

March 23, 2018

**TO WHOMSOEVER IT MAY CONCERN**

This is to certify that Rajashekar S has completed his Internship in Edelweiss Broking Limited in Mass Affluent (Offline) group between January 15, 2018 to March 23, 2018.

Project Name: Fundamental Analysis of Automobile Sector



**Edelweiss Broking Limited**

Corporate Identity Number: U65100Gj2008PLC77462

Register Office: Unit No. 801-804, Eighth Floor, Abhishree Avenue, Nehru Nagar, Ambawadi, Ahmedabad  
380015 079 4001 9900/66629900

Corporate Office: Edelweiss House, Off CST Road, Kalia, Mumbai 400098 +91 22 4009 4400



# ACHARYA INSTITUTE OF TECHNOLOGY

(Affiliated to Visvesvaraya Technological University, Belagavi, Approved by AICTE, New Delhi and Accredited by NBA and NAAC)

**Date: 18/05/2018**

## CERTIFICATE

This is to certify that **Mr. Rajashekar S** bearing **USN 1AY16MBA55** is a bonafide student of Master of Business Administration course of the Institute 2016-18 batch, affiliated to Visvesvaraya Technological University, Belagavi. Project report on **“A Study on Fundamental Analysis of Automobile Sector”** at **Edelweiss Broking Ltd, Bangalore** is prepared by him under the guidance of **Prof. Mallika B K**, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

Signature of Internal Guide

Signature of HOD  
Head of the Department  
Department of MBA  
Acharya Institute of Technology  
Soldevanahalli, Bangalore-560 107

Signature of Principal

PRINCIPAL  
ACHARYA INSTITUTE OF TECHNOLOGY  
Soldevanahalli Bangalore-560 107

## DECLARATION

I, **Rajashekar S**, hereby declare that the Project report entitled “**Fundamental Analysis of Automobile Sector**” with reference to “**Edelweiss Broking Ltd, Bangalore**” prepared by me under the guidance of **Mallika.B. K**, faculty of M.B.A Department, **Acharya Institute of Technology** and external assistance by **Monish.B**, Manager in Edelweiss Broking Ltd.

I also declare that this Project work is towards the partial fulfilment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum.

I have undergone a summer project for a period of Twelve weeks. I further declare that this Project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University / Institution.

Place: *Bengaluru*

Date: *29-05-18*

*Raj*  
Signature of the student

# Acknowledgement

I would like to thank many people who have helped and supported me while doing my project report and work.

There is not enough word to offer my vote of thanks to Prof. **Dr. Nijaguna** , Head of Department of MBA, AIT Bangalore for his help in initiating the project report in advance for the regular motivation, my guides **Mr.Monish** , Manager in Edelweiss Broking Ltd, Bangalore and Asst prof. **Mallika.B.K**, Faculty of MBA Department, AIT Bangalore for their admirable help, suggestions and opinions on the contribution during and after the project work period.

Thanks a lot, and appreciation to helping nature of employees at Edelweiss for their supports.

Place Bengaluru

Date

Rajashekar.S

USN 1AY16MBA55

# Index

CHAPTER NO	TITLE	PG.NO
<b>1</b>	<b>Introduction</b>	
1.1	Introduction	1
1.2	Industry Profile	1-16
1.3	Company profile	16-31
<b>2</b>	<b>Conceptual background &amp; literature review</b>	
2.1	Theoretical background of the study	34-37
2.2	Literature review	37-40
<b>3</b>	<b>Research design</b>	
3.1:	Statement of problem	42
3.2	Need of the Study	42
3.3	Objectives of the Study	42-43
3.4	Scope of the study	43
3.5	Research methodology	43-44
3.6	Hypothesis frame work	
3.7	Limitation of the study	44
<b>4</b>	<b>Data analysis &amp; interpreta12tion</b>	
4.1	Company Analysis	46-56
4.2	Interpretation	57-60
<b>5</b>	<b>Findings Suggestions &amp; Conclusions</b>	
5.1	Findings	62
5.2	Suggestions	63
5.3	Conclusions	64
Bibliography & Annexure		

## List of Table

<b>Table No.</b>	<b>Particular</b>	<b>Pg .No</b>
1.2.5	Automobile Productions Trends	12
1.2.6	Automobile Sales Trends	14
1.2.7	Automobile Export Trends	15
1.7.1	Profit & Loss Account of Edelweiss Lt	30
1.7.2	Balance Sheet of Edelweiss Ltd	31
2.1.1.1	GDP Rates in India	34
4.1.1.1	Return on Equity of Tata Motors Ltd	48
4.1.1.2	Earnings per Share Tata Motors Ltd	48
4.1.1.3	Book Value Per Share Tata Motors Ltd	48
4.1.1.4	Dividend per Share Tata Motors Ltd	49
4.1.1.5	Debt Equity Ratio Tata Motors Ltd	49
4.1.1.6	Dividend Pay-out Ratio Tata Motors Ltd	49
4.1.2.1	Return on Equity Mahindra & Mahindra Ltd	52
4.1.2.2	Earnings per Share Mahindra & Mahindra Ltd	53

4.1.2.3	Book Value Per Share Mahindra & Mahindra Ltd	53
4.1.2.4	Dividend per Share Mahindra & Mahindra Ltd	53
4.1.2.5	Debt Equity Ratio Mahindra & Mahindra Ltd	54
4.1.2.6	Dividend Pay-out Ratio Mahindra & Mahindra Ltd	54

## List of Charts

Chart No	Particular	Pg No
1.2.5	Automobile Productions Trends	13
1.2.6	Automobile Sales Trends	14
1.2.7	Automobile Export Trends	16
2.1.1.2	Inflation Rates	35



## **EXECUTIVE SUMMARY**

The present examination manages the analysis financial performance of Selected organizations of automobile industry in India, which depend on the fragment that the organizations which deliver both passenger cars and business vehicles. This examination is inspected money related execution of chose organizations of automobile industry in India industry in India. Automobile industry is turned out to be one of the essential business of the economy. Car Industry, all around, also in India, is one of the key divisions of the economy. Because of its profound forward and in reverse linkages with a few key portions of the economy, car industry has a solid multiplier impact and goes about as one of the drivers of financial development. The very much created Indian car industry delivers a wide assortment of vehicles: traveler autos, light, medium and overwhelming business vehicles, multi-utility vehicles, for example, jeeps, bikes, engine cycles, mopeds, three wheelers, tractors and other rural types of gear and so forth. The segment has gigantic potential for giving work. It has close linkages with the other piece of the economy and with the solid duplicating impact. The Indian Automobile industry incorporates two - wheelers, trucks, autos, transports and three – wheelers which assume an essential part being developed of the Indian economy. One of the major mechanical divisions in India is the vehicle segment. Resulting to the advancement, the car division has been appropriately portrayed as the dawn area of the Indian economy as this part has seen enormous development. For investigation of money related execution of chose organizations of Indian Automobile Industry five Companies of car industry have been selected. Utilizing different methods, for example, proportion analysis has made examination of chose units. The Financial execution of chose organizations of Indian Automobile Industry is broke down based on Profitability examination, financial structure investigation, Activity investigation and Liquidity analysis. This contemplate depends on money related proclamations of organizations, which is optional information. Information are gathered from yearly reports of the chose organizations. Additional data acquired from Society of Indian vehicle makers (SIAM), Magazines, News Papers, different Journals and sites and so on. It is trusted that the postulation will be of massive help and use to honing, Management, Government authorities, workers, Shareholders, Academicians and research scholars. The present investigation is partitioned into five sections, the main part is the Introduction the second section is Review of Literature. The third section is related with the Research Methodology. In the fourth chapter profitability section manages the Activity Analysis of chose organizations of Indian Automobile Industry. In the last part reasonable proposals have

been made. This examination was useful to dissect and assess the monetary execution of chose organizations of vehicle industry in India and make recommendations for development and improvement.

**CHAPTER – 1**  
**INTRODUCTION**

## **1.1 INTRODUCTION TO THE STUDY:**

Fundamental analysis is the study of a company's financial strength, based on historical data. It is a stock valuation method that uses financial and economic analysis to predict the movement of stock prices. The analysis attempts to find out the intrinsic value of a security that helps investors to make decisions. The fundamental information that is analysed can include a company's financial report and non-financial information such as estimates of the growth of demand for the product sold by the company, industry comparisons, and economy-wide changes, changes in government policies etc.

- Fundamental analysis focuses on what is ought to happen while technical analysis focuses on what has already happened.
- Fundamental analysis analyses the economic indicators and financial statements while technical analysis makes use of the historic market data
- Fundamental Analysis advocates that every security has an intrinsic value which is not reflected by the market price while technical analysis advocates that market price accounts for everything.
- Fundamental Analysis uses tools like ratio analysis other valuation methods to find the intrinsic value while Technical Analysis primarily depends on charts and technical indicators.

## **INDUSTRY AND COMPANY PROFILE:**

This chapter deals with the industry and company profile of the company where the two-month internship was performed. The company where the internship project was carried out was Edelweiss Broking Ltd., Which falls under financial service industry.

### **1.2. INDUSTRY PROFILE**

#### **Introduction**

The financial services industry in India is a vast sector that has a lot of scope of aggressive expansion. It has been said by many experts that the Indian financial markets have not been utilized to its full potential yet. There is a huge scope of progress in this sector. There are many players in this sector. There are numerous players in this part. Some of them are banks,

insurance agencies, non-saving money budgetary organizations, business firms, annuity stores, common assets and other monetary substances. In any case, money related administrations division in India is prevalently a managing an account segment with business banks representing over 64% of the aggregate resources held by the monetary framework.

## **Equity or Stock Market**

The market place for immediate settlement of transaction involving commodities and securities. In an equity market, the exchange of goods and money between the seller and the buyer takes place in the present, as opposed to the futures market where such an exchange takes place on a specified future date.

Also known as the spot market, since transaction are settled “on the spot.”

The securities market has two interdependent segments: the primary (new issues) market and the secondary market. The primary market is where new issues are first offered, with any subsequent trading going on in the secondary market. The primary market provides the channel for the sale of new securities. Secondary market refers to a market where securities are traded after being initially offered to the public in the primary market and/OT listed on the stock exchange. The majority of the trading is done in the secondary market. Secondary market comprises of equity markets and debt markets.

## **SEBI**

Chairman- Ajay Tyagi

The Securities and Exchange Board of India (SEBI) is the controller the securities advance in India. It was produced in the year 1988 and given statutory powers on 30 January 1992 through the SEBI Act, 1992. Securities and Exchange Board of India (SEBI) was set up in the year 1988 AQE as a non-statutory body for managing the securities advance.

**1.2.3 The Reserve Bank of India (RBI)** is India's focal keeping money establishment, which controls the financial strategy of the Indian rupee. It initiated its task on 1 April 1935 amid the British Rule as per the arrangements of the Reserve Bank of India Act, 1934

### **Issue of currency**

The bank issues and trades cash note and coins and decimates a similar when they are not fit for dissemination. RBI keeps up the monetary structure of the nation with the goal that it can

accomplish the objects of value steadiness and also financial advancement on the grounds that the two destinations are different in themselves.

### **Development role**

The national bank needs to play out an extensive variety of special capacities to help national targets and businesses. The RBI faces a considerable measure between sectoral and nearby swelling relates issues. A portion of these issues are the aftereffects of the prevailing piece of the general population area.

### **Related functions**

The RBI is additionally a broker to the administration and performs vendor saving money elements of the focal and state governments. It additionally goes about as their investor. RBI on 7 August 2012 said that Indian managing an account framework ids sufficiently strong to confront the pressure caused by the dry season like circumstance as a result of poor storm this year.

### **The Indian Stock Market**

With more than 25 million investors, Indian has the third biggest speculator base on the planet after USA and Japan. More than 7500 organizations are recorded on the Indian stock trade. The Indian capital market is huge as far as the level of improvement, volume of exchanging, straightforwardness and its enormous development potential. India's market capitalization was the most noteworthy among the developing markets. The real trade, to be specific the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) positioned no. 3 and 5 on the planet, figured by the quantity of every day exchanges done on the trades.

### **Bombay Stock Exchange**

Bombay Stock Exchange is the most seasoned stock trade not just in India in whole Asia. It got the Government of India's acknowledgment as a stock trade in 1956 under the Securities Contracts (Regulation) Act, 1956. At the season of its cause, it was a relationship of people, however now it has been changed into a corporate and demutualised substance. BSE is spread all finished India and is available in 417 towns and urban areas. The aggregate number of

organizations recorded in BSE is around 3500. The fundamental file of BSE is called BSE SENSEX or basically SENSEX

### **National Stock Exchange**

National Stock Exchange (NSE) established, albeit later than BSE, is right now the main stock trade in India as far as aggregate volume exchanged. It is additionally situated in Mumbai yet has its essence in more than 1500 towns and urban communities. As far as market capitalization, NSE is a moment biggest base in South Asia. NSE's driving record is Nifty 50 or famously Nifty and is made out of 50 broadened benchmark Indian organization stocks. Clever is contracted based on weighted normal market capitalization technique

### **Derivatives**

Subsidiaries might be characterized as "A security or contract composed such that its cost gets from the cost of a basic resource" The cost of the subordinate security isn't subjective. It is connected to the Price of hidden resources. Changes in the cost of basic resources influence the cost of subordinate security. A genuine subordinate instrument requires no development of important assets. It is these qualities that make them such helpful instrument to fence and to go for broke.

For the most part, subsidiaries can be named takes after:

Futures, Forwards, Options

### **Futures**

A future contract is refers to "buy or sell a standard amount of or predetermined grades of certain commodity (i.e. Commodity futures) or financial instruments or currency (that is financial futures) on a predetermined future day at an agreed price.

It is "an agreement between two parties to buy or sell a commodity or financial instrument at a predetermined future date at a price agreed when he contract is a made".

### **Options**

It is "a contract between two parties whereby one party acquires the right, but not the obligation to buy or sell a particular commodity or financial instrument at a specified date".

Options s are two writes

- (a) Call Options
- (b) Put Options

## **1.2.1 INDUSTRY ANALYSIS**

### **INTRODUCTION**

The Indian car industry is one of the greatest on the planet. The business speaks to 7.1% of the country's Gross Domestic Product (GDP). As of FY 2014-15, around 31% of the little cars sold all around are created in India.

