FINANCIAL PERFORMANCE ANALYSIS OF PATANJALI.

Research Project Submitted in Partial Fulfillment of the Requirements for the

Degree of

B. COM Honors

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to the

DEPARTMENT OF COMMERCE

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2022-23

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CERTIFICATE

It is certified that the work contained in the project report titled "Financial performance analysis of Patanjali," by "Vijay Pawar," has been carried out under my/our supervision and that this work has not been submitted elsewhere for a degree*

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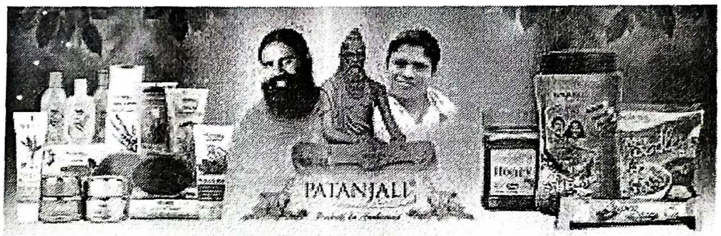
INTRODUCTION

FMCG SECTORS

Fast-moving consumer goods are products that sell quickly at relatively low cost. These goods are also called consumer packaged goods.

FMCG items are those items which have short life expectancy, which are utilized for brief time and are supplanted inside days, week, and month or inside a year. Since FMCG items are supplanted quickly they are having high market demand. They work at a lower edge. A noteworthy bit of month to month spending plan distributed on these items. The business is continually stretching out and growing new items to improve buyer's involvement. Real players in FMCG enterprises are HUL, ITC, Nestle India, Dabur and P&G. The major FMCG fragments are-close to home care, sustenance and drink, family care, tobacco and oral care. The Nourishment fragment is the main portion in the FMCG part. Taste and inclination of clients are changing quickly so the organizations are embracing creative processes because of mechanical improvement to match current clients' necessity so there are gigantic open doors in the area. Additionally we try to gain an understanding of why any discrepancies exist and whether they can be explained by the nature of emerging markets as well as the characteristics of the FMCG industry.

PATANJALI



Patanjali Ayurved is an Indian multinational consumer packaged goods company based in Haridwar, India. It was founded by Baba Ramdev and Acharya Balkrishna in 2006. Its registered office is located in Delhi, with manufacturing units and headquarters in the industrial area of Haridwar. The company manufactures cosmetics and food products.

Foundation of Brand Patanjali and Patanjali Ayurved

t all started in the year 1995 when Baba Ramdev established Divya Yog Mandir Trust with the elp of Acharya Balkrishna and Acharya Karamveer under the guidance of Swami hankardev ji. The trust mission was to put Yoga and Ayurveda on the world map. With the m of popularizing Yoga, BabaRamdev started teaching Yoga through small camps and shivirs. he breakthrough moment came in the year 2002 when Sanskar, a spiritual channel in Hindi,

Number of Employees (2018): 2, 00,000

Public or Private: Private

Annual Revenue (FY 2018): Rs 8,148 Crore

Profit before Tax (FY2018): Rs 528.9 Crore

VISION

Keeping Nationalism, Ayurveda and Yoga as their pillars, they are committed to create a healthier society and country. To raise the pride and glory of the world, they are geared up to serve people by bringing the blessings of nature into their lives. With sheer dedication, scientific approach, astute planning and realism, they are poised to write a new success story for the world.

MISSION

Making India an ideal place for the growth and development of Ayurveda and a prototype for the rest of the world.

PRODUCTION

Patanjali Food and Herbal Park at Haridwar is the main production facility operated by PatanjaliAyurved. The company plans to establish further units in India and in Nepal. In 2016, the Patanjali Food and Herbal Park was given a full-time security cover of 35 armed Central Industrial Security Force (CISF) commandos. The park will be the eighth private institute in India to be guarded by CISF paramilitary forces

PRODUCTS

PatanjaliAyurved produces products in the categories of personal care and food. The company manufactures 444 products including 45 types of cosmetic products and 30 types of food products. According to Patanjali, all the products manufactured by Patanjali are made from Ayurveda and natural components. Patanjali has also launched beauty and baby products. PatanjaliAyurvedic manufacturing division has over 300 medicines for treating a range of ailments and body conditions, from common cold to chronic paralysis.

PRODUCTS RANGE

1. NATURAL HEALTH CARE

This category mainly contains products like digestives, health & wellness products, diet food and Health drinks & beverages. Patanjali's Cow's ghee, which is estimated to have differences. Parle, a biscuit and snacks company, first nurtured its hide and seek range to a "brand" and then launched newer "related" biscuit categories within Parle's Hide and Seek range. Patanjali can do something on similar lines.

Image driven branding – Consumers don't just buy products to suit their needs, instead they buy a solution that offers them value with "trust". "Patanjali" is largely co-branded/co-promoted with Baba Ramdev and his companion Acharya Balkrishna. Any questions arising on their integrity will surely affect the brand's performance.

