In 2022, the ratio dropped to 10.72%, which would suggest difficulties in sustaining profitability. However, in 2023, it increased to 14.20%. Throughout this time, the average net profit ratio has been 12.294%, which shows generally steady profitability with slight fluctuations. To maintain or improve financial performance in the future, it might be required to keep an eye on market conditions and make essential strategy adjustments**.**

5) **Godrej:** A five-year analysis of Godrej Industries' net profit ratio shows some variability: it started at 22.69% in 2019 and dropped to 17.75% in 2020, which might indicate difficulties or changes in profitability. It then increased slightly to 18.86% in 2021, indicating better financial performance. After that, it dropped to 14.52% in 2022 and then increased to 19.74% in 2023, indicating a recovery. The average net profit ratio during this time frame is 18.712%, which suggests general profitability with some variability. It may be necessary to continuously monitor operational efficiencies and market conditions in order to maintain or improve financial performance**.**

6) **Dabur:** The net profit ratio for Dabur India Ltd. during the previous five years shows consistency with some modest variations. After starting at 17.00% in 2019, it steadily increased to 16.78% in 2020 and then to 17.79% in 2021, suggesting a minor improvement in profitability. But in 2022, there was a significant rise to 20.83%,

indicating improved financial success. After that, in 2023, it dropped little to 19.24%. Throughout this time, the net profit ratio has averaged 18.346%, suggesting general profitability with some fluctuations. Financial performance may be sustained or enhanced in the future with the support of excellent strategy implementation and market condition monitoring**.**

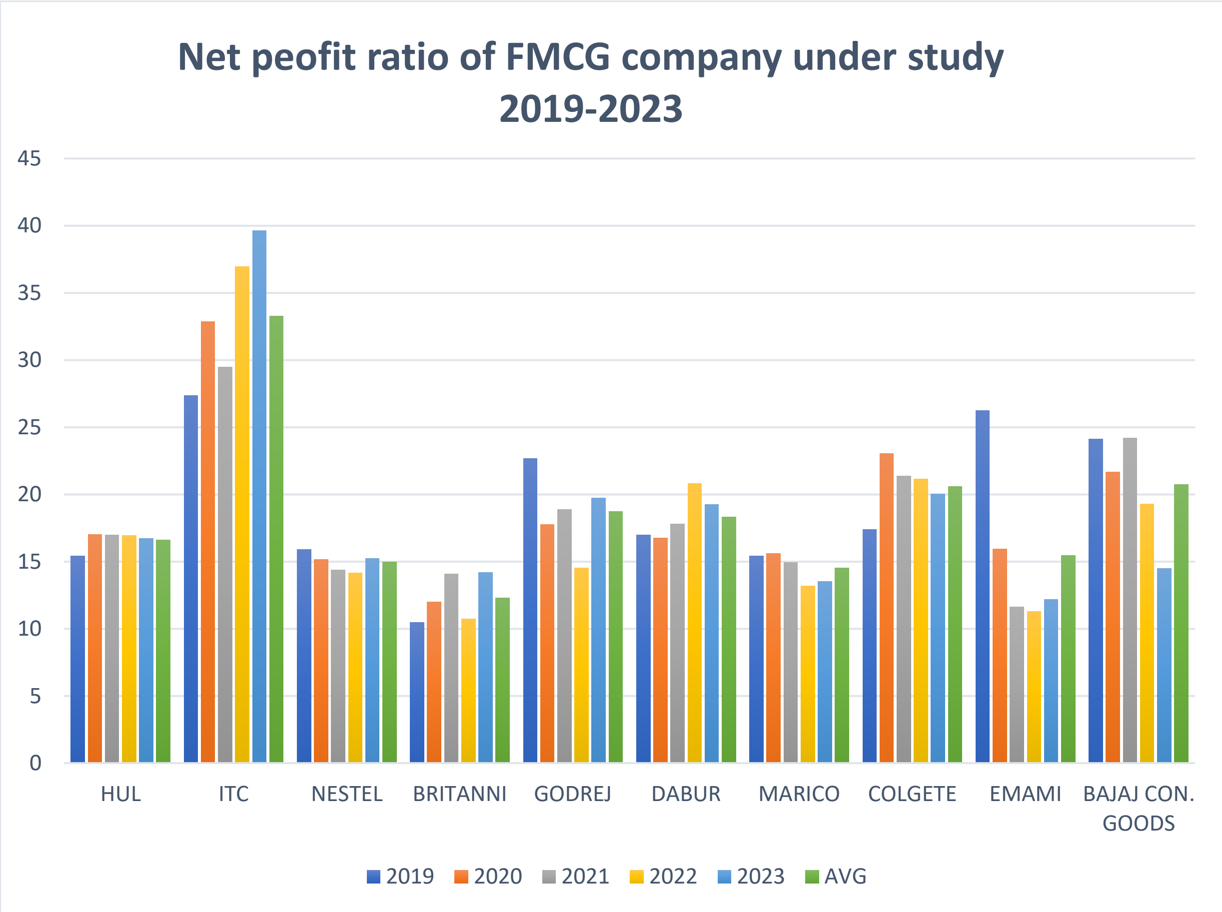
7) **MARICO:** A five-year analysis of Marico Ltd.'s net profit ratio shows consistency with some slight changes. Commencing at 15.43% in 2019, it demonstrated a marginal reduction in profitability as it grew to 15.62% in 2020 and then dropped to 14.92% in 2021. But in 2022, there was a more noticeable decline to 13.19%, which would suggest difficulties in sustaining profitability. However, in 2023, it marginally increased to 13.54%. Throughout this time, the average net profit ratio has been 14.544%, indicating general profitability with considerable fluctuation. It can be required to continuously evaluate and modify tactics in order to maintain or improve financial performance in the future.