The two-wheelers with 81% piece of the overall industry is the pioneer if the Indian automobile industry. The developing of the organizations hoping to venture into the provincial markets additionally supported the development of the division. The general traveler vehicle portion has a 13 % piece of the overall industry. India is additionally noteworthy auto exporter and as a strong export growth expectation post the not so distant future. The main aspects covered under this industry analysis are:

- History of the industry in India
- Segmentation of the industry
- Key players in the industry
- Automobile production trends
- Automobile domestic sales trends
- Automobile export trends

## **1.2.2 HISTORY OF AUTOMOBILE INDUSTRY IN INDIA**

The main auto that kept running on the Indian streets was in 1897. Through the 1930's, autos were imports just, and in little numbers

Automotive industry rise in India in the 1940's. Hindustan motor were propelled in 1942, and its long-lasting rival chief in 1944, building Chrysler, Dodge and Fiat items individually.



Liberalisation in 1991, gave a boost to this industry as reductions of restrictions allowed foreign players to enter India to do business and there were variety of joint ventures with Indian companies.

Multinational automakers like Suzuki and Toyota of Japan and Hyundai of south Korea, were permitted to put resources into the Indian market, advancing the foundation of a car industry in India. Maruti Suzuki was the first and best of these new passages. By 2000, there were 12 substantial car organizations in the Indian market; the majority of them teamed up with worldwide organizations.

### **1.2.3 SEGEMENTATION OF THR INDSTRY**

The Indian automobile industry is segmented into four categories:

- a. Passenger Vehicles
- b. Commercial Vehicles
- c. Three Wheelers
- d. Two Wheelers

The growth prospect of India shoes a positive end as seen before in the economy analysis, which indicates a rise in the standard of living of people. Usually as the standard of living of people increases, people tend to shift from two wheelers to passenger vehicles like cars and SUV's. this aspect shows us that is tremendous potential in the passenger segment to grow.

### **1.2.4 KEY PLAYERS OF THE INDUSTRY**

As we have seen in the history of Indian automobile industry, the pre-liberalization period contained a very less number of competitors in the industry, but after liberalization in 1991, a lot of new players emerged, both domestic and foreign. Most of them collaborated and grew, showing the potential of both the companies to claim their stake in the auto industry in India. Those companies that have technological edge and goodwill are seen as the market leaders and those who still do not possess them are still trying to innovate and compete. Very nearly 8 out of 10 worldwide companied including General Motors, BMW and so on have their essence in India contributing 25% of the nation's creation. The best organizations in the car business are: Maruti Suzuki Ltd., Tata Motors, Hyundai Motors India Ltd., Mahindra and

Mahindra Ltd., Hero MotoCorp, Bajaj Auto, Toyota, TVS and General Motors Pvt Ltd. A significant number of these organizations are available in excess of one fragment of the business.

**TATA MOTORS:** : It is the in business vehicles and among the best three in traveler vehicles. Tata Motors were winning items in the minimal, medium size auto and utility vehicle fragments. In 2004, it gained the Deawoo Commercial Vehicles Company, South Korea's second biggest truck producer. The rechristened in the Korean market, while likewise trading these items to a few worldwide markets. Today 66% of substantial business vehicle sends out of South Korea are from Tata Deawoo. In 2005, Tata Motors obtained a 21% stake in Hispano Carrocera, a presumed Spanish transport and mentor producer, and in this way the rest of the stake in 2009. Hispano's essence is being ventured into different markets.

**MARUTI SUZUKI INDIA:** Piece of the pie: Pássenger Vehicles 46.07%. Máruti Suzuki India Limited, a reinforcement of Suzuki Motor Corporation of Japan, is India's greatest voyager auto association, speaking to over 45% of the neighborhood auto publicize. The association offers an aggregate extent of cárs from entry level Máruti-800 and Alto, to sweet hatchback Ritz, A star, Swift, Wagon-R, Estilo and autos DZire, SX4 and Sports Utility vehicle awesome Vitára. Since start in 1983, Maruti Suzuki India has made and sold in excess of 7.5 million vehicles in India and conveyed in excess of 500,000 units to Europe and diverse countries. The association's wage for the money related 2008-09 stayed over USD 4 billion and Profits after cost at over USB 243 million.

**HYUNDAI MOTOR INDIA:** Piece of the overall industry: Pássenger Vehicles 14.15%. Hyundai Motor Indiá Limited is a totally guaranteed reinforcement of world's fifth greatest vehicle association, Hyundai Motor Company, South Korea, and is the greatest explorer auto exporter. Hyundai Motor before long business parts 49 varieties of voyager automobiles across finished sections. These consolidate the Santro in the B segment, the i10, the first rate hatchback i20 in the B+ part, the Accent and the Verna in the C divide, the Sonata Transform in the E piece. Hyundai Motor, continuing with its custom of being the snappiest creating voyager automobile creator, selected indicate offers of 559,880 vehicles in the year 2009, a development of 14.4% more than 2008. In the nearby market it planned an improvement of 18.1% when appeared differently in relation to 2008 with 289,863 units, while abroad

arrangements created by 10.7% with the admission of 270,017 units. Hyundai Motor at exhibit passages cars to more than 110 countries across finished Europe Union, African, Middle East, Latin América and Asia. It has been the primary exporter of voyager auto of the country for the sixth year in progression. In scarcely a long time since Hyundai has been accessible in Indiá, it has transformed into the primary exporter of voyager cars with a bit of the general business of 66% of the total passages of explorer cars from India, making it a basic supporter of the Indian vehicle industry. In 2009, ignoring an overall log stick, Hyundai Motor Indiá's passages created by 10.7%. In 2010 Hyundai needs to incorporate 10 new markets with Austrália being the latest challenger to the summary. The essential shipment to Australiá is around 500 units of the i20 and the total i20 charges to Australia are depended upon to be in the region of 15,000 for every ánnun.

**MAHINDRA AND MAHINDRA:** Piece of the overall industry: Comercial Vehicles 10.01% explorer vehicles 6.50%, bicycles 1.31% Mahindra ánd Mahindra is generally involved with the multi utility vehicle and three-wheeler segment direct. The association fights in the light business vehicle parcel through its joint meander assistánt, Mahindra Navistar Automotive Limited and in explorer auto part through another joint meander reinforcement Mahindra Renault. In the year 2009, on the private arrangements front, the association close by its assistants sold a total 220,213 vehicles (tallying 44,533 three-wheeler, 13,423 cárs through Mahindra Renault), recording an advancement of 0.6% over the prior year. The association's nearby multi utility vehicle bargains volumes extended by 3.3%, as against a rot of 7.4% for industry multi bargains Mahindra and Mahindra furthermore strengthened its control of the family multi utility vehicle sub-section in the midst of the year, growing its bit of the pie to 57.2% over the forerunners bit of the pie of 51.3%. Mahindra and Mahindra is broadening its impression in the abroad market.

**ASHOK LEYLAND:** Piece of the pie: Commercial Vehicles 16.47% against the landscape of the sharp hang mainstream for business vehicles, in the midst of 2008-09, Ashok Leyland enrolled offers of 47,118 medium ánd overpowering business vehicles (M&HCV), 37.5% not precisely in the prior yeár. This fuses 16,049 M&HCV transports and 31,069 M&HCV trucks separately, 8.7% ánd 46.3% not precisely in the prior year. The association lost 1.8% bit of the pie in the Indián medium and overpowering business vehicle promote in the midst of the fiscal year 2008-09, generally due to loss of offers in the truck area. This addresses a reducing of around 6.5% over the prior year. Mean industry volume related to abroad markets to which the association conveys, (for instance, Sri Lanká, the Middle East) saw a decline of

around 25% over the prior year. To fight the impact of the decline in CV bargains, the association focused on non-tedious associations in the portfolio. The association conveyed in each one of the 54,049 vehicles in the midst of the year. To contain costs and visit cash, the association worked just around half of the working dáyis in áll its gathering units in the midst of the second hálf of the year.

**HERO HONDA MOTORS:** : Piece of the overall industry: bicycles 41.35%. Saint Hondá has been the greatest in wheeler association on the planet for eight progressive years. The association crossed the 15 million unit's advancements over a 25-year navigate. Saint Honda sold a bigger number of bicycles than the second, third and fourth set bicycle associations set up together. As one of the world's development pioneers in the auto part, Honda has had the ability to dependably give specific know-how, design points of interest and R&D headways. Holy person Honda bikes are sold and updated through an arrangement of in excess of 3500 customer touch centers, including a mix of vendors, advantage centers and stockists arranged ácross finished nation and urban India. It sold more bicycle in the midst of the year than the combined volumes of the second, third and fourth put contender. Overall, the association sold 3.72 million bicycles, an improvement of 12% over the prior year. Bicycle bargains in family promote, which speak to more than 95% of Hero Honda's arrangements, were up by 11%. The association posted offers of USD 2.4 billion and advantage after appraisal of USD 256.40 million in the midst of the year 2008-09. In the midst of the year, the association turned in a frolicking execution with its bicycle portfolio, with a 49% improvement in private arrangements to 156,210 units. This execution állowed Hero Honda to increáse in its offer in the nearby bicycle feature by more than three rate centers. Holy person Honda's execution in the bicycle business was the fundamental champion execution in the midst of the year among the immense players.

**BAJAJ AUTO:.** In spite of falling interest in the bike section, the organization has prevailing with regards to keeping up a working EBITDA (profit before intrigue, expenses, deterioration and amortization) edge of 13.6% of net deals and other working wage. From 1.66 million cruisers in 2007-09, the organization's household deals fell by 23% and 1.258 million units in 2008-09. Bajaj Auto is the organization's biggest exporter of two and three wheelers. Amid 2008-09, Bajaj Auto's worldwide deals accomplished an untouched high of 772,519 units of two and three wheelers, speaking to a development of 25% over the earlier year. The

development was driven by the fare of bikes, which expanded by 31% more than 2007-08 to accomplish offers of 633,463 units in 2008-09. The organization extended its impression in Africa and Middle East, where the locale's offer rose from 30% of the fare business in 2007-08 to 43% of every 2008-09. The aggregate estimation of fares was USD 528 million, speaking to a development of 29%. The organization's local offers of three wheelers in 2008-09 were 12% lower contrasted with the earlier year and remained at 135,473 units. Fares of three wheelers developed by 2% to 139,056 units.

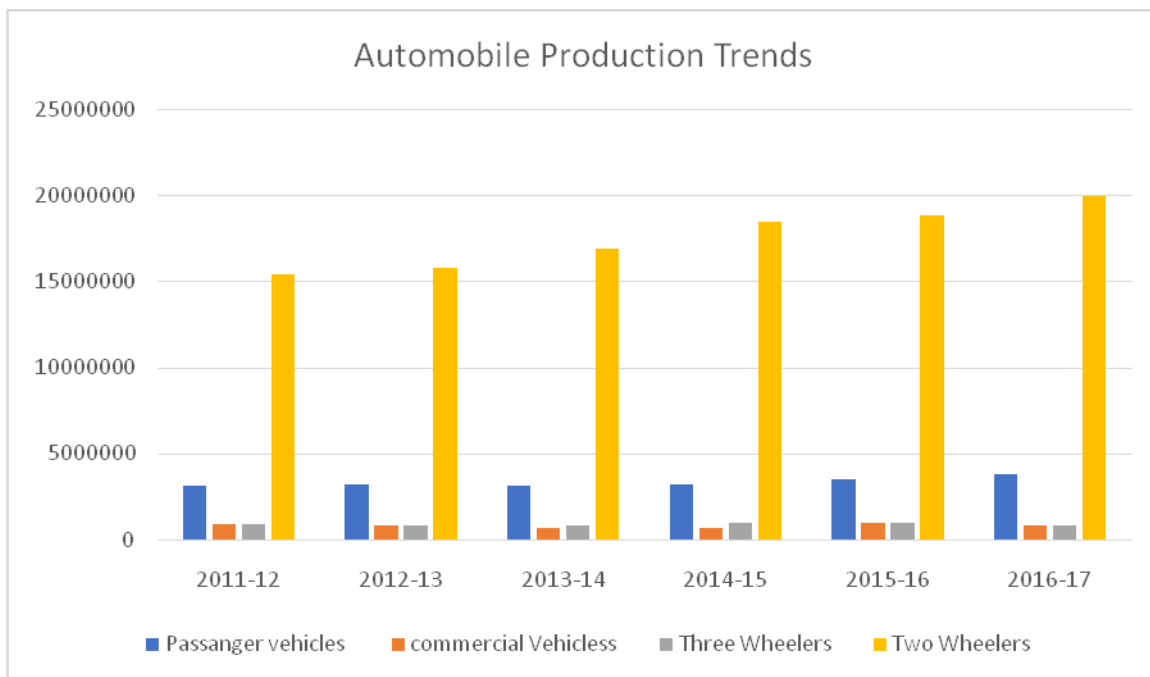
### 1.2.5 AUTOMOBILE PRODUCTION TRENDS

The following table and graph shows the automobile production trends for 6 years:

**TABLE 1.2.5: AUTOMOBILE PRODUCTION TRENDS**

<b>CATEGORY</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2018-19</b>
<b>PASSENGER VEHICLES</b>	31,46,070	32,31,05	30,87,974	32,21,420	34,65,046	37,91,541
<b>COMMERCIAL VEHICLE</b>	9,29,137	8,32,650	6,99,036	6,98,299	7,86,693	8,10,287
<b>THREE WHEELERS</b>	8,79,290	8,39,747	8,30,10	9,49,020	9,34,105	7,83,150
<b>TWO WHEELERS</b>	1,54,27,533	1,57,44,157	1,68,83,050	1,84,89,312	1,88,30,228	1,99,29,486
<b>GRAND TOTAL</b>	2,03,82,030	2,06,47,65	2,15,00,24	2,33,58,051	2,40,16,072	2,53,14,464

**FIGURE1.2.5 AUTOMOBILE PRODUCTION TRENDS**



From the above table and chart, we can see that there has been a continuous increase in production in the two-wheeler segment with an overall production rise % from the year 2011-12 to 2016-17. The passenger vehicle segment has growing trend till 2013\*14: it fell a little in 2014-15 but again showed an increasing trend till 2016-17.

**Live Mint (2013):** Passenger car sales declined to 1.89 million units in 2012-13 from 2.03 million a year earlier, the society of Indian Automobiles Manufactures (SIAM) said on Wednesday, as new launches, discounts and freebies failed to attract customers in a depressed economy and increasing fuel prices. The wheels came off India’s much-vaunted car market in the year to 31 March, with sales falling 6.7%, the first drop in 12 years.

Commercial vehicles and three wheelers have been showing a declining trend expect in 2012 as the fuel prices were at its peak because of which people shifted to public transport. This led to fall in production as mentioned above of passenger vehicles. But at the prices eased and CSN alternatives were present, the production of passenger vehicles started increasing and trend of commercial vehicles started falling.

