**INVESTIGATING THE INTERPLAY BETWEEN SHARE PRICE PERFORMANCE,QUARTERLY FINANCIAL RESULTS AND SHAREHOLDING PATTERNS IN FMCG INDUSTRY**

**Project Report**

*Submitted by*

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*In partial fulfillment of requirements for award of the post graduate degree of*

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**ST.TERESA’S COLLEGE (AUTONOMOUS), ERNAKULAM**

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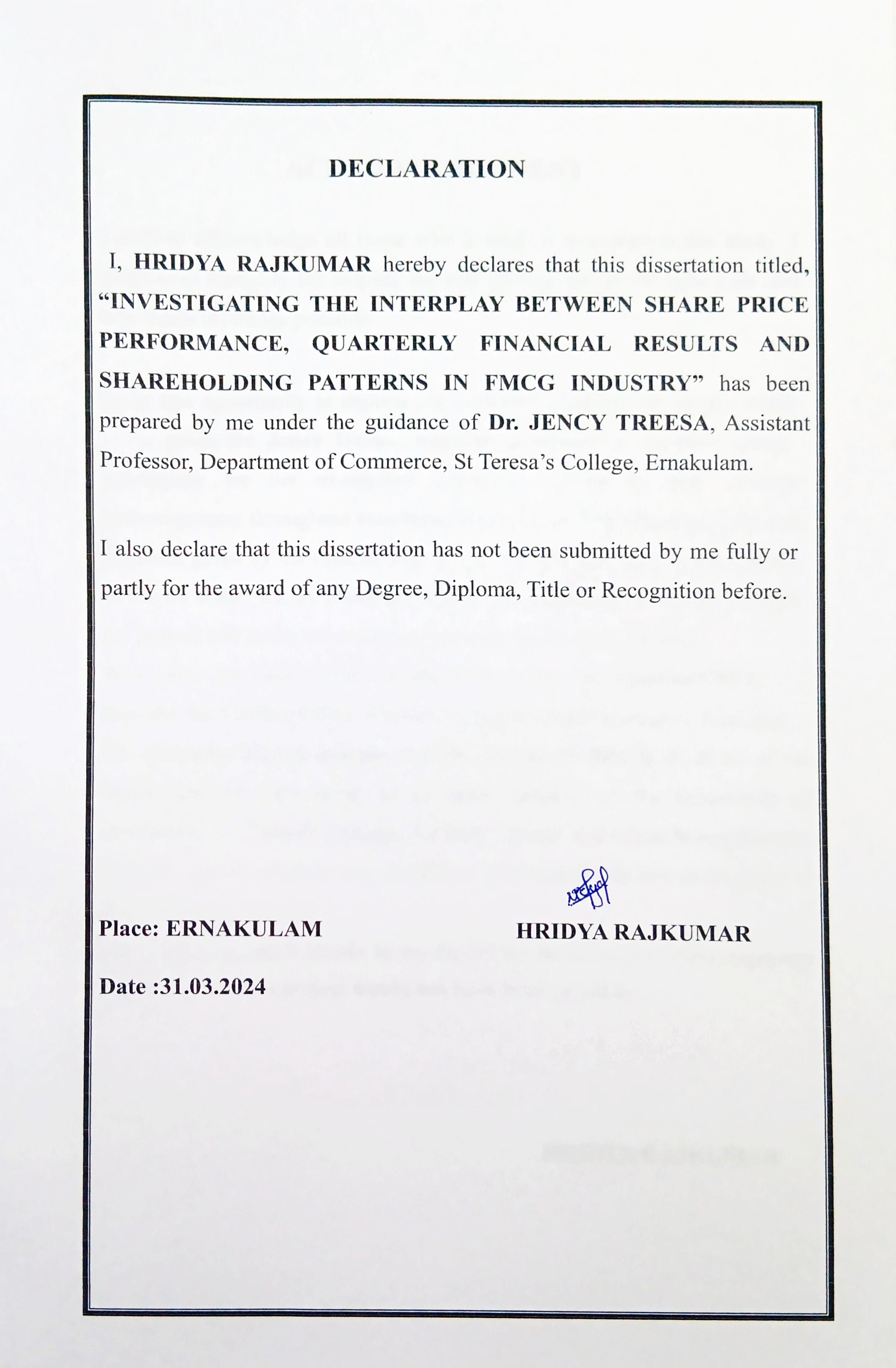
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**CHAPTER 1**

**INTRODUCTION**

* 1. **INTRODUCTION**

Within the Indian economy, one of the biggest and most significant sectors is the fast-moving consumer goods (FMCG) industry. FMCG companies sell a wide range of goods, including domestic goods, personal care items, and food and drink items. Because people use these products on a regular basis because they are necessities, the FMCG industry is comparatively recession-proof. Investors keep an eye on a company's quarterly share price results because they offer valuable insights about the sector's performance and the state of the economy as a whole. Strong quarterly earnings from FMCG companies typically signal that the industry is expanding and that investors are able to purchase the company's shares. Given that it indicates that the economy is stable, this could be advantageous for the stock market as a whole.

Conversely, poor quarterly performance from FMCG firms may indicate a slowdown in the industry or a reduction in consumer spending. This might be bad news for the stock market because it implies that the economy might be deteriorating.To find possible investment possibilities, investors consider the specific performance of FMCG firms in addition to the sector's overall performance. Strong performance-producing companies are frequently viewed as wise investments because they are expected to expand and make money in the future.

All things considered, the performance of the FMCG industry and the state of the economy as a whole are significantly influenced by the quarterly results of these businesses. To determine possible investment possibilities and evaluate the total risk of investing in the FMCG industry, investors should keep a close eye on these results.The majority of investors focus on revenue growth, profitability, market share, and future outlook when analysing the quarterly results of FMCG companies. Investors should also be aware that a variety of factors, including as the general state of the economy, inflation, and pressure from competitors, can have an impact on the quarterly performance of FMCG companies. When making financial selections, it's critical to take all of these things into account.

Due to their fierce competition, FMCG companies usually have narrow profit margins, which forces them to prioritize cost control, supply chain optimization, and operational efficiency. Furthermore, shifting consumer tastes, wellness and health trends, and environmental concerns are having an increasing impact on the industry, forcing businesses to modify their product lines and operational procedures in response to changing market needs.The FMCG industry is a key driver of worldwide economic growth and job opportunities since it is a gauge of consumer attitude and spending habits. Because of the indispensable nature of its products, this business is a pillar of contemporary consumer culture. The FMCG industry is a fascinating and dynamic area to work in since it has both opportunities and challenges for innovation and growth as technology and consumer behaviour continue to change.

* 1. **BACKGROUND**

The Fast-Moving Consumer Goods (FMCG) sector is an indispensable participant in global economics, providing some necessary products to customers. To investors and industry stakeholders alike, a comprehension of the factors affecting financial performance and stock price trends for these firms is imperative.

This research thus aims to narrow this gap by examining how the financial soundness can be accounted for using their quarterly results and influences on share prices. Moreover, this paper also discuses about the shareholders composition as well as dynamics into understand if it might impact on the stock prices of FMCG companies. In addition, they will try to show whether or not they could provide a basis for predicting future movements of selected FMCG companies’ shares by looking at quarterly financial data. This work is valuable to all parties involved since it provides them with useful information that can help them make sound investment choices and strategic plans within the FMCG industry**.**

* 1. **SIGNIFICANCE**

Fast-moving consumer goods businesses' quarterly results are important for their share prices since they offer information about the business's performance and prospects going forward. FMCG companies market goods including food, drinks, and personal care items that consumers use on a regular basis. So, even when there are downtowns, their performances remain largely consistent. They are occasionally also susceptible to external influences like competition, customer preference shifts, and inflation.

Investors learn how successfully the businesses are handling these issues and whether or not they will be able to reach their growth goals. However, if the firm's reports are underwhelming, it is likely that there are more challenges ahead for them or that they are not moving in the right direction. As a result, investors may decide to sell their shares, which will have a negative impact on the share price of the company.

All things considered, the importance of the quarterly results lies in the fact that they give investors a clearer picture of the company's performance and prospects going forward.

**1.4 STATEMENT OF THE PROBLEM**

The quarterly results of FMCG companies are volatile and are affected by number of factors like status of the economy, government regulations, inflation, introducing a new product. So, the investors should be more careful about these factors and analyze the quarterly results.The relationship between a company's quarterly results and its share price swings is still a interesting challenge in the ever-changing Indian stock market. This research explores the core of this complex movement, with a particular emphasis on the field of FMCG (fast-moving consumer goods) corporations. This study aims to provide a basic answer to the following fundamental question: to what extent and in what specific ways do the quarterly results of FMCG companies influence their share price movements in the Indian market? The research is motivated by the desire to throw light on the complex relationships between financial performance and investor perception.

**1.5 OBJECTIVES**

* To identify the relationship between the share price movements of the selected FMCG industry and their quarterly results.
* To analyse the quarterly financial performances of selected FMCG companies.
* To understand the composition and dynamics of ownership within the industry by examining the shareholding patterns.

**1.6 SCOPE OF THE STUDY**

The scope of the study includes a proper analysis of the relationship between quarterly results for past 9 quarters from Q2 FY2021 to Q2 FY2023 and the share price movements within the selected companies of the FMCG industry.Thisis done with the help of 5 companies that provide the best consumer products and also how the changes in their share prices are affecting the decisions of the investors as well as the normal consumers.

**1.7 RESEARCH METHODOLOGY**

The methodical approach that researchers take to gather, examine, and evaluate data in order to find answers to research questions or validate hypotheses is known as research methodology. It basically acts as a guide to ensure the validity and reliability of a research study as it is being conducted.

**1.7.1 RESEARCH DESIGN**

The type of research design opted for this research is case study method. A case study is a An in-depth examination of a particular phenomena, program, organization, person, or event in its actual setting is possible through the use of a case study research strategy. It goes farther than conventional research techniques and enables you to comprehend the subtleties, complexities, and intricacies of the topic of choice.

**1.7.2 DATA COLLECTION**

the data are collected based on secondary data. The published quarterly results of the companies are collected from their official websites. The shareholding pattern and the price fluctuations of the companies are collected from various stock analysis websites.

**1.7.3 TOOLS FOR ANALYSIS**

Correlation, ratio analysis and trend analysis are used to collect the primary data to study the quarterly results of the fmcg industry. Different graphs are also used for the analysis like bar charts, line graphs etc. Finding possible connections between different variables is the goal of correlation analysis. Financial statements are examined using ratio analysis to evaluate profitability, liquidity, and efficiency. Lastly, trend analysis monitors data over time to spot trends and project the industry's future course. With the help of this holistic approach, investors, analysts, and industry participants may all make well-informed decisions about the state of the FMCG industry.