8) **Colgate:** The net profit ratio for the Colgate-Palmolive Company during the previous five years shows consistency with some slight changes. It increased from 17.38% in 2019 to 23.05% in 2020, demonstrating a notable increase in profitability. A small dip to 21.38% occurred in 2021, and then there was a further decline to 21.14% in 2022 and 20.03% in 2023. Throughout this time, the average net profit ratio has been 20.596%, indicating steady profitability with some fluctuations. Financial performance may be maintained or improved in the future by keeping an eye on market dynamics and putting good cost management techniques into practice.

9) EIMAMI: Variations can be seen when examining Emami Limited's net profit ratio throughout the last five years. After a robust start in 2019 at 26.25%, it dropped sharply to 15.93% in 2020, suggesting difficulties or changes in profitability. This pattern persisted, declining even more to 11.61% in 2021 and 11.3% in 2022, which would point to lingering issues. In 2023, there was a minor increase to 12.02%, indicating a possible rebound. Over this time, the average net profit ratio is 15.425%, which shows fluctuations in profitability. Maintaining or improving financial success may require ongoing evaluation of market conditions and operational efficiencies**.**

10) **BAJAJ CONSUMER GOODS**: Variations can be seen when looking at Bajaj Consumer Goods Ltd.'s net profit ratio over the previous five years. It started at 24.12% in 2019 and dropped to 21.68% in 2020. But in 2021, it increased to 24.02%, showing higher profitability. Subsequently, the ratio dropped significantly to 19.27% in 2022

and subsequently to 14.18% in 2023, indicating difficulties in sustaining profitability. During this time, the average net profit ratio was 20.75%, which suggests some variety in total profitability. Sustaining or improving financial performance in the future may need ongoing evaluation of market conditions and efficient management techniques.



❖ **HYPOTHISIS**

H0: There is no significance difference in Net profit ratio of the difference selected FMCG company during the study period.

H1: There is significance difference in Net profit ratio of the difference selected FMCG company during the study period

TABLE:4.8 ANOVA single factor

Source of Variation	*SS*	*f*	*MS*	*F*	*P-value*	*F crit*
Between Groups	9.363928	4	2.340982	0.05429	0.994307	2.578739
Within Groups	1940.408	45	43.12018			

Total	1949.772	49				

RESLUTE OF ANOVA TABALE:

From the above table we can identify that "F" test one way ANOVA, it displays that F Calculated value is 0.05 while the F – critical value is of 2.57 Hence Null Hypothesis will be accepted hence There is no significance difference in quick ratio of the different selected FMCG companies during the study period.

4.14.1.3Return of Shareholders Fund:

It's a gauge of the company's overall profitability and is calculated by dividing net income (before interest and taxes) by average stockholder equity. It is also known as the return on net worth ratio and the return on total equity (ROE) ratio. Typically, the ratio is stated as a percentage.

It is calculated as under:

Return on Shareholders' Funds=$\frac{NET\ PROFIT\ AFTER\ TAX}{TOTAL\ SHERHOLDER\ FUND}$*100

TABLE:4.9 RETURAN OF SHAREHOLDER FUND (IN PERCENTAGE)

