



An investigation of Hindustan Unilever Limited's financial performance for the fiscal year 2020–2021

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Abstract: To produce, distribute, and provide value to customers as well as to manage customer relationships in a way that benefits the business and its stakeholders, marketing is a function of an organisation and a set of processes. Rural marketing refers to any marketing initiative in which the sole participant is from a rural area. This implies that rural marketing includes both the marketing of inputs (goods or services) to rural markets and the marketing of products from rural markets to other geographic regions. Rural marketing is a big concept in and of itself. It is marketing intended particularly for rural people and the products manufactured for them to educate them about the topics that they are unfamiliar with. This article aims to educate readers about rural markets and the factors that affect rural customers' decisions to buy FMCG products from Hindustan Unilever Limited (HUL). This article seeks to understand the rural market, its importance, and its current situation in the context of FMCG products. to examine the stocks between April 1 and March 1 of 2021. Directly from the Hindustan Unilever Limited (HUL) Annual Report for 2020–21, I got the secondary stock data. The Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited have released the stock price information, including the company's share volume and monthly high and low prices (NSE).

Keywords: Financial Position, Profitability, Asset, Analytics.

Introduction

Client observation plays a crucial role in an organization's ability to retain current clients and attract new ones. Fortunately, a large percentage of the factors that shape a person's perception of an organisation or brand are under the control of the business. Nowadays, thanks to computers, almost anything can be found by performing a Google search. This makes it easier for people to find your businesses and products, but as a trade-off, it also makes it easier for people to find your rivals. This means that it is easy for troublesome or disgruntled customers to leave. Customers want high quality, but they also want to feel like they are receiving a good deal. That value is determined not just by the item or service customers are purchasing, but also by the client administration's accessibility and usability, which supports it. Brand recognition isn't enough anymore; customers also need to like the brand and tell their friends about it.

They must collaborate with municipally disapproved businesses that have a constructive outlook on the world. Client discernment is connected to assurance and emotion. The entire organization is involved in this judgement and may add strongly to it, from the first point of contact to the last. Customers must also feel good about your organization's administration, image, and treatment of them, and the products and services must function as promised. Customer perception of FMCG products is changing due to a variety of factors, and it is the company's responsibility to ensure that the customer has a genuine and appropriate perception of their goods. Consumers' perceptions: an analytical study of the role of consumer emotions and response by Avinash Kapoor (2009) - Businesses are working more and harder to provide customers with a variety of purchasing

options, prices that are reasonable, and moods. The goal of this research is to determine how sales rep behavior affects the customers' inspiration, comprehension, sentiments, and reactions as well as to identify the various responses to deal collaboration as shown by their unique recognitions. The purpose of this study is to discuss how sales rep behavior and mindset affect client perceptions, sentiments, and behavior outcomes while taking into account their intuitive deals experience understanding. The article "Customers Perception towards the Fast Moving Consumer Goods in Market" by Surinder Singh Kundu (2013) - A consumer creates a mental framework of references in order to choose or purchase an item or service from the same or other brands or manufacturers. The goal of the current article, which takes into account the citations, is to evaluate the factors that influence consumers' decisions to purchase fast-moving consumer goods (FMCGs) and to recommend tactics that sponsors may use to increase consumer awareness in rural markets. A Study on Advertising Fast Moving Consumer Goods by Shilpy Malhotra (2014) - The promotion of quickly moving consumer goods is the paper's main focus. Quick moving consumer goods are frequently low overall revenue products and are thus sold in large volumes. Since there are several brands available for products in comparable classes, it is crucial to concentrate on how to make brand loyalty a benefit for customers. The ways in which subsidence affects the demand for quickly moving consumer goods and the reasons for these changes are two other areas that the article centres on. In such a situation, it becomes crucial for the manufacturers or organisations to increase interest in these brands and products. Akash Suresh's study of Hindustan Unilever Limited's financial performance, the study's main objective is to examine the company's financial health and performance. It makes the entire financial status of the business easier for us to understand. It truly depicts the transparency of an MNC. By comparing the financial accounts, we were able to see how the organisation was affected by different internal and external factors. There were attitudes in favour of and against the corporation. The company's idea execution followed the right path, as shown by its financial circumstances. In terms of profitability, Hindustan Unilever is in a respectable position, according to the examination of financial performance. If the company's long-term strategies are successfully implemented, it may see greater growth and the desired results. Hindustan Unilever Limited financial performance analysis study by sharmila, The lifeblood of any firm is finance. The term "the science of money" is appropriately used. For a corporation to operate smoothly, finances are crucial. Every business's decision, actions, and policies are under the direction of finance. The ability to measure the company's financial success is helpful. This study uses ratio analysis, such as liquidity, solvency, profitability, and trend analysis, to look at Hindustan Unilever Limited's (HUL) financial performance. Data is gathered for the study to analyse the company's financial performance during the previous five years.

