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## Summer

### Internship Projects

# 2017

**Best**  
**Summer Internship Projects**  
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**Under the aegis of**  
**Remsons Centre for Management Research**

**2017-18**

**Knowledge Resource Centre**  
**Durgadevi Saraf Institute of Management Studies**

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# **A Project Report On “Fundamental of Derivatives with special reference to Currency Derivatives”**

**Student - Anand Gopal Jaisingh**

**Faculty mentor - Dr. Shailja Badra**

## **INTRODUCTION TO DERIVATIVES**

Derivatives are financial instruments whose price is determined by some underlying variables. Derivatives can be traded directly between the two parties as well as through exchanges. Mainly there are four types of derivatives that are traded-Future, Options and Swaps.

Due to their great flexibility, derivatives are used by many different types of investors. A good toolbox of derivatives allows the modern investor the full range of investment strategy: speculation, hedging, arbitrage and all combinations thereof.

Derivative trading also lets short sell stocks/currency. This is beneficial when one has an idea that the price of a particular stock/ currency is going to reduce. In derivative trading one can first sell the stock/currency at a higher price and then buy the equal number of stocks/currency when the price has gone down. In that way one can make profit in derivative trading even if the price is going down. There are broadly three types of participants in the derivatives market - hedgers, traders (also called speculators) and arbitrageurs. An individual may play different roles in different market circumstances.

## **TYPES OF DERIVATIVES:**

### **FORWARD:**

A forward contract or simply a forward is a non-standardized contract between two parties to buy or sell an asset at a specified future time at a price agreed today. This is in contrast to spot contract, which is an agreement to buy or sell an asset today.

### **FUTURES:**

A futures contract is a standardized contract between two parties to buy or sell as specified asset of standardized quantity and quality at a specified future date at a price agreed today (the futures price). The contracts are traded on a futures exchange. Futures contracts are not "direct" securities like stocks, bonds, rights or warrants. They are still securities, however, though they are a type of derivative contract.

#### **Major Advantages of Futures Trading over Stock Trading:**

- Margin is available
- Possible to do short selling
- Brokerages are low

### **OPTIONS:**

An option is a contract between a buyer and a seller that gives the buyer of the option the right, but not the obligation, to buy or to sell a specified asset (underlying) on or before the options expiration time, at an agreed price, the strike price. In return for granting the option, the seller collects a payment (the premium) from the buyer.

- **A call option** gives the buyer of the option the right but not the obligation to buy the underlying at the strike price.
- **A put option** gives the buyer of the option the right but not the obligation to sell the underlying at the strike price.

**SWAPS:**

A swap is a derivative in which two counterparties exchange certain benefits of one party's financial instrument for those of the other party's financial instrument. The benefits in question depend on the type of financial instruments involved. Specifically, the two counterparties agree to exchange one stream of cash flows against another stream. These streams are called the legs of the swap. The swap agreement defines the dates when the cash flows are to be paid and the way they are calculated.

**WARRANTS:**

Options generally have lives of up to one year, the majority of options traded on Options exchanges having a maximum maturity of nine months. Longer-dated options are called warrants and are generally traded over-the-counter.

**LEAPS:**

The acronym LEAPS mean Long-Term Equity Anticipation Securities. These are options having a maturity of up to three years.

**BASKETS:**

Basket options are options on portfolios of underlying assets. The underlying Asset is usually a moving average of a basket of assets. Equity index options are a form of basket options.

**FOREIGN EXCHANGE SPOT (CASH) MARKET**

The foreign exchange spot market trades in different currencies for both spot and forward delivery.

It consists of a network of foreign dealers which are often banks, financial institutions, large concerns, etc. The large banks usually make markets in different currencies. In the spot exchange market, the business is transacted throughout the world on a continual basis.



# **CURRENCY DERIVATIVES**

## **INTRODUCTION TO CURRENCY DERIVATIVES**

Each country has its own currency through which both national and international transactions are performed. All international business transactions involve an exchange of one currency for another.

Currency-based derivatives are used by exporters invoicing receivables in foreign currency, willing to protect their earnings from the foreign currency depreciation by locking the currency conversion rate at a high level. Their use by importers hedging foreign currency payables is effective when the payment currency is expected to appreciate, and the importers would like to guarantee a lower conversion rate. Investors in foreign currency denominated securities would like to secure strong foreign earnings by obtaining the right to sell foreign currency at a high conversion rate, thus defending their revenue from the foreign currency depreciation. Multinational companies use currency derivatives being engaged in direct investment overseas. They want to guarantee the rate of purchasing foreign currency for various payments related to the installation of a foreign branch or subsidiary, or to a joint venture with a foreign partner. A high degree of volatility of exchange rates creates a fertile ground for foreign exchange speculators. The most commonly used instrument among the currency derivatives are currency forward contracts.

A futures contract is a standardized contract, traded on an exchange, to buy or sell a certain underlying asset or an instrument at a certain date in the future, at a specified price. When the underlying is an exchange rate, the contract is termed a “currency futures contract”. In other words, it is a contract to exchange one currency for another currency at a specified date and a specified rate in the future.

### **NEED FOR EXCHANGE TRADED CURRENCY FUTURES:**

With a view to enable entities to manage volatility in the currency market, RBI on April 20, 2007 issued comprehensive guidelines on the usage of foreign currency forwards, swaps and options in the OTC market. At the same time, RBI also set up an Internal Working Group

to explore the advantages of introducing currency futures. The Report of the Internal Working Group of RBI submitted in April 2008, recommended the introduction of exchange traded currency futures. The counterparty risk in a futures contract is eliminated by the presence of a clearing corporation, which by assuming counterparty guarantee eliminates credit risk.

## **MORE ABOUT KARVY GROUP**

The Karvy Group is today a well-diversified conglomerate. Its businesses straddle the entire financial services spectrum as well as data processing and managing segments. Since most of its financial services were retail focused, the need to build scale and skill in the transaction processing domain became imperative. Also, during stressed environment in the financial services segment, the non-financial businesses bring in a lot of stability to the group's businesses. Karvy's financial services business is ranked among the top-5 in the country across its business segments. The Group services over 70 million individual investors in various capacities, and provides investor services to over 600 corporate houses, comprising the best of Corporate India.

The Group offers stock broking, depository participant, distribution of financial products (including mutual funds, bonds and fixed deposits), commodities broking, personal finance advisory services, merchant banking & corporate finance, wealth management, NBFC (loans to individuals, micro and small businesses), Data management, Forex & currencies, Registrar & Transfer agents, Data Analytics, Market Research among others.

Karvy prides itself on remaining customer centric as all times through a combination of leading edge technology, Professional management and a wide network of offices across India. Karvy is committed to its quest as an Equal Opportunity Employer and believes in the rights for differently-able persons. We have over 12% employees who are challenged in some form in one of our prominent businesses.