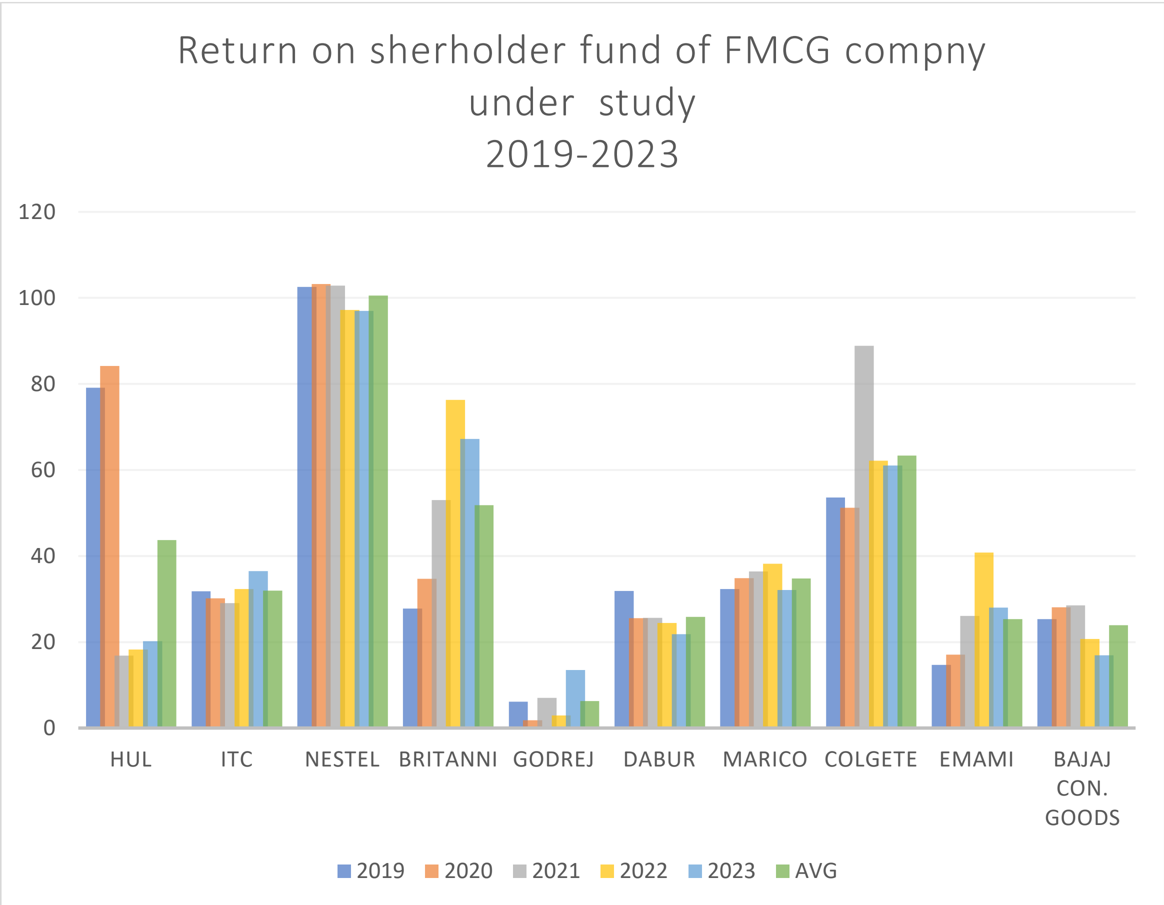
COMPANY	2019	2020	2021	2022	2023	AVG
HUL	79.12	84.22	16.86	18.22	20.20	43.72
ITC	31.82	30.13	29.08	32.29	36.5	31.964
NESTEL	102.6	103.21	102.87	97.19	96.95	100.564
BRITANNI	27.77	34.72	53.02	76.26	67.24	51.802
GODREJ	6.15	1.84	7.01	2.96	13.51	6.294
DABUR	31.85	25.57	25.61	24.42	21.81	25.852
MARICO	32.35	34.86	36.44	38.19	32.12	34.792
COLGETE	53.59	51.19	88.84	62.16	61.01	63.358
EMAMI	14.72	17.09	26.09	40.81	28.01	25.344
BAJAJ CON. GOODS	25.36	28.06	28.55	20.73	16.95	23.93

1) **HUL:** Over the last five years, Hindustan Unilever Limited's (HUL) return on shareholder capital has shown notable swings. It climbed to 84.22% in 2020 from a noteworthy high of 79.12% in 2019, demonstrating strong returns on shareholder investments. But in 2021, there was a significant drop to 16.86%, maybe as a result of adjustments to asset usage or profitability. With a modest increase to 18.22% in 2022 and a further increase to 20.20% in 2023, this trend flipped and showed an upward trajectory. The unusually high average return on shareholder funds during this time, 43.72%, raises the possibility of data inconsistencies that need to be confirmed**.**
2) **ITC:** Examining ITC Limited's return on shareholder capital over the previous five years shows stability with very slight variations. It started off at 31.82% in 2019 and dropped marginally to 30.13% in 2020 and 29.08% in 2021. But in 2022, there was a slight increase to 32.29%, and in 2023, things stayed the same. Over this time, the average return on shareholder funds is 31.964%, which shows general steadiness in producing returns for shareholders. Investor confidence in the company's financial health and future prospects is increased by this steady performance, which points to efficient financial management and operational effectiveness.
3) **NESTLE**: A five-year analysis of Nestlé's return on shareholder funds shows steadiness with some slight changes. It started off spectacularly high in 2019 at 102.60% and continued to be consistently high at 103.21% in 2020 and 102.87% in 2021, demonstrating strong returns. Nonetheless, a minor reduction to 97.19% in 2022 and an additional slide to 96.95% in 2023 indicated a loss in returns. Although there has been a modest negative tendency in recent years, which may merit additional investigation, the average return on shareholder funds throughout this period is 100.56%, suggesting general stability in providing returns for shareholders.
4) **BRITANNIYA:** Analysing Britannia Industries' return on shareholder funds over the past five years reveals significant fluctuations. Starting at 27.77% in 2019, it surged to 34.72% in 2020, indicating improved returns. However, there was a remarkable increase to 53.02% in 2021, suggesting substantial growth in shareholder value. This trend continued with a significant rise to 76.26% in 2022, followed by a slight decrease to 67.21% in 2023. The average return on shareholder funds over this period is 51.802%, indicating overall strong performance in generating returns for shareholders, with notable variability in recent years.