**1.7.4 PERIODS CHOSEN FOR THE STUDY**

The study is conducted for past 9 quarters for the financial years, 2021-22, 2022-23, 2023-24

**2021-22**

Quarter II (1st july2021-30th September 2021)

Quarter III (1st October 2021 -31st December 2021)

Quarter IV (1st January 2022- 31st March 2022)

**2022-23**

Quarter I (1st April 2022- 30th June 2022)

Quarter II (1st July 2022 – 30th September 2022)

Quarter III (1st October 2022 -31st December 2022)

Quarter IV (1st January 2023- 31st March 2023)

**2023-24**

Quarter I (1st April 2023- 30th June 2023)

Quarter II (1st July 20223– 30th September 2023)

**1.7.5 POPULATION**

The population includes the companies that are there in the FMCG Industry in India

**1.7.6 SAMPLE SIZE**

From the population 5 companies are selected for this study on the basis of their market share, market capitalization and turnover

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| s.no | COMPANIES | Market share  (%) | Market capitalization  (in crores) | Turnover  (in crores) |
| 1 | Hindustan Unilever Ltd. | 35.1 | 599944.56 | 58,154 |
| 2 | Indian Tobacco Company Ltd. | 13.7 | 564146.93 | 75,826.58 |
| 3 | Colgate and Palmolive (India) Ltd. | 7.5 | 65004.62 | 5,226 |
| 4 | Britannia Industries Ltd. | 5.3 | 121786.64 | 15,839.01 |
| 5 | Dabur India Ltd. | 4.2 | 94,104 | 11,500 |

* 1. **LIMITATIONS OF THE STUDY**

1. The study is limited to a few chosen companies in the FMCG Industry.
2. The study only focuses on the quarterly results of the share prices and not the turnover, volume or any other factors.
3. It is difficult to generalize research findings across the FMCG sector as a whole because of the wide variety of products and markets it includes, each with its own distinguished behaviour.
   1. **HYPOTHESIS**

1.Relationship between Share Price Movements and Quarterly Results:

* **Null Hypothesis (H0)**: There is no significant correlation between the quarterly financial results (net profit) of selected FMCG companies and their respective share price movements.
* **Alternative Hypothesis (H1)**: There is a significant correlation between the quarterly financial results of selected FMCG companies and their share price movements.

**CHAPTER 2**

**REVIEW OF LITERATURE**

**2.1 REVIEW OF LITERATURE**

1. **Dhingra R. Dev, K. & Gupta M. (2018)**“Performance Analysis of FMCG Sector in India”. For the performance analysis of Fast-Moving Consumer Goods (FMCG) industry, discriminatory power of financial ratios are examined by using Wilks’ lambda and Multiple discriminant function analysis. For this purpose sample of eighteen FMCG companies listed with Bombay Stock Exchange is taken in to account. Market capitalization is taken as basis for selecting these companies. Data is collected for twelve years ranges from 1 April 2006 to 31 March 2017.
2. **Gangil, R. & Nathani N. (2018)**“ Determinants of dividend policy: A study of FMCG sector in India”.Dividend policy of Fast-Moving Consumer Goods (FMCG) companies is analysed in this paper. The FMCG companies listed on NSE 100 during the period of 10 years from 2007 to 2016. These data are subjected to factor analysis to identify the important factors, then multiple regression is used to determine the most significant factor influencing dividend decisions by FMCG firms. Result of factor analysis concluded 5 factors are profitability indicators, firm size, liquidity, growth opportunities and market value. Regression on these concluded that growth opportunities and profitability are the determinants of dividend policy
3. **Brigham and Houston’s (2009).**financial analysis involves comparing the firm’s performance to that of other firms in the same industry and evaluating trends in the firm’s financial position over time. One rich source of information for financial statement analysis is the audited financial statements. The financial statements are usually part of the annual report that listed companies submit to regulatory agencies such as Securities and Exchange Commission and Stock Exchange entities.
4. **D.H. Kantilal (2012)** studied on analysis of gross profit to sales ratio of top ten pharmaceutical companies and shows that there is significance difference between in the gross profit to sales ratio among different companies under study as well as different years of each company lastly the researcher concluded that Gross Profit to sales ratio among different companies and among different years under study is not same.
5. **Ranjit Kumar Paswan(2013)** “Analysis of solvency of selected FMCG companies in India”. during the study period he found that ITC, Emami,Dabur and Colgate has been able to pay the debt. The debt to asset ratio of nestle and colgate shows that there is an efficiency of debt management and the DTR of Emami and DABUR shows that their debts are financed through assets.
6. **Aratigarg(2015)** “Profitability Analysis of FMCG Sector”Using the ANOVA method and ratio analysis, their objective was to analyse the comparative profitability of the companies and to show that the profitability was satisfactory for Dabur, Colgate, Palmolive and Marico and not satisfactory for Britannia and Godrej. Therefore, the companies have to put more effort to increase the productivity and for maximum utilization of available resources.
7. **Sahu(2002)** in this article it shows that for successful functioning of a firm they should focus on maintaining short term liquidity in a scientific manner by the management. The study revealed that the short financial positons of the companies in the FMCG sectors were not satisfactory.
8. **Dr. Pramod H. Patil(2016)** The FMCG sector is recession-proof and has created huge employment opportunities in India, hence becoming one of the key pillars of the Indian economy. He says that competition coming from the unorganized sector can be overcome by increasing brand awareness and reducing costs through sharing resources such as distribution networks and the future of the FMCG sector is bright as favorable movements in demand and supply side of this sector.
9. **Gurmeet Singh(2014)** “Interrelation Between Capital Structure And Profitability Of FMCG Companies Of India”The study reveals that the profitability of the firm and its financial leverage has an insignificant impact on the capital structure of the studied firms during the examined period. The study is unable to establish any significant relation between profitability and financial leverage effect on the capital structure of a firm.
10. **Dawar, V. (2012).** Role of fundamental variables in explaining stock prices: Indian FMCG sector Using a price level-based methodology, the study aims to examine the value relevance of key corporate financial variables in the context of Indian FMCG companies. The study empirically establishes the degree to which stock prices in Indian FMCG companies are supported by fundamentals using a cross section of BSE FMCG firms throughout the period of 2001-2010. The study's findings suggest that fundamental factors are significant in determining stock price for FMCG companies in India.
11. **Agyemang D. & Asiamah S. (2014):** Investigated Ghanaian FMCG companies and reported a weak positive correlation between quarterly earnings and share prices. However, other factors like market sentiment and investor expectations played a significant role.Earnings can affect stock prices, but they're not the only factor. Other market forces also influence investor decisions and stock price fluctuations in Ghana's fast-moving consumer goods industry.
12. **Kumar T. & Sharma S. (2018):**Analyzed Indian FMCG firms and found that the relationship between quarterly results and share prices varied depending on the company's size and market share. Larger, well-established companies exhibited a stronger positive correlation.
13. **Alam and Shams (2019**) investigated the relationship between quarterly earnings announcements and stock returns for Bangladeshi FMCG companies. They found a weak and statistically insignificant correlation, suggesting that investors might not be efficiently processing information from quarterly results in this market.
14. **Khanna and Jain (2017)** investigated the impact of market sentiment on the relationship between quarterly earnings announcements and stock prices for Indian FMCG companies. They found that market sentiment moderates this relationship, with positive surprises having a stronger impact on stock returns during periods of high market sentiment.
15. **Rajesh, M., & Bhaskar, K. (2015).** Impact of fundamental factors on share price movements-A study on select listed companies of Indian manufacturing industries in Bombay Stock ExchangeThe performance of the stock market is typically thought to be a good indicator of the financial and economic health of a nation. Numerous macroeconomic and industry-related factors could have an impact on the companies' share price changes. This study's main goal is to investigate how share prices vary in response to particular macroeconomic factors. Macroeconomic variables included in the study are GDP, Purchasing Power Parity (PPP), Market Price of Share (MPS), Inflation (INFL), Money Supply (M2), and Industrial Production (INP)
16. **Amsaveni R, Gomathi S(2013)** “Fundamental Analysis of Selected FMCG Companies in India” With a sample size of six businesses, the current study attempts to analyze the fundamental analysis of FMCG companies listed on the Indian BSE between 2006–07 and 2011–12. The study aims to perform a SWOT analysis of the FMCG industry and a fundamental analysis of FMCG companies listed on the BSE. To achieve the study's goals, analyses of the economy, industry, and companies have been conducted.
17. **Shukla, H. J. (2009)**. Corporate governance and Indian FMCG industry The purpose of this research is to investigate, within the Indian regulatory framework, the governance techniques used by well-known FMCG (fast-moving consumer goods) companies in India. The assessment of the corporate governance procedures' content and caliber of reporting in annual reports is another goal of the study. Four well-known FMCG businesses are included in the study: Tata Tea Ltd., ITC Ltd., Nestle (India) Ltd., and Hindustan Unilever Ltd.
18. **Jones, C. P.& Litzenberger R. H. (1970)**. Quarterly earnings reports and intermediate stock price trends. The examination of financial statements is regarded by conventional Literature on security analysis as a crucial step in the investing process. Each year, millions of dollars are spent by investors on publications that offer historical data on common stocks. Ex-post data should only be used when it is relevant to ex-ante stock returns for security research and investing decisions. A lot of market experts argue that fresh information about the intrinsic or fundamental value of a security is what drives an intermediate trend in stock prices. It is thought that investors are the ones who are creating this trend by gradually discounting this fresh information over time.
19. **Das S., Shroff P. K.& Zhang H. (2009)**. Quarterly earnings patterns and earnings management. Based on empirical facts, companies may manipulate their profitability to satisfy analysts' expectations or to avoid disclosing losses or declines in earnings. Adjustments to earnings are probably going to be made when the excess or deficit from the objective becomes known if companies manage to meet or exceed a target figure. As a result, the timing of the manipulation is probably going to be a key differentiator that could help identify this kind of target management activity. In this work, we take advantage of the timing constraint on a company's capacity to manage toward a target and investigate if the quarterly earnings pattern can reveal information about possible earnings management.
20. **Kumar J. (2004)**. “Share holding pattern and Firm Performance From” a "agency perspective," this study empirically investigates the impact of ownership structure on the performance of a sizable sample of Indian corporate firms. We look at how managerial ownership, foreign ownership, corporate ownership, and financial institutions interact to affect the success of the company. Our empirical data indicates a positive correlation between the size and age of the firm and its success.

**CHAPTER 3**

**THEORETICAL FRAMEWORK**

**3.1 Introduction**

Rising product costs, particularly for necessities, and consumer-driven growth contributed to the FMCG sector's expansion in India. Approximately 3 million people are employed in the FMCG sector, which makes up 5% of all factory jobs in India. The country's FMCG sales were predicted to increase by 7-9% in terms of revenue in 2022–2023. Favorable government initiatives and laws, a growing rural market and youth population, new branded items, and the expansion of e-commerce platforms are the main growth factors for the industry. The production process, day-to-day operations, retail and logistical channels, consumer insights, and communication all need to prioritize resilience if FMCG companies are to endure over the long term and provide greater value for their customers. Fast-moving consumer items in India.

India has a middle class population larger than the United States, making it a market that no FMCG player can afford to ignore. As more people begin to climb the economic ladder and the general public may now enjoy the advantages of economic advancement, the Indian FMCG market is expected to grow further. increasingly importantly, as aspirations rise, India's population, with a median age of barely 27, is growing increasingly consumerist. Government programs to create social safety nets and broaden financial inclusion have also helped with this.