Karvy Currency Derivatives Segment, a specialized group vertical within Karvy Stock Broking Limited, has been established in 2008 to cater to the growing needs of corporate houses to manage currency exchange rate risk. At Karvy Currency Derivatives Segment (CDS),

we provide customized hedging strategies for importers, exporters and companies with foreign exchange exposure. We offer forex advisory and brokerage service for the Indian currency derivative market and provide a robust and reliable online trading platform.

Currency Derivatives Segment - Karvy Stock Broking Limited is an active member of the National Stock Exchange (NSE), Metropolitan Stock Exchange of India (MSEI) and Bombay Stock Exchange (BSE).

The Group is professionally managed and ranks among the best in technology, operations and research across the financial industry. The Karvy Group has evolved over the last three decades and today it assumes many avatars.

## **OBJECTIVES AND SCOPE**

### **Objectives of the study:**

The basic idea behind undertaking Currency Derivatives project is to gain knowledge about currency future market.

- To study the concept of derivatives and the purpose for which financial institutions adopt derivatives.
- To understand the potentiality of the derivatives as an investment avenue.
- To study the growth of Currency derivatives in Indian Capital market

### **Scope of the study:**

From its inception, trading in Currency Derivatives has started gaining interest among the investors. It is has been seen as an investment & risk reducing tool by individual investors as well as corporate or institutional investors.

## **LIMITATION OF THE STUDY**

- The analysis was purely based on the secondary data. So, any error in the secondary data might also affect the study undertaken.
- No practical excess to global market exchange.

## **RESEARCH METHODOLOGY**

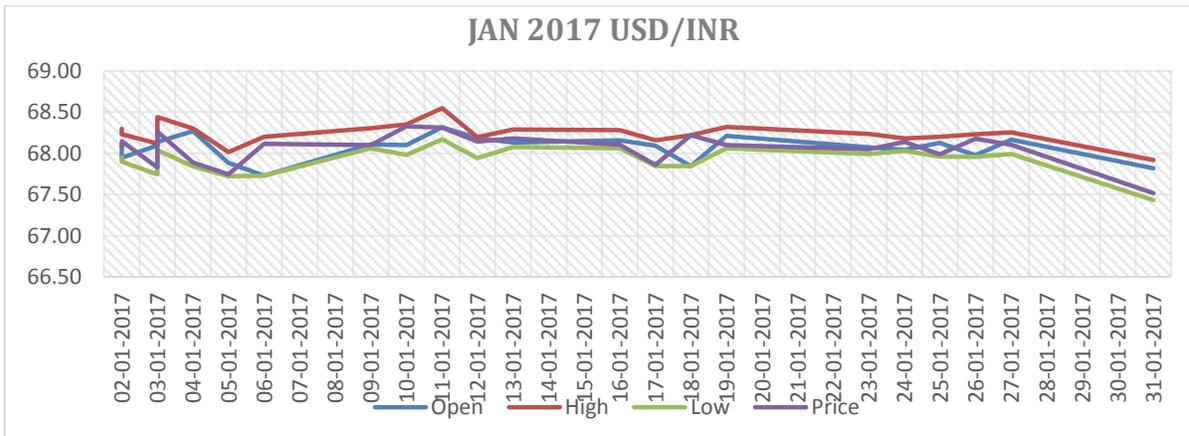
### **➤ TYPE OF RESEARCH**

In this project Descriptive research methodologies were used. The research methodology adopted for carrying out the study was at the first stage theoretical study is attempted and at the second stage was observed online trading on NSE/BSE.

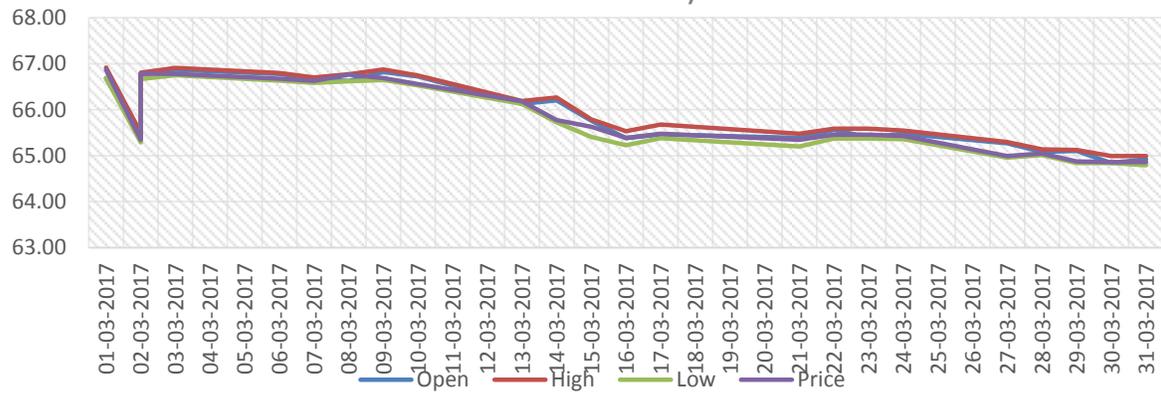
➤ **SOURCE OF DATA COLLECTION**

Secondary data were used such as various books, reports submitted by RBI/SEBI committee and NCFM/BCFM modules and also Websites of NSE, BSE, MSEI etc