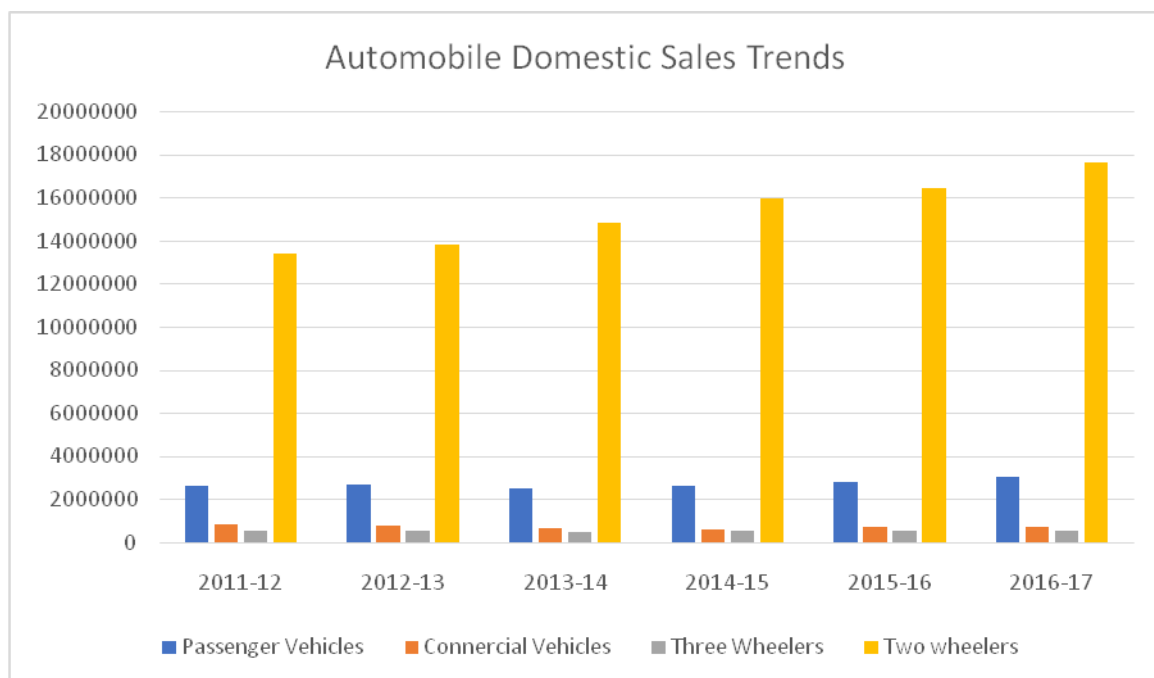
### 1.2.6 AUTOMOBILE DOMESTIC SALES TRENDS

The following table and chart shows the domestic sales trends in the automobile industry for 6 years:

**TABLE 1.2.6: AUTOMOBILE DOMESTIC SALES TRENDS**

CATEGORY	2011-12	2012-13	2014-15	2015-16	2016-17	2018-19
<b>PASSENGER VEHICLES</b>	26,29,84	26,65,016	25,03,510	26,01,237	27,89,209	30,46,728
<b>COMMERCIAL VEHICLE</b>	8,09,400	7,93,212	6,32,852	6,14,949	6,85,705	7,14,233
<b>THREE WHEELERS</b>	5,13,282	5,38,291	4,80,086	5,32,627	5,38,209	5,11,659
<b>TWO WHEELERS</b>	1,34,09,151	1,37,97,186	1,48,06,789	1,59,75,562	1,64,55,852	1,75,89,512
<b>GRAND TOTAL</b>	1,73,61,773	1,77,93,705	1,84,23,227	1,97,24,375	2,,04,68,974	2,18,62,132

**FIGURE 1.2.6: AUTOMOBILE DOMESTIC SALES TRENDS**



The above table and graph shows the trend in the sales in the domestic region. From the table it is very clear that the overall sales trends in the industry has been increasing year on year though the percentage of growth may be different. The sales of two wheelers has been very consistent across the 6years as seen from the figures. Since the overall sales I showing an

increasing trend, it would be safe to assume that it keeps on increasing in the coming years as well.

### 1.2.7 AUTOMOBILE EXPORT TRENDS

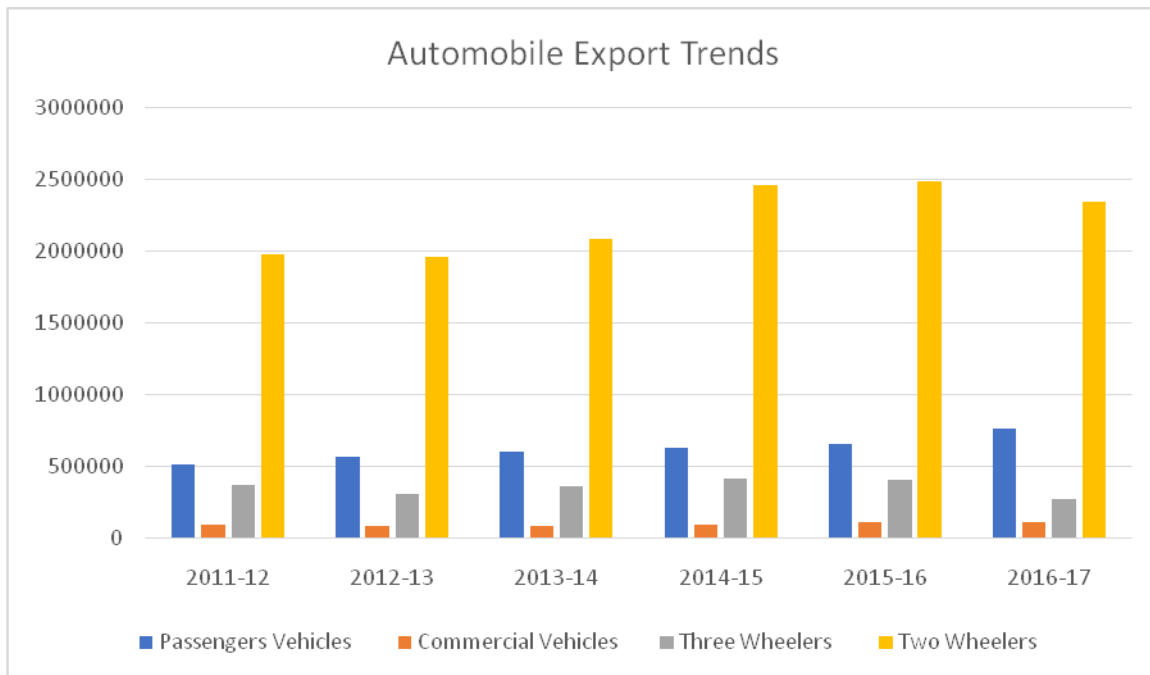
The following table and graph depicts the export trend of Indian automobile industry of 6 years:

**TABLE 1.2.7: AUTOMOBILE EXPORT TRENDS**

<b>Category</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2018-19</b>
<b>Passenger Vehicles</b>	5,08,784	5,59,415	5,96,143	6,21,342	6,53,054	7,58,831
<b>Commercial Vehicle</b>	92,259	80,028	77,051	86,940	1,03,125	1,08,272
<b>Three Wheelers</b>	3,61,754	3,03,089	3,53,393	4,07,601	4,04,442	2,71,895
<b>Two Wheelers</b>	19,75,112	19,56,379	20,84,001	24,57,467	24,82,877	23,39,274
<b>Grand Total</b>	29,37,909	28,98,911	31,10,588	35,73,350	36,43,498	34,78,272

**FIG 1.2.7: AUTOMOBILE EXPORT TRENDS**





From the above chart and table, we can see that the auto exports in the industry have fallen in the year 2013-14, due to slow economic growth, but since then it has risen consistently in almost every segment. There is a rise of almost 60% in the exports in six years. With the make in India initiative, India would be seen as a hub for technology, investment and innovation. This can impact the auto exports positively the future years.

### 1.3. COMPANY PROFILE

#### INTRODUCTION

Edelweiss Broking Limited was openly joined on 7 February 2008 after the Edelweiss Group has gotten last administrative endorsement from the Securities and Exchange of India (SEBI) to begin its common reserve business by 2008. The Stockbroker gained retail specialist Anagram Capital Limited on Jan 2010. On December 12, 2012 the organization was recorded under the National Stock Exchange with enlistment number INE231311631. It was recorded on a MCX stock trade constrained with an enlistment number INE261311634

Edelweiss Financial Services Limited is a holding organization. The organization is occupied with demonstrating speculation saving money and warning administrations and holding exercises/ventures. The Company's fragments incorporate Agency business, Capital based business and Life Insurance. Its Agency business understanding is occupied with demonstrating broken, warning, item appropriation and other Dee-based administrations.. The Company arranges its business into three gatherings: credit, non-credit and protection. Its credit business incorporates structures collateralized credit, bothered credit, resources, land back, home loans, and little and medium-sized undertakings (SME) and Agri financing. Its non-credit business comprises of riches administration, resource administration and capital markets.

Edelweiss Broking Ltd, is an Indian administrations organization situated in Mumbai, India. The organization distinguishing proof number (CIN) is U65100GJ2008PLC077462. It goes about as a shared store wholesaler and has an AMFI Registration Number – 70892. Edelweiss Broking Limited gives wares broking and exchanging administrations. The company was formerly known as Edelweiss Investment and Advisory Limited. The company was founded in 2008 and is based in Mumbai, India. The company operates as a subsidiary of Edelweiss Edelweiss provides commodities pricing and trading services. Edelweiss Broking serves clients in India

### 1.3.1 EDELWEISS OPERRATING STRUCTURE



LEADING DIVERSIFIED FINANCIAL SERVICES ORGANIZATION

- Incorporated in 1995 as a speculation keep money with center around Private Equity Syndication
- Key organizations: Housing Finance, Life Insurance, Credit, Commodities, Assets Management, and assets.
- Balance Sheet size 113bn as on Dec'11
- Group total assets 28078bn as on Dec'11 (counting Minority) 2944 representatives and 297 workplaces in more than 140 urban areas container India.

### 1.3.2 KEY PLAYERS



**Rashesh Shah (CEO)**

#### **RASHESH SHAH :- CHAIRMAN & CEO – EDELWEISS GROUP**

RASHESH SHAH is Chairman and CEO, Edelweiss Group, one of the India's driving enhanced money related aggregates with organizations running crosswise over Credit Business (Mortgages including Housing Finance, Structured Collateralised Credit, Distressed Assets Credit, SME and Agri Finance, Rural Finance and different advances), Agency

Business (Finance Markets, Asset Management, Agri and Commodity Services) and Life Insurance.

Rashesh started Edelweiss in 1996 that has since formed into one of India's driving improved cash related organizations totals. With an advantage base of Rs 29,000 crore and aggregate resources of Rs 3,757 crore Edelweiss Group is accessible over each and every critical zone of cash related organizations including Credit, Financial Markets, Commodities, Asset Management and Life Insurance. Cash related Asia magazines have situated Edelweiss as India's Best Managed mid-top association in 2013 and 2014.

**VENKAT RAMASWAMY :- EXECUTIVE CHIEF , EDELWEISS FINANCIAL SERVICES**

Venkat Ramaswamy is comprehensively seen as one of India's top course of action makers. Among his commitments, he in like manner Co-Heads to of Edelweiss most key associations Distress Assets and Resolution business and Global Assets Management, while continuing to expect a mentorship part with the Edelweiss Investment Banking business.

Subsequent to have dealt with the venture financing group of Industrial recognition and Investment Corporation of India (ICICI) Ltd., Than India's head venture back establishment and today its biggest private segment bank, as a store supervisor with Spartak Fund-one of India's initial PE subsidize Venkat helped to establish Edelweiss Financial Services Ltd.

**Himanshu Kaji – Executive Director and Group COO**

**Rujan Panjwani – Executive Director, Edelweiss Group**

**Ms. Vidya Shah, Non- Executive Director**

**Mr. Kunnasagaran Chinniah, Independent Director**

**Vision**

Edelweiss vision is to build a strong, efficient and high impact social sector for a better India.

## **Mission**

Edelweiss Mission is to leverage the capacity and capital of the for-profit world to equip and enable the social sector achieving the greatest impact on the lives of the poor in India.

## **Values**

Edelweiss collaborations with Non-Profit Organization's assembles systems and linkages, increment social effect and manufacture more grounded, more practical associations.

To accomplish this Edelweiss work intimately with different organizations and discussions to use subsidizing through our zero-cost stage and concentrate on the methodology and initiative, monetary arranging, IT arrangements, access to systems, HR and MIS frameworks

### **1.3.3 PRODUCTS / SERVICES PROFILE AREAS OF OPERATION**

The present business of Edelweiss is made approximately six board lines – Life Insurance, Cabin Finance, Assets Management, Commodities, Credit, and Capital Markets.' Life Insurance and Housing Finance associations have been pushed starting late and are the most up and coming associations of the f=group. The Assets Management associations consolidate offshore and family asset organization. The Credit associations consolidate collateralized advances to promoters and corporate, Margin sponsoring, ESOP finance and IPO finance. Things business consolidates import of profitable metals and course. Capital Markets associations join contributing, dealing with a record, business organizations – foundations, HNI and retail and cash related thing movement.

**New Businesses:** HOUSING LOANS-Life Insurance, Retail Broking and Asset Management.

**Development Businesses:** CREDIT – HNI Businesses

**Built up Business:** TREASURY-Institutional Equities and Investment Banking  
Established, Growth and New organizations

### **1.3.3.1 HOUSING FINANCE**

Edelweiss has influenced an imperative walk in separating its favorable position to division in the credit book through the dispatch of its hotel cash business in H2FY11. The cabin account helper at first impelled its commerce in Mumbai and has extended it to consolidate the National Capital Region, Ahmedabad, Bangalore, Pune and Hyderabad. Considering that it is the wants of all Indians to guarantee a home, this business addresses an invigorating open entryway bracing Edelweiss desire to cover an immense retail impression. The commerce offers home advances, propels against property and lease rental decreasing.