The primary growth factors for the sector have been changing lifestyles, easier access, and more awareness. The largest contributor to overall revenue is the urban segment, which makes up roughly 65% of total revenue.

* 1. **FMCG Industry in India**

There was not much investment in the FMCG industry between 1950 and 1980. Because the purchasing capacity of the local population was reduced, need products were chosen above luxury ones. The Indian government has a tendency to give local stores and merchants preference. People's need for a wider range of items drove FMCG companies to expand their product offerings between 1980 and 1990. The FMCG sector began to gain popularity, and new businesses began to enter it. The simultaneous boom in the Indian media sector encouraged new businesses to focus even more on turning a profit.[Reference needed] Local consumers could not purchase western clothing or foreign food items before to 1991, when globalization and liberalization took place in India. The general public was not very brand savvy.

The company's culture was established in 1961 by Prakash Tandon, and it has since been upheld by a number of legends, including Ashok Ganguly, SM Datta, and Sanjiv Mehta. However, the narrative started in earnest during the summer of 1888. Crates with Sunlight soap bars bearing the imprint "Made in England by Lever Brothers" were visible to visitors to the Kolkata harbor. It also brought with it the advent of branded FMCG (fast-moving consumer goods) marketing. The remainder is history, as they say.

the following bullet points have been summarized for the purpose of succinctness:

* India first used Sunlight soap in 1888.
* 1895: Lever Brothers employs agents in Mumbai, Chennai, Kolkata, and Karachi; Lifebuoy soap is introduced.
* Indian pears soap was first released in 1902.
* Introducing Brooke Bond Red Label tea in 1903.
* Lux flakes were introduced in 1905.
* Introduction of Vim scrubbing powder in 1913.
* Vinolia soap was introduced in India in 1914.
* 1918 saw the introduction of vanaspati by Dutch margarine producers Hartogs, Verschure Creameries, Vanden Berghs, and Jurgens.
* Rinso soap powder was introduced in 1922.
* Gibbs Dental started making preparations in 1924.
* Lever Brothers acquires complete control of North West Soap Company in 1925.
* Dalda Trademark is registered by Hartogs in 1926.
* 1930: On January 1st, Lever Brothers and Margarine Unie merge to establish Unilever. Less than four years had passed since William Hesketh Lever introduced Sunlight Soap to the English market when his newly established business, Lever Brothers, began shipping the ground-breaking laundry soap to India in 1888. By the time the business combined with Margarine Unie, a company founded in the Netherlands, in 1930 to form Hindustan Unilever.1931: The Sewri plant site was purchased; on November 27, the Hindustan Vanaspati Manufacturing Company was incorporated.
* 1932: Vanaspati is first manufactured in Sewri.
* 1933: LBIL, a wholly owned subsidiary of Unilever, Ltd., London, UK, was incorporated on October 17th, 1933, under the name Lever Brothers (India) Pvt., Ltd. In order to produce soap, Lever Brothers India Limited (LBIL) was established in India in 1933.
* 1934 - In October, the Sewri factory starts producing soap. North West Soap Company then rents and expands this factory to create Lever brands.
* 1935 - United Traders Pvt. Ltd., a subsidiary company, was founded on May 11th, 1935 with the purpose of promoting the company's or its imports' products.
* 1939: Garden Reach Factory is fully acquired, with the goal of establishing Dalda Vanaspati as a brand.
* 1941: The corporation obtains its own sales personnel and takes over agencies in Mumbai, Chennai, Kolkata, and Karachi.
* 1942: Unilever makes the decisive move to train Indians to replace Europeans in junior and senior managerial roles.
* 1943: Garden Reach Factory in India starts producing personal products.
* The three businesses were reorganized in 1944, sharing administration but maintaining independent marketing departments.
* Pond's Cold Cream was introduced in 1947.
* 1951: The first Indian director is Mr. Prakash Tandon. Vanaspati factories purchased in Ghaziabad, Tiruchy, and Shamnagar.
* 1955: Indians make up 65% of managers.
  + 1. **Company Profile**

For this study 5 major FMCG Companies are chosen . Their company profile are as following:

1. **Hindustan Unilever Ltd.**



As the biggest fast-moving consumer goods (FMCG) company in India, HUL is present in nine out of 10 households. It has a strong 90-year history in the nation and is a subsidiary of the massive global corporation Unilever.The extensive portfolio of HUL includes over 50 brands in 16 FMCG categories. HUL offers something for everyone, including beauty giants like Lakmé and Dove, domestic essentials like Lux soap and Lifebuoy detergent, and beloved food and beverage items like Knorr soups and Brooke Bond tea.

HUL is dedicated to establishing sustainable living as the norm. Their "Compass" approach, which emphasizes steady, profitable, competitive, and responsible growth, incorporates sustainability throughout all aspects of their business.They are signatories to the UN Global Compact and have received multiple honors for their environmental efforts.With more than 30,000 employees, HUL makes a major economic contribution to India. Every year, they produce more than 65 billion products, which they then distribute via a vast network of nine million physical stores and online.

To put it briefly, HUL is a well-known brand in India that is associated with high-quality goods, sustainability, and a dedication to having a beneficial influence.

1. **Indian Tobacco Company Ltd. (ITC ltd.)**



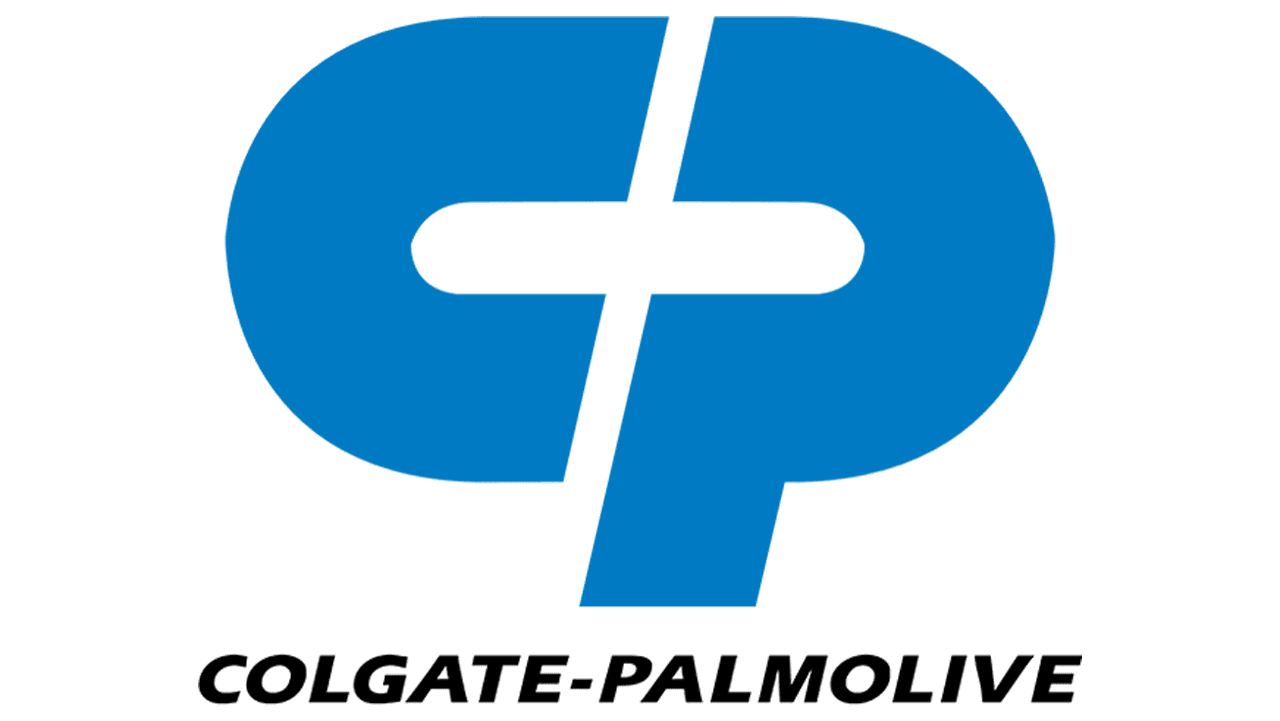
The Indian global conglomerate firm ITC Limited, usually referred to as ITC, has its headquarters located in Kolkata, West Bengal. Since its founding as a little tobacco company in 1910, it has expanded into other industries, such as: With well-known brands including Aashirvaad, Sunfeast, Bingo, and Yippee!, ITC is a significant player in the Indian FMCG business.

* Hotels: ITC has a range of opulent accommodations in India that are marketed as Fortune Hotels, WelcomHeritage, and ITC Hotels.
* Packaging and paperboards: ITC is one of India's top producers of packaging and paperboard goods.
* Agribusiness: ITC works in the agribusiness space with its e-Choupal project, which facilitates direct market access for farmers.

Information technology (IT) services and solutions are offered by ITC Infotech, a subsidiary of ITC.ITC is a publicly traded business that is listed on the National Stock Exchange of India as well as the Bombay Stock Exchange. With more than 300,000 employees, the firm is a significant employer in India.

ITC has received praise for its environmentally friendly operations and other honors, such as the TERI Corporate Sustainability Award and the CII Green Business Award. ITC has also ratified the UN Global Compact, which upholds sustainable ideals.Via its ITC Foundation, ITC engages in social development projects in addition to its commercial endeavors. The charity works in fields like rural development, healthcare, and education.

1. **Colgate-Palmolive (India) Ltd.**



The well-known brand in hygiene, Colgate-Palmolive is a global manufacturer of consumer goods with a long history and a wide range of products. Established in 1806 with Colgate and 1865 with Palmolive, they amalgamated in 1928 to emerge as a worldwide superpower. With over 190 nations under their belt, toothpaste companies like Colgate and Elmex are household names in the dental care industry. Beyond just toothbrushes, they also sell soap, shampoo, personal hygiene items, and even pet food under the Palmolive, Hill's Pet Nutrition, and Ajax brands.

Colgate-Palmolive constantly innovates, introducing new product formulas and technologies to their portfolio. They were among the first to introduce fluoride-containing toothpaste to the market, and they continue to set the bar for sustainable packaging and green products. Their primary objectives in research and development are to improve overall well-being, hygiene, and dental health. Colgate-Palmolive is committed to using ethical materials and manufacturing practices in order to lessen their impact on the environment.

They have set aggressive targets to reduce waste, use less energy and water, and increase the percentage of recycled material in packaging.Their global initiatives are primarily focused on improving oral health in underserved communities, reducing water scarcity, and expanding sustainable methods.

1. **Britannia Industries Ltd.**



Britannia, a multinational food business with a rich past and a modern attitude, is famous in India with exquisite biscuits and snacks. Here's a brief overview of its universeBritannia was established in 1892 and has almost a century of experience in creating delicious confections. They are most recognized for their beloved biscuit brands, which have left a lasting impression on generations' stomachs and hearts: Good Day, Marie Gold, and Tiger.