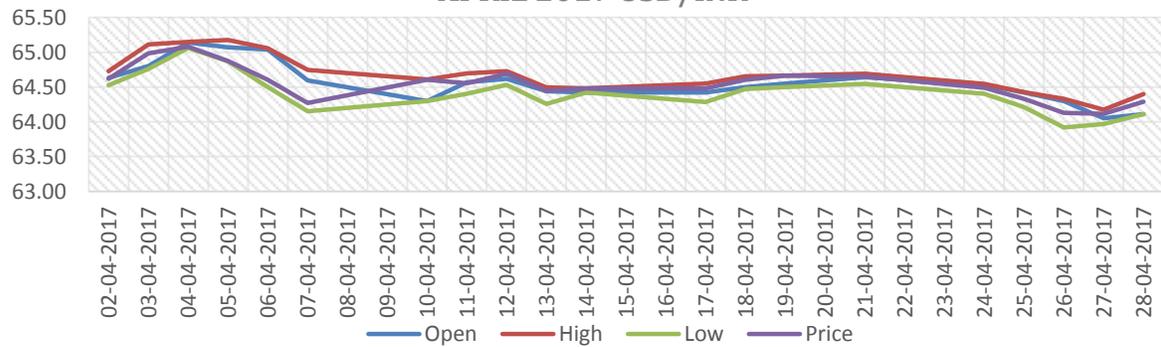
**DATA ANALYSIS**



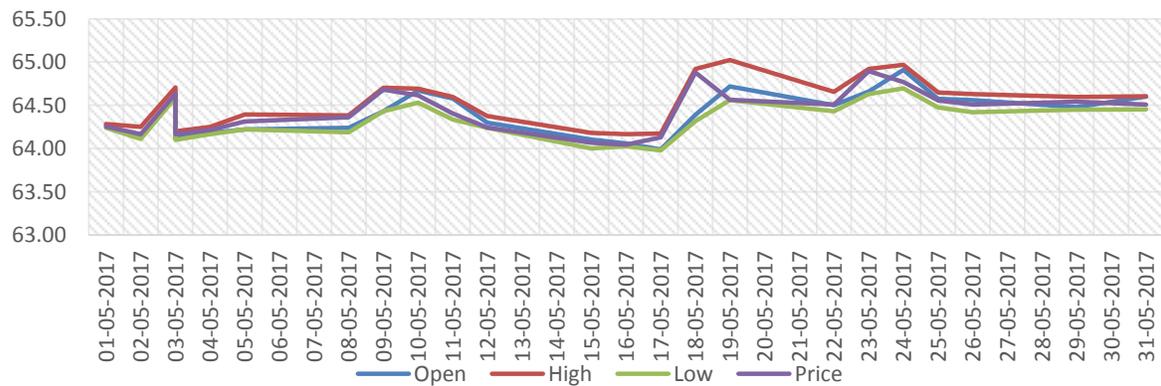
### MARCH 2017 USD/INR

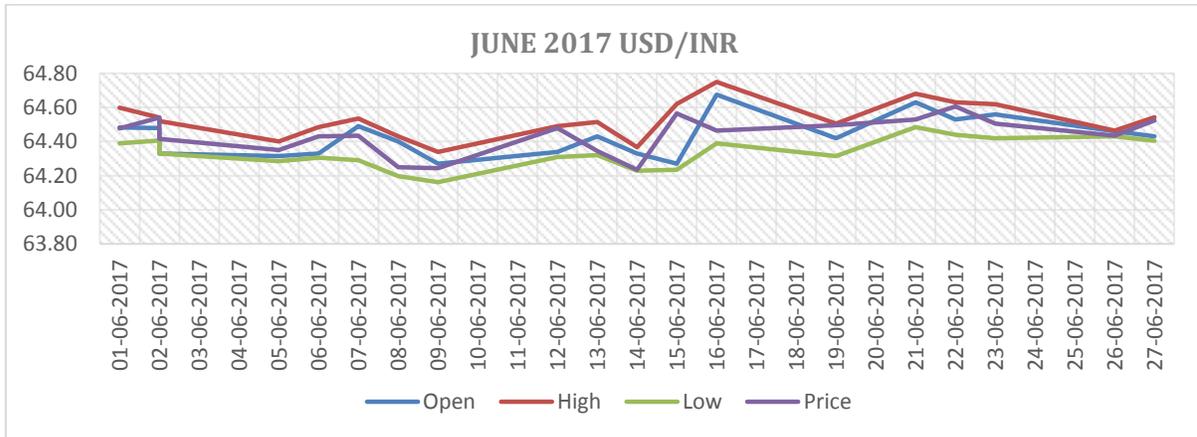


### APRIL 2017 USD/INR



### MAY 2017 USD/INR





The above graphs represent USD/INR currency pair for the months January - June 2017. The blue line denotes at what price the pair opened in the morning @ 9 A.M, red line shows the highest currency rate for that day whereas the green line shows the lowest currency rate for that day itself and the purple line denotes the last 15 minutes average traded price before the market close.

## FINDINGS

The main findings of the study are:

- Rupee has been constantly appreciated against US dollar for the first six months of the year 2017 but at a slow rate.
- Highest of 68.546 exchange rate USD/INR pair is observed in the month of January whereas lowest of 63.92 level has been hit in the month of May.
- Another reason for rupee appreciation lies in the fact that foreign institutional investors (FIIs) are pouring money into the Indian Stock Market.
- Also the inflation rate was low during this period which helped the economy to grow, thereby strengthening the rupee.
- The dovish attitude of Federal Reserve Bank to increase interest rate is also the reason for appreciation of rupee against the dollar.

Other findings through my observation were:

- Most of investors go through broker's suggestion because they don't have much knowledge and also, they don't know how to trade in derivatives.
- There is a limit of USD 15 million on each exchange (NSE/BSE) i.e. an exporter or importer cannot take a position more than that.
- Larger exporter and importer has continued to deal in the OTC counter even exchange traded currency future is available in markets.
- Currency derivatives are getting popular now-a-days due to their attractive return on investments.
- GST-The historic good and service tax bill which was passed in on 8th August 2016 can be one of the reason rupee being appreciated.

## CONCLUSION

The main conclusions of the study are:

- The challenges of building awareness and educating the people about derivatives, active marketing of the product have all required significant efforts in paving the way for a vibrant derivatives market.
- The market has made enormous progress in terms of technology, transparency and the trading activity.
- By far the most significant event in finance during the past decade has been the extraordinary development and expansion of financial derivatives. These instruments enhance the ability to differentiate risk and allocate it to those investors most able and willing to take it- a process that has undoubtedly improved national productivity growth and standards of livings.
- The currency future gives the safe and standardized contract to its investors and individuals who are aware about the forex market or predict the movement of exchange rate, so they will get the right platform for the trading in currency future.
- Because of exchange traded future contract and its standardized nature gives counter party risk minimized. Initially only NSE had the permission but now BSE and MSEI has also started currency future. It is shows that how currency future covers ground in the compare of other available derivatives instruments.
- Not only big businessmen and exporter and importers use this but individual who are interested and having knowledge about forex market they can also invest in currency future. Exchange between USD-INR markets in India is very big and these exchanges traded contract will give more awareness in market and attract the investors.

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- [www.investopedia.com](http://www.investopedia.com)
- [www.moneycontrol.com](http://www.moneycontrol.com)
- [www.sebi.gov.in](http://www.sebi.gov.in).
- Indian Rupee vs. Dollar: A Deep Insight  
Vine Narang  
Assistant Professor, Shaheed Bhagat Singh (Evening) College, University of Delhi,  
India

# **A Project Report On “Descriptive Analysis of the Various Factors Contributing Towards Business Excellence in Raychem RPG”**

**Student - Poonam Choudhary**

**Faculty mentor - Dr. Sanchita Banerji**

## **OBJECTIVES OF THE STUDY**

- To study the EFQM Excellence Model with the application of RADAR approach.
- To identify, compare and rank the factors of people practices leading to Business excellence.
- To suggest further scope of improvement in implementing various people practices leading to Business Excellence.

## **RESEARCH METHODOLOGY**

Research includes any gathering of data, information and facts for the advancement of knowledge. Research is a process of steps used to collect and analyses information to increase our understanding of a topic or issue.

