CHAPTER-6

SUMMARY, FINDINGS AND SUGGESTIONS
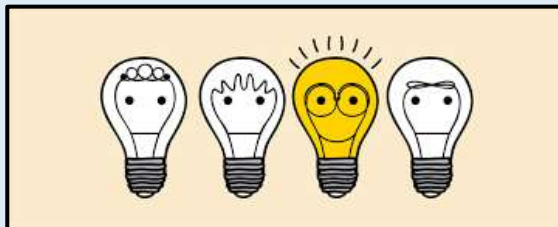
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[6.1] INTRODUCTION

This chapter outlines the key elements of the thesis, highlighting important results and recommendations based on the research. It briefly revisits the research problem and provides an overview of the statistical methods and procedures employed in the study. The chapter concludes with a discussion of the findings and practical suggestions derived from the data analysis.

[6.2] SUMMARY

Chapter-1: Overview of FMCG Industry

This chapter is divided into two sections. The first section presents an overview of the FMCG industry, including its meaning, definition, and historical background. The second section profiles selected FMCG companies and provides a SWOT analysis of these organizations.

Chapter-2: Conceptual Framework of DEA Model

This chapter is split into two parts. The first part explains various financial ratios such as liquidity, activity, leverage, and profitability ratios. The second part introduces the conceptual framework of the Data Envelopment Analysis (DEA) model.

Chapter-3: Review of Literature

This chapter covers the definition and purpose of a literature review, along with a survey of existing studies relevant to this research.

Chapter-4: Research Methodology

This chapter details the meaning and importance of research. It describes the problem statement, objectives, hypotheses, scope, study duration, population, sampling techniques, sample size, data collection methods, sources, chapter layout, significance, limitations, and potential future research directions.

Chapter-5: Data Analysis and Interpretation

This chapter includes all the computations and interpretations of data tables, with specific application of ANOVA and the DEA model.

Chapter-5: Summary, Findings and Suggestions

This chapter presents the conclusions drawn from the data interpretation and offers recommendations aimed at transforming inefficient units into efficient ones. **[6.3] FINDINGS**

The findings section summarizes the results obtained from the data analysis. It provides a concise overview of each table and the statistical tests conducted, including percentage analyses. This section captures the complete outcome of the research computations, reflecting key insights into the studied variables.

PART-1 PERCENTAGE ANALYSIS

Liquidity Ratio:

- An average of current ratio for the selected study period is highest in ITC i.e. 2.87 and lowest in Varun Beverages Limited i.e. 0.69 Average Current Ratio in all selected companies except VBL during study period is more than 1 so, it indicates that company is able to pay its current liabilities sufficiently.

- An average of quick ratio for the selected study period is highest in ITC i.e.2.01 and lowest in United Spirit Limited i.e. 0.79. Average Quick Ratio in all selected companies except Dabur India Limited and United Spirit Limited during study period is more than 1 so, it indicates that company has sufficient liquid assets to pay its current liabilities sufficiently.

- An Average Working capital ratio is Highest Average of quick ratio is of HUL that is 18.12 and lowest average of working capital ratio is of Tata Consumer Product that is 2.16.

Activity Ratio:

- Highest Average of debtor turnover ratio is of Nestle India Limited that is 64.13 and lowest average of debtor turnover ratio is of United Spirit Limited that is 2.54.

- Highest Average of Inventory Turnover Ratio is of Britannia India Limited that is 13.41 and lowest average of Inventory Turnover Ratio is of ITC that is 1.89.

- Highest Average of Assets Turnover Ratio is of Britannia India Limited that is 1.46 and lowest average of Inventory Turnover Ratio is of Tata Consumer Product that is 0.44.

- Highest Average of Collection Period Ratio is of United Spirit Limited that is 99.03 and lowest average of Collection Period Ratio is of Nestle India Limited that is 3.92.

Leverage Ratio:

- An average of Debt Ratio from 2014-15 to 2023-24 is highest in United Spirit Limited i.e. 23.66 and lowest in ITC i.e. 0.02.
- An average of Interest Coverage ratio from 2014-15 to 2023-24 is highest in HUL i.e. 220.68 and Lowest in Varun Beverages Limited i.e. 4.56.
- An average of Equity Ratio from 2014-15 to 2023-24 is highest in Varun Beverages Limited i.e. 4.04 lowest in HUL i.e. 0.95.

Economic Indicator:

- Highest Average of Economic Value Added to Net Operating Income Ratio is of Godrej Consumer Product that is 11.903 and lowest average of Economic Value Added to Net Operating Income Ratio is of Varun Beverages Limited that is 5.361.

Profitability Ratio:

- An average of Return on Assets Ratio from 2014-15 to 2023-24 is highest in HUL that is 33.75 and lowest in Tata Consumer Product that is 10.11.
- An average Return on Capital Employed Ratio from 10 to 2014-15 to 2023-24 is highest in Britannia Limited that is 90.91 and lowest in HUL that is 19.56.
- An average Return on Current Assets from 2014-15 to 2023-24 is highest in ITC i.e. 1.80 and lowest in United Spirit Limited that is 0.20.
- An average of Return on Equity Ratio from 2014-15 to 2023-24 is highest in Britannia Limited that is 79.63 and lowest in Varun Beverages Limited i.e. 2.65.
- An average Operating Profit to Sales Ratio from 2014-15 to 2023-24 is highest in ITC i.e.36.93 and Lowest in United Spirit Limited that is 12.98.