However, Britannia has expanded its product line to include cakes, breads, dairy goods, and even nutritious snack alternatives under the Little Hearts and NutriChoice brands.Despite having its roots in India, Britannia now spans more than 80 nations. They've modified their menu to satisfy a range of tastes while keeping the core of their tried-and-true recipes.Their dedication to quality and innovation enables them to maintain their lead, even in highly competitive global marketplaces. Throughout their whole value chain, Britannia places a strong emphasis on sustainable processes and ethical sourcing. They have set high standards for cutting waste production, water use, and carbon footprint.Beyond their own business, they are involved in community development and farmer empowerment via the e-Choupal program.

Britannia employs around 30,000 people in India in a variety of roles, making them a significant employer. They place a high priority on worker well-being and promote an inclusive and varied work place. Their dedication to social responsibility is demonstrated by the numerous programs they have created to promote rural development, healthcare, and education.

Britannia is more than just a biscuit firm, to put it briefly. Their success in the food sector has made them a global leader, driven by innovation, flavour, sustainability, and a sense of belonging.

1. **Dabur India Ltd.**

Renowned for its association with Ayurveda and holistic health, Dabur is a prominent Indian multinational consumer goods enterprise with a global presence. Here's a brief synopsis:

As the largest Ayurvedic and Natural Health Care Company in the world, Dabur was founded in 1884 by Dr. S.K. Burman, an Ayurvedic practitioner.They provide more than 250 herbal and Ayurvedic items for skincare, hair care, dental care, healthcare, home care, and even food and drink.In India, products from well-known brands like Dabur Chyawanprash, Dabur Amla, and Dabur Honey are regarded for their natural cures and health advantages.

Dabur has deliberately expanded into many FMCG sectors, even if Ayurveda remains its primary focus.Prominent brands that they own include Hajmola digestion pills, Real fruit drinks, and Vatika hair care.By adhering to their natural history, Dabur is able to remain relevant to contemporary consumers. Dabur products are sold in more than 120 countries, with the Middle East, the SAARC nations, Africa, and Europe being the main markets for them. They have kept the effectiveness and quality of their products while tailoring their offers to suit regional tastes.

From sourcing ingredients to packaging and waste management, Dabur places a high priority on sustainable practices across its entire operations.They fund efforts for environmentally friendly packaging and sustainable agriculture.Their dedication to ethical business practices has brought them numerous honors and recognitions.

Dabur is a proponent of community giving. They oversee numerous programs in the fields of healthcare, education, and rural development. The goals of their Dabur CSR Foundation are to better lives and empower communities. Dabur is essentially a corporation that does more than just sell consumer items. They are a leader in the natural wellness industry worldwide, committed to advancing social responsibility, sustainability, and health.

* 1. **Quarterly results**

A company's financial performance is disclosed every three months and is referred to as quarterly results. Key financial statements like the income statement, balance sheet, and cash flow statement are usually summarized in these reports, which are usually not audited. Offering a window into the company's recent performance, they give investors and other stakeholders information about:

* Earnings and revenue: Did the business reach or surpass targets?
* Effective cost management is a key component of operational efficiency.
* Development potential: Is the business introducing new goods or increasing its market share?
* Financial stability: Can the business pay its debts with enough cash flow?
  + 1. **Impact of Quarterly Results**

Quarterly results can have far-reaching and complex effects on a variety of stakeholders and the financial landscape.

* Public perception: A company's reputation can be improved by achieving success, drawing in new clients and investors. On the other hand, unsatisfactory outcomes can undermine investor confidence and public image, which may make it harder to raise money or draw in talent.
* Internal morale: Good outcomes can inspire more success and raise staff morale. Poor outcomes might cause fear, doubt, and even possible budget cuts.
* Strategic adjustments: By analyzing quarterly outcomes, businesses can pinpoint their strengths and weaknesses, which helps them make informed strategic choices and changes to their company strategies.
  + 1. **Advantages of Quarterly results**
* Enhanced Accountability and Transparency: Regularly updates stakeholders on the financial condition of the organization, encouraging accountability.
* Enhanced Decision-Making: By considering past performance as well as potential future returns, investors can make well-informed investment selections. Businesses are able to assess their progress and modify their plans as necessary.
* Early Issue Identification: By identifying potential problems or opportunities early on, corrective action or strategic changes can be implemented more quickly.
  + 1. **Disadvantages of quarterly results**
* Short-termism: Promotes prioritizing short-term returns (fulfilling quarterly goals) over long-term planning and strategic investments. This may inhibit growth that is sustainable and innovative.
* Market Volatility: Increased market volatility can undermine investor confidence and undermine economic stability. This is true for both positive and negative earnings surprises.
* Manipulation of results: Companies may engage in unethical accounting methods or manipulate results as a means of meeting expectations.
  1. **Share Price**

The price paid to purchase a single "share" or portion of ownership in a publicly listed corporation is called the share price, sometimes referred to as the stock price. It's similar to the price tag on one tasty cake piece standing in for the entire business. Due to supply and demand, this price varies continuously throughout the day. Comparable to an auction, the price may increase if a large number of individuals desire a slice, but it may decrease if none do. A corporation's price is a dynamic and frequently unpredictable indicator of its health and future prospects, as it can be influenced by factors such as economic trends, stellar company performance, or intriguing news.

* + 1. **Factors that affect the change in share price**
* **Financial performance:** Profitable quarters, steady sales growth, and strong earnings draw in investors and drive up prices. On the other hand, sell-offs and price decreases may be brought on by poor performance, losses, or unmet expectations.
* **Management announcements:** Price hikes may result from boosting investor confidence through the introduction of new products, profitable transactions, strategic alliances, or optimistic projections. Unfavourable press such as product recalls, scandals, or changes in leadership might have the opposite impact.
* **Dividend policy:** Businesses that pay out dividends to shareholders, or a percentage of their profits, might draw in income-seeking capitalists and raise the price of their shares. Price changes may also result from adjustments to the dividend policy, with reductions frequently causing drops.
* **Supply and demand:**The essential idea of a market is supply and demand. Prices increase when there is a greater want than supply to purchase a stock. On the other hand, if there are more sellers than buyers, the market price drops.
* **Economic conditions:** Stock markets are generally favored and can see an increase in share prices when there is strong economic growth, low inflation, and stable interest rates. On the other hand, declining prices and a decrease in investor morale might result from recessions, excessive inflation, and rising interest rates.
* **Trends in the sector:** The price of connected companies might be influenced by the success of particular sectors or industries. Energy firm stocks, for instance, can increase if oil prices rise, whereas tech company values might decrease if the tech sector slows down.
  1. **Shareholding Patterns**

An understanding of the distribution of a company's shares among various entities can be gained from the shareholding pattern. Patterns of shareholding are important for trading since they provide traders with information about the financial health of a company. The division of shares that haven't been listed on the stock exchange is referred to as the shareholding pattern.

* **Promoters**: These are the people or organizations that started the business or possess a sizable portion of its equity. Promoters frequently possess the majority of a company's shares and participate in its management and decision-making.
* **Public**:Shareholders who are not members of the promoter group but who own shares in the company are referred to as public shareholders. These consist of mutual funds, institutional and retail investors, etc.
* **Foreign Institutional investors**: who purchase shares of a firm but are based outside of the nation in which it is headquartered are known as foreign institutional investors, or FIIs. These can consist of mutual funds, hedge funds, pension funds, and other major financial organizations.
* **Domestic Institutional Investors (DIIs**): Although they are domestic institutions, DIIs and FIIs are comparable. Mutual funds, insurance providers, banks, and other financial organizations having their headquarters in the nation where the corporation is listed fall under this category.
* **Government:** Occasionally, the government may own shares in a business directly or through organizations like public sector banks, sovereign wealth funds, or other institutions under government supervision.

**CHAPTER 4**

**DATA ANALYSIS AND INTERPRETATION**

**4.1 Correlation**

The first method used for data analysis and interpretation in correlation.The degree to which two variables are linearly related, or change together at a constant rate, is expressed statistically by correlation. It's a popular method for summarizing straightforward relationships without establishing causation and effect. This study used Karl Pearson's coefficient of correlation as its correlation method.Karl Pearson's coefficient of correlation is a widely used mathematical technique that measures the degree of relationship between linearly connected variables using numerical representation. "r" stands for the coefficient of correlation.

* + 1. **Hindustan Unilever Ltd.**

**Table 4.1 Karl pearson’s coefficient correlation between quarterly results and the share price movements: Hindustan Unilever Ltd.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Quarters** | **Results**  **(X)** | **X2** | **Share Price (Y)** | **Y2** | **XY** |
| Sept 2021 | 2185 | 4774225 | 2702 | 7300804 | 5903870 |
| Dec 2021 | 2300 | 5290000 | 2360 | 5569600 | 5428000 |
| March 2022 | 2307 | 5322249 | 2049 | 4198401 | 4727043 |
| June 2022 | 2391 | 5716881 | 2231 | 4977361 | 5334321 |
| Sept 2022 | 2670 | 7128900 | 2696 | 7268416 | 7198320 |
| Dec 2022 | 2481 | 6155361 | 2561 | 6558721 | 6353841 |
| March 2023 | 2601 | 6765201 | 2560 | 6553600 | 6658560 |
| June 2023 | 2556 | 6533136 | 2678 | 7171684 | 6844968 |
| Sept 2023 | 2657 | 7059649 | 2466 | 6081156 | 6552162 |
| **TOTAL** | **22,148** | **54745602** | **22303** | **55679743** | **55001085** |

The Karl Pearson’s Coefficient of correlation for Hindustan Unilever (r)= 0.36

**Interpretation**

The correlation between quarterly results and the share price of Hindustan Unilever is 0.36. This shows a weak positive correlation between both the variables. Here as theyshow positive correlation, the quarterly results and the share price moves in the same direction but show weaker relationship.

**4.1.2 Indian Tobacco Company Ltd. (ITC Ltd.)**

**Table 4.2 Karl Pearson’s coefficient of correlation between quarterly results and share prices: ITC Ltd.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Quarters** | **Results (X)** | **X2** | **Share Price (Y)** | **Y2** | **XY** |
| Sep-21 | 3766 | 14182756 | 236 | 55696 | 888776 |
| Dec-21 | 4127 | 17032129 | 218 | 47524 | 899686 |
| Mar-22 | 4266 | 18198756 | 251 | 63001 | 1070766 |
| Jun-22 | 4472 | 19998784 | 274 | 75076 | 1225328 |
| Sep-22 | 4682 | 21921124 | 332 | 110224 | 1554424 |
| Dec-22 | 5080 | 25806400 | 332 | 110224 | 1686560 |
| Mar-23 | 5243 | 27489049 | 384 | 147456 | 2013312 |
| Jun-23 | 5190 | 26936100 | 452 | 204304 | 2345880 |
| Sep-23 | 4965 | 24651225 | 444 | 197136 | 2204460 |
| **TOTAL** | **41791** | **196216323** | **2923** | **1010641** | **13889192** |

Karl Pearson’s coefficient of correlation for ITC (r) = 0.87

**Interpretation**

This suggests that the Karl Pearson’s coefficient correlation between quarterly results and share price of ITC is 0.87. this shows that both variables shows a strong positive correlation . In this case both the variables that is the share price and the quarterly results moves in the same direction. This also indicates that when the share prices increases the quarterly results also increases and vice versa.