- Book estimate 5.20 bn toward the end Q3FY12; month to month dispensing run rate higher 700mn; spreads presently low because of high financing cost
- Diversified resource class in our Credit book
- Significant chance to strategically pitch items to customers

### **1.3.3.2 LIFE INSURANCE**

Rashesh Shah is Chairman and CEO, Edelweiss Group, one of the India's driving extended fiscal blends with associations going across finished Credit Business (Mortgages including Housing Finance, Structured Collateralised Credit, Distressed Assets Credit, SME and Agri Finance, Rural Finance and distinctive advances), Agency Business (Finance Markets, Asset Management, Agri and Commodity Services) and Life Insurance.

extended

Rashesh started Edelweiss in 1996 that has since formed into one of India's driving cash related organizations totals. With favorable position base of Rs 29,000 crore and aggregate resources of Rs 3,757 crore Edelweiss Group is accessible over each basic district of budgetary organizations. The Group has 248 working environments in 128 urban territories, joining eight worldwide working environments in New York, Canada, Dubai, Hong Kong, Singapore, Mauritius, Nigeria and Chad with home office in Mumbai, India. Money related Asia magazines have situated Edelweiss as India's Best Managed mid-top association in 2013 and 2014.

Research is energetic about budgetary administrations and the part it can play in making an interpretation of India's huge sparing into venture; along these lines fueling monetary development and improvement. Under his administration, Edelweiss has joined innovation, advancement and development situated business enterprise with a solid spotlight on hazard administration to wind up one of the more effective, steady and very much regarded monetary administrations organizations in India.

### **1.3.3.3 ASSET MANAGEMENT**

The Asset Management business consolidates Domestic Asset Management (AMC) and Alternative Asset Management business. The Edelweiss Asset Management Company has pushed a mix of 11 esteem and commitment holds. The present point of convergence of this business is on sweeping basing the thing portfolio and building theory track record. Elective Asset Management at current spotlights by and large on toward the ocean institutional budgetary experts offering cautioning/organization authority in Late Initiatives consolidate the dispatch of an ARC.

### **ALTERNATIVE ASSET MANAGEMENT**

- Current center to a great extent around seaward institutional financial specialists
- Product Portfolio incorporates EW Special Opportunities Fund Real Estate (existing household finance), Distress Assets Fund, Structured Products.
- ASUs/AUAs of USD 380mn equal toward the finish of Q3FY12

### **TRADITIONAL ASSET MANAGEMENT**

- Current center around extending the item portfolio and building speculation track record; Part of our system to have a bigger retail impression
- 11 conspires crosswise over value and obligation reserves with Average AMUs of 5.7bn for Q3FY12;

#### **1.3.3.4 INVESTMENT BANKING**

- One of the biggest portfolios among the hypothesis sparing cash foundations in India Broad extent of organizations from the Capital Markets (ECM – IPOs, FPOs, QIPs, Rights, Open Offices, Buy Backs and DCM) to Advisory.
- Advised over USD 1 billion PE Investment and Strategic Exits since May 2009
- Strong foundation with rising and mid-publicize associations, open and private divisions, getting balance with colossal corporate.
- Fixed Income Syndication situated 6th among commitment arrangers for 9MFY12

#### **1.3.3.5 WEALTH ADVISORY AND INVESTMENT SERVICES**

- HNI is a substantial developing business sector opportunity
- India has a current base of almost 0.5m individual with more prominent than USD 0.5m investible resources, anticipated that would develop at 15-18% p. a
- A genuinely multi-resource class offering with imaginative, tweaked and organized arrangements: Product portfolio reinforced to incorporate monetary forms and Real Estates warning
- Among the biggest residential guarantors of Structures Products
- Strong inquire about warning help
- Launched "Edelweiss Private Banker Program", an ability advancement activity
- Launched Financial Planning Services to empower singular customers to organize monetary necessities, objectives, and yearnings and to control them to accomplish the same

#### **1.3.3.6 RETAIL BROKING**

- New improvement movement an Edelweiss – concentrating on the mass well-to-do
- Centralized model of on the web and tele-calling-based esteeming
- Decentralized model of branch foundation based anyway Edelweiss Financial Advisors.
- Client base of more than 364,000 as at Dec 2011
- Strong thing offering in perspective of passing on organizations as indicated by client profile



### **1.3.3.7 CREDIT**

The organization's essential offering in the financing business incorporates collateralized credit items, for example, support subsidizing, advances against shares, IPO financing, advance against EPOs and edge financing and so forth. The supporters of mid to extensive corporates constitute its key customer base.

### **1.3.3.8 CAPITAL MARKET**

Hypothesis B́anking, Equity Capital Markets and Advisory Services Edelweiss has a champion among the most wide thing offering in Investment Banking in India, considering different market and customer parcels. The verticals inside Investment Banking join Equity Capital Markets which meld IPOs/FPOs, Rights and Open Offers, and Advisory associations which offers Mergers and Acquisition Advisory, Private Equity Syndication, Structured Finance Advisory and Infrastructure Advisory. Edelweiss recognizes establishment with making and mid-highlight affiliations which are reflected in the # 1 arranging in both Bloomberg tables for mid-advance Private Equity Placements in CY2007 and Prime Database association tables for IPOs in Mid-promote zone in FY2008. It was broadcasted victor in the Best Merchant Banker portrayal in the perspective NDTV benefits stipends 2008. Its customers in the current past included colossal corporates like RIL, Aditya Birla Groups, SAIL, REC, PFC, PGC, IFCT, IRFC, Tata Capital, Tata Motors Finance, Sundaram Finance, Yes Bank, SBI Group, BOI, Canara Bank and so on. Operator Services, Institutional Equities Edelweiss has one of the essential institutional characteristics relationship in India bolstered by a wide and experienced research gathering and a tremendous and isolated customer base with a touch of the pie of 4 to 4.5% among the most imperative in Indian business firms. Honest to goodness updating, unsurprising execution and imaginative research things have helped Edelweiss fabricate solid association with more than 400 dynamic institutional inspectors, including family institutional money related geniuses and FIIS crosswise over completed distinctive topographies. Edelweiss gives board corporate access by techniques for yearly budgetary expert social events in various districts over the world with a solid inspector and Indian corporate wander. Research examine inevitably reaches to 189 affiliations transversely in excess of 20 divisions addressing more than 70% of aggregate market capitalization tending to one of the best Research scope universe. The quality and bore of research related with Edelweiss are exhaustively respected over the

institutional get-together. It keeps concentrating on path cutoff of view Research which sees future illustrations in advance they wind up acclaimed. After the motivation behind interest

#### **1.3.3.9 FINANCIAL SERVICES LIMITED**

HNI Broking Edelweiss offers submitted characteristics and thing broking associations to high total assets individuals with a solid feature on building entire arrangement association with customers. Thing offering joins specific exchanging execution for dynamic exchanging customers and dealt with things kept up by brilliant execution and revealing. Retail Broking and Distribution, Retail Broking and Distribution are the new activities of the social event under its Retail business structure. The trademark retail business is through the online entryway [www.edelweiss.in](http://www.edelweiss.in) and gives advised and investigate based broking associations strengthened by fantastic execution stage and best in class announcing. It beginning at now has more than 121,000 customers under the electronic booking. Edelweiss has in like way finished the securing of Anágram Capital Limited in July '10, now renamed as an Edelweiss Financial Advisors Ltd. The separated surveying model has around 243,000 customers. Retail broking business has in like way widened its substance through a solid plan of more than 4500 sub-designates and Authorized people more than 580 urban regions. The distribution business spins around giving encouraging and dissecting the best money related thing choices accessible in the market. It fuses the dispersal of a full degree of pariah budgetary things and associations including IPO syndication for the retail client. For FY11 Edelweiss is arranged #1 in HNI gathering and #3 in Retail Categories in the present IPO of MOIL Ltd by entire secured. At the point when all is said in done, it was second most noteworthy mobilizer of IPO investments in all requests taken together (non-ASBA) in FY11 (Source: Prime Database). Well off Advisory and Investment Services. The major spotlight is on watching every customer's profile, including way of life, chance yearning for, development need, current budgetary position and wage fundamentals to influence complete and changed to meander methodologies. The board degree of offering joins a genuinely multi-resource class task forewarning to Structured Products, Portfolio Mánagement, Mutual Funds, Insurance, Derivatives Strátégies, Direct Equity, Private Equity, Commodities and Real Estate Funds and so on. Late dispatch joins Fináncial Planning advised associations.

#### **1.3.3.10 CORPORATE SOCIAL RESPONSIBILITY**

It is a bit of its DNA and it's consideration on exercises that help to create a predominant, more fair-minded and viable society. For Edelweiss, CSR suggests offering back to the

overall population – past the call of the business. Edelgive Foundation, the CSR wing of Edelweiss, has in like way been formed to make a capable institutional stage to give structure and course to the unselfish activities of Edelweiss, its laborers, its clients and its accomplices. Its fundamental focus is on influencing enlightening, to work and sparing business open entryways for the underprivileged and it brings an., Institutional sparing cash and financing" technique for thinking and thinking to the social portion.

#### **1.4. COMPETITORS**

- Iici Securities
- India Infoline
- Angel Broking
- India Bulls
- Motilal Oswal
- Sharekhan
- Religare
- Karvy
- Kotak Securities
- Hdfc Securities

#### **Advantages of Edelweiss over its competitors**

- Actionable research and strategies to your current stock holding and investment goals
- An easier way to trade with simplified trading pages, brokerage plans based on your trading patterns, live terminal experience and single click execution. The web pages are very easy to navigate and to do transactions.
- Intelligent portfolio tracking by creating multiple sub portfolios according to financial goals track investment across asset and personalized advice based on your financial goals.
- 24\*7 accesses through mobile services and desktop tools say updated on stock portfolio strategies.
- Secured site to make investment, robust systems to handle traffic.
- Extreme trader the next generation online trading platform with Dow Jones news wires.

## 1.5. SWOT Analysis

SWOT analysis is a process that identifies a company's strengths, weaknesses, opportunities and threats., SWOT is said to be as internal-external analysis.

This SWOT analysis of Edelweiss capital limited gives a strategic report of business and operations of the organisation. The SWOT analysis shows strength, weakness, opportunities and threats.



### **Strengths**

- Domestic market
- Existing distribution and sales networks
- Reducing labour coast
- Skilled workforce
- Ownership of new technology

### **Weakness**

- High investments in reseárch and development
- Unrealistic contract duration
- 

### **Opportunity**

- New acquisition
- Growth rates and profitability

- Global markets
- Geographical focus

#### **Threats**

- Financial capacity
- Increasing cost
- Increase in labour cost

### **1.6. Growth Initiatives**

Edelweiss keeps building up the running with progression practices with the target of isolating its customer segment and thing classes in its excursion to climb as a completely extended money related associations connection. It has set resources into Life Insurance business which has been affected beginning late. It has finished the getting of Anagram Capital amidst FY11n now rebranded as the Edelweiss Financial Advisory Limited. This getting will help it in growing its Retail Broking and Distribution affiliations. Edelweiss has in addition set resources into building its online retail broking group regularly with a hankering to twist up an essential player in this industry. The Housing Finance collaborator started business in the last 50% of FY11 and has plans to scale up the business continuing. Its Alternative Asset Management business close the EW Special Opportunities Fund in FY11. It has correspondingly pushed an Asset Reconstruction Fund and EW SBIH Crossover Fund beginning late. Edelweiss considers this business as a change opportunity inside its refund business.

## 1.7. FINANCIAL STATEMENT

### 1.7.1 PROFIT AND LOSS ACCOUNT OF EDELWEISS LTD. FROM THE PERIOD OF 2016 TO 2017 IS AS FOLLOWS ('in Rs. Cr.)

**Table 1.8.2 Profit and Loss Account**

Particulars	Mar-17	Mar-16
<b>INCOME</b>		
Revenue from Operations [Gross]	423.53	316.30
Revenue from Operations [Net]	423.53	316.30
Other Operating Revenues	26.90	19.07
Total Operating Revenues	450.43	335.37
Other Income	0.04	2.97
Total Revenue	450.47	338.34
<b>EXPENSES</b>		
Employee Benefit Expenses	85.65	70.08
Finance Costs	140.52	23.23
Depreciation and Amortization Expenses	2.83	2.56
Other Expenses	77.87	57.48
Total Expenses	306.88	153.35

**1.7.2 BALANCE SHEET OF EDELWEISS LTD. FROM THE PERIOD OF 2016 TO 2017 IS AS FOLLOWS ('in Rs. Cr.)**

**Table 1.8.3: Balance Sheet**

<b>Particulars</b>	<b>Mar-17</b>	<b>Mar-16</b>
<b>LIABILITIES</b>		
Share Capital	87.35	83.46
Reserves & Surplus	1632.16	1520.46
<b>Net Worth</b>	<b>1719.51</b>	<b>1603.92</b>
Secured Loan	21.20	106.20
Unsecured Loan	715.03	564.67
<b>TOTAL LIABILITIES</b>	<b>2455.75</b>	<b>2274.80</b>
<b>ASSETS</b>		
Gross Block	12.17	10.41
(-) Acc. Depreciation	5.58	5.96
<b>Net Block</b>	<b>6.58</b>	<b>4.46</b>
Capital Work in Progress	.00	.00
Investments	1663.34	1556.67
Inventories	.00	.00
Sundry Debtors	52.20	93.31
Cash and Bank	31.58	21.53
Loans and Advances	910.26	899.49
<b>Total Current Assets</b>	<b>994.05</b>	<b>1014.33</b>
Current Liabilities	164.57	255.90
Provisions	47.43	47.23
<b>Total Current Liabilities</b>	<b>212.00</b>	<b>303.13</b>
<b>NET CURRENT ASSETS</b>	<b>782.05</b>	<b>711.20</b>
Misc. Expenses	.00	.00
<b>TOTAL ASSETS(A+B+C+D+E)</b>	<b>2451.97</b>	<b>2272.32</b>

## **CHAPTER-2**

### **CONCEPTUAL BACKGROUND AND LITERATURE REVIEW**



## **2.1. THEORETICAL BACKGROUND OF THE STUDY**

The actual methodology used in this project includes a comparative percentage and ratio analysis to differentiate among the various company fundamental and also recommend the best possible course of action for the investor to take. The actual methodology for fundamental analysis includes the basic 3 steps.

### **Steps of Fundamental Analysis:**

1. Economic Analysis
2. Industry Analysis
3. Company Analysis

### **2.1.1 ECONOMIC ANALYSIS:**

The main aim of economic analysis is to determine whether the economic climate of a country is conducive and can encourage the growth of business, especially in the capital market. There are many phases of an economy. They are expansion, peak, recession and trough. Each stage affects the business in a different manner. At the point when the economy decays, a large portion of the divisions and organizations as a rule confront survival issues. It is essential to foresee the bearing of the national economy in light of the fact that financial exercises influence productivity. It might be influenced through tax assessment strategies and furthermore through remote approaches and limitations.