Employees- Patanjali also faced controversies due to its employee relations and reports on its management style, which differed from typical corporate culture. Employees at its Haridwar branch were required to collectively chant "om" every morning and follow a dress code; failure to do so led to deductions in pay and other actions. Patanjali claimed to employ 25000 people and have openings, but an ex-employee stated that they cut hundreds of jobs last year. Rapid changes in processes and systems reportedly disrupted the establishment of a culture among its employees.

CONTROVERSIES

The government and public reaction to Ramdev's launch of Coronil and Swasari, with the claim that it's a 'cure' for Covid-19, is a stark reminder of Patanjali's launch of its instant noodles brand in 2015. Before the Patanjali Atta Noodles could hit the stores, the Food Safety and Regulatory Authority of India (FSSAI) issued a restraining order, saying the company hadn't taken product approval.

Punched in the wake of the Maggi noodles fiasco, Patanjali's Atta Noodles displayed an FSSAI licence number on its packets. But FSSAI's then-chairperson Ashish Bahuguna was categorical in rejecting it: "How can a licence be given for a product that has not been approved? I do not know how the licence was procured." The government later served a notice on Patanjali for violating food safety norms.

But such controversies aren't an exception for Patanjali. In its launch year itself, the National Aids Control Organisation, a division of the Ministry of Health and Family Welfare, had to release a statement denouncing Ramdev's claim that yoga can cure AIDS. Doctors had similarly rejected Ramdev's claim that yoga can cure cancer. "If he says a cure for cancer and AIDS is available, he might be misleading patients who may refuse treatment on the basis of his statement and suffer."

In 2015, the company's product named 'Divya Putrajeevak Beej', which claimed to treat infertility, was being "sold by some (Patanjali) pharmacies as medicine that can guarantee the birth of a boy." However, the Ministry of AYUSH had defended the product, saying the medicine was named after a herb that is used to stabilise the menstrual cycle in women.

In 2016, the retailing platform for India's defence forces, the canteen stores department (CSD), suspended the sale of Patanjali's flagship amla juice after it was deemed unfit for consumption.

Patanjali was back in the FSSAI's radar in 2018 for selling a medicinal product with future manufacturing date. Later that year, Patanjali was forced to shelve the plan to relaunch its 'swadeshi' messaging app Kimbho.

CORRECTIVE MEASURES TAKEN

Brands are built over a period of time. And companies do everything in their capacity to hold on to the reputation and trust they eventually acquire. Not Patanjali, though. Despite all the controversies, it continues to function unaffected, sailing through every crisis riding on people's unquestionable trust.

Even when its sales decline and outlet owners begin to worry about the future of their business, Patanjali puts up a strong face, confident that it "will be back as top advertisers and top FMCG company".

The confidence is not unfounded, though.

After posting a fall in 2018-19, Patanjali bounced back to register its highest ever revenue, Rs 3,562 crore, in the first half of any financial year in 2019-20.

The Covid-induced lockdown has hit all big and small businesses hard and it remains to be seen how its effects play out for Patanjali, on top of the negative publicity brought on by the backlash over the Coronil launch. But if the public's unflinching trust in Ramdev and in the empire he has built has established anything by now, it's that all those things that would otherwise be a nightmare for another company are, for Patanjali, only minor hiccups.

SUGGESTIONS

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They have to keep momentum by launching disruptive products in their core areas of expertise (herbal/Ayurvedic space), offering quality and price advantage. At the same time, they have to improve their distribution and supply chain network. They have to make sure that the products are available easily to their loyal consumers in their stores. Patanjali will do wonders in near future if they combine their marketing intelligence and competitive strategies to counter the threats and pose a greater challenge to their rivals.

Patanjali should focus on fewer product categories that are linked and consistent. They should also focus on creating sub-brands for newer product lines with a solid brand architecture to offset any future risks associated with umbrella brand "Patanjali ". This will help them create an even greater product depth and appeal to different consumer segments. Moreover, a consumer who uses cow urine-based "Patanjali Shuddhi " for home floor cleaning is less likely to buy "Patanjali Ghee". So you Patanjali folks, better use market analytical skills to market Ghee and Shuddhi together. Having said that, they should also, at least slowly, move away from being a "Baba image-driven" company, in case they wish to stay relevant and longer in the Indian market.

CONCLUSION

Patanjali as a brand has generated quite a ripple in the FMCG sector, right from its very start. Each of their steps has been very cleverly strategized to bring the best to the brand. Every effort made by the company in the last decade has brought them only benefits. Even though facing a few obstacles along the way, the company is standing tall as ever, being the fastest growing company in the Indian FMCG sector. Headed by two hermits, with no degrees in Business or Marketing, Patanjali is expected to go a long way in the future, only if it manages to keep its head above water, as the road ahead will be tougher than before.

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