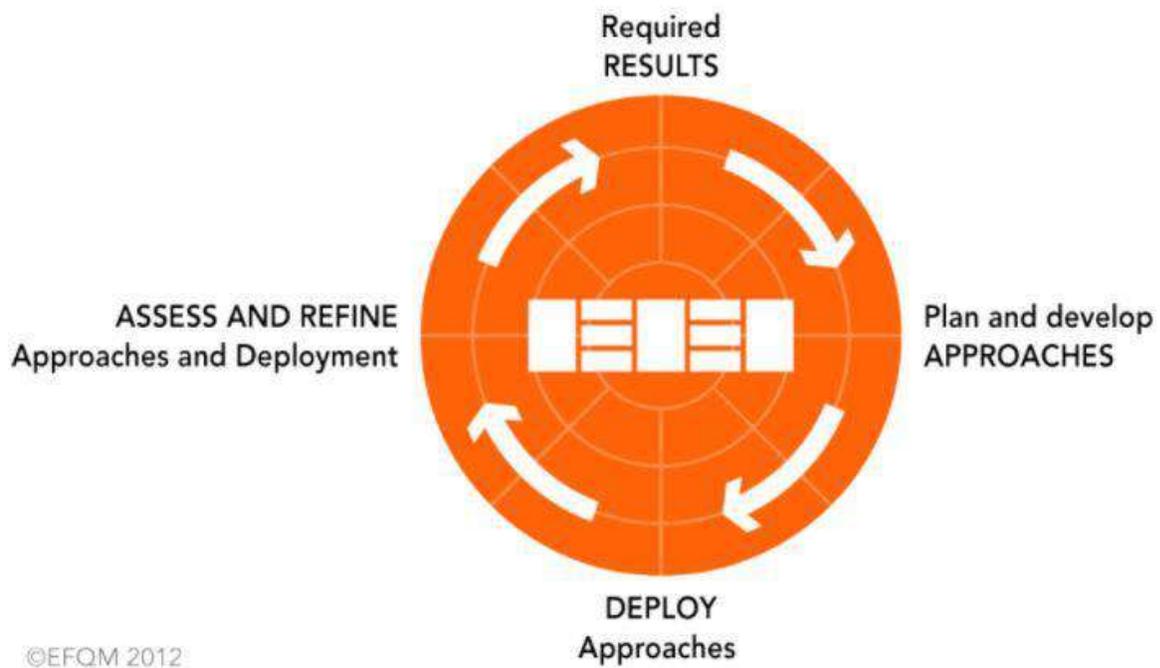
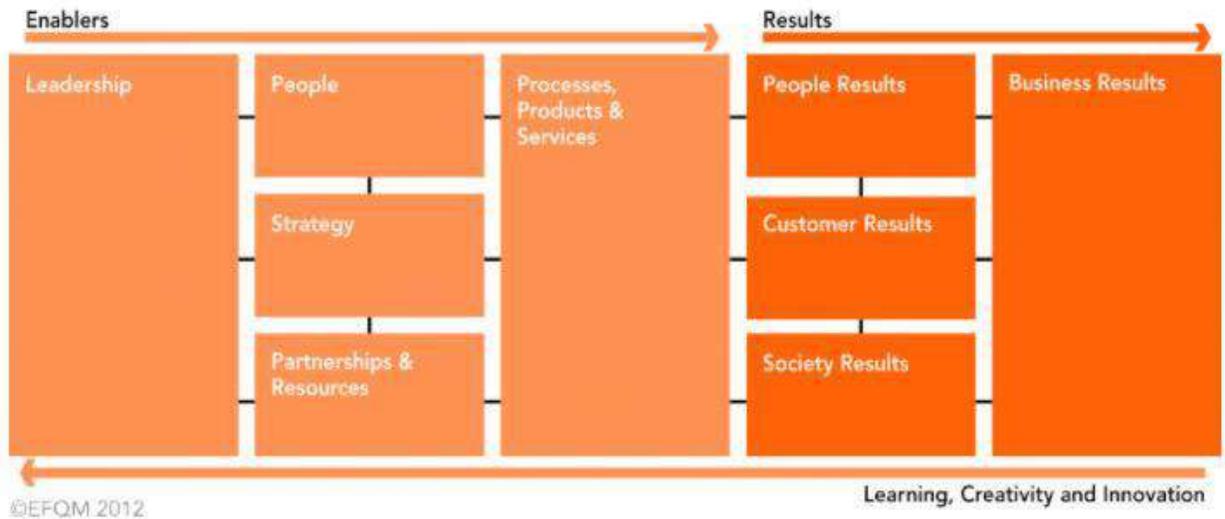
The study is based on descriptive analysis. Descriptive analysis is used to describe the basic features of the data in a study. They provide simple summaries about the sample and the measures. Together with simple graphics analysis, they form the basis for quantitative analysis of data. Descriptive analysis is simply describing what is or what the data shows. Descriptive research is description of the state of affairs as it exists at present.

The data is analyzed based on the concept of trend analysis. Trend Analysis is aimed at projecting both current and future movement of events through use of time series data analysis which involves comparison of past data over a sequential period of time to spot a pattern or trend.

The project is based on the secondary data. The data has been collected and analyzed by the Business Excellence team of Raychem RPG. The data is collected from the Business Excellence Report 2017 of Raychem RPG, Journal of EFQM Model.

The data is collected from the Head HR of each SBU i.e. International Business Division, Transformers Division, Energy Product Division, Oil & Gas Division, RIC, IT and Finance division. The data has been collected for the period of three years. And based on the data of these three years trends of the criteria is analyzed. And further improvements or measures in achieving the set targets and benchmarks are taken based on this trend. The benchmark is set on the basis of RRL's guidelines and according to the best in the industry relating those factors.

Even the benchmark is taken from the RPG enterprises to achieve excellence amongst the entire RPG group.



## KEY FINDINGS

- RADAR Logic is a simple but powerful management tool to drive continuous improvement. RADAR approach states that the organization should determine the results, Plan & develop approaches to deliver the required results, deploy the approaches to ensure implementation and finally assess and refine the deployed approaches based on monitoring and analysis of the results achieved.
- Business excellence report helped to build the brand reputation because the organization which follows this process are awarded based on this report and Raychem RPG has been awarded as Great Place to Work and because of this people look forward to coming and work here, the employees feel proud to tell others that they work here and the way it contributes to the society.
- It has provided opportunities to the employees to develop & grow, it has helped the employees to maintain their work – life balance and create a pride amongst them about the organization.
- There is high employee satisfaction and engagement because the overall scores of perceptions of the employees towards the organization is good. This shows that there is a healthy relationship between the organization and its people.
- The diversity at Raychem RPG is low because it's a manufacturing industry plus the factory are located at the out–skirts of the city which causes less chances of hiring skilled women labourers and workmen.

## **RECOMMENDATIONS**

- Average training man days of staff & operators need to be increased. Training man days should increase whereas the training cost should reduce.
- The training cost can be reduced by creating or hiring in – house trainers.
- The Learning and Organization Development head should coach or mentor the candidate who is best suitable for the training purpose.
- Outsourcing of trainers and training programs should be reduced as increases the cost of the training.
- Training programs can be made online which provides free accessibility from any place and any time and provides greater convenience to the employee to get trained. And it's only a one-time cost and the return on such kind of investment would be very high.
- The diversity at Raychem RPG needs to be worked upon. For enhancing the diversity percentage, the company should hire and train women workers and labors. It would bring efficiency and would even lead to development of the society and provide women empowerment.
- The communication skills need to be improved because when a work is assigned to the person, the person only knows how the work needs to be done but why he/she is doing that work is missing. The ultimate goal or objective of the work is not clearly communicated.
- Special software or excel sheet should be provided at the beginning of the year to fill the adequate data in it as and when required, which would help to get data any time with no time loss and the data would have greater accuracy.