This is the first step of fundamental analysis. It provides a bird's eye view of the economy. It deals with the study of economic variables at the macro level. The economy and the industries and companies all have effects on each other. When a nation's economy expands, most industry groups and companies grow with it. And they suffer when the economy declines. So, an overall evaluation of the economy must be done before analyzing the industry and the company.

There are many variables that affect the economy. Business cycles are a variable that goes through four faces expansion, peak, contraction and through. The GDP of the nation must be

looked at as it signifies how much the sector contributes towards the rise or fall in GDP. The inflation rate is a macro factor that affects the working of all business. Rising inflation erodes the purchasing power of money and everything becomes more and more expensive. Monetary and fiscal policy are also a variable that impacts the economy. The government's spending towards various sectors can affect the various industries and companies associated with the particular sector. E.g. Government spending on infrastructure a positive impact the transport and automotive industry. The monetary policy on the other hand can determine the various lending rates. It impacts the rate of interest in the market. This can impact the borrowing power of various companies.

The other variables are foreign trade, commodity prices, stock market indices, current account deficits etc.

In the present, the variables used for economic analysis are:

- a) Gross Domestic Product
- b) Inflation
- c) Foreign Direct Investment

### **2.1.1.1 GROSS DOMESTIC PRODUCT (GDP) GROWTH RATE**

GDP is the money values of all goods and services produced in a country during a year. At current prices, Economy of India has expanded by 3052 times in past 10 years. According to World Bank report, the GDP growth rate of India as on 2018 is 7.2%

**Table 2.1.1.1: GDP Rates in India**

YEAR	2012	2013	2014	2015	2016	2017	2018
GDP Rates (%)	5.48	6.54	7.18	7.93	6.83	7.18	7.2

From the above table, the GDP during the year 2010 has peaked at 10.3%, but then started falling till 2012. Currently, India's GDP rates are in the growing phase, which is a positive sign for the economy. This growth is also the result of sector contributions to the GDP.

### **2.1.1.2 INFLATION:**

Inflation is defined as a sustained increase in the general levels of prices for goods and services. As inflation rises, each unit of money buys one, a smaller percentage of a goods or

service. It observed that a certain level of inflation is necessary in the economy for its growth; a high level of inflation is harmful for the various sectors and consumers in the economy.

Survey and studies show that the Indian automobile industry experienced an 8-9% slump due to inflation. But the current year the inflation has been under control. India has recently adopted the Consumer Price Index (CPI) to measure the inflation rates. The average CPI currently stands at 5.88%. The decline in the inflation rates as well as the rate cuts by the Central Bank will lower the cost of borrowing and investing to provide a boost to consumers and manufacturers in the economy. This gives a very bright picture for the industry for the coming years and the consumers can expect good capital appreciation on their investment.

**The CPI rates from January 2017 to January 2018 are shown in the graph below:**

**Figure 2.1.1.2 Inflation Rates**



### **2.1.1.3 FOREIGN DIRECT INVESTMENT (FDI):**

Foreign Direct investment is one of the major sources of money in the country for economic development. Foreign countries invest directly in the fast-growing private Indian businesses to take benefits of cheaper wages and changing business environment of India. FDI was first introduced in the year 1991 with the help of Dr. Manmohan Singh and P V Narsimha Rao and since then it has steadily increased in the country. It also generated more than one crore jobs in India.

As indicated by Economic Times refresh, FDI amid October 2014 to May 2017 grew 46% to \$61.58 billion between April to December 2015, FDI got was around \$29.4 billion.

### **2.1.2 Industry Analysis:**

Industry and the organization are relating a large portion of the circumstances, however independent of particular monetary circumstances, a few enterprises may be required to perform better, and offer costs in these ventures may not decay as much as in different businesses e.g. FMGC and pharmaceutical enterprises. Recognizable proof of these variables that are monetary and industry particular will enable speculators to distinguish the offers that fit individual desires.. A total examination of an industry ordinarily incorporates an audit of an industry's current execution, its present status, and standpoint for what's to come. Numerous mechanical examinations incorporate a blend of subjective and factual information.

Some of these factors include graphs, charts and figures depicting industry performance, porter's five model force model for industry analysis, BCG matrix of an industry, foreign direct investment in a sector etc. In this project, the automobile industry will be analyzed from all these perspectives to determine the prospects of this particular sector.

### **2.1.3 Company Analysis:**

An industry is comprised of various companies. The performance of these companies will lead the industry to grow and thereby has an impact on the growth of the economy as well. In this way, it comprises of estimating organizations' execution and discovering the reason for this execution. At the point when a few organizations have done well, independent of fall in

monetary or industry, it infers that there are sure interesting qualities of those organizations that triumphs amid those circumstances. The identification of qualitative and quantitative characteristics is said to company analysis.

The qualitative factors include the business plan and the efficiency of the management to execute the business plan. So, these include factors like management reputation, company reputation, operational plans and so on, which will be revealed in the directors and auditors' report.

The quantitative factors are the financial figure as portrayed by the management in the annual report published. This includes the analysis of the top line and bottom line of a business which is the revenue and profits of the business. There are various ratios calculated in order to assess the financial status, profitability sand stability of the company. Some of them are profitability ratios, solvency ratios, capital structure ratios and operational ratios. In this project, 2 companies in the automobile industry i.e. TATA motors and Mahindra and Mahindra will be analyzed on the above parameters and will be ranked accordingly as favorable for investment.

## **2.2. LITERATURE REVIEW**

**Fama (1965)** The presumption of Fundamental analysis approach is that anytime an individual security has a natural esteem which relies upon the central of the security (winning capability of the security). The future procuring capability of the security relies upon factors like nature of the administration, standpoint for the business and the economy. Through a watchful investigation of these central factors the examiner should, have the capacity to decide if the real market cost of a security is above or underneath its inborn esteem.

**Tay et al., (1992)** Traders depend more technically analysis vis-s-vis major Analysis at shorter anticipating skylines. The vast majority of the merchants see specialized investigation as correlative to key examination.

**Sauropod Bhat Sharipad and Prof. T.V. Seetharaman (1995)** in their work endeavored to clarify the fundamental target of this work to assess the impacts of innovation exchange on the fare execution and the determinants of the fare power of the automobile industry. The observational writing on innovation exchange and fare execution demonstrates that no obvious conclusion can be drawn with respect to the connection between the two.

**S.P. Kothari (2001)**, Fundamental analysis includes the utilization of present and past budgetary proclamations in conjunction with industry and monetary information keeping in mind the end goal to decide the organizations natural esteem and recognize mispriced securities.

**Hodge (2003)** analyses speculators' view of gaining quality, reviewer freedom, and the convenience of examined monetary data. He reasons that lower impression of winning quality are related with more prominent dependence on a firm examined money related proclamation and central examination of those announcements while settling on venture choice

**Canning. T. (2004)** Fundamental analysis considers anything that goes behind exchanging on the value markets to decide value changes. Data, for example, the standpoint for the national economy, short and long haul prospects of various enterprises and capital economic situations all impact an organization's stock execution. Money related proportions that measure an organization's monetary wellbeing decide if an organization merits putting resources into. For instance, the value profit proportion, (or "P/E") a standout amongst the most generally utilized proportions, demonstrates what an organization's stock is worth in connection to its rival

**K.R Subramanyam and Venkatachalam (2007)**, Fundamental inquiry is bookkeeping is the relative capacity of accumulation based procuring and money streams anticipate an association's capacity to produce future money streams. The specialists add to this critical level headed discussion by looking at the relative capacity of profit and trade streams out clarifying ex post inherent estimation of value. They decide ex post natural qualities utilizing the profit markdown show.

**Swaranjeet (2009)** Factors affecting the development of the auto industry incorporate deals motivating forces, presentation of new models and in addition variations and simple accessibility of ease fund with agreeable reimbursement choices kept on expanding interest and offers of cars

**Wahlen and Wieland (2010)** utilize a quantitative financial statement analysis model to isolate victors from failures inside offer side expert accord suggestion levels. Their exploration configuration viably utilizes the approach utilized by the firm, yet in turn around arrange (subjective examination took after by Quantitative analysis). Wahlen and Wieland report noteworthy strange comes back to fence systems in view of their philosophy

**Van Winkle, E.M (2011)** This field consider inspects whether the human judgment part of central examination includes incremental data past a quantitative model intended to distinguish securities that will therefore failed to meet expectations the market. The subject firm essentially centers around the examination of money related articulation and other bookkeeping revelation. What's more, I find that the subjective component of financial analysis is the essential driver of the Firm's capacity to distinguish organizations whose value securities in this way fail to meet expectations the market

**Libby and Short (2011)**, Return on value relates wage earned on the investment made by the proprietors. This proportion mirrors the basic certainty that financial specialists hope to acquire more cash in the event that they contribute more cash.

**DYNA SEN et. Al., (2012)** have taken central examination, investigate past the spatial and transient points of confinement of past examinations. They have analyzed how point by point monetary explanation information enter the decisions of market makers by existing how current changes in the real signs picked can give information on coming about picking up changes. Using overall data from 1990 to 2000, they have expanded the gathering of research using important signs for desire of future wage changes. Significant variables, for instance, prior salary news, industry enlistment, macroeconomics conditions and country of breaker that may affect this judicious limit are moreover investigated. Results exhibit that the urgent signs are enormous pointers of both short and whole deal future benefit changes. Research comes to fruition offer evidence to help the usage of focal examination.

**HOSSEIN KHANIFAR et. Al., (2012)** This paper thinks about influencing factors on analysts decision' on the Tehran Stock Exchange. Basically, examiners utilize two sorts of major and specialized examinations in their choices. In the present research, they have examined the influencing factors on investigations in their choices I the organization of key examination. Such examination is contemplated in three areas: (1) economy (2) industry, (3) firm. This paper utilizes a scientific way to deal with think about influencing factors in analysts decisions.

**Sisodia, D., Kumar, B Gupta, J.K., and Shrivastava's. (2013)** The objectives of the fundamental analysis are to choose the estimation of a stock in view of the past said factors and to follow up on the presumption that the genuine stock cost will in the long run mirror the decided esteem. Stock value determining is a vital errand for speculation/money related basic leadership challenge. It gets significant consideration from the two specialists and

professionals. Money markets is exceedingly unstable, perplexing and dynamic zone so stock/value anticipating are an impressive testing issue. A few methodologies have been utilized for anticipating stock cost, for example, conventional and major strategies.

**Rahman, M.A., and Hassan. K (2013)** Alternative intermediaries of variety in firm fundamental yet at contrasting degrees clarify a huge piece of firm particular return variety in a greater part of developing markets in Asia. The discoveries are powerful to the impact of different variables known to influence stock return unpredictability (e.g. Firm size, estimate, stock turnover, and use). The general outcomes recommend that stock costs in a dominant part of the Asian developing markets contain a lot of firm-particular principal data and are, accordingly, not as cloudy as ordinarily thought.



**CHAPTER –3**  
**RESEARCH DESIGN**

### **3. RESEARCH DESIGN**

#### **INTRODUCTION**

Every stock available in the markets has a value called market price, which is the indicator of the company's performance. According to fundamental analysis, we will try to find the intrinsic value of a particular stock which is the true value of the stock, based on which investment arguments take place.

#### **3.1 STATEMENT OF THE PROBLEM**

Every asset, financial has value. The key to successfully investing in and managing those assets lies in understanding not only what the value is but the sources of the value. Any asset can be valued but some assets are earlier to value than others, and the valuation varies hence the fundamental analysis is carried to analyse the various stocks.

#### **3.2 NEED OF THE STUDY**

- To understand the various policies of the company those, have an impact on the financial performance of the company.
- To understand the various investment valuation models that can be used.
- To find out the intrinsic value of the stock and compare with market value of that stock
- To help the readers understand the current economic scenario and the current sector performance of the selected industry

#### **3.3 OBJECTIVES:**

The objectives of this study are as follows:

- To analyse the financial performance of the company.
- To determine and evaluate which company among the automotive sector is best for investing money.

- To analyse as to investing in which company would maximize the wealth of the investor.
- To determine the various investment valuation models that can be used.
- To recommend whether to buy, hold or sell the stock based on the analysis.

### **3.4. SCOPE OF THE STUDY**

This examination is most vital on the grounds that key investigation to help put resources into better understanding the business sectors and measures the bearing in which their speculation may be going and its utility aides in assessing the future patterns of the stock costs and to make a not too bad benefit out of it.

The project covers the following:

- Introduction to the Indian Automobile Industry
- Introduction to fundamental analysis
- Fundamental analysis of the companies including the analysis of automobile industry
- Findings, Conclusions and Recommendations.

### **3.5. RESEARCH METHODOLOGY:**

#### **Type of research:**

Research design is the conceptual structure within which research is conducted. The type of research adopted for the study is descriptive research as the research does not require any manipulation of variables and does not establish causal relationship between events: it just simply describes the variables

#### **Source of data:**

#### **Primary data**

Those are the data that are obtained by a study specially designed to fulfil the data needs of the problems. Meeting, the company professionals personally collected the information

necessary for the study. data are collected from directly with the Branch Managers, Employees and clients of Edelweiss Broking Ltd.

### **Secondary data**

Data, which are not originally collected but rather obtained from published or unpublished sources, are known as secondary data. In this research secondary data was collected through sources like the Internet, research reports, magazines, and company journals.

### **Sampling plan:**

**Type of sampling:** Non-probabilistic judgement sampling.

**Sample size:** Two company from automotive sector that is:

- a) Tata Motors
- b) Mahindra & Mahindra

### **RESEARCH INSTRUMENTS:**

**Financial calculations:** this was done to find the various valuation ratios and necessary calculations to find the intrinsic value of the company.

## **3.6 LIMITATIONS OF THE STUDY**

- Understanding the nature of the risk is not adequate unless the investor or analyst can express it in some quantitative terms. Expressing the risk of a stock in quantitative terms makes it comparable to other stocks.
- The measurement cannot be assured of percent accuracy because risk is caused by numerous factors such as social, political, economic and managerial efficiency.
- Only those investors who deal in capital markets are considered.

**CHAPTER - 4**  
**DATA ANALYSIS AND INTERPRETATION**

## **4. ANALYSIS AND INTERPRETATION**

As discussed above, there are three steps to fundamental analysis, i.e. Economic Analysis, Industry Analysis and Company Analysis. To start off this section, we will look at the analysis of the Indian economy.