5) **GODREJ:** A five-year analysis of Godrej Industries' return on shareholder capital shows some significant volatility. It dropped sharply from a low of 6.15% in 2019 to 1.84% in 2020, suggesting difficulties or inefficiency. But in 2021, there was a noticeable rise to 7.01%, indicating better returns. With a decline to 2.96% in 2022 and a stunning rise to 13.51% in 2023, this trend reversed and showed a significant increase in shareholder value. Over this period, the average return on shareholder funds is 6.294%, indicating a reasonable overall performance with notable annual variability.
6) **DABUR:** examining Over the last five years, Dabur India Ltd.'s return on shareholder capital has fluctuated somewhat. Returns showed a small dip, with a strong start in 2019 at 31.85% and a decline to 25.57% in 2020. In the ensuing years, the ratio varied slightly but stayed largely constant at 25–26%. But in 2023, there was a noticeable decline to 21.84%, indicating a decline in shareholder value. Over this time, the average return on shareholder funds is 25.852%, which shows generally mediocre performance in terms of yielding returns for shareholders, with considerable variation from year to year. Sustained performance may need ongoing strategy evaluation and modification.
7) **MARICO**: When the return on shareholder money for Marico Ltd. is examined over the last five years, an overall upward trend is seen. It climbed from a good starting point of 32.25% in 2019 to 34.86% in 2020, suggesting greater returns. With additional improvements to 36.44% in 2021 and 38.19% in 2022, this trend persisted and showed a consistent increase in shareholder value. In 2023, there was a minor decline to 32.12%. With only a few slight variations, the average return on shareholder funds over this time period is 34.792%, suggesting generally high success in creating returns for shareholders. This pattern points to strategic choices and efficient management that increase shareholder value.
8) **COLGATE:** The return on shareholder money for the last five years of Colgate-Palmolive Company analysis shows notable variations. It dropped slightly to 51.19% in 2020 after a good start of 53.59% in 2019. But in 2021, there was a notable rise to 88.81%, indicating a significant increase in shareholder wealth. With a decline to 62.16% in 2022 and a subsequent marginal decline to 61.01% in 2023, this trend reversed. Although there has been some year-to-year variation, the average return on shareholder funds throughout this time period is 63.358%, suggesting overall outstanding success in creating returns for shareholders.
9) **EIMAMI:** Considerable variations can be seen when examining Emami Limited's return on shareholder capital during the previous five years. The percentage climbed

from 14.72% in 2019 to 17.09% in 2020, suggesting a moderate increase in shareholder value. But in 2021, there was a notable increase to 26.09%, indicating a notable improvement. This pattern persisted, showing a noteworthy rise to 40.81% in 2022, which suggested a significant increase in shareholder wealth. But in 2023, there was a noticeable decline to 28.01%. Although there has been some year-to-year variation, the average return on shareholder money throughout this time period of 25.344% indicates generally high success in creating returns for shareholders.

10) **BAJAJ CONSUMER GOODS**: Notable variations can be seen when examining Bajaj Consumer Goods Ltd.'s return on shareholder funds over the previous five years. It increased from 5.36% in 2019 to 28.06% in 2020, demonstrating a notable increase in shareholder value. In 2021, this tendency increased even more to 28.55%, indicating a persistent improvement. But there was a noticeable drop to 20.73% in 2022 and a further drop to 16.95% in 2023, which might point to difficulties or changes in profitability. Over this period, the average return on shareholder funds is 23.93%, demonstrating great overall performance with substantial year-over-year variability. Sustained performance may need constant strategy modification and monitoring.



- **HYOPTHISIS**

H0: There is no significance difference in return on shareholder company of the difference selected FMCG company during the study period.