PART-2 ANOVA APPLICATION

Table 6.1: Findings Based on ANOVA

No.	Ratio	Calculated Value	Table Value	H_0 Accepted/ Rejected
1	Current Ratio	12.86	1.99	H_0 Rejected
2	Quick Ratio	6.97	1.99	H_0 Rejected
3	Working Capital Turnover Ratio	3.08	1.99	H_0 Rejected
4	Account Receivable Turnover Ratio	71.25	1.99	H_0 Rejected
5	Inventory Turnover Ratio	16.54	1.99	H_0 Rejected
6	Assets Turnover Ratio	22.34	1.99	H_0 Rejected
7	Collection Period Ratio	173.90	1.99	H_0 Rejected
8	Debt Equity Ratio	17.63	1.99	H_0 Rejected
9	Interest Coverage Ratio	19.51	1.99	H_0 Rejected
10	Equity Ratio	38.87	1.99	H_0 Rejected
11	Economic Value Added	11.82	1.99	H_0 Rejected
12	Return on Assets (ROA)	23.03	1.99	H_0 Rejected
13	Return on Capital Employed	16.98	1.99	H_0 Rejected
14	Return on Current Assets	48.59	1.99	H_0 Rejected
15	Return on Equity	37.92	1.99	H_0 Rejected
16	Operating Profit to Sales	100.72	1.99	H_0 Rejected

[**Source:** Computed from Chapter No-5]

PART-3 DATA-ENVELOPMENT ANALYSIS MODEL APPLICATION

Table 6.2: Findings Based on Data-Envelopment Analysis Model

Year	Efficiency Score and 1st Rank		Efficiency Score and 10th Rank	
	Efficiency Score	1st Rank Company	Efficiency Score	10th Rank Company
2014-15	1.62163	Godrej Consumer Product	0.18215	Varun Beverages Limited
2015-16	1.58497	ITC Limited	0.17917	HUL
2016-17	1.34421	Britannia India Limited	0.22991	HUL
2017-18	1.24370	Britannia India Limited	0.19665	HUL
2018-19	1.32605	Britannia India Limited	0.25333	HUL
2019-20	1.12003	ITC Limited	0.30728	Tata Consumer Product
2020-21	1.28942	Britannia India Limited	0.24050	Varun Beverages Limited
2021-22	2.11371	Britannia India Limited	0.59218	Varun Beverages Limited
2022-23	1.39874	ITC Limited	0.35751	Tata Consumer Product
2023-24	1.44494	ITC Limited	0.34350	Varun Beverages Limited

[**Source:** Computed from Chapter No-5]

[6.4] SUGGESTIONS:

- Compare to other selected FMCG companies, Current Ratio is less during the study period in Varun Beverages Limited. So, it is negative sign to Varun Beverages Limited. Thus, there is a need for Varun Beverages Limited to improve its Current Assets or Decrease Current Liabilities. It can meet current obligations by improving/cultivating its current ratio.

- An average of Quick Ratio of Varun Beverages Limited, Dabur India Limited, and United Spirit Limited is less than 1(i.e. <1) so, they should improve its quick ratio by making investment in long term finance or by eliminating unproductive assets.

- Nestle India Limited, Britannia India Limited, Godrej Consumer Product, Dabur India Limited, Tata Consumer Product and United Spirit Limited have negative Working Capital Ratio. So, it needs to improve its Working Capital Ratio by increasing in its Current Assets or Decrease Current Liabilities.

- Average Debtors Turnover Ratio is lowest in United Spirit Limited. So, it needs to improve its Debtors Turnover Ratio by increasing in sales or by means of improving collection efficiency or by offering discount for early payment of dues.

- Average Inventory Turnover Ratio is lowest in Tata Consumer Product. so, Tata Consumer Product needs to improve its ITR-Inventory Turnover Ratio either by forecasting demand of customer correctly or by improving sales with the help of selling top level products.

- Tata Consumer Products needs to improve its Assets Turnover Ratio by liquidating obsolete assets or by increasing in sales.

- Compare to other selected FMCG Companies, Collection Period Ratio is high in United Spirit Limited. So, it needs to improve its collection period ratio by improving collection efficiency or by offering discount for cash payment or early payment.

- In all years Debt Ratio is Greater than 1. So, Varun Beverages Limited need to make efforts for increase in assets for improving performance.

- Varun Beverages Limited and United Spirit Limited need to improve ICR-Interest Coverage Ratio by timely payment of Outstanding debts.

- HUL needs to improve Equity Ratio by issuing more equity or by Bonus Shares.

- Varun Beverages Limited need to concentrate on EV to Net Operating Revenue by increasing earning capacity.

- Tata Consumer Product needs to improve it ROA -Return on Assets by increasing revenue without increasing assets cost or by reducing the cost of assets.

- Varun Beverages Limited needs to improve its Return on Capital Employed by selling of unnecessary or unprofitable assets or by paying off debts.

- Unites Spirit Limited need to improve Return on Current Assets Ratio by increasing in revenue or by decreasing in Current Assets.

- Varun Beverages Limited need to improve Return on Equity Ratio.

- United Spirit Limited need to improve Operating Profit to Sales Ratio by reducing Cost of Goods Sold or by increasing in revenue.

- Overall, 4 times Varun Beverages Limited and Hindustan Unilever Limited stood at last position according to DEA Model so, it need to concentrate on efficiency score.

[6.5] CONCLUSION:

This section contains the overall idea for this research study. Conclusion refers to the final section of a work that provides the overarching idea of that work. This research relies on secondary data. Secondary data is gathered from the annual reports and websites of chosen pharmaceutical companies. To summarize this research, it can be stated that some FMCG companies have a low efficiency score. As a result, they need to increase their efficiency rating. Thus, for organizations to increase their efficiency score, they must consider a variety of suggestions