### **4.1. COMPANY ANALYSIS**

#### **Introduction**

The economy or industry may underperformance sometimes due to various factors that have been discussed in the economic and industry analysis before. The ID of these quantitative or subjective qualities is known as organization examination. This investigation comprises of estimating the organization's execution and finding out the reason for that execution

There are two types of indicators involved in company analysis which are:

1. Qualitative Indicators
2. Quantitative Indicators

#### **Qualitative Indicators**

There are many factors that are not present in the financial statements published by the companies. These factors may or may not have monetary value, but they matter in making an investment decision. These factors are qualitative in nature.. Each of these plays a role in the investment decision of the investor. A company may have sound financial, but the investors may believe that the company that is best known for its goodwill in the market is the one that might succeed. So, it is for this purpose that the qualitative information is released in the annual reports by the management in the director's/auditor's report.

#### **Quantitative Indicators**

-There are many factors that are not present in the financial statements published by the companies. These factors may or may not have monetary value, but they matter in making an investment decision. These factors are qualitative in nature. Each of these plays a role in the investment decision of the investor. A company may have sound financial, but the investors may believe that the company that is best known for its goodwill in the market is the one that

might succeed. There are varieties of ratios that can be calculated and compared to the industry average to know which companies have outperformed the industry and be suitable for investment.

We consider the following aspects of the company analysis of Tata Motors and Mahindra and Mahindra

### **Analysis of Earning and Dividend Level**

- Return on Equity
- Book Value per share
- Earnings Per Share
- Dividend Per Share
- Dividend Payout Ratio
- Debt-Equity Ratio

### **Growth Performance**

Compound Annual Growth Rate (CA-GR) Sustainable Growth Rate

### **Risk Exposure**

Volatility

### **Estimation of Intrinsic Value**

This estimation is based on various assumptions taken by looking into past performance of the company and consistencies in the financial information provided in their annual report.

### **ASSUMPTIONS**

Beta TATA-1.93

Beta M&M-074

RFR 10year Govt bond = 7.25%

Market Risk Premium = 6% (business standard estimate)

**(Note: Beta Values are taken from Reuters)**

## **4.1.1 ANALYSIS OF TATA MOTORS LTD**

1. **Table 4.1.1.1 Return on Equity (ROE)**

Year	PAT(Crs) (A)	Equity Share Capital(B)	Reserves and Surplus(C)	Shareholders' funds(B+C)	ROE Ratio (A/B+C)
Mar 13	1242.23	634.75	18967.91	19626.01	6.33%
Mar14	301.81	638.07	18473.46	19134.84	1.58%
Mar15	334.52	643.78	18510.00	19176.65	1.74%
Mar16	<b>-4738.95</b>	643.78	141195.94	14862.59	-31.89%
Mar17	<b>234.23</b>	679.18	22582.93	22368.08	1.09%

2. **Table 4.1.1.2 Earnings per Share (EPS)**

YEAR	PAT (RS. IN CR) (A)	NO. OF EQUITY SHARES (IN CRS) (B)	EPS(A/B)
Mar 13	1242.23	317.35	3.29
Mar14	301.81	319.01	0.95
Mar15	334.52	321.87	1.04
Mar16	<b>-4738.95</b>	321.87	<b>-14.72</b>
Mar17	<b>-62.30</b>	339.57	0.69

3. **Table 4.1.1.3 BOOK VALUE PER SHARE (BVPS)**

YEAR	PAID UP CAPITAL (A)	RESERVE AND SURPLUS (B)	SHAREHOLDERS' FUNDS (A+B)	NO. OF EQUITY SHARES (C)	BVPS(RS) (A+B/C)
Mar 13	634.75	18967.91	19626.01	317.35	61.84
Mar14	638.07	18473.46	19134.84	319.01	59.58
Mar15	643.78	18510.00	19176.65	321.87	59.58
Mar16	673.78	141195.94	14862.59	321.87	46.18
Mar17	679.18	22582.93	22368.08	339.57	65.87



4. **Table 4.1.1.4 Dividend per Share (DPS)**

Year	Dividend(Crs) (A)	No. of Equity Shares (Crs) (B)	DPS (A/B)
Mar 13	1097.86	317.35	3.46
Mar14	566.147	319.01	1.77
Mar15	555.16	321.87	1.72
Mar16	0	321.87	0
Mar17	29.00	339.57	0.09

5. **Table 4.1.1.5 Debt Equity Ratio**

Year	Debt (Crs) (A)	Equity(Crs) (B)	D/E Ratio (A/B)
Mar 13	11011.63	19626.01	0.56:1
Mar14	14268.69	19134.84	0.76:1
Mar15	14515.53	19176.65	0.76:1
Mar16	20080.97	14862.59	1.35:1
Mar17	14039.68	23262.11	0.63:1

6. **Table 4.1.1.6 Dividend Pay-out Ratio (S P/O)**

Year	Dividend (A)	PAT(B)	RATIO (A/B)
Mar 13	1097.86	1242.23	88.36%
Mar14	566.147	301.81	187.59%
Mar15	555.16	334.52	165.96%
Mar16	0	<b>-4738.95</b>	0
Mar17	29.00	<b>-62.30</b>	12.38%

**7. COMPOUND ANNUAL GROWTH RATE (CAGR)**

CAGR of Sales = (Sales of 2017/Sales of 2013) ^ 1/5 -1

= (42369.82/54306.56) ^ 0.2 -1 = **-4.8%**

CAGR of EPS= (EPS 2017/EPS 2013) ^ 1/5 -1

$$= (0.69/3.91)^{1/5} - 1 = \mathbf{-29\%}$$

$$\text{CAGR of DPS} = (\text{DPS 2017}/\text{DPS 2013})^{1/5} - 1$$

$$= (0.09/3.46)^{1/5} - 1 = \mathbf{-51.80\%}$$

### 8. Sustainable Growth Rate (SGR)

$$\text{SGR} = \text{Avg Retention Ratio} * \text{Avg ROE}$$

$$\text{AVG ROE} = 6.33 + 1.58 + 1.74 + 31.89 + 1.09/5$$

$$= \mathbf{4.23\%}$$

$$\text{Retention Ratio} = 1 - \text{Dividend pay-out Ratio (Divd p/o)}$$

Mar13	1 – 0.8836	0.1164
Mar14	1 – 1.8759	-0.8759
Mar15	1 – 1.6596	-0.6596
Mar16	1 – 0	1.000
Mar17	1 – 0.1238	0.8762

$$\text{Avg retention Ratio} = 0.1164 - 0.8759 - 0.6596 + 1 + 0.8762 / 5 = 0.0914$$

$$\text{Sustainable Growth Rate} = (0.0914) * (-4.23) = \mathbf{-0.39\%}$$

### 9. Volatility (V)

$$V = \text{Range of ROE over n years} / \text{Avg ROE over n years}$$

Year	2013	2014	2015	2016	2017
ROE	6.33	1.58	1.74	-31.89	1.09

$$\text{Range} = \text{highest observation} - \text{lowest observation}$$

$$= 6.33 - (-31.89) = 38.22$$

$$\text{AVG ROE} = 6.33 + 1.58 + 1.74 + 31.89 + 1.09/5$$

$$= \mathbf{4.23\%}$$

$$\text{Volatility} = 38.22 / 4023 = \mathbf{9.04}$$

## 10. Estimation of Intrinsic Value

Estimate expected EPS

Estimate PE Ratio

**EPS Forecast**

Particulars	2015-16	2016-17	Assumption
Net Turnover	42,369.82	46,606.80	Increased by 10%
Other Income	2,132.92	2346.21	Increased by 10%
Material and Mfg Expenses	(31,893.20)	(33,982.52)	Increased by 10%
Depreciations	(2453.75)	(22078.38)	Decreased by 10%
Selling, Distribution and Admin Expenses	(6134.33)	(6441.05)	Increased by 5%
Miscellaneous Expenses	(3026.75)	(2421.4)	Decreased by 20%
<b>EBIT</b>	<b>1994.71</b>	<b>3899.66</b>	
Interest	(1481.11)	3899.66	Decreased by 5%
<b>EBT</b>	<b>513.60</b>	<b>2492.61</b>	
Extra-ordinary items	(363.21)	0	
Tax/Credit	83.84	(88.03)	Increased by 5%
<b>EAT</b>	<b>234.23</b>	<b>2404.58</b>	
No. of Equity Shares	339.57	339.57	
<b>EPS</b>	<b>0.69</b>	<b>7.08</b>	

### Establish a PE Ratio

Expected PE = Avg Dividend P/O/Required ROE – Expected Growth Rate

$$= 90.86/18.83 - (-0.39) = \mathbf{4.73}$$

Required ROE = Risk Free Rate + (Beta of stock) \* (Expected Mkt Risk Premium)

$$= 7.25 + 1.93 (6) = \mathbf{18.83\%}$$

Expected Growth Rate = Retention Ratio \* Return on Equity

= 0.0914 \* (-4.23) = **0.39%**

Historical PE = Price/Earning (obtained from the company annual report)

March 16: 11.85

March 15: 12.66

AVG (15 and 16): 12.26

Weighted PE Ratio

Expected PE = 4.73

Historical PE = 12.26

AVG = 8.5

**EXPECTED INTRINSIC VALUE = Projected EPS \* Weighted PE ratio**

= 7.08 \* 8.5 = 60.18

#### **4.1.2.1 ANALYSIS OF MAHINDRA & MAHINDRA LTD**

##### **1. Table 4.1.2.1 Return on Equity (ROE)**

<b>Year</b>	<b>PAT(Crs) (A)</b>	<b>Equity Share Capital(B)</b>	<b>Reserves and Surplus(C)</b>	<b>Shareholders' funds(B+C)</b>	<b>ROE Ratio (A/B+C)</b>
Mar13	2878.89	294.52	11660.28	11954.80	24.08%
Mar14	3352.82	295.16	14352.92	14648.08	22.89%
Mar15	3758.35	295.16	16845.24	16780.40	22.401%
Mar16	3321.11	295.70	18948.60	19244.30	17.26%
Mar17	3167.48	296.32	21400.08	21696.40	14.60%

##### **2. Table 4.1.2.2 Earnings per Share (EPS)**

<b>Year</b>	<b>PAT (Rs. In Cr)</b>	<b>No. of Equity</b>	<b>EPS(A/B)</b>
-------------	------------------------	----------------------	-----------------

	(A)	Shares (in Crs) (B)	
Mar13	2878.89	61.3975	46.89
Mar14	3352.82	61.3981	54.51
Mar15	3758.35	61.5892	61.02
Mar16	3321.11	62.1092	53.47
Mar17	3167.48	62.1092	51.00

**3. Table 4.1.2.3 Book Value Per Share (BVPS)**

Year	Paid up Capital (A)	Reserve and Surplus (B)	Shareholders' Funds (A+B)	No. of Equity Shares (c)	BVPS(Rs) (A+B/C)
Mar13	294.52	11660.28	11954.80	61.3975	194.71
Mar14	295.16	14352.92	14648.08	61.3981	238.58
Mar15	295.16	16845.24	16780.40	61.5892	272.46
Mar16	295.70	18948.60	19244.30	62.1092	309.85
Mar17	296.32	21400.08	21696.40	62.1092	349.33

**4. Table 4.1.2.4 Dividend per Share (DPS)**

Year	Dividend(Crs) (A)	No. of Equity Shares (Crs) (B)	DPS (A/B)
Mar13	666.35	61.3975	10.85
Mar14	705.19	61.3981	11.49
Mar15	785.21	61.5892	12.31
Mar16	643.73	62.1092	10.36
Mar17	648.94	62.1092	10.45

**5. Table 4.1.2.5 Debt Equity Ratio**

Year	Debt (Crs) (A)	Equity(Crs) (B)	D/E Ratio (A/B)
Mar13	3174.22	11954.80	.27:1
Mar14	3227.07	14648.08	0.22:1

Mar15	3745.16	16780.40	0.22:1
Mar16	2620.38	19244.30	0.14:1
Mar17	1843.55	21696.40	0.08:1

**6. Table4.1.2.6 Dividend Pay out Ratio (D P/O)**

Year	Dividend (A)	PAT(B)	RATIO (A/B)
Mar13	666.35	2878.89	23.15%
Mar14	705.19	3352.82	21.03%
Mar15	785.21	3758.35	20.17%
Mar16	643.73	3321.11	19.38%
Mar17	648.94	3167.48	20.49%

**7. Compound Annual Growth Rate (CAGR)**

CAGR of Sales = (Sales of 2017/Sales of 2012)

$$= (40,884.98 / 31,853.52) ^ {1/5} - 1 = \mathbf{5.12\%}$$

CAGR of EPS= (EPS 2017/EPS 2013) ^ 1/5 -1

$$= (51.00/46.89) ^ {1/5} - 1 = \mathbf{1.69\%}$$

CAGR of DPS= (DPS 2017/DPS 2013) ^ 1/5 -1

$$= (10.45/ 40.85) ^ {1/5} - 1 = \mathbf{-0.0075\%}$$

**8. Sustainable Growth Rate (SGR)**

SGR = Avg Retention Ratio \* Avg ROE

$$\text{AVG ROE} = 24.08 + 22.89 + 22.40 + 17.26 + 14.60 / 5 = \mathbf{20.25\%}$$

Retention Ratio = 1 – Dividend pay-out Ratio (Div p/o)

Mar13	1 – 0.2315	0.7685
Mar14	1 – 0.2103	0.7897
Mar15	1 – 0.2017	0.7983
Mar16	1 – 0.1938	0.8062

Mar17	1 – 0.2049	0.7951
-------	------------	--------

Avg retention Ratio =  $0.7685 + 0.7897 + 0.7983 + 0.8062 + 0.7951 / 5 = \mathbf{0.7916}$

Sustainable Growth =  $0.7916 * 20.25 = \mathbf{16.03\%}$

### **9. Volatility (V)**

V = Range of ROE over n years / Avg ROE over n years

Year	2013	2014	2015	2016	2017
ROE	24.08	22.89	22.40	17.26	14.60

Range = highest observation – lowest observation

=  $24.08 - 14.60 = \mathbf{9.48}$

AVG ROE =  $24.08 + 22.89 + 22.40 + 17.26 + 14.60 / 5 = \mathbf{20.25\%}$

Volatility =  $9.48 / 20.25 = \mathbf{0.47}$

### **10. Estimation of Intrinsic Value**

Estimate expected EPS

Estimate PE Ratio

#### **EPS Forecast**

<b>Particulars</b>	<b>2015-16</b>	<b>2016-17</b>	<b>Assumption</b>
Net Turnover	40,884.98	44,973.48	Increased by 10%
Other Income	854.85	875.59	Increased by 5%
Material and Mfg Expenses	(29,950.31)	32,945.34	Increased by 10%
Depreciations	(1108.61)	1241.64	Increased by 12%
Selling, Distribution and Admin Expenses	(4022.31)	4424.54	Increased by 10%
Miscellaneous Expenses	(2342.15)	2549.26	Increased by 5%

<b>EBIT</b>	<b>4316.45</b>	<b>4710.29</b>	
Interest	(155.29)	147.53	Decreased by 5%
<b>EBT</b>	<b>4161.16</b>	<b>4562.76</b>	
Extra-ordinary items	(68.74)	0	
Tax/Credit	(1062.42)	1168.66	Increased by 10%
<b>EAT</b>	<b>3167.48</b>	<b>3394.10</b>	
No. of Equity Shares	62.1092	62.1092	
<b>EPS</b>	<b>51.00</b>	<b>54.65</b>	

### Establish a PE Ratio

Expected PE = Avg Dividend P/O/Required ROE – Expected Growth Rate

$$= 20.84 / 11.69 - 16.03 = 4.80$$

Required ROE = Risk Free Rate + (Beta of stock) \* (Expected Mkt Risk Premium)

$$= 7.250 + 0(0.74) * (6) = 11.69\%$$

Expected Growth Rate = Retention Ratio \* Return on Equity

$$= 0.7916 * (20.25) = 16.03\%$$

Historical PE = Price/Earning (obtained from the company annual report)

March 16: 22.61

March 15: 21.14

AVG (16 and 15): 21

Weighted PE Ratio

Expected PE = 4.80

Historical PE = 21.88

AVG = 13.34

**EXPECTED INTRINSIC VALUE = Projected EPS \* Weighted PE ratio**

$$= 54.65 * 13.34 = 729.03$$



## **4.2. INTERPRETATION**

### **a. Return on Equity (ROE)**

This is calculated by dividing the net profit after tax by the equity shareholders' funds.