**4.1.3 Colgate- Palmolive**

**Table 4.3 Karl Pearson’s coefficient of correlation between quarterly results and share prices : Colgate- Palmolive (India) Ltd.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Quarters | Results (X) | X2 | Share Price (Y) | Y2 | XY |
| Sep-21 | 269 | 72361 | 1670 | 2788900 | 449230 |
| Dec-21 | 252 | 63504 | 1481 | 2193361 | 373212 |
| Mar-22 | 324 | 104976 | 1542 | 2377764 | 499608 |
| Jun-22 | 210 | 44100 | 1487 | 2211169 | 312270 |
| Sep-22 | 278 | 77284 | 1629 | 2653641 | 452862 |
| Dec-22 | 243 | 59049 | 1545 | 2387025 | 375435 |
| Mar-23 | 316 | 99856 | 1507 | 2271049 | 476212 |
| Jun-23 | 274 | 75076 | 1688 | 2849344 | 462512 |
| Sep-23 | 340 | 115600 | 2006 | 4024036 | 682040 |
| **TOTAL** | **2506** | **714312** | **14555** | **14555** | **4083381** |

Karl Pearson’s coefficient of correlation for Colgate-Palmolive (r)= 0.55

**Interpretation**

This suggests that the Karl Pearson’s coefficient correlation between quarterly results and share price of Colgate-Palmolive is 0.55. This shows that both variables shows a moderately strong positive correlation . In this case both the variables that is the share price and the quarterly results moves in the same direction. This also indicates that when the share prices increases the quarterly results also increases and vice

* + 1. **Britannia**

**Table 4.4 Karl Pearson’s coefficient of correlation between quarterly results and****Share price : Britannia**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Quarters** | **Results (X)** | **X2** | **Share Price (Y)** | **Y2** | **XY** |
| Sep-21 | 382 | 145924 | 3949 | 15594601 | 1508518 |
| Dec-21 | 369 | 136161 | 3606 | 13003236 | 1330614 |
| Mar-22 | 378 | 142884 | 3206 | 10278436 | 1211868 |
| Jun-22 | 336 | 112896 | 3466 | 12013156 | 1164576 |
| Sep-22 | 491 | 241081 | 3843 | 14768649 | 1886913 |
| Dec-22 | 932 | 868624 | 4307 | 18550249 | 4014124 |
| Mar-23 | 558 | 311364 | 5322 | 28323684 | 2969676 |
| Jun-23 | 455 | 207025 | 5025 | 25250625 | 2286375 |
| Sep-23 | 586 | 343396 | 4537 | 20584369 | 2658682 |
| **TOTAL** | **4487** | **2509355** | **37261** | **158367005** | **19031346** |

Karl Pearson’s coefficient of correlation for Britannia (r)= 0.43

**Interpretation**

This suggests that the Karl Pearson’s coefficient correlation between quarterly results and share price of Britannia is 0.43. This shows that both variables show a positive correlation. In this case both the variables that is the share price and the quarterly results moves in the same direction but show a weaker relationship

**4.1.5 Dabur**

**Table 4.5 Karl Pearson’s coefficient of correlation between quarterly results and share prices: Dabur India Ltd.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Quarters** | **Results (X)** | **X2** | **Share Price (Y)** | **Y2** | **XY** |
| Sep-21 | 505 | 255025 | 617 | 380689 | 311585 |
| Dec-21 | 504 | 254016 | 580 | 336400 | 292320 |
| Mar-22 | 294 | 86436 | 536 | 287296 | 157584 |
| Jun-22 | 441 | 194481 | 496 | 246016 | 218736 |
| Sep-22 | 491 | 241081 | 573 | 328329 | 281343 |
| Dec-22 | 477 | 227529 | 561 | 314721 | 267597 |
| Mar-23 | 293 | 85849 | 545 | 297025 | 159685 |
| Jun-23 | 457 | 208849 | 573 | 328329 | 261861 |
| Sep-23 | 507 | 257049 | 552 | 304704 | 279864 |
| **TOTAL** | **3969** | **1810315** | **5033** | **2823509** | **2230575** |

Karl Pearson’s coefficient of correlation for Dabur (r) = 0.48

**Interpretation**

This suggests that the Karl Pearson’s coefficient correlation between quarterly results and share price of Dabur is 0.48. This shows that both variables show a positive correlation. In this case both the variables that is the share price and the quarterly results moves in the same direction but show a weaker relationship.

**4.2 Ratio Analysis**

By examining financial records like the income statement and balance sheet, ratio analysis is a quantitative way to learn about a company's liquidity, profitability, and operational effectiveness. A crucial component of equities analysis is ratio analysis. Profitability ratio is the ratio that is being employed in this study.

The ability of a business to create income (profit) in relation to sales, balance sheet assets, operating costs, and shareholders' equity over a given time period is measured and assessed by analysts and investors using profitability ratios. They demonstrate how effectively a business makes use of its resources to generate revenue and value for its owners.

* + 1. **Profitability Ratio**

1. **Net profit ratio**

**Net profit ratio = Net profit after tax x100**

**Revenue from operations**

1. **Hindustan Unilever**

**Table 4.6 : Statement showing net profit ratio: Hindustan Unilever**

|  |  |  |  |
| --- | --- | --- | --- |
| **Quarters** | **Net profit after tax** | **Revenue from operations** | **Net profit ratio** |
| Sep-21 | 2185 | 13046 | 16.75 |
| Dec-21 | 2300 | 13439 | 17.11 |
| Mar-22 | 2307 | 13767 | 16.76 |
| Jun-22 | 2391 | 14624 | 16.35 |
| Sep-22 | 2670 | 15144 | 17.63 |
| Dec-22 | 2481 | 15597 | 15.91 |
| Mar-23 | 2601 | 15215 | 17.09 |
| Jun-23 | 2556 | 15496 | 16.49 |
| Sep-23 | 2657 | 15623 | 17.01 |

**Fig 4.1 Net Profit Ratio : Hindustan Unilever**

**Interpretation**

Over the previous two years, HUL's quarterly revenue has varied, with some quarters displaying larger revenue than others. September 2022 saw the greatest quarterly revenue of 17.63%. December 2022 had the lowest quarterly revenue of 15.91%. Over the previous two years, HUL's quarterly revenue has, on the whole, stayed consistent. Although there have been some variations, the business's revenue has not decreased dramatically. This implies that HUL is a strong business that can withstand difficult financial times.

1. **Indian Tobacco Company**

**Table 4.7 : Statement showing net profit ratio: ITC**

|  |  |  |  |
| --- | --- | --- | --- |
| **Quarters** | **Net profit after tax** | **Revenue from operations** | **Net profit ratio** |
| Sep-21 | 3766 | 13757 | 27.38 |
| Dec-21 | 4127 | 17108 | 24.12 |
| Mar-22 | 4266 | 16556 | 25.77 |
| Jun-22 | 4472 | 18489 | 24.19 |
| Sep-22 | 4682 | 17108 | 27.37 |
| Dec-22 | 5080 | 17705 | 28.69 |
| Mar-23 | 5243 | 17635 | 29.73 |
| Jun-23 | 5190 | 17164 | 30.24 |
| Sep-23 | 4965 | 17774 | 27.93 |

**Fig 4.2 Net Profit Ratio : Indian Tobacco Company**

**Interpretation**: ITC's net profit after taxes has improved during the last two years Although there have been some fluctuations, the net profit ratio has usually trended upward. June 2023 saw the greatest net profit ratio of 30.24%, while December 2021 saw the lowest net profit ratio of 24.12%. Even though, there have been some variations in net profit and net profit ratio, ITC has been profitable over the last two years and has been becoming better overall.

1. **Colgate-Palmolive**

**Table 4.8 : Statement showing net profit ratio: Colgate-Palmolive**

|  |  |  |  |
| --- | --- | --- | --- |
| Quarters | Net profit after tax | Revenue from operations | Net profit ratio |
| Sep-21 | 269 | 1352 | 19.89 |
| Dec-21 | 252 | 1280 | 19.68 |
| Mar-22 | 324 | 1301 | 24.90 |
| Jun-22 | 210 | 1197 | 17.54 |
| Sep-22 | 278 | 1387 | 20.04 |
| Dec-22 | 243 | 1291 | 18.82 |
| Mar-23 | 316 | 1351 | 23.39 |
| Jun-23 | 274 | 1324 | 20.69 |
| Sep-23 | 340 | 1471 | 23.11 |

**Fig 4.3 Net Profit Ratio : Colgate-Palmolive**

**Interpretation:** Over the previous nine quarters, Colgate-Palmolive's net profit ratio has also varied, but it was between 19% to 24%. In March 2022, the greatest net profit ratio recorded was 24.90%, while in June 2022, the lowest was 17.54%.Colgate-Palmolive's business appears to have remained mostly constant throughout the previous nine quarters, according to the data. While net profit after taxes has been trending upward, operating revenue has remained unchanged.

1. **Britannia**

**Table 4.9: Statement showing net profit ratio: Britannia**

|  |  |  |  |
| --- | --- | --- | --- |
| Quarters | Net profit after tax | Revenue from operations | Net profit ratio |
| Sep-21 | 382 | 3049 | 12.53 |
| Dec-21 | 369 | 3036 | 12.15 |
| Mar-22 | 378 | 3001 | 12.60 |
| Jun-22 | 336 | 3200 | 10.5 |
| Sep-22 | 491 | 3668 | 13.39 |
| Dec-22 | 932 | 3379 | 27.58 |
| Mar-23 | 558 | 3222 | 17.32 |
| Jun-23 | 455 | 3322 | 13.70 |
| Sep-23 | 586 | 3562 | 16.45 |

**Fig 4.4: Net Profit Ratio :Britannia**

**Interpretation:** Throughout the last nine quarters, Britannia's net profit ratio has varied, but it typically ranged from 10% to 17%. In December 2022, the net profit ratio reached its maximum of 27.58%,and in June 2022, it declined to 10.50%.The table as a whole indicates that throughout the previous nine quarters, Britannia's business has faced certain difficulties. It has been declining for both operating revenue and net profit after taxes. The net profit after tax however, significantly increased in December 2022, which would indicate a resurgence.

**V. Dabur**

**Table 4.10 : Statement showing net profit ratio: Dabur**

|  |  |  |  |
| --- | --- | --- | --- |
| Quarters | Net profit after tax | Revenue from operations | Net profit ratio |
| Sep-21 | 505 | 2818 | 17.92 |
| Dec-21 | 504 | 2942 | 17.13 |
| Mar-22 | 294 | 2518 | 11.67 |
| Jun-22 | 441 | 2822 | 15.63 |
| Sep-22 | 491 | 2986 | 16.44 |
| Dec-22 | 477 | 3043 | 15.68 |
| Mar-23 | 293 | 2678 | 10.94 |
| Jun-23 | 457 | 3130 | 14.60 |
| Sep-23 | 507 | 3204 | 15.82 |

**Fig 4.5 Net Profit Ratio : Dabur**

**Interpretation:** Although it has varied over time, September 2021 saw the greatest net profit ratio of 17.92%, while March 2023 saw the lowest at 10.94%.The table indicates that, on the whole, Dabur's operations have expanded during the previous nine quarters. Even though, there have been some variations in the net profit ratio and net profit after taxes. Numerous factors, including shifts in the Indian economy, competition, and Dabur's product mix, could be the cause of these oscillations.