H1: There is significance difference in return on shareholder fund ratio of the difference selected FMCG company during the study period

TABLE:4.10 ANOVA single factor

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	27.03939	4	6.759848	0.007706	0.999877	2.578739
Within Groups	39474.06	45	877.2013			
Total	39501.1	49				

Result of ANOVA

From the above table we can identify that "F" test one way ANOVA, it displays that F Calculated value is 0.007 while the F – critical value is of 2.57 Hence Null Hypothesis will be accepted. hence There is no significance difference in quick ratio of the different selected FMCG companies during the study period.

4.14.2 Economic Profit: When determining a firm's income, the economic profit differs from the accounting profit in that it takes into account known or imputed costs in costs. Opening cost is another name for the recognized cost. The gains that are unavoidable while choosing the second-best option are known as the opportunity cost. For instance, when someone starts their own firm, they give up the income they would have received from working for another company.

Another name for the economic profit is a pure profit. To prevent taking money away from capital, pure profit pays close attention to depreciation, insurable risks, and the smallest possible return to the saver. Pure profit is therefore what's left over after all contractual expenses, such as transfer costs for management, insurable risks, reduction, and shareholder payments, have been satisfied.

Pure Profit = Total Revenue – (Explicit Costs + Implicit Costs)

Pure Profit= Accounting Profit – (Opportunity Cost+ Unauthorized payments)

4.15 IMPORTANCE OF PROFITABILITY:

"As long- and short-term goals are taken into consideration, profitability is examined in relation to corporate operations. While short-term commercial operations, such as product mix, are supported by profitability. Long-term managerial decision-making for expansion programs is aided by the profitability propensity." The profitability feature holds significance for several groups of individuals with varying opinions.

I. **In terms of management**: Since profitability analysis is linked to an examination of a company's internal operations, it can be internal. Profitability analysis and measurement enable the financial adviser to guide management on a range of operational matters. Revenue is not the only consideration when deciding whether to expand a business; in order to grow, management and the back-office staff must be shrewd enough to shoulder more responsibility. drafting a company plan for growth and researching market trends and financial aspects that impact the industry

II. **Regarding Shareholders**: The owners are able to assess the value of their investments based on their potential for profit. A business that generates consistent profits is viewed by savers as a potentially favourable investment option since they anticipate a respectable return on their investment.

III. **Regarding Employees**: The employees are worried about their pay rates as well as additional and supplementary fringe perks. Workers are satisfied with their current compensation when profitability is measured and analysed properly. Should there be a surplus in profitability, the staff members can rationalize their increased stress.

IV. **Regarding Lender and Financial Institution**: Creditors can depend on promptness and safeguard their assets. When it comes to determining whether a bank will lend money or whether the public will contribute to an enterprise's debentures, productivity plays a big part. Lending decisions are influenced by security and the business's credit score in order to increase profit. a nonprofit creating business that the lender usually views as a default risk.

V. **Regarding the Government**: A profitable business fulfils its legal obligations on schedule, assists in long-term planning through the Government's five-year plan.

VI. **Towards Other Stakeholders**: Whether directly or indirectly, profitability is an important consideration for everyone involved in a given corporate endeavour. Profitability statistics are used to gauge business activity in specific manufacturing and several industries overall.

4.16 DIFFERENCE BETWEEN PROFITABILITY AND LIQUIDITY:

"Profitability and liquidity are the two different concept which are most intimately considered by both the investors and owner in order to know whether the business is administration good or not." The distinctions between liquidity and profitability are as follows:

I. Comparatively, liquidity refers to the ease of using cash and its equivalent within the business at any one time. Profitability, on the other hand, deals with the income that the corporation has earned during the year and is intended as the difference between income and costs done by the organization.

II. A prosperous business does not always need to have liquidity because it is possible that the majority of its funds are allocated to initiatives and businesses that do not have enough cash on hand or liquidity. In contrast, while certain types of liquidity may be strong, they are not profitable because there aren't enough possibilities to invest idle capital.

III. While present ratios, liquid ratios, and cash debt coverage ratios are secondary indicators of the firm's liquidity, gross profit, operating profit, net profit, and return on capital employed are some of the ratios that are typically used to determine the profitability of the business.

IV. In the near term, a profitable firm may fail if it lacks sufficient liquid capital; conversely, a non-profitable company with sufficient liquid capital cannot fail in the short run.

Therefore, it is evident from the foregoing that profitability and liquidity are not the same and that a company must maintain a healthy balance between the two. This is because if a company places too much emphasis on profitability, it may find it difficult to meet its short-term obligations to its employees, creditors, and other parties, while if it places too much emphasis on liquidity, it may run the risk of becoming obsessed with loss.

4.17MEASUREMENTS OF SUCCESS:

For businesses, measuring profitability is just as crucial as making profits. The general measure of efficiency is thought to be a measure of profitability. Since a variety of company activities lead to profitability. As a result, measuring it involves several steps. Profitability, as previously said, is a relative term dependent on earnings .However, profits by themselves are insufficient to convey the idea of profitability." Therefore, it is necessary to establish a relationship between profit and other factors.