## CONCLUSION

- Business Excellence Model provides and gives importance to Training in the organization. It trains the leaders for excellence.
- Business Excellence Model helps in Self – Assessment. Basically, it's a matrix or tool used for self – assessment.
- It helps in sharing the data, achievements, areas of improvement and drawbacks of the organization to all the employees which would help in self – improvisation and getting inspiration from our own knowledge base
- The organization which applies Business Excellence Model is recognized for excellent quality and is even awarded for it.
- The secret to successful implementing the EFQM Excellence Model, as with any management approach, is to integrate it into “the way the organization work”.
- Business Excellence Model helps in strategic planning. It is a document that describes the key objectives & supporting actions of the organization's future activities.
- It helps to create a management supporting system. This system helps the top management to review the overall performance of the organization.
- It helps to identify and understand the customers & employees perception because it is a structured process to collect feedback from the customers as well as from the employees to gauge their level of satisfaction with our products and services.
- It helps to build a process management. Because the processes required delivering the organization strategic goals which have been defined and documented.
- Business Excellence Model helps to maintain sustainability. Because the policies one has developed in the organization is to ensure the future sustainability of the organization's business model.
- The company should follow this EFQM excellence model because it provides long term benefits.

## **A Project Report On Analysis of Trends in Banking:**

### **Global and Indian**

**By Shruti Polkondwar**

**Dr. Sarita Vichore – Faculty Guide**

#### **COMPANY PROFILE :**

Quant Capital Broking Limited is a securities and brokerage firm which offers a range of products and services, including global wealth management, equity and commodity broking and advisory services, and comprehensive and in-depth analysis in the form of fundamental, quantitative and behavioral research. The Company had initiated this project of “Analysis of Trends in Banking – Global and Indian” so as to know, what the possible future of Banking Industry in India is. This project would also help the firm in the portfolio management of their clients.

#### **SCOPE OF THE STUDY:**

- **Liability Franchise:** The scope of the study is limited to trends in borrowing patterns of Banks in India (2005-2016) and for comparison purpose, only four of the major global banks have been considered – viz. JP Morgan Chase & Company, Bank of America, Wells Fargo & Company and Citibank so that the recent changes in the trends can be analysed and a conclusion can be drawn on whether it would be beneficial for Banks in the current scenario to focus more on Bonds than Deposits as a source of raising Funds
- **Capital Adequacy:** The study involves analysis of the Global capital adequacy levels and how Indian Banks are managing their risk and the areas where complete implementation of Basel III Norms by Indian Banks is yet to happen
- **Technological Advancement:** Various technological trends across the globe were analysed to understand how Indian Banks can adopt advanced technology (presently used by other banks globally) to sustain in the current scenario
- **Product Offerings:** The purpose was to suggest few lending products that are currently being offered by other banks Globally to their customers, which Indian Banks can

also consider offering in India so as to increase their opportunities of earning revenues from different sources and increasing their customer base

- Indian banks' expansion in to global markets: The study aimed to understand whether it would be beneficial for Indian Banks to consider expanding operations outside India amidst many Global banks exiting their international operations.

## **OBJECTIVE OF THE PROJECT:**

The objective is:

- To know the trend in Banks' borrowing patterns globally
- To analyse the Capital Adequacy levels
- To analyse the gap between the technological trends in Banking (Global v/s Indian)
- To study the differentiated lending products offered by banks
- To know whether Indian Banks should expand operations outside India

**Concepts used :**

- Descriptive Statistics
- Learnings from Banking, Finance and Insurance
- Non-Performing Assets
- Analysis of Sources of raising funds for a Bank
- Macro-economics (GDP and FDI and their relationship with various industries)

**Definitions:**

1. Blockchain - It is a new type of database system which enables multiple parties to share access to the same data, at virtually the same time, with an unprecedented level of confidence. Block Chain technology can drive dramatic efficiency gains, save billions of dollars and substantially reduce risk. Blockchain's components help in data sharing and asset transfer, eliminates intermediaries, central third parties and expensive reconciliation processes.
2. Countercyclical provisioning buffer – Countercyclical provisioning buffer was introduced by RBI for all banks under which banks need to set aside specific amount in good times (during years of profits) above the mandatory provisioning requirement as prescribed by RBI; so that this provision can be used only during contingencies or extraordinary times of economic or system-wide downturns thereby maintaining their profitability
3. Internet of Things (IoT): The new IoT technologies enhance user experience and reduce costs.
4. Lease Rental Discounting (LRD) – Lease Rental Discounting is a term loan offered against rental receipts derived from lease contracts with corporate tenants. The loan is provided to the lesser based on the discounted value of the rentals and the underlying property value.
5. E-gold loan (How it normally works in NBFC's) -The customer needs to go to the branch only once. The loan amount will be credited to his account. Interest and repayment can be done using online channels.

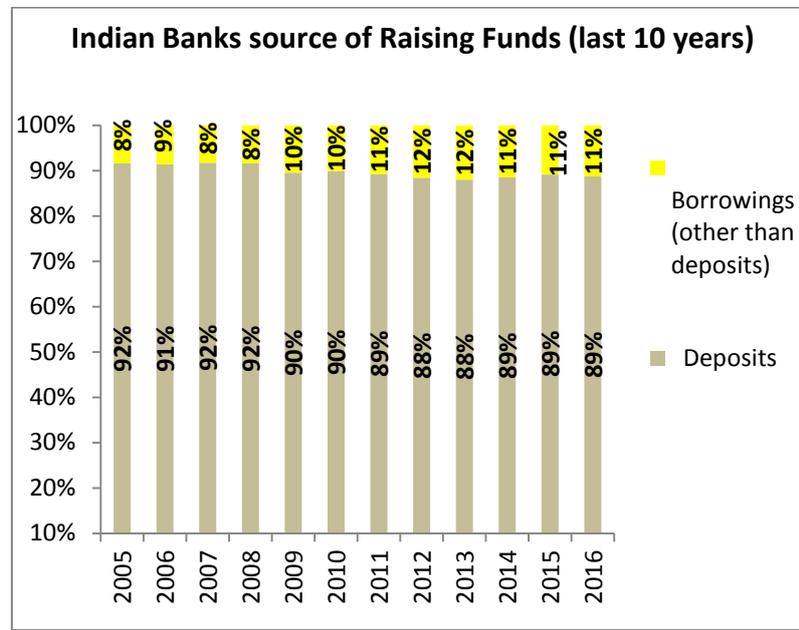
## **RESEARCH METHODOLOGY :**

- No primary data was obtained for the study of this project, only secondary data was collected on which further charting was done and trends were analysed
- Both cross-section and time-analysis was done for the above mentioned objectives
- Analysing various parameters like Borrowing pattern of banks, Capital Adequacy levels, Productivity, Interest Rates, etc of different banks
- The analysis of the data collected was done using descriptive statistics only
- The data provided by Quant Capital Broking Limited included data on domestic banks which was readily available with the firm (from Financial Statements of various Indian Banks)