1. **Operating Profit Ratio**

Operating Profit Ratio = Operating Profit / Net Sales \* 100

1. **Hindustan Unilever**

**Table 4.11 Statement showing Operating Profit ratio: Hindustan Unilever**

|  |  |  |  |
| --- | --- | --- | --- |
| Quarters | Operating profit | Revenue from operations | operating ratio |
| Sep-21 | 3226 | 13046 | 24.72 |
| Dec-21 | 3409 | 13439 | 25.37 |
| Mar-22 | 3301 | 13767 | 23.98 |
| Jun-22 | 3402 | 14624 | 23.26 |
| Sep-22 | 3479 | 15144 | 22.97 |
| Dec-22 | 3694 | 15597 | 23.68 |
| Mar-23 | 3573 | 15215 | 23.48 |
| Jun-23 | 3664 | 15496 | 23.64 |
| Sep-23 | 3795 | 15623 | 24.29 |

**Fig 4.6 Operating Profit Ratio : Hindustan Unilever**

**Interpretation:** The operating profit ratio has averaged 23.81% throughout the course of the nine quarters, ranging from 22.97% to 25.37%. Over the course of the nine quarters, both operating profit and revenue from operations have increased in absolute terms. Between the quarters ending September , 2021 and September 2023, operating profit increased from ₹3,226 crore to ₹3,795 crore. Over the same year, revenue from operations climbed from ₹13,046 crore to ₹15,623 crore. This suggests that Hindustan Unilever has been successful in expanding its revenue and profitability.

1. **Indian Tobacco Company(ITC)**

**Table 4.12 Statement showing Operating Profit Ratio : ITC**

|  |  |  |  |
| --- | --- | --- | --- |
| Quarters | Operating profit | Revenue from operations | operating ratio |
| Sep-21 | 5018 | 13757 | 36.48 |
| Dec-21 | 5598 | 17108 | 32.72 |
| Mar-22 | 5599 | 16556 | 33.82 |
| Jun-22 | 6077 | 18489 | 32.87 |
| Sep-22 | 6259 | 17108 | 36.59 |
| Dec-22 | 6705 | 17705 | 37.87 |
| Mar-23 | 6624 | 17635 | 37.56 |
| Jun-23 | 6670 | 17164 | 38.86 |
| Sep-23 | 6454 | 17774 | 36.31 |

**Fig 4.7 operating profit ratio: ITC**

**Interpretation**: Over the last nine quarters, ITC's operational profit has increased gradually, rising from ₹5,018 crore in September 2021 to ₹6,454 crore in September 2023. Although it has increased more slowly, operating revenue has also been rising, going from ₹13,757 crore in September 2021 to ₹17,774 crore in September 2023. The operating profit ratio has similarly been rising, going from 32.72% in December 2021 to 38.86% in June 2023. This implies that ITC is improving its ability to turn a profit on its revenue.

1. **Colgate-Palmolive**

**Table 4.13 Statement showing operating profit ratio: Colgate-Palmolive**

|  |  |  |  |
| --- | --- | --- | --- |
| Quarters | Operating profit | Revenue from operations | operating profit ratio |
| Sep-21 | 401 | 1352 | 29.66 |
| Dec-21 | 381 | 1280 | 29.77 |
| Mar-22 | 429 | 1301 | 32.97 |
| Jun-22 | 326 | 1197 | 27.23 |
| Sep-22 | 408 | 1387 | 29.42 |
| Dec-22 | 361 | 1291 | 27.96 |
| Mar-23 | 452 | 1351 | 33.46 |
| Jun-23 | 418 | 1324 | 31.57 |
| Sep-23 | 482 | 1471 | 32.77 |

**Fig 4.8 Operating profit ratio: Colgate-Palmolive**

**Interpretation**: The operating profit margin for Colgate-Palmolive has been reasonably consistent over the last nine quarters, but there have been occasional fluctuations, as the table demonstrates. Operating profit margin as of September 2021 was 29.66%. It peaked in March 2023 at 33.46% and fell as low as 27.23% in June 2022. The overall trend, with an average operating profit margin of 30.27% across the nine quarters, is somewhat good despite the variations. Despite various difficulties, the business has been able to keep its operating profit margin comparatively steady.

1. **Britannia**

**Table 4.14 Statement showing operating profit: Britannia**

|  |  |  |  |
| --- | --- | --- | --- |
| Quarters | Operating profit | Revenue from operations | Operating profit ratio |
| Sep-21 | 539 | 3049 | 17.68 |
| Dec-21 | 550 | 3036 | 18.12 |
| Mar-22 | 501 | 3001 | 16.69 |
| Jun-22 | 712 | 3200 | 22.25 |
| Sep-22 | 818 | 3668 | 22.30 |
| Dec-22 | 801 | 3379 | 23.71 |
| Mar-23 | 689 | 3222 | 21.38 |
| Jun-23 | 871 | 3322 | 26.22 |
| Sep-23 | 820 | 3562 | 23.02 |

**Fig 4.9: Operating profit ratio : Britannia**

**Interpretation:** Britannia's operational profit increased dramatically over the course of the last nine quarters, as the table demonstrates, from ₹539 crore in September 2021 to ₹871 crore in June 2023. The operations revenue increased as well, but more slowly: from ₹3,049 crore in September 2021 to ₹3,562 crore in Sep 2023. Operating profit has been rising as well, rising from 16.69% in March 2022 to 26.22% in June 2023. This implies that Britannia is become increasingly adapt at turning a profit from its income.

1. **Dabur**

**Table 4.15: Statement showing operating profit ratio: Dabur**

|  |  |  |  |
| --- | --- | --- | --- |
| Quarters | Operating profit | Revenue from operations | operating profit ratio |
| Sep-21 | 620 | 2818 | 22.0 |
| Dec-21 | 627 | 2942 | 21.31 |
| Mar-22 | 452 | 2518 | 17.95 |
| Jun-22 | 543 | 2822 | 19.24 |
| Sep-22 | 600 | 2986 | 20.09 |
| Dec-22 | 609 | 3043 | 20.01 |
| Mar-23 | 410 | 2678 | 15.31 |
| Jun-23 | 605 | 3130 | 19.33 |
| Sep-23 | 661 | 3204 | 20.63 |

**Fig 4.10: Operating Profit Ratio: Dabur**

**Interpretation:** As seen in the table, Dabur's operating profit climbed from ₹620 crore in September 2021 to ₹661 crore in September 2023, a consistent increase throughout the previous nine quarters. Operating revenue increased as well, but a little quicker: from ₹2,818 crore in September 2021 to ₹3,204 crore in September 2023. Operating profit ratio, was highest during September 2021 ie.,22.00% and lowest during March 2023 which was 15.31% .This implies that Dabur is improving its revenue-generating efficiency, but not as quickly as its revenue is growing.

**3.Earning per share (EPS)**

**EPS= Earnings after Interest, Tax and Preference Dividend**

**Number of Equity shares**

1. **Hindustan Unilever**

**Table 4.16 Statement showing EPS: Hindustan Unilever**

|  |  |  |
| --- | --- | --- |
| Quarters | EPS | Change in EPS (%) |
| Sep-21 | 9.28 | 100 |
| Dec-21 | 9.78 | 105.39 |
| Mar-22 | 9.81 | 105.71 |
| Jun-22 | 10.13 | 109.16 |
| Sep-22 | 11.34 | 122.20 |
| Dec-22 | 10.53 | 113.47 |
| Mar-23 | 11.07 | 119.29 |
| Jun-23 | 10.87 | 117.13 |
| Sep-23 | 11.3 | 121.77 |

**Fig 4.11 Figure showing EPS: Hindustan Unilever**

**Interpretation:** EPS increased by 21.77%, from ₹9.28 to ₹11.30, between September 2021 and September 2023. September 2022 saw the largest annual percentage of EPS growth, at 122.20%. The growth rate has now slowed, but it has continued to rise each quarter. The EPS for September 2023 was ₹11.30, indicating a 121.77% increase from September 2021.The table indicates that HUL is doing well financially overall and that its EPS is trending upward. It's crucial to remember, though, that past performance does not always portend future outcomes.

1. **Indian Tobacco Company (ITC)**

**Table 4.17** **Statement showing EPS: ITC**

|  |  |  |
| --- | --- | --- |
| Quarters | EPS | Change in EPS(%) |
| Sep-21 | 3.01 | 100 |
| Dec-21 | 3.29 | 109.30 |
| Mar-22 | 3.4 | 112.96 |
| Jun-22 | 3.56 | 118.27 |
| Sep-22 | 3.73 | 123.92 |
| Dec-22 | 4.03 | 133.89 |
| Mar-23 | 4.16 | 138.21 |
| Jun-23 | 4.1 | 136.21 |
| Sep-23 | 3.93 | 130.56 |

**Fig 4.12 Figure showing EPS: ITC**

**Interpretation:** The table shows that throughout the previous nine quarters, the Indian Tobacco Company's (ITC) profits per share (EPS) has been rising consistently. The EPS increased by 30.86%, from ₹3.01 to ₹3.93, between September 2021 and September 2023. The average quarterly increase in the EPS has been 4.34%, indicating a fairly steady growth.The table indicates that ITC has had strong financial performance over the previous two years overall.

1. **Colgate- Palmolive**

**Table 4.18 Statement showing EPS: Colgate-Palmolive**

|  |  |  |
| --- | --- | --- |
| Quarters | EPS | Change in EPS(%) |
| Sep-21 | 9.9 | 100 |
| Dec-21 | 9.28 | 93.74 |
| Mar-22 | 11.9 | 120.20 |
| Jun-22 | 7.71 | 77.88 |
| Sep-22 | 10.22 | 103.23 |
| Dec-22 | 8.94 | 90.30 |
| Mar-23 | 11.63 | 117.47 |
| Jun-23 | 10.06 | 101.61 |
| Sep-23 | 12.5 | 126.26 |

**Fig 4.13 Figure showing EPS: Colgate-Palmolive**

**Interpretation:** Over the course of the stating quarters, Colgate-Palmolive's earnings per share (EPS) showed both growth and losses.. In June 2022, there was a decline, of 77.88% and in September 2023, there was a notable increase of 126.26% in EPS. Nevertheless, a 77.88% decline in EPS in June 2022 marked a setback for the business. In September 2022, however, there was a recovery, with an increase in EPS of 103.23%. The pattern of ups and downs persisted, suggesting some degree of performance volatility for the organization. Overall, the pattern points to growth intervals broken up by sporadic downturns, which captures the fluidity of Colgate-Palmolive's market position and its operational difficulties.