Statement of the issue

It can be challenging for a company to target its specific audience in this competitive world of products with many similarities coming from different competitors, such as similar price, packaging, quality, advertising tactics, and more. As a result, the company must position its products in a way that makes it stand out from the competition and the market. This study attempts to learn how customers perceive Hindustan Unilever Limited's FMCG products, including how the brand has been positioned in consumers' thoughts.

Objectives of the study

Investigating the link between a dependent or response variable and one or more independent variables is the analysis's goal. Compare the data sets' average values. To estimate the long-term direction of market sentiment, future stock price movements are predicted using recently observed trend data, price fluctuations, and transaction volume.

Constraints of the research

To analyse the equities from April 1, 2020, to March 1, 2021. I obtained the secondary stock data directly from the Hindustan Unilever Limited Annual Report for 2020–21. They have posted share price

information, including the company's share volume and monthly high and low prices, at the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

Analysis and Interpretation

Secondary Share Price Data: For the fiscal year that ended on March 31, 2021, the monthly high and low prices and volumes of the Company's shares at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) are as follows:

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
4-1-2020	2,614.00	2,128.65	23,94,971	2,614.30	2,127.95	10,42,15,793
5-1-2020	2,614.00	1,902.30	1,70,23,547	2,160.00	1,902.00	31,84,90,213
6-1-2020	2,614.00	2,055.00	26,52,159	2,199.55	2,054.05	7,75,60,838
7-1-2020	2,614.00	2,125.00	31,68,441	2,350.00	2,125.00	6,59,35,111
8-1-2020	2,614.00	2,102.00	25,88,778	2,234.80	2,100.65	3,69,53,080
9-1-2020	2,614.00	2,001.00	26,78,607	2,185.00	2,000.05	4,92,70,089
10-1-2020	2,614.00	2,068.25	28,38,108	2,208.50	2,068.00	4,77,71,923
11-1-2020	2,614.00	2,043.80	25,27,106	2,220.35	2,043.00	4,88,18,897
12-1-2020	2,614.00	2,121.00	22,43,246	2,417.40	2,120.10	5,01,42,038
1-1-2021	2,614.00	2,254.00	31,18,130	2,456.95	2,251.00	4,39,38,431
2-1-2021	2,614.00	2,104.25	36,50,305	2,288.70	2,120.00	5,22,86,338
3-1-2021	2,614.00	2,128.00	23,85,865	2,438.60	2,128.00	5,02,73,901

Independent t test for Low

Null Hypothesis: There is no significance difference between mean of the low stocks of NSE and BSE.

Alternate Hypothesis: There is significance difference between mean of the low stocks of NSE and BSE.

	2128.65	2127.95
Mean	2082.236364	2082.895455
Variance	7719.484045	7737.461727
Observations	11	11
Pooled Variance	7728.472886	
Hypothesized Mean Difference	0	
df	20	
t Stat	-0.017582467	
P(T<=t) one-tail	0.493073083	
t Critical one-tail	1.724718243	
P(T<=t) two-tail	0.986146167	
t Critical two-tail	2.085963447	

The null hypothesis is accepted based on the p-value of (0.986146167), which is greater than 0.05. Each sample's average is 2082.236364 and 2082.895455. Variance: Each sample's variance was 7719.484 and 7737.4617. Combined Variance By "pooling" the variances, the average variance of the samples is determined as follows: 7728.4728, two-tail P(T=t): the two-tailed t-p-value. test's Any t Score to P Number Calculator with t = -0.01758246 and 20 degrees of freedom may be used to calculate this value.