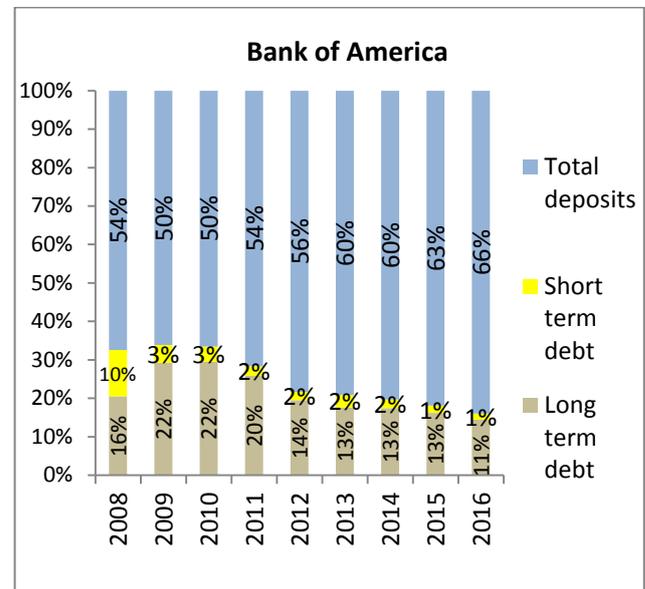
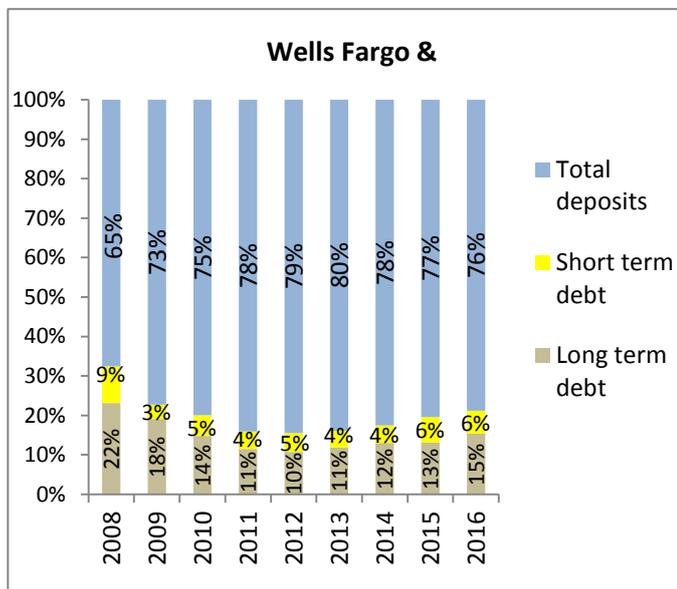
# DATA ANALYSIS AND INTERPRETATION :

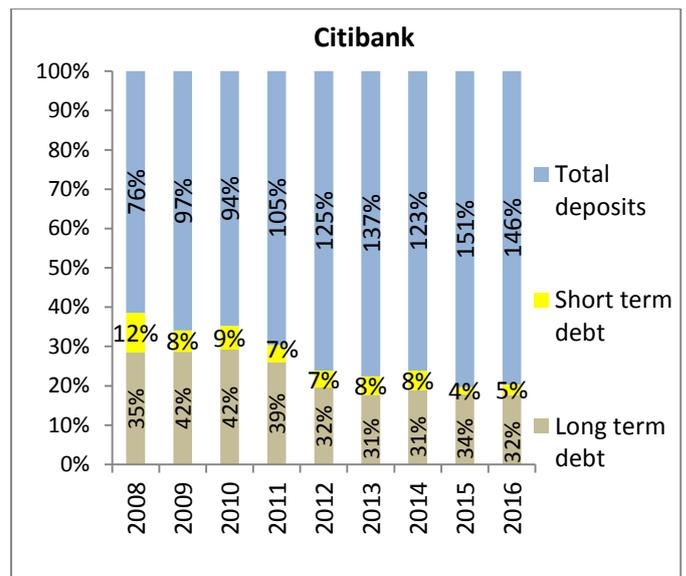
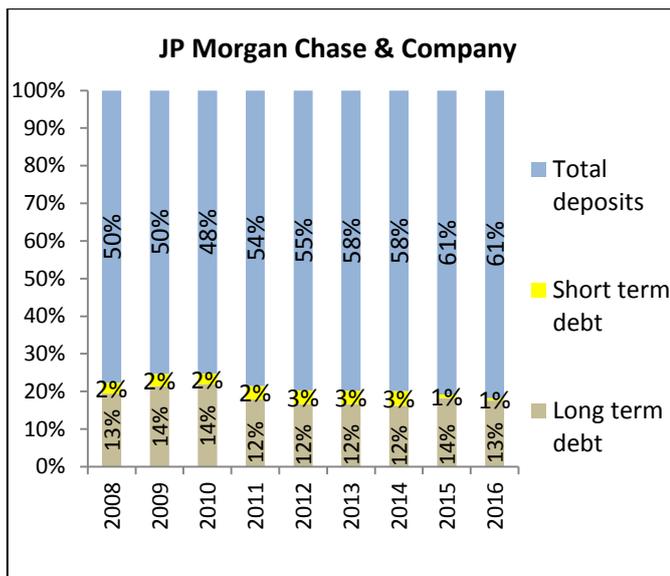
## 1. LIABILITY FRANCHISE

- Source of raising funds by Scheduled Commercial Banks in India for past 10 years:



- Source of raising funds by Global Banks:





While having a look at Banks from United States (refer above graphs), it was observed that, over the last 8 years, the total deposits of these US banks are forming a major constituent of Total Liabilities. Also, the long term debt is comparatively much higher than the short term debts.

However, if these figures are compared to Indian Banking System, we can see that the borrowing (other than deposits) is much higher for global banks than Indian banks.