1. **Britannia**

**Table 4.19 Statement showing EPS: Britannia**

|  |  |  |
| --- | --- | --- |
| Quarters | EPS | Change in EPS(%) |
| Sep-21 | 15.95 | 100 |
| Dec-21 | 15.41 | 96.61 |
| Mar-22 | 15.77 | 98.87 |
| Jun-22 | 14.01 | 87.84 |
| Sep-22 | 20.48 | 128.40 |
| Dec-22 | 38.71 | 242.70 |
| Mar-23 | 23.19 | 145.39 |
| Jun-23 | 19 | 119.12 |
| Sep-23 | 24.39 | 152.92 |

**Fig 4.14 Figure showing EPS: Britannia**

**Interpretation:** Overthe course of the reporting quarters, Britannia's earnings per share (EPS) performance showed a combination of oscillations and significant growth. The company's earnings per share (EPS) was 15.95 in September 2021, and it was largely consistent through December 2021 and March 2022. But in June 2022, there was a discernible reduction as the EPS fell to 14.01, an 87.84% decrease. With an EPS spike of 128.40% to reach 20.48 in September 2022, the turnaround officially got underway. The biggest spike occurred in December 2022, when EPS increased by an astounding 242.70% to 38.71. The growth in the following quarters was more subdued but still significant; in September 2023, EPS reached 24.39, up 152.92% from the base period. Overall the combination of stable times and notable growth spikes.

1. **Dabur**

**Table 4.20 Statement showing EPS: Dabur**

|  |  |  |
| --- | --- | --- |
| Quarters | EPS | Change in EPS(%) |
| Sep-21 | 2.85 | 100 |
| Dec-21 | 2.85 | 100 |
| Mar-22 | 1.66 | 58.25 |
| Jun-22 | 2.49 | 87.37 |
| Sep-22 | 2.77 | 97.19 |
| Dec-22 | 2.69 | 94.39 |
| Mar-23 | 1.7 | 59.65 |
| Jun-23 | 2.62 | 91.93 |
| Sep-23 | 2.91 | 102.11 |

**Fig 4.15 Figure showing EPS: Dabur**

**Interpretation:** Dabur's profits per share (EPS) trended upward throughout the course of the quarters, but there were some swings. There was no change in EPS in the next quarter, with a baseline EPS of 2.85 in September 2021. But there was a significant dip in March 2022—EPS fell to 1.66, a 58.25% loss. In June 2022, the company recovered from this setback, with an 87.37% increase in EPS to 2.49. The pattern persisted with variations, showing both expansion and contraction phases. In September 2023, Dabur's earnings per share (EPS) increased by 102.11% over the base period to 2.91. Overall, despite some volatility, Dabur's EPS trajectory shows resiliency and the capacity to bounce back from losses, pointing to a possibly strong position in the market.

**4.3Shareholding pattern**

A company's shareholding pattern shows who owns and how much of its stock. It functions as a kind of blueprint, outlining how shares are allocated to various investment groups, including people, institutions, and promoters. This offers important information about voting power, stability prospects, and decision-making authority.

* + 1. **Hindustan Unilever**

**Table 4.21 Shareholding Pattern : Hindustan Unilever**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Quarters | Promoters | FIIs | DIIs | Government | Public |
| Sep-21 | 61.90% | 15.45% | 10.48% | 0.00% | 12.17% |
| Dec-21 | 61.90% | 14.71% | 10.85% | 0.00% | 12.53% |
| Mar-22 | 61.90% | 13.66% | 11.61% | 0.00% | 12.83% |
| Jun-22 | 61.90% | 13.30% | 12.20% | 0.00% | 12.60% |
| Sep-22 | 61.90% | 14.05% | 11.72% | 0.04% | 12.32% |
| Dec-22 | 61.90% | 14.32% | 11.50% | 0,04% | 12.23% |
| Mar-23 | 61.90% | 14.36% | 11.51% | 0,04% | 12.17% |
| Jun-23 | 61.90% | 14.48% | 11.47% | 0.04% | 12.09% |
| Sep-23 | 61.90% | 13.90% | 11.90% | 0.04% | 12.26% |

**Fig 4.16 Shareholding Pattern : Hindustan Unilever**

**Interpretation:** Promoters own 61.90% of HUL's shares, which is the majority. Institutional investors, both local and foreign, control a combined 25.8%, with the public owning 12.23%. of shares. In recent years, the public's shareholding has fluctuated, although promoters and institutional investors shareholdings remained constant.

* + 1. **Indian Tobacco Company**

**Table 4.22 Shareholding Pattern : ITC**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Quarters | FIIs | DIIs | Government | Public |
| Sep-21 | 10.81% | 43.72% | 0.00% | 45.47% |
| Dec-21 | 9.99% | 43.79% | 0.00% | 46.22% |
| Mar-22 | 11.99% | 42.77% | 0.00% | 46.22% |
| Jun-22 | 12.68% | 42.82% | 0.00% | 44.50% |
| Sep-22 | 42.68% | 42.38% | 0.04% | 14.87% |
| Dec-22 | 42.99% | 42.19% | 0.04% | 14.78% |
| Mar-23 | 43.35% | 42.08% | 0.04% | 14.52% |
| Jun-23 | 43.62% | 41.94% | 0.04% | 14.41% |
| Sep-23 | 43.34% | 41.94% | 0.04% | 14.68% |

**Fig 4.17 Shareholding Pattern: ITC**

**Interpretation:** Over the last nine quarters, FIIs have gradually raised their ownership in ITC, going from 10.81% in September 2021 to 43.34% in September 2023. This implies that international investors are starting to have more faith in ITC's future. Over the same time span, DIIs have also expanded their ownership, but less significantly, from 43.72% to 41.94%. This implies that although local investors are not as bullish as international investors, they are still rather favourable about ITC. Over the previous nine quarters, the shareholding of government has stayed largely consistent and public shareholding were decreasing from 45.47% to 14.68%.

* + 1. **Colgate-Palmolive**

**Table 4.23 Shareholding Pattern : Colgate-Palmolive**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Quarters | Promoters | FIIs | DIIs | Government | Public |
| Sep-21 | 51.00% | 19.14% | 7.42% | 0.28% | 22.16% |
| Dec-21 | 51.00% | 18.02% | 8.17% | 0.28% | 22.53% |
| Mar-22 | 51.00% | 18.64% | 8.07% | 0.28% | 22.01% |
| Jun-22 | 51.00% | 18.70% | 8.83% | 0.29% | 21.19% |
| Sep-22 | 51.00% | 19.46% | 8.99% | 0.28% | 20.25% |
| Dec-22 | 51.00% | 21.11% | 7.55% | 0.28% | 20.05% |
| Mar-23 | 51.00% | 21.50% | 7.34% | 0.28% | 19.87% |
| Jun-23 | 51.00% | 21.80% | 7.52% | 0.28% | 19.41% |
| Sep-23 | 51.00% | 24.08% | 5.59% | 0.28% | 19.03% |

**Fig 4.18 Shareholding Pattern : Colgate-Palmolive**

**Interpretation**: The promoter holding over the nine quarters displayed has stayed constant at 51%.. From 19.14% in September 2021 to 24.08% in September 2023, FIIs have expanded their ownership. This is a notable rise, indicating that foreign investors are growing increasingly optimistic about Colgate-Palmolive's future. Over the same period, DIIs have also raised their stake, but to a lesser extent from 7.42% to 7.52%. This implies that although domestic investors are not as enthusiastic as foreign investors, they are still rather favourable about Colgate-Palmolive. Over the previous nine quarters, the shareholding of the public and government have stayed largely consistent.

* + 1. **Britannia**

**Table 4.24 Shareholding Pattern : Britannia**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Quarters | Promoters | FIIs | DIIs | Public |
| Sep-21 | 50.55% | 17.65% | 11.53% | 20.28% |
| Dec-21 | 50.55% | 17.59% | 11.53% | 20.34% |
| Mar-22 | 50.55% | 17.17% | 11.53% | 20.34% |
| Jun-22 | 50.55% | 16.65% | 8.74% | 24.06% |
| Sep-22 | 50.55% | 17.18% | 16.12% | 16.14% |
| Dec-22 | 50.55% | 18.46% | 15.08% | 15.90% |
| Mar-23 | 50.55% | 19% | 14.22% | 15.69% |
| Jun-23 | 50.55% | 21.29% | 12.46% | 15.69% |
| Sep-23 | 50.55% | 19.66% | 13.84% | 15.94% |

**Fig 4.19 Shareholding Pattern : Britannia**

**Interpretation:** The promoters shareholding over the last two years have stayed relatively stable at 50.55%. Over the previous two years, FII holdings have generally increased, with minor fluctuations. They went from 17.65% in September 2021 to 19.66% in September 2023. While holdings of DII have varied over the last two years from 11.53% in September 2021 to 12.46% in September 2023,they have typically been declining. Although they have varied over the last two years from 20.28% in September 2021 to 15.94% in September 2023 public holdings have also been declining overall.

* + 1. **Dabur**

**Table 4.25 Shareholding Pattern : Dabur**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Quarters | Promoters | FIIs | DIIs | Government | Public |
| Sep-21 | 67.36% | 21.35% | 3.41% | 0.00% | 7.87% |
| Dec-21 | 67.37% | 21.11% | 3.59% | 0.00% | 7.93% |
| Mar-22 | 67.38% | 20.43% | 3.83% | 0.00% | 8.36% |
| Jun-22 | 67.24% | 20.23% | 4.04% | 0.00% | 8.05% |
| Sep-22 | 67.23% | 20.24% | 6.57% | 0.06% | 5.89% |
| Dec-22 | 66.23% | 20.47% | 7.48% | 0.07% | 5.74% |
| Mar-23 | 66.23% | 19.73% | 8.31% | 0.07% | 5.65% |
| Jun-23 | 66.24% | 19.39% | 8.75% | 0.07% | 5.57% |
| Sep-23 | 66.24% | 18.37% | 9.78% | 0.07% | 5.54% |

**Fig 4.20 Shareholding Pattern : Dabur**

**Interpretation:** Throughout the 9 quarters, the promoters shareholding has stayed largely constant, averaging between 66 and 67 %. This implies that the corporation is still largely under the hands of the large owners. There has been a noticeable decrease in FII ownership, which went from 21.35 % in September 2021 to 18.37% in September 2023. Over the same time span, DII holdings have risen gradually, from 3.41% to 9.78%. This implies that institutional investors in India are growing increasingly optimistic about Dabur's future. Over the course of the period, government stake has remained extremely small, at about 0.07%. Since September 2021, the public shareholding has trended slightly down, going from 7.87% to 5.54%. It is possible that institutional investors purchased shares from individual individuals.

**4.4 Trend Analysis**

The technique of looking at data over time to find trends and comprehend how things are changing is called trend analysis. This may entail keeping an eye out for changes, declines, or spikes in a variety of variables, such as sales numbers, consumer inclinations, or meteorological trends. Individuals and organizations can obtain important insights into the future by examining these trends, which will enable them to make well-informed projections and decisions.