From a profit perspective, it's critical to understand that each unit of sale should provide a sufficient profit. In the event that sales do not generate a sufficient profit, operating expenses will be impossible to cover, and equity shareholders will not receive any profit.

4.18 CONCLUSION:

Consumer behaviour tends to change during the summer, which affects the liquidity and profitability of Fast-Moving Consumer Goods (FMCG) companies. When sales soar, spending more on seasonal goods like ice cream, beverages, and personal hygiene products might help increase liquidity. But increased competition during this time could put pressure on profit margins, especially when it comes to pricing and promotional tactics.

T Monitoring cash flow trends, receivables management, and inventory turnover rates attentively are all necessary for effective analysis during this time. In order to fulfil increased demand, FMCG companies must maintain an efficient supply chain while properly managing working capital. Furthermore, optimizing profitability during seasonal changes can be achieved by evaluating consumer trends and modifying marketing strategy. In conclusion, FMCG companies face both possibilities and challenges throughout the summer. Through strategic operational optimization and strategic consumer trend analysis, these businesses can increase revenue in the summer.

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CHAPTER 5

SUMMARY

INDEX

5.1 INTRODUCTION

The concepts of summary, finding, and suggestion are covered in this chapter. We have previously discussed in the previous chapter how an ownership security can be used to raise the capital needed by a business enterprise. Additionally addressed are the notions of FMCG companies' financial performance.

5.2 SUMMARY AND FINDINGS:

CHAPTER -1 OVERVIEW OF FMCG COMPANIES OF INDIA:

The FMCG group of enterprises in India is primarily involved in the manufacturing of FMCG items, which contributes significantly to the development of the Indian economy. Consequently, a brief overview of FMCG companies is provided in this section.

The introduction, the FMCG industry, which is divided into primary and secondary producers, the development of FMCG companies in India, government policies for the industry, the current environment, demand drivers such as power, FMCGs, and consumer durables like construction and packing, risk factors related to FMCG companies, critical success factors, the global perspective, recent m & a trends and outlook, which includes data on exports, imports, and production capital of Indian FMCG companies are all included in this brief industry profile. The ownership of the industry, the primary product, and the inclusion of years were all covered in the final brief introduction of a few units.

CHAPTER-3 RESEARCH METHODOLOGY:

The subject of the present study is "Analysis of Profitability and Liquidity of Selected FMCG Companies in India", which covers the period of the last ten years from 2019-2023.The report includes the major facilities of the FMCG conglomerate. The FMCG group of firms published secondary data in their annual reports and accounts, which served as the basis for this study. The primary goal of the research is to determine the status of FMCG companies: their overall resources as a percentage of total firm resources; financial strength, liquidity position, financial efficiency, and activity. The chapter discusses issues with FMCG companies. significance of the research, a survey of the literature, Problem description, goals for the research, The study's hypothesis, the study's universe, Time frame for the investigation, Design of sampling, Data gathering strategy, instruments, and methods, which comprised Many statistical metrics have been employed, including the mean, standard deviation, regression, index number, and least Two hypotheses, (1) the null hypothesis and (2) the alternative hypothesis, have been tested for validity using the square trend, qui-square of productivity, and one-way analysis of variance test. Study Outline Lastly, the restrictions on current research have been demonstrated. The methods that are frequently employed for the investigation include comparative statement analysis, trend analysis, ratio analysis, and others. Additionally, statistical methods are employed for this purpose, typically including the average, one-way analysis of variance, variation from the mean, variance, etc. Additionally, charts, graphs, and diagrams are created and used.

CHAPTER-4 DATA ANALYSIS

LIQUIDITY:

Short-term fund investments typically take the form of working capital. Although the objectives of working capital management are the same as those of managing current assets separately, working capital management skills are quite different. Working capital has historically described in two ways: The distinction between current liabilities and assets. The net working capital approach has been taken into consideration for the current analysis. One of the most crucial aspects of financial management is working capital management. Working capital management seeks to protect and preserve the company's liquidity and profitability by managing current assets and current liabilities in a way that maintains an appropriate degree of networking.

CURRENT RATIO:

The Current Ratio of selected FMCG Companies during the study period shows an average 15.79. During the study period the ITC Ltd shows an average of 3.25 Britannia shows an average of 1.32, Hindustan Unilever shows an average of 1.34, Godrej Consumer Product Ltd shows an average of 1.51 Bajaj consumer goods shows an average of 5.02, Dabur India Ltd shows an average of 1.48, Emami India Ltd shows an average of 1.78,colgate Ltd shows an average of 1.07 nestle ltd shows an average of 1.85, Marico Ltd shows an average of 1.79.

The results of the One Way Anova-Test show that the Current Ratio in a subset of FMCG companies differed significantly. due to the fact that the calculated F Ratio value was lower than the tabulated value. Thus, the Null Hypothesis is accepted, and the alternative hypothesis was disproved.