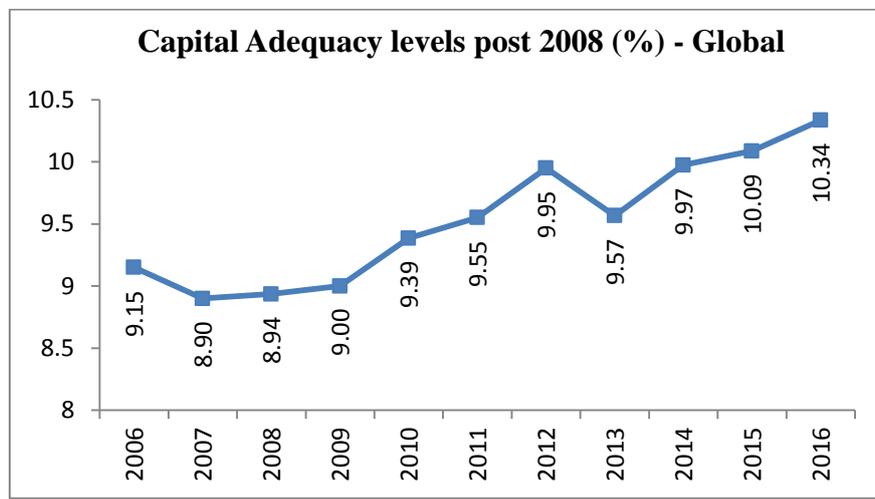
We further analysed the Regulatory framework for issuance of bonds in India by Banks and observed the following:

- Reserve Bank of India (“RBI”) for the first time permitted a multilateral financial institution to issue rupee denominated dollar settled global bonds in 2014 and based on the demand for such rupee bonds, RBI had decided to liberalize the legislative framework governing issuance of rupee bonds.
- RBI also liberalized the External Commercial Borrowings (“ECB”) framework permitting Indian corporate to avail overseas rupee denominated debt (“Rupee Bonds”) with extremely minimal restrictions.
- RBI's regulatory stance has now become "neutral" from "accommodative" on account of upside risks to inflation and excess liquidity. This makes overseas borrowing in form of bonds as an attractive source of debt funding

Presently, Bonds which are being issued by Indian banks include Green bonds, Masala bonds, Infrastructure bonds, Basel III compliant bonds etc.

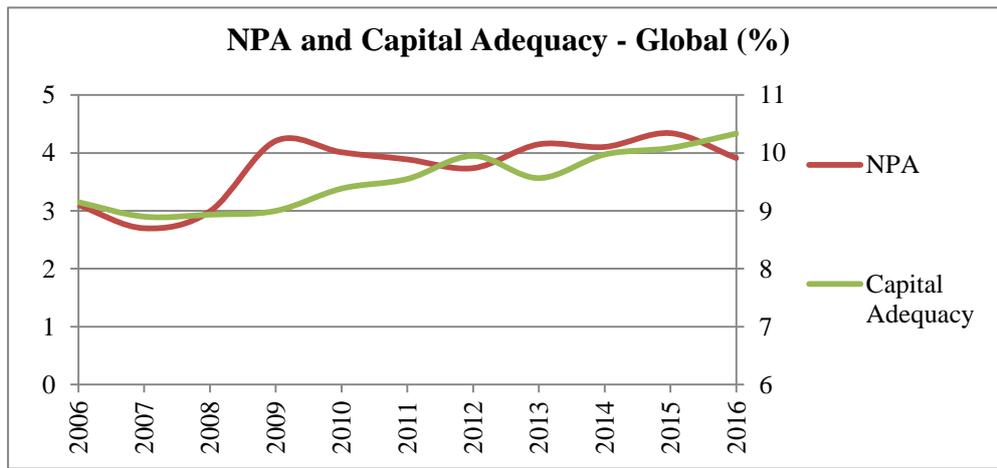
If we look at benefits of issuing bonds with regards to Statutory Liquidity Ratio and Basel III Norms (framed to enhance quality, consistency and transparency of the capital base and strengthening the risk coverage of the capital framework), the bond issuances are helping banks in India to comply with these regulatory requirements, as well as they help meet the capital requirements since these bonds cannot be redeemed as easily as a bank loan.

## 2. CAPITAL ADEQUACY



As seen from the above graphs, adequacy levels worldwide have grown to a healthy 10.34% as of 2016 which are in compliance to the Capital Adequacy Ratio requirement of 8% and above prescribed by Basel Committee on Banking Supervision (BCBS) under its Basel III norms.

Further, the trends in Capital Adequacy levels and NPAs was analysed :



The banks are making conscious efforts to improve their capital adequacy to bring NPA levels under control post 2008 financial crisis. Historically, we can see that NPA and capital adequacy levels are inversely proportional. During crisis, the NPA levels shoot up and since enough provisions are not made beforehand, it affects the profitability of banks as well as their capital.

Therefore, RBI had introduced Countercyclical provisioning buffer and Banks have started building these reserves since 2010. This countercyclical provisioning buffer was created by RBI when the “Countercyclical capital buffer” was yet to be finalised under Basel III by Basel Committee on Banking Supervision (BCBS).

Apart from the “Countercyclical provisioning buffer” created by RBI, other regulations completely adopted by Indian Banking Industry (as per the “Twelfth progress report on adoption of the Basel regulatory framework” by BCBS published on April 25<sup>th</sup>, 2017) include the following:

- Monitoring tools for intraday liquidity management
- Leverage ratio disclosure requirements
- Systematically Important Banks requirements

However, there are other 12 standards as specified in Basel III norms that will be implemented by 2019 by RBI (estimated).

Also, the finalisation of Basel III Norms, which most economists and bankers call as “Basel-IV” would bring in a lot of changes in the capital requirements of the banks affecting their profitability.

### **3. TECHNOLOGICAL ADVANCEMENTS**

#### **Future Prospects:**

Among the Global Banks following technologies have already been implemented or are used to enhance customer experience:

- Artificial Intelligence
- Robotics
- Analytics in Banking
- Blockchain
- Internet of Things
- EVA (Enlightened Virtual Assistance)

Few more examples of advanced Technology already becoming a present are given below:

- JP Morgan Chase has introduced Chase QuickDeposit through which customers can deposit cheques with the ease of taking a photo on their mobile device.
- Most of the major banks like Bank of America, JP Morgan Chase & Company, Wells Fargo & Company, etc. have started replacing ATM cards to withdraw cash with mobile phones using the near-field communications (known as N.F.C.) chip.
- DBS Bank has introduced Video Teller Machines (VTMs) to offer round-the-clock branch banking services

As per a report by Cognizant, robotics and new-age technologies have improved standardization 19%, reduced error rates 21% and cut time-to-market 21%.

If we have a look at the technology adopted by Indian Banks, only a few banks have started implementing advanced technology with ICICI being the frontrunner by being the first Indian Bank to have implemented Blockchain successfully. Presently, Kotak Mahindra Bank and Axis Bank are having a pilot run on Blockchain.

Even HDFC Bank has tied up with an artificial intelligence firm to bring in conversational chatbots. However, not many banks in India have reached the level where their Global peers have reached in terms of technological advancements.

If reach within India is to be considered, the use of chatbots will ease banking experience for people in rural areas. Similarly, Micro- ATMs connect bank customers of rural areas who are far away from the branches. The use of Internet banking and mobile banking will help old age people as well.