From the above tables we can say that for Tata Motors, have been less than impressive due to lower margin of profits and a high capitalization. There are miniscule profits to an increasing range of equity shareholders. In the year 2015-16, the company made a huge stand-alone loss of Rs. 4783.95 crores due to which the ROE showed a negative figure of 31.89%. During the next year by using cost cutting and increasing revenue, the company has managed to turn around the loss to a marginal amount of profit and the ROE also become positive. For Mahindra & Mahindra, the profits have shown both increasing and decreasing trends among the five years, but the shareholders' funds have shown an increasing trend only. So, the ROE has shown a decreasing trend, 24.08% being the rate in the first year and 14.6% being the latest rate.

### **b. Earnings Per Share (EPS)**

EPS is a portion of a company's profit allocated to each outstanding share of common stock. It is an indicator of the company profitability. It is calculated by dividing the net profit after shares and after paying the preference dividends by the number of equity shares outstanding during the period.

The position of Tata Motors on the other hand, in terms of EPS. Is poor. The EPS of Tata is reducing year or year and in the year 2015 the EPS was a negative figure of -14.72 which a reduction in the wealth of equity shareholders. In the latest year, the EPS has become positive due to increase in profit compared to the previous year. The EPS of Mahindra & Mahindra has shown a very consistent performance, the highlights being, the performance in the 2014-15 with the highest EPS of RS. 61.02. The EPS ever since has been reduced, but still in the range of 50's.

### **c. Book Value Per Share (BVPS)**

It is the per share value of a company based on its equity available to its common shareholders. Higher the ratio indicates the good position of the company. It is calculated dividing the total equity shareholders funds by the number of equity shares outstanding during that period.

The BVPS of Tata Motors hasn't grown much in the five years with a figure of Rs. 64.84 in March 2013 to a figure of Rs. 65.87 in March 2017. The BVPS of Mahindra & Mahindra has shown an equally impressive growth in the rate by around 80% in the five years from Rs. 194.71 in the initial year to Rs. 349.33 in the latest year.

#### **d. Dividend Per Share (DPS)**

It is the amount of dividend the shareholders receive on a per share basis. It is calculated by dividing the amount of dividend paid by the number of equity shares outstanding during that period.

The DSP of Tata Motors started with Rs. 3.46 per share in the year 2012-13 and has decreased to zero in the year 2015-16. The latest DSP they have recorded is mere Rs. 0.09 per share. The DSP for Mahindra & Mahindra has been consistent. It was the maximum in the year 2014-15 then it fell in the next year and it has grown in the current year showing a DPS of Rs. 10.45.

#### **e. Debt Equity Ratio (D/E Ratio)**

The Debt Equity ratio indicates how much debt a company is using to finance its assets relative to the amount of value represented in shareholder's equity. It is a debt ratio used to measure a company's financial leverage. It is calculated by dividing the company's long-term debt by the shareholders equity.

The D/E ratio of Tata Motors is quite consistent which a more than proportional reliance on equity capital than debt capital in four out of the five years analysed. The D/E ratio of Mahindra & Mahindra is also showing that it relies more on equity capital and also the ratio is reducing year on year. This indicates that the company is not taking additional debt financing and its repaying its existing debt.

#### **f. Dividend Payout Ratio (DP/O)**

This is one of the growth indicators of the company. It shows the percentage of profits that is paid out to the shareholder's in the form of dividends. The higher the percentage the lower will be the growth as lesser amount is retained and reinvested back into the business. It is calculated by dividing the amount of dividend paid by the net profit after tax. When we reduce the DP/O percentage 100%, what we get is called the retention ration.

For Tata Motors, in the initial three years the payout ratio is too high the maximum being 187.59%, indicating that it has paid more dividends than the profit it has made in that year. This indicates it has paid some portion of dividends from its reserves. Since March 2016 has recorded losses the payout ratio was zero and in the following year the company has a DP/O of 12.38%. The Dividend Payout of Mahindra & Mahindra have averaged around 21% showing a consistent payout and retention.

**g. Compound Annual Growth Rate (CAGR)**

<b>CAGR</b>	<b>Tata Motors</b>	<b>Mahindra &amp; Mahindra</b>
<b>Sales</b>	-4.8%	5.12%
<b>EPS</b>	-29%	1.69%
<b>DPS</b>	-51.80%	-0.0075%

CAGR is a tool used to determine the annual rate of growth of a variable whose value has fluctuated widely from one period to the next. From the table above, we can interpret that among the two companies the annual rate of growth is best in the case of Mahindra & Mahindra and worst in the case of Tata Motor.

**h. Sustainable Growth Rate (SGR)**

The sustainable growth rate is the maximum rate of growth that a firm can sustain without having to increase financial leverage or look for outside financing. It is measure of how large and how quickly a firm can grow without borrowing money. It is calculated by multiplying the company’s return on shareholder’s equity with the retention ratio of the company.

	<b>Avg Return on Equity</b>	<b>Avg Retention Ratio</b>	<b>Sustainable Growth Rate</b>
Mahindra	20.25%	0.7916	16.03%
Tata Motors	-4.23%	0.0914	-0.39%

The SGR Tata Motors is showing a negative figure of -0.39%, indicating that it must take outside funding for growth and expansion.

**i. Volatility (V)**

It is the degree of variation of a variable over time as measured by standard deviation of the returns. The variable considered here is Return on Equity. So, it shows much a company's ROE fluctuates showing the riskiness of investing in the company. It is calculated by finding out the range of the ROE values and dividing it by the average of ROE values. Higher the range higher will be the volatility. Lower the volatility better for the investors.

	<b>Range of ROE</b>	<b>Avg ROE</b>	<b>Volatility</b>
Mahindra	9.48	20.25	0.47
Tata Motors	38.22	4.23	9.04

From the above table, the lowest volatility of ROE is for Mahindra & Mahindra. The volatility of ROE Tata Motors is very high indicating high degree of risk.

#### **j. Intrinsic Value**

the intrinsic value is the actual value of the company, stock or product determined through fundamental analysis without reference to its trend in market value. It is also known as fundamental value. This value may not be same as the current market value. It is perception that if the market is higher than the intrinsic value, we say that the company stock is overpriced and if the intrinsic value is higher than the company stock then the company is undervalued. It is a figure arrived through assumptions about the company's future performance.

	<b>Projected EPS</b>	<b>Weighted PE Ratio</b>	<b>Expected Intrinsic Value</b>
Mahindra	133.08	13.98	1860.46
Tata Motors	7.08	8.5	60.18

**CHAPTER – 5**  
**FINDINGS, CONCLUSION AND SUGGESTIONS**

## **5. FINDINGS, RECOMMENDATIONS AND CONCLUSIONS**

### **5.1 FINDINGS**

#### **a. Finding of Economic Analysis**

From the economic analysis of India, we can say that the GDP target of the country is at a very good rate of 7.6%. The policies and initiatives of the government are in favour of development. The increasing trend in GDP can be interpreted as a sign for economic growth and industrial development. We also found out that the contribution of the automobile industry to the GDP is 7.1%.

A certain amount of inflation is necessary to bolster growth of the economy. After the economic analysis we found that the inflation stands at 5.88% CPI. We found that high rate of inflation adversely affects the automobile industry.

With regards to foreign direct investment, we found that the automobile industry has 100% FDI permission through the automatic route. And according to the Financial Times, India has overtaken China and US as the top destination for FDI. FDI grew 46% to 61.58% billion after the launch of make in India programme. The introduction of GST is set to cap the indirect tax rate to 18% which otherwise would have been around 27% overall for the automobile industry

#### **b. Finding of Industry Analysis**

From the analysis of the automobile industry we can say that with the entry of new players the automobile industry has become very competitive with prices of various segments becoming stagnant. The industry players have bargaining power over its suppliers but have no bargaining power over its buyers. The leading auto maker Maruti Suzuki expects the Indian passenger car market to reach 4 million units by 2020, up from 1.97 million units in 2014-15. This industry has the capacity to create 65 million additional jobs and contribute over 12% to India 's GDP.

#### **c. Finding of Company Analysis**

After doing the company analysis of the two companies, we found out that not all companies can perform consistently in this industry. Mahindra & Mahindra have performed the most consistently between two companies and Tata Motors has performed most poorly among the two. We calculated various ratios and all the numbers led to the conclusion above.

## 5.2 RECOMMENDATION

### Intrinsic Value Analysis

<b>Particulars</b>	<b>Intrinsic Value</b>	<b>Current Market Price</b>	<b>Decision</b>
Tata Motors	1255.11	503.55	Sell
Mahindra & Mahindra	1374.23	1170.45	Sell

Purely based on intrinsic value, selling the stock is recommended. The companies that have their stock price closer to the intrinsic value are the ones that can achieve intrinsic value much faster and produce faster returns; in case of Tata Motors. But intrinsic value alone cannot be the deciding factor. There are many factors that can affect the gain part of the stock.

### 5.3 CONCLUSION

The Indian economy is on the verge on expansion. This is a positive sign for industries like the automobile industry. There are many factors that affects the individual companies in the industry. By doing the industry analysis we found that there is much more potential in the automobile industry than what is being displayed currently. The inflow of FDI is constantly increasing which can lead to technological breakthroughs and innovations. These are positives sign for the industry.

By doing the company analysis we can conclude that in the terms of CAGR of sales, EPS and DPS: Earing per Share, Dividend per Share, BVSP, Dividend Pay-out and Volatility. Mahindra & Mahindra has performed well in certain aspects like return on Equity. Tata Motors on the other hand has underperformed in all the aspects, which has a good room for improvement.

We performed an intrinsic value analysis from that we conclude that all two-company stock is overvalued. But the difference between the current market price and the intrinsic value of Tata Motors is the least compared to the others which indicates that the time required for Tata Motors as compared tothe other two is less to attain intrinsic values and hence the buyer of Mahindra & Mahindra will have to hold the shares for a longer period in Tata Motor's has performed better it can be an ideal security for investment.

Investigation helps the financial specialist in settling on speculation choices however few out of every odd venture is totally subject to key examination alone. Aftereffects of specialized investigation and also other subjective elements identified with the organization's execution should likewise be considered while settling on a speculation choice. An appropriate examination helps in decreasing the dangers on interest in the offer market and aides in picking less unsafe and exceptionally compensating speculation roads.





## BIBLIOGRAPHY

- Kumar, N., Mohapatra, S., & Sandhu, G. (2013) Importance of Fundamental analysis and strategic factors in the Indian stock market.  
Management Review: An International Journal, 8(1), 38-75
- Bihari, S. C., & Charde, S. K (2014) intrinsic value of stocks: does market appreciate it. A study on three private banks in India. Economics, Management and Financial Markets
- Rajiv Kumar Bhatt (2011), - Recent Global Recession and Indian Economy: An Analysis, International Journal of Trade, Economics and Finance.
- KR Subramanyam, Mohan Venkatachalam (2007), Earnings, cash flows, and ex post intrinsic value of equity, The Accounting Review, Vol. 82, Issue 2, Pages 457-481
- Gaddam, J.C. (2016). Analysis of growth exports and geographic concentration of automobile industry in India, Productivity, 57(1), 59-67
- Van Winkle, E.M. (2011). The incremental value of qualitative fundamental analysis to quantitative fundamental analysis
- Bhat, Sharipad and Prof. T. V. Setharaman (1995), Technology Transfer and Export Performance: A Case Study of Indian Automobile Industry. The Indian Economic Journal, 43(2), October-December.
- Srinivasa A. (2010) "Relevance of Macro Economic factors for the Indian Stock Market". Decision, Vol. 37, No. 3 pp, 69-89.
- Swaranjeet (2009) – Automobile Industry in India, <http://www.prlog.org/10241787-automobile-industry-inindia.pdf> accessed as on 29<sup>th</sup> January, 2011.

## WEBSITES:

- [www.moneycontrol.com](http://www.moneycontrol.com)
- [Edelweissfin.com](http://Edelweissfin.com)
- [www.autoindustries.com](http://www.autoindustries.com)
- [www.investopedia.com](http://www.investopedia.com)
- [www.economicstimes.com](http://www.economicstimes.com)

# ANNEXURE



**Edelweiss Broking Ltd CEO Rashesh Shah**

**Shareholding Pattern:-**

Category	Percentage
Individuals	16.8%
Promoters	38.0%
FIs & MFs	17.1%
Other Institutions*	28.1%

Top 5 External Shareholders <sup>1</sup>	
As on 30 <sup>th</sup> Dec 2020	
Name	Percent
1. Bank of Singapore	8.2%
2. Citicorp	5.9%
3. Avastar Pacific Capital	5.2%
4. Reference Mutual Fund	3.8%
5. Indevity	3.2%

\* Includes GPs, Insurance companies, Banks, Trusts & other Institutional investors etc.  
<sup>1</sup> Holding of associated entities have been clubbed together for the purpose of this information.