QUICK RATIO:

The Quick Ratio of selected FMCG Companies during the study period shows an average 14.27 During the study period the ITC Ltd shows an average of 2.28,Britannia shows an average of 1.00, Hindustan Unilever shows an average of 1.00Godrej Consumer Product Ltd shows an average of 0.86, Bajaj consumer goods shows an average of 4.49, Dabur India Ltd shows an average of 0.92, Emami India Ltd shows an average of 1.10 Colgate Sugars Ltd shows an average of0.86 , nestle ltd shows an average of 0.73, Marico Ltd shows an average of 1.03.

The Quick Ratio in a subset of FMCG companies showed a significant difference, according to the One Way Anova-Test. due to the fact that the calculated F Ratio value was lower than the tabulated value. Thus, the Null Hypothesis is accepted, and the alternative hypothesis was disproved.

PROFITABILITY:

A seamless component of the entire financial planning process is profiting planning. The ability of a particular investment to generate profits from its use is referred to as profitability. The calculation of the profit’s ratio can be used to determine and analyze profitability. depending on net earnings, operational profit profits, or both. The notions of profit, profitability, and rate of return, as well as the bases of profitability that measure profitability in relation to sales and capital employed, shareholders' investment and the sample units' dividend policy, have all been analysed in this chapter. The ability of an organization to allocate its financial resources to activities related to its mission is measured by its profitability. Financial effectiveness is preferred in every organization, regardless of purpose.

Profitability quantifies how well a company uses its resources to create gross income as well as how well decisions about creating, acquiring, pricing, financing, and marketing are carried out. In the smallest possible scale.

The efficiency with which resources are correctly distributed among competing purposes at a given point in time is referred to as profitability. An organization's profitability is determined by how well it has used its financial efficiency to handle specific trade-offs between risk and return, liquidity, and profitability.

The goal of the current study is to analyze profitability using the FMCG ratio of Indian enterprises. The following are the profitability ratios that have been covered in this chapter:

GROSS PROFIT RATIO:

The Gross Profit Ratio of selected FMCG Companies during the study period shows an average 34.34. During the study period the ITC Ltd shows an average of 6.644, Britannia shows an average of 2.859, Hindustan Unilever shows an average of 3.933, Godrej Consumer Product Ltd shows an average of 3.636, Bajaj consumer goods3.587 Industries shows an average of 3.587, Dabur India Ltd shows an average of3.29 Emami India Ltd shows an average of 2.782, nestle Ltd shows an average of 3.080 Colgate shows an average of 4.873, Marico Ltd shows an average of 3.126.The results of the One Way Anova-Test show that the Gross Profit Ratio of a few FMCG companies differed significantly. due to the fact that the calculated F Ratio value was lower than the tabulated value. Thus, the Null Hypothesis is accepted, and The alternative hypothesis was disproved.

NET PROFIT RATIO:

The Net Profit Ratio of selected FMCG Companies during the study period shows an average 19.98. During the study period the ITC Ltd shows an average of 33.26, Britannia shows an average of 12.29, Hindustan Unilever shows an average of 16.62, Godrej Consumer Product Ltd shows an average of 18.71 Bajaj shows an average of 20.75 Dabur India Ltd shows an average of 18.32, Emami India Ltd shows an average of 15.45colgate Ltd shows an average of 20.59 nestle ltd shows an average of 14.96, Marico Ltd shows an average of 14.53.The results of the One Way Anova-Test show that the Net Profit Ratio of a few FMCG companies differed significantly. due to the fact that the calculated F Ratio value was lower than the tabulated value. Thus, the Null Hypothesis is accepted, and the alternative hypothesis was disproved**.**

RETURN ON NET CAPITAL EMPLOYED:

The Return on Net Capital Employed Ratio of selected FMCG Companies during the study period shows an average 40.75. During the study period the ITC Ltd shows an average of 31.96, Britannia shows an average of 51.80 Hindustan Unilever shows an average of 43.72, Godrej Consumer Product Ltd shows an average of 6.29, Bajaj Industries shows an average of 23.93, Dabur India Ltd shows an average of 25.85, Emami India Ltd shows an average of 25.34, Colgate Ltd shows an average of 63.35, nestle ltd shows an average of 100.56, Marico Ltd shows an average of 34.79.The results of the One Way Anova-Test show that the Return on Net Capital Employed Ratio of a subset of FMCG companies differed significantly. because the F Ratio's computed value was lower than its tabulated value. Hence, the null hypothesis has been approved while rejecting the alternative hypothesis.