**Table 4.26 : Statement showing trend percentages of 5 Companies**

**Net profit /loss during the period**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Quarter | Hindustan Unilever | | ITC | | Colgate-Palmolive | | Britannia | | Dabur | |
|  |
| Rs | % | Rs | % | Rs | % | Rs | % | Rs | % |  |
| Sep-21 | 2185 | 100 | 3766 | 100 | 269 | 100 | 382 | 100 | 505 | 100 |  |
| Dec-21 | 2300 | 105.3 | 4127 | 109.58 | 252 | 93.68 | 369 | 96.6 | 504 | 100 |  |
| Mar-22 | 2307 | 105.6 | 4266 | 113.27 | 324 | 120.44 | 378 | 98.9 | 294 | 58 |  |
| Jun-22 | 2391 | 109.4 | 4472 | 118.74 | 210 | 78.06 | 336 | 87.9 | 441 | 87 |  |
| Sep-22 | 2670 | 122.2 | 4682 | 124.32 | 278 | 103.34 | 491 | 128.5 | 491 | 97 |  |
| Dec-22 | 2481 | 113.5 | 5080 | 134.89 | 243 | 90.33 | 932 | 243.9 | 477 | 95 |  |
| Mar-23 | 2601 | 119.0 | 5243 | 139.21 | 316 | 117.47 | 558 | 146.0 | 293 | 58 |  |
| Jun-23 | 2556 | 116.9 | 5190 | 137.81 | 274 | 101.86 | 455 | 119.1 | 457 | 91 |  |
| Sep-23 | 2657 | 121.6 | 4865 | 129.18 | 340 | 126.39 | 586 | 153.4 | 507 | 100 |  |

**Fig 4.21: Figure showing trend percentages of 5 companies**

**Interpretation:**The table provides quarterly net profit figures for five companies - Hindustan Unilever, ITC, Colgate-Palmolive, Britannia, and Dabur - from September 2021 to September 2023. The figures are presented both in absolute terms and as trend percentages, indicating the change in net profit. There is a clear upward trend in profits, with each company experiencing growth over the observed period. Hindustan Unilever and ITC show overall upward trends, with increase in net profit percentages over the time Colgate-Palmolive displays a fluctuating trend, with peaks and dips in net profit percentages. Britannia exhibits a steadily increasing trend while Dabur's trend appears less stable, with varying percentages across the quarters. The trends indicate that the net profit percentages of the companies vary over the quarter due to factors such as market conditions, operational efficiency, and product innovation, which have an impact on their respective performances and strategies.

**HYPOTHESIS TESTING**

**Null Hypothesis (H0)**: There is no significant correlation between the quarterly financial results (net profit) of selected FMCG companies and their respective share price movements.

**Alternative Hypothesis (H1)**: There is a significant correlation between the quarterly financial results of selected FMCG companies and their share price movements.

1. **Hindustan Unilever**

**Table 4.27: Hypothesis Testing: Hindustan Unilever**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| correlation® | N | T Statistics | DF | P value |
| 0.367815 | 9 | 1.046508 | 7 | 0.330111 |

**Interpretation:** The correlation coefficient (r) of 0.368 indicates a weak positive linear relationship.The sample size (N) of 9 indicates the number of data points. The t-statistic of 1.047 and degrees of freedom (DF) of 7 are used to test the significance of the correlation coefficient. In this case, the t statistic suggests that the correlation is not statistically significant. With a p-value greater than 0.05 (significance level), we accept the null hypothesis and conclude that there is no significant correlation between the quarterly results and share prices for Hindustan Unilever.

1. **Indian Tobacco Company**

**Table 4.28: Hypothesis Testing: Indian Tobacco Company**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| correlation® | N | T statistics | DF | P value |
| 0.86899 | 9 | 4.646317 | 7 | 0.002352 |

**Interpretation:** The correlation coefficient (r) of 0.869 indicates a strong positive correlation .The sample size (N) of 9 indicates the number of data points. The t-statistic of 4.646 and degrees of freedom (DF) of 7 are used to test the significance of the correlation coefficient. In this case, the t statistic suggests that the correlation is statistically significant. With a p-value(level of significance) less than 0.05, we reject the null hypothesis and conclude that there is a significant correlation between the share price and quarterly results for ITC.

**(c)Colgate-Palmolive**

**Table 4.29: Hypothesis Testing: Colgate-Palmolive**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| correlation® | N | T Statistics | DF | P value |
| 0.554302 | 9 | 1.762008 | 7 | 0.121446 |

**Interpretation:** The correlation coefficient is 0.554, indicating a moderate positive correlation between the variables .The number of observations or data points in the sample is 9.With a T statistic of 1.762 and a degrees of freedom of 7, the calculated p-value of 0.121 indicates that the correlation is not statistically significant . As the p-value is 0.121, which is greater than 0.05. This suggests that we accept the null hypothesis that there is no significant correlation between share price and quarterly results of colgate-palmolive.

1. **Britannia**

**Table 4.30: Hypothesis Testing: Britannia**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| correlation® | N | T Statistics | DF | P value |
| 0.430156 | 9 | 1.260682 | 7 | 0.247817 |

**Interpretation:** The correlation coefficient of 0.430 suggests a positive relationship between two variables within Britannia's data, albeit weaker than the previous example. The T statistic of 1.261 and the degrees of freedom of 7 and p-value of 0.248, which is above the level of significance ,indicating that the observed correlation is not statistically significant at the conventional level of 0.05.So we accept the null hypothesis that there is no significant correlation between the share price and quarterly results of Britannia.

1. **Dabur**

**Table 4.31: Hypothesis Testing: Dabur**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| correlation® | N | T Statistics | DF | P value |
| 0.484135 | 9 | 1.463896 | 7 | 0.186632 |

**Interpretation:** The correlation coefficient of 0.484 suggests a moderate positive relationship between share price and quarterly results .However, with a T statistic of 1.464 and a degree of freedom of 7, the calculated p-value of 0.187 indicates that the correlation is not statistically significant at the conventional significance level of 0.05.Therefore, based on this data, we accept the null hypothesis, suggesting that there is no significant correlation between the share price and quarterly results of Dabur.

**CHAPTER 5**

**FINDINGS SUGGESTION AND CONCLUSION**

* 1. **FINDINGS**

The project's findings refer to the main results, insights, or conclusions drawn from the research or analysis. These findings are usually based on the data collected, the analysis done, and the research questions or hypotheses investigated. They offer understanding into the specific topic or problem being studied.

**Objective 1: To identify the relationship between the share price movements of the selected FMCG industry and their quarterly results.**

* The correlation between quarterly results and the share prices of Hindustan Unilever is 0.36. Here they show a weak positive correlation.With a p-value greater than 0.05 (0.33), we accept the null hypothesis and conclude that there is no significant correlation between the quarterly results and share prices for Hindustan Unilever.
* The correlation between quarterly results and the share prices of ITC is 0.99. Here they show a strong positive correlation.As the p-value is less than 0.05 (0.002) we reject the null hypothesis and conclude that there is significant correlation between quarterly results and share price.
* The correlation between quarterly results and share price of Colgate-Palmolive is 0.55. Here they show a moderately strong positive correlation. As the p-value is more than 0.05 (0.121) we accept the null hypothesis and conclude that there is no significant correlation between quarterly results and share price.
* The correlation between quarterly results and share price of Britannia is 0.43. Here they show a weak positive correlation. As the p-value is more than 0.05 (0.247) we accept the null hypothesis and conclude that there is no significant correlation between quarterly results and share price.
* The correlation between quarterly results and share price of Dabur is 0.48. Here they show a weak positive correlation. As the p-value is more than 0.05 (0.186) we accept the null hypothesis and conclude that there is no significant correlation between quarterly results and share price.

**Objective 2: To analyse the quarterly financial performances of selected FMCG companies.**

* In Hindustan Unilever, the net profit ratio was highest during September 2022 which was 17.63% and lowest net profit ratio was on December 2022 of 15.91%.Operating profit ratio was greatest during December 2021 which was 25.37% and lowest of 22.97% during September 2022. The highest EPS was in the quarter ending September 2022
* In ITC, the net profit ratio was highest during June 2023 which was 30.24% and lowest net profit ratio was on December 2021 of 24.12%. Operating profit ratio was greatest during June 2023 which was 38.86% and lowest of 32.72% during December 2021.The highest EPS was during the quarter March 2023.
* In Colgate-Palmolive, the net profit ratio was highest during March 2022 which was 24.90% and lowest net profit ratio was on June 2022 of 17.54%. The operating profit ratio was greatest during March 2023 which was 33.46% and lowest of 27.23% during June 2022.The highest EPS was during the quarter ending September 2023.
* In Britannia, the net profit ratio was highest during December 2022 which was 27.58% and lowest net profit ratio was on June 2022 of 10.5%. Operating profit ratio was greatest during June 2023 which was 26.22% and lowest of 16.69% during March 2022.The highest EPS was during the quarter ending March 2023.
* In Dabur, the net profit ratio was highest during September 2021 which was 17.92% and lowest net profit ratio was on March 2023 of 10.94%. Operating profit ratio was greatest during September 2021 which was 22% and lowest of 15.31 % during March 2023. The EPS was highest during the quarter ending September 2023.
* Hindustan Unilever and ITC shows overall upward trends, with increase in net profit percentages over the time. Colgate-Palmolive displays a fluctuating trend, with peaks and dips in net profit percentages. Britannia exhibits a steadily increasing trend while Dabur's trend appears less stable, with varying percentages across the quarters .

**Objective 3: To understand the composition and dynamics of ownership within the industry by examining the shareholding patterns**.

* In Hindustan Unilever, promoter’s shareholding remains constant throughout the 9 quarters and they hold the highest shares. Government holds the lowest volume of shares among the shareholders.
* In ITC, Public shareholdings were decreasing from 45.47% to 14.68% and government shareholdings were consistent and had the lowest shares.
* In Colgate-Palmolive, the promoters holding were consistent throughout the nine quarters and they were holding the highest shares. The government shareholdings remained almost consistent and they were holding the lowest shares.
* In Britannia, the promoters remained consistent throughout the nine quarters and were holding highest shares of 50.55%. The public shareholdings were declining from 20.28% during the quarter ending September 2021 to 15.94% during the quarter ending September 2023.
* In Dabur, the promoter’s shareholding have been holding the highest shares and remaining almost consistent throughout the nine quarters. The FII”s have been declining throughout the quarters.
  1. **SUGGESTIONS**
* Clear and consistent financial guidance has to be provided throughout the quarters. This can be done by revising the projections to avoid significant surprises during the announcement of results.
* In order to clarify any ambiguities or to address any concerns, regularly interact with the investors and analysts throughout the quarters
* Focus on the controllable factors of the company like cost management or product launches, by downplaying the uncontrollable factors like inflation and currency fluctuations can help to manage the investor expectations.
  1. **POLICY IMPLICATION OF THE STUDY**

The strong correlation between share price movements and the quarterly results of the FMCG companies suggests that the investors are reacting efficiently to the company performance. some policy implications of this correlation is mentioned below:

* **Regulatory scrutiny:** By focusing on transparency, regulators can emphasize a transparent financial reporting by the FMCG companies. The investors can take decisions on the basis of this accurate information that will lead to a stable market
* **Investor education**: In order to educate the investors, the policymakers has to promote the financial literacy initiative on how to interpret the financials of the FMCG companies. This will help the investors to take informed decisions.
* **Promoting stable growth**: By providing the polices that encourage a stable growth in the FMCG companies can lead to more predictable financial performances by these companies which will reduce the share price volatility.

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