**Board of Directors:-**

The Edelweiss Board comprises of three independent directors and one non-independent non-executive director out of a total of six directors, each of whom brings in his own expertise in diverse areas. The focus is on strong corporate governance. The directors of the company are:

Rashesh Shah Executive Director	Venkatashankar Kameswamy Executive Director	Kameshwaran Chinnai Non-Executive	Narendra Sheela Independent	P.A. Venkateshram Independent	Ravi Shankar Chinnai
Chairman & CEO	Head of All Risk Management	Secretary to BOD, Singapore	Former S. M. D. ICI Former Chairman ICCI Securities Chairman of Asset Committee	Former MD, State Bank of India	Managing Partner J. Sagar & Associates, a leading law firm
20 yrs experience in public and private markets in India	20 yrs experience in financial sector	Experienced in global private equity	Extensive experience in public capital markets	Extensive experience in public capital markets	Extensive experience in legal services

**TATA MOTORS LTD**

<b>Year</b>	<b>PAT(Crs)</b>	<b>Equity Share Capital</b>	<b>Reserves and Surplus</b>	<b>PAID UP CAPITAL</b>	<b>Dividend(Crs)</b>
Mar 13	1242.23	634.75	18967.91	634.75	1097.86
Mar14	301.81	638.07	18473.46	638.07	566.147
Mar15	334.52	643.78	18510.00	643.78	555.16
Mar16	<b>-4738.95</b>	643.78	141195.94	673.78	0
Mar17	<b>234.23</b>	679.18	22582.93	679.18	29.00

**MAHINDRA & MAHINDRA**

<b>Year</b>	<b>PAT(Crs)</b>	<b>Equity Share Capital</b>	<b>Reserves and Surplus</b>	<b>Paid up Capital</b>	<b>Dividend</b>
Mar13	2878.89	294.52	11660.28	294.52	666.35
Mar14	3352.82	295.16	14352.92	295.16	705.19
Mar15	3758.35	295.16	16845.24	295.16	785.21
Mar16	3321.11	295.70	18948.60	295.70	643.73
Mar17	3167.48	296.32	21400.08	296.32	648.94

**f**

**WEEKLY PROGRESS REPORT**

**Report No.: 1**

**Week No.: 1**

**Name of the Company : EDELWEISS BROKING LTD**

**Name of the student : RAJASHEKAR .S**

**USN Number : 1AY16MBA55**

**Title of the Project : "A Study on fundamental Analysis of Automobile Sector"**


**Date : From: 16<sup>th</sup> January to: 20<sup>th</sup> January**

Sl. No.	Date / Day	Details of the activities
1	16 <sup>th</sup> January	Discussion about the project report.
2	17 <sup>th</sup> January	Second day mentor asked me to go through company details and concepts regarding stock market.
3	18 <sup>th</sup> January	They asked to do assignments on topics like FED events, balance sheet of different sectors, IIP data, how RBI policies impacts on stock market and about GDP rate growth calculation and impacts.
4	19 <sup>th</sup> January	My mentor asked me to go through comparative different between edelweiss and other companies and discussion made on different research topics.
5	20 <sup>th</sup> January	Presentation about general topics

  
**Signature of the Student**

  
**Signature of Internal Guide**

  
**Signature of External guide**

  
**Head of the Department**  
**Department of MBA**  
**Acharya Institute of Technology**  
**S. Indiranahalli, Bangalore-5**

**WEEKLY PROGRESS REPORT**

**Report No.: 1**

**Week No.: 2**

**Name of the Company : EDELWEISS BROKING LTD**

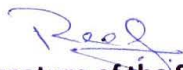
**Name of the student : RAJASHEKAR .S**

**USN Number : 1AY16MBA55**

**Title of the Project : "A Study on fundamental Analysis of Automobile Sector"**

**Date : From: 22<sup>st</sup> January to: 25<sup>th</sup> January**

Sl. No.	Date / Day	Details of the activities
1	22 <sup>st</sup> January	Doing the research call to client.
2	23 <sup>th</sup> January	Doing the research call to client.
3	24 <sup>th</sup> January	Processing the demat accounts.
4	25 <sup>th</sup> January	My mentor asked me to do work done on various topics for one week at home. Different topics given are definition and examples of stock market, equity market, commodities, ROI, ROE, PBT and different ratios with calculations.



**Signature of the Student**



**Signature of Internal Guide**



**Signature of External guide**

**Head of the Department  
Department of MBA  
Acharya Institute of Technology  
Siddavaranalli, Bangalore**



**WEEKLY PROGRESS REPORT**

Report No.: 1

Week No.: 3

Name of the Company : EDELWEISS BROKING LTD

Name of the student RAJASHEKAR .S

USN Number : 1AY16MBA55

Title of the Project : "A Study on fundamental Analysis of Automobile Sector"

Date : From: 29<sup>th</sup> January to: 3<sup>th</sup> February

Sl. No.	Date / Day	Details of the activities
1	29 <sup>th</sup> January	Entering brokerage charges of clients.
2	30 <sup>th</sup> January	Opening a demat Accounts.
3	31 <sup>th</sup> January	My mentor has asked me to do ppt on topics like basic concepts of inflation, deflation, causes, types, economic growth rate, GDP, GNP, circular flow.
4	1 <sup>st</sup> February	Entering brokerage charges of clients.
5	2 <sup>st</sup> February	He asked me to do research on your topics.
6	3 <sup>st</sup> February	Discussions about project report topic.

  
Signature of the Student

  
Signature of Internal Guide

  
Signature of External guide



Head of the Department  
 Department of MBA  
 Acharya Institute of Technology  
 Soldevanahalli, Bangalore - 560077



**ACHARYA INSTITUTE OF TECHNOLOGY**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
IV Semester Internship 2016-18 Batch

**WEEKLY PROGRESS REPORT**

Report No.: 1

Week No: 4

Name of the Company : EDELWEISS BROKING LTD

Name of the student RAJASHEKAR .S

USN Number : 1AY16MBA55

Title of the Project : "A Study on fundamental Analysis of Automobile Sector"

Date : From: 12<sup>th</sup> February to: 17<sup>th</sup> February

Sl. No.	Date / Day	Details of the activities
1	12 <sup>th</sup> February	Opening a demat Accounts.
2	14 <sup>th</sup> February	Opening a demat Accounts.
3	15 <sup>th</sup> February	Opening a demat Accounts.
4	16 <sup>th</sup> February	Reporting in college
5	17 <sup>th</sup> February	Presentation about general topics like RBI policy, budget etc.

Signature of the Student

Signature of Internal Guide

Signature of External guide

Head of the Department  
Department of Management Studies  
Acharya Institute of Technology  
Siddavaram, Bangalore - 560 075







**ACHARAYA INSTITUTE OF TECHNOLOGY**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
IV Semester Internship 2016-18 Batch

**WEEKLY PROGRESS REPORT**

Report No.: 1

Week No.: 5

Name of the Company : EDELWEISS BROKING LTD

Name of the student : RAJASHEKAR .S

USN Number : 1AY16MBA55


Title of the Project : "A Study on fundamental Analysis of Automobile Sector"

Date : From: 19<sup>th</sup> February to: 24<sup>th</sup> February

Sl. No.	Date / Day	Details of the activities
1	19 <sup>th</sup> February	Entering brokerage charges of clients.
2	20 <sup>th</sup> February	Opening a demat Accounts.
3	21 <sup>th</sup> February	My mentor has asked me to do ppt on topics like basic concepts of inflation, deflation, causes, types, economic growth rate, GDP, GNP, circular flow.
4	22 <sup>th</sup> February	Entering brokerage charges of clients.
5	23 <sup>th</sup> February	Reporting to college.
6	24 <sup>th</sup> February	Presentation on export import ratio, mutual funds etc.

  
Signature of the Student

  
Signature of Internal Guide

  
Signature of External guide

Head of the Department  
Department of MBA  
Acharya Institute of Technology  
Goldevanahalli, Bangalore-560 101



**ACHARYA INSTITUTE OF TECHNOLOGY**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
**IV Semester Internship 2016-18 Batch**

**WEEKLY PROGRESS REPORT**

Report No.: 1

Week No.: 6

Name of the Company : EDELWEISS BROKING LTD

Name of the student : RAJASHEKAR .S

USN Number : 1AY16MBA55

Title of the Project : "A Study on fundamental Analysis of Automobile Sector"

Date : From: 19<sup>th</sup> February to: 24<sup>th</sup> February

Sl. No.	Date / Day	Details of the activities
1	19 <sup>th</sup> February	Entering brokerage charges of clients.
2	20 <sup>th</sup> February	Opening a demat Accounts.
3	21 <sup>th</sup> February	My mentor has asked me to do ppt on topics like basic concepts of inflation, deflation, causes, types, economic growth rate, GDP, GNP, circular flow.
4	22 <sup>th</sup> February	Entering brokerage charges of clients.
5	23 <sup>th</sup> February	Reporting to college.
6	24 <sup>th</sup> February	Presentation on export import ratio, mutual funds etc.

  
Signature of the Student

  
Signature of Internal Guide

  
Signature of External guide

  
Head of the Department  
Department of MBA  
Acharya Institute of Technology  
Goldivanahalli, Bangalore-560



**ACHARAYA INSTITUTE OF TECHNOLOGY**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
**IV Semester Internship 2016-18 Batch**

**WEEKLY PROGRESS REPORT**

Report No.: 1

Week No: 7

Name of the Company : EDELWEISS BROKING LTD

Name of the student : RAJASHEKAR .S

USN Number : 1AY16MBA55

Title of the Project : "A Study on fundamental Analysis of Automobile Sector"

Date : From: 26<sup>th</sup> February to: 3<sup>th</sup> March

Sl. No.	Date / Day	Details of the activities
1	26 <sup>th</sup> February	Opening a demat Accounts and filling form .
2	27 <sup>th</sup> February	Opening a demat Accounts and filling form.
3	28 <sup>th</sup> February	Opening a demat Accounts and filling form.
4	2 <sup>th</sup> February	Reporting in college
5	3 <sup>th</sup> February	Presentation about general topics like emerging market and bond market.

  
Signature of the Student

  
Signature of Internal Guide

  
Signature of External guide

  
Head of the Department  
Department of M.A.  
Acharya Institute of Technology  
Soldevanahalli, E. Bengaluru - 560 075





**ACHARYA INSTITUTE OF TECHNOLOGY**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
**IV Semester Internship 2016-18 Batch**

**WEEKLY PROGRESS REPORT**

Report No.: 1

Week No.: 8

Name of the Company : EDELWEISS BROKING LTD

Name of the student : RAJASHEKAR .S

USN Number : 1AY16MBA55

Title of the Project : "A Study on fundamental Analysis of Automobile Sector"

Date : From: 5<sup>th</sup> March to: 10<sup>th</sup> march

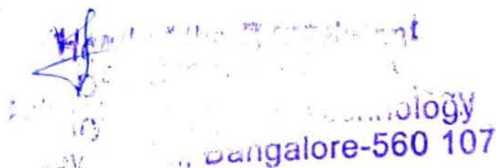
Sl. No.	Date / Day	Details of the activities
1	5 <sup>th</sup> March	I have to fill demat account form and detailed discussion is made on Edelweiss SIP (systematic Investment plan).
2	6 <sup>th</sup> March	I have asked to fill demat account form and detailed discussion is made on mutual funds and debentures.
3	7 <sup>th</sup> March	I have asked to do on topic of RBOPS, commercial papers, REPO, risk adjusted returns, economic conditions, aggregate demand.
4	8 <sup>th</sup> March	Entering brokerage charges of clients.
5	9 <sup>th</sup> March	Reporting to college.
6	10 <sup>th</sup> March	Presentation on RBOPS, commercial papers, REPO, risk adjusted returns, economic conditions, aggregate demand.

  
Signature of the Student

  
Signature of Internal Guide

  
Signature of External guide



  
ACHARYA INSTITUTE OF TECHNOLOGY  
Bangalore-560 107

**WEEKLY PROGRESS REPORT**

**Report No.: 1**

**Week No.: 9**

**Name of the Company : EDELWEISS BROKING LTD**

**Name of the student : RAJASHEKAR .S**

**USN Number : 1AY16MBA55**

**Title of the Project : "A Study on fundamental Analysis of Automobile Sector"**

**Date : From: 12<sup>th</sup> March to: 17<sup>th</sup> March**

Sl. No.	Date / Day	Details of the activities
1	12 <sup>th</sup> March	I have asked to do topics of FRS, federal discount rate, FOMC act of 1913.
2	13 <sup>th</sup> March	Reporting to college.
3	14 <sup>th</sup> March	I have asked to create commodity account and fill commodity account form.
4	15 <sup>th</sup> March	Watching the markets and its movements and try to analyse it.
5	16 <sup>th</sup> March	Watching the markets and its movements and try to analyse it
6	17 <sup>th</sup> March	Presentation on put option and call option strategy tool in equity derivatives, export import ratio, mutual funds etc.

  
 Signature of the Student

  
 Signature of Internal Guide

  
 Signature of External guide

Head of the Department  
 Department of MBA  
 Acharya Institute of Technology  
 Soldevanahalli, Bangalore-560 111



**ACHARYA INSTITUTE OF TECHNOLOGY**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
**IV Semester Internship 2016-18 Batch**

**WEEKLY PROGRESS REPORT**

**Report No.: 1**

**Week No.: 10**

**Name of the Company : EDELWEISS BROKING LTD**


**Name of the student : RAJASHEKAR .S**

**USN Number : 1AY16MBA55**

**Title of the Project : "A Study on fundamental Analysis of Automobile Sector"**

**Date : From: 19<sup>th</sup> March to: 24<sup>th</sup> March**

Sl. No.	Date / Day	Details of the activities
1	19 <sup>th</sup> March	Analyse and invest in Automobile Stock and also stock practical exposure to strategies in Fundamental analysis.
2	20 <sup>th</sup> March	Analyse and invest in Automobile Stock and also stock practical exposure to strategies in Fundamental analysis.
3	21 <sup>th</sup> March	Analyse and invest in Automobile Stock and also stock practical exposure to strategies in Fundamental analysis.
4	22 <sup>th</sup> March	Analyse and invest in Automobile Stock and also stock practical exposure to strategies in Fundamental analysis.
5	23 <sup>th</sup> March	Analyse and invest in Automobile Stock and also stock practical exposure to strategies in Fundamental analysis.
6	24 <sup>th</sup> March	Analyse and invest in Automobile Stock and also stock practical exposure to strategies in Fundamental analysis.

  
Signature of the Student

  
Signature of Internal Guide

  
Signature of External guide

Head of the Department  
Department of M.A.  
Acharya Institute of Technology  
Suldevanahalli, Bangalore - 560075  
107