5.3 SUGGESTIONS:

- The average Gross Profit Ratio for a selected sample of Indian FMCG companies is 3.34 percent. It indicates that sales revenue is below the cost of items. Additionally, it indicates that the business can accurately display its cost of goods sold, although it is recommended that FMCG companies ITC Limited, and Marico Limited seek the cost of goods sold as soon as feasible and work to boost sales income.
- Selected FMCG companies in India have an average Net Profit Ratio of 19.98 percentage points. Net sales below net profit is what it indicates. Additionally, it demonstrates that the business is positioned to accurately display its net profit ratio; nonetheless, it is advised that FMCG companies, Britannia, and nestle Limited should aim to boost net sales and seek to achieve net profit as soon as feasible.
- The average Return on Net Capital Employed for a subset of Indian FMCG companies is 40.75percent. It indicates that net capital utilized was less than net profit before taxes and interest. It also indicates that the business is positioned to show its Net Profit before Interest and Tax correctly; nonetheless, it is recommended that of FMCG, Dabur India Limited, and Marico Limited As soon as feasible, businesses should aim to maximize net profit before interest and taxes while also attempting to raise net capital employed.
- The average current ratio for a subset of Indian FMCG companies is 15.79times. Less Current Assets than Current Liabilities is what it indicates. Additionally, it indicates that the business is positioned to accurately reflect its current liabilities, yet it is recommended that the FMCG companies Godrej Consumer Product Ltd., Hindustan Unilever, and Britannia seek to maximize their current assets while pursuing their current liabilities as soon as feasible.
- The average Quick Ratio for a subset of Indian FMCG companies is 14.27 times. Quick Liabilities are therefore lower than Quick Assets. It also indicates that the business is able to accurately portray its cost of goods sold, yet it is recommended that the FMCG companies Godrej Consumer Product Ltd., Hindustan Unilever, and Britannia seek to maximize their Quick Assets while pursuing their Quick Liabilities as soon as feasible.

5.4 SCOPE FOR FUTURE RESEARCH:

In light of the study's limitations as well as the researcher's expertise gained from his research, he believes that a comprehensive, conclusive investigation at the macro level may be conducted. It could be useful in distinguishing distinct findings separately for this kind of macro level inquiry.

Likewise, studies can be conducted for many subgroups within the divisions, such as banking, chemicals, software, engineering, cement, communications, etc.

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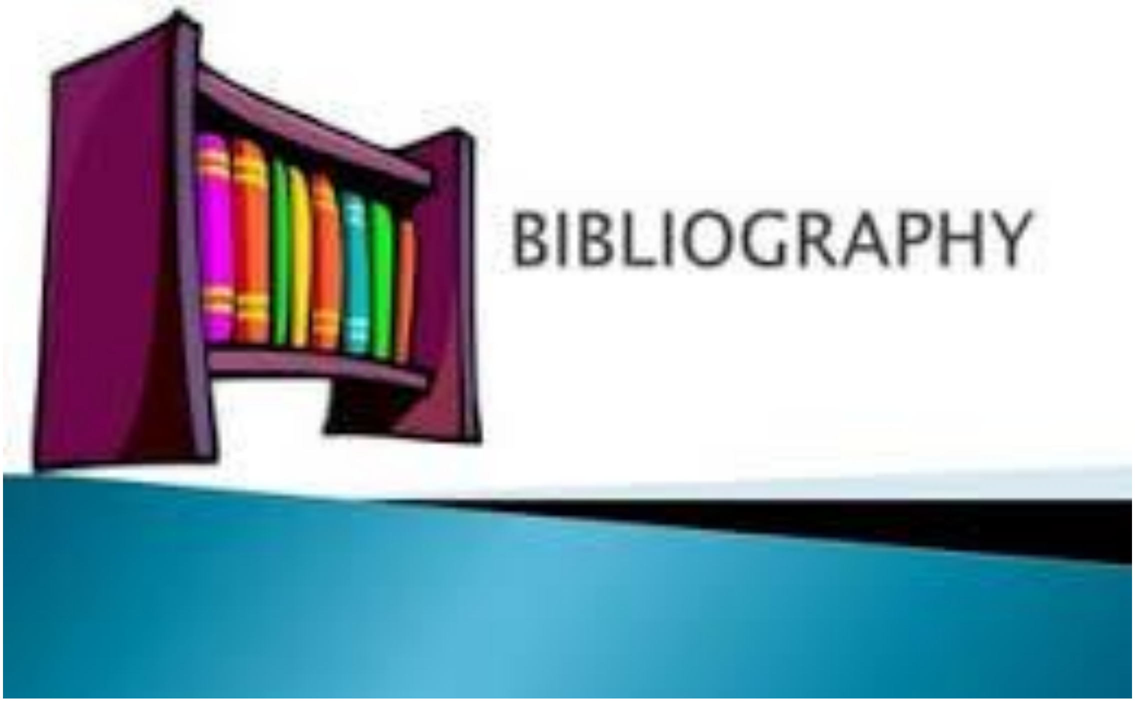

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