Independent t test for High

Null Hypothesis: There is no significance difference between mean of the highstocks of NSE and BSE.

Alternate Hypothesis: There is significance difference between mean of the high stocksof NSE and BSE

t-Test: Two-Sample Assuming Equal Variances		
	2614	2614.3
Mean	2614	2287.2591
Variance	0	12035.069
Observations	11	11
Pooled Variance	6017.5345	
Hypothesized Mean Difference	0	
df	20	
t Stat	9.8781488	
P(T<=t) one-tail	1.943E-09	
t Critical one-tail	1.7247182	
P(T<=t) two-tail	3.887E-09	
t Critical two-tail	2.0859634	

Result: accept the alternate hypothesis based on the above p-value of 0.308887E-09, which is less than 0.05. Each sample's mean varies between 2614 and 2614. 3 Variance: Each sample's variance ranges between 0 and 12035.069.

Combined Variance By "pooling" the variances, the average variance of the samples is determined as follows: P(T=t) two-tail, 6017.5345: the two-tailed t-p-value. test's Any T Score to P Number Calculator with t = 9.8781488 and 20 degrees of freedom may be used to calculate this value.

Independent t test for Volume

Null Hypothesis: There is no significance difference between mean of the total volume stocks of NSE and BSE.

Alternate Hypothesis: There is significance difference between mean of the total volume of NSE and BSE.

t-Test: Two-Sample Assuming Equal Variances		
	17023547	104215793
Mean	2785074.5	76494623.55
Variance	1.77373E+11	6.55981E+15
Observations	10	11
Pooled Variance	3.45261E+15	
Hypothesized Mean Difference	0	
df	19	
t Stat	-2.871021092	
P(T<=t) one-tail	0.004890709	
t Critical one-tail	1.729132812	
P(T<=t) two-tail	0.009781418	
t Critical two-tail	2.093024054	

Inference: Since the p-value mentioned above (0.009781418) is less than 0.05, we accept the alternative hypothesis. Each sample's average is 2785074.5 and 76494623.55. Variance: Each sample's variance was 1.77373E+11 and 6.55981E+15. Pooled Variation By "pooling" the variances, the average variance of the samples is determined as follows: P(T=t) two-tail, 3.45261E+15 the two-tailed t-p-value. test's Any T Score to P Number Calculator with t = -2.871021 and 19 degrees of freedom may be used to calculate this value.

Trend

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
4-1-2021	2614	2155.6668	1177710.61	2314.5125	2156.1277	28881858.45
5-1-2021	2614	2166.2466	757726.631	2314.5125	2166.6946	21289027.64
6-1-2021	2614	2177.1792	323743.189	2314.5125	2177.6138	13443102.47
7-1-2021	2614	2187.759	-96240.787	2314.5125	2188.1807	5850271.666
8-1-2021	2614	2198.6916	-530224.23	2314.5125	2199.0999	-1995653.5

From the secondary data that was gathered using Excel, we have predicted the trend that displays both up and down variations for stocks over the following five months.

Growth

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
4-1-2021	2614	2155.9957	2284022.75	2345.265	2159.7487	32976963.1
5-1-2021	2614	2167.0813	2172724.69	2350.5692	2171.342	29860176.44
6-1-2021	2614	2178.5964	2063411.2	2356.0627	2183.3872	26948637.01
7-1-2021	2614	2189.7982	1962863.31	2361.3912	2195.1074	24401611.92
8-1-2021	2614	2201.434	1864108.31	2366.91	2207.2844	22022314.02

From the secondary data that was gathered using Excel, we have calculated the increase for the next five months.

Linear Regression

Regression Statistics	
Multiple R	0.372073436
R Square	0.138438642
Adjusted R Square	0.052282506
Standard Error	107.1068781
Observations	12

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	18433.41665	18433.41665	1.606834389	0.233658031
Residual	10	114718.8334	11471.88334		
Total	11	133152.25			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	44128.70323	43.59246343	1012.301204	2.17763E-26	44031.57317	44225.83329	44031.57317	44225.83329
X Variable 1	-9.88885E-06	7.80118E-06	-1.267609715	0.233658031	-2.7271E-05	7.49326E-06	-2.7271E-05	7.49326E-06

$y = a+bx$
 month = 44128.70-0.0000099*(Volume)

R² demonstrates the 13% of variance that fit the entire model. The standard error is estimated using least squares, and it is 43.59246343 in the following linear regression formula: $y = ax + b$ **Month = 44128.70-0.0000099 (Volume).**

Durbin Watson Test

BSE Summary Output

SUMMARY OUTPUT								
<i>Regression Statistics</i>								
Multiple R	0.695554087							
R Square	0.483795488							
Adjusted R	0.369083374							
Standard Error	3288112.735							
Observations	12							
<i>ANOVA</i>								
	df	SS	MS	F	Significance F			
Regression	2	9.1196E+13	4.56E+13	4.2174751	0.051015023			
Residual	9	9.73052E+13	1.081E+13					
Total	11	1.88501E+14						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	71467114.69	24396782.77	2.9293664	0.0167743	16277757.8	126656472	16277758	126656472
X Variable	0	0	65535	#NUM!	0	0	0	0
X Variable	-32370.39191	11686.04672	-2.770004	#NUM!	-58806.06621	-5934.718	-58806.07	-5934.718

BSE Residual Output

RESIDUAL OUTPUT		
Observation	Predicted Y	Residuals
1	2561879.951	-166908.9508
2	9888918.16	7134628.84
3	4945959.315	-2293800.315
4	2680031.881	488409.1187
5	3424550.895	-835772.8952
6	6693960.478	-4015353.478
7	4517051.622	-1678943.622
8	5308507.704	-2781401.704
9	2809513.449	-566267.4489
10	-1495748.675	4613878.675
11	3351717.513	298587.4866
12	2582920.706	-197055.7056

D = 1.49

NSE Summary Output

SUMMARY OUTPUT								
Regression Statistics								
Multiple R	0.757382004							
R Square	0.5736275							
Adjusted R Square	0.478878056							
Standard Error	56045187.16							
Observations	12							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	2	3.80329E+16	1.90165E+16	6.054151592	0.021579995			
Residual	9	2.82696E+16	3.14106E+15					
Total	11	6.63025E+16						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	1397085993	416488598.9	3.354439945	0.008463603	454923325.8	2339248660	454923325.8	2339248660
X Variable 1	276269.2619	170175.2314	1.623439907	0.138943207	-108693.8568	661232.3806	-108693.8568	661232.3806
X Variable 2	-938207.1416	282524.8316	-3.32079533	0.008928999	-1577322.713	-299091.5701	-1577322.713	-299091.5701

Observation	Predicted Y	Residuals
1	122878837.4	-18663044.4
2	209357615.4	109132597.6
3	77629668.8	-68830.79586
4	52628582.55	13306528.45
5	43647707.48	-6694627.478
6	124273136.7	-75003047.68
7	67014289.06	-19242366.06
8	93743258.36	-44924361.36
9	75846345.8	-25704307.8
10	-36038519.73	79976950.73
11	40384312.5	11902025.5
12	74291417.73	-24017516.73

NSE Residual Output

D = 2.799, The Durbin Watson (DW) statistic is a test for autocorrelation in the residuals from a statistical model or regression analysis. The Durbin-Watson statistic will always have a value ranging between 0 and 4. A value of 2.0 indicates there is no autocorrelation detected in the sample. Values from 0 to less than 2 point to positive autocorrelation and values from 2 to 4 means negative autocorrelation.

A stock price displaying positive autocorrelation would indicate that the price yesterday has a positive correlation on the price today—so if the stock fell yesterday, it is also likely that it falls today. A security that has a negative autocorrelation, on the other hand, has a negative influence on itself over time—so that if it fell yesterday, Today, there is a higher chance that it will climb.

Conclusion

Traditional methods of calculating the value created by shareholders have relied on parameters like earnings capitalization, market capitalization, and present value of projected future cash flows. Future projections were made using the Trend and Growth methodology. If there is a regression The objective is to assess how well the linear regression approach works for extrapolating historical data.

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