#### **4. PRODUCT OFFERINGS**

Indian Banks traditionally offered plain vanilla mortgage products with just the flexibility of fixed/floating interest rate option for the borrower. They introduced the different variants of mortgage products, such as reverse mortgage only a few years ago. However, there are other products that can be used by Indian Banks to increase profitability.

##### **Consumer Durable Loans**

- Currently, Indian Banks finance only a tenth of consumer durable purchases.
- Indian Banks offering 0% interest consumer durables finance is helping them increase their customer base.
- This also enables banks to know about customer preferences and then offer them other custom made financial products.
- Indian Banks can benefit by providing such loans more in Southern and Western India as high-value products account for about two-thirds of total consumer durable sales in these regions.

##### **Lease Rental Discounting (LRD)**

- Banks offer LRD to developers of commercial properties wherein the banks' discount developers rent receivables and lend them money.
- It is a good option for the banks since the loan offered to the customers is for long term ranging from 3 years to 15 years with lending rates for loan against property higher than other loans

- LRD will also enhance the credit quality of the Loan Against Property (LAP) portfolio through assured repayments in the form of assigned rentals.

### **Construction Equipment Leasing**

- Globally, leasing/rental of construction equipment is a well established market as it is a simple and cost effective way of financing.
- However, India's construction equipment rental market is underdeveloped as compared to other developing economies of the world. Earthmoving and construction equipment rental penetration is only 8% compared in India to other countries.
- Also, since banks till now have mainly catered to the needs of large players and were reluctant to cater to the needs of small and medium sized player, through leasing and renting in construction equipment industry, banks can now cater to smaller players, thus increasing their customer base.
- Among the Indian banks, HDFC bank leads the market with a market share of around 15% for FY 2014-15 in construction equipment leasing followed by IndusInd and ICICI bank having market share of 8% each for the FY 2014-15.

### **Loan against Gold**

- Online gold loans:
  - Online gold loan has been in the market for over one year. Initial trend suggests that, going forward, e-gold loan will take the centre stage from the centuries old method of availing loan against gold.
  - Rural India accounts for 60 per cent of the customers of gold loan business in India which is roughly worth Rs 1.3 lakh crore. Hence, a complete switch towards the online gold loan is not possible.
  - But, initially, about 70 per cent of the business would be in cash and 30 per cent in cheques. Even if people move online, maybe 25-30 per cent will still be in cash

### **Lifestyle product financing**

- These segments are under penetrated and growing in size, thus providing a lucrative opportunity for growth.

- The banks can tie up with the number of manufacturers and retailers to provide the customers with this facility.
- This product can be offered on “0% financing” facility which will give the customers the idea of getting benefits from the same while banks receive hidden interest payments on such product offering.
- Banks can benefit from processing fees which can be around 1-1.5% and 6-8% of the product value as subvention from manufacturers. Further, banks can offer EMI (Existing membership card) cards to its existing customers. This card would enable the holder to purchase lifestyle products, by availing a loan from bank without any documents thus providing quick & hassle-free finance. Customers simply have to Swipe & Sign to buy using an EMI card.
- It is a good opportunity for the banks to enter. Till now the competition has remained low as banks are largely focused on housing finance or auto financing within retail loans while other NBFCs are in niche areas like auto finance, housing finance, gold finance or infrastructure finance.

## **5. INDIAN BANKS’ EXPANSION IN TO GLOBAL MARKETS**

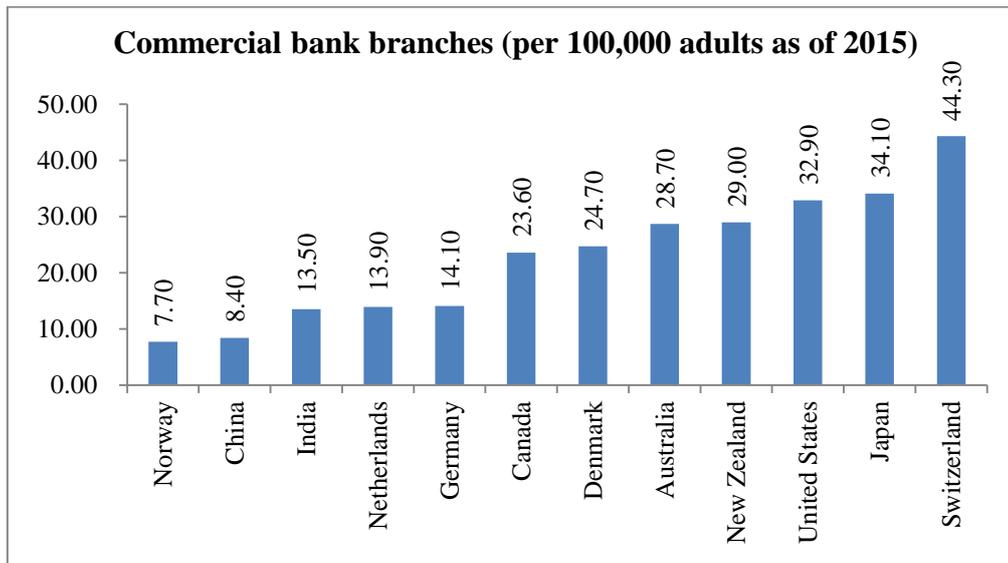
If we look at the current Indian Scenario, among Indian PSU's and private banks, the major players spread globally are State Bank of India (SBI), Bank of Baroda (BoB), Bank of India (BOI), ICICI Bank, Axis Bank and Punjab National Bank (PNB)

### **Feasibility of Indian Banks to go Global:**

To know whether it is really feasible for Indian Banks to move out of domestic markets or not, we have considered four parameters:

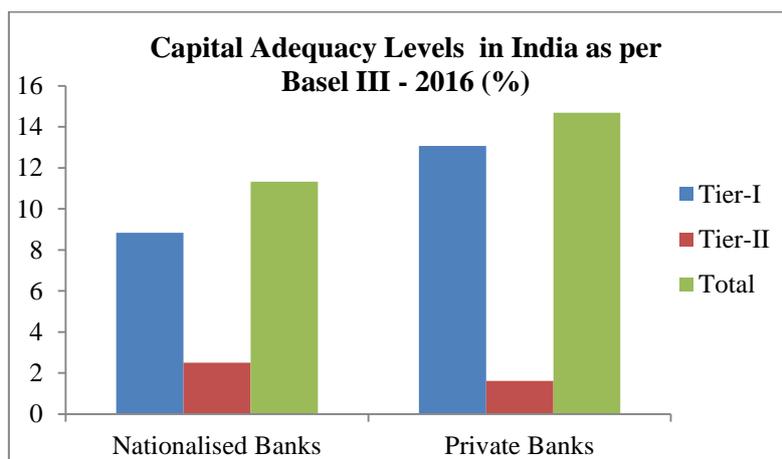
- Banking Penetration in India
- Adequacy Levels and Non -Performing Assets (NPA) cycle of Banks in India
- Net Interest Margins of Banks in India
- Risk of NPA in foreign countries

**a) Banking penetration in India – Scope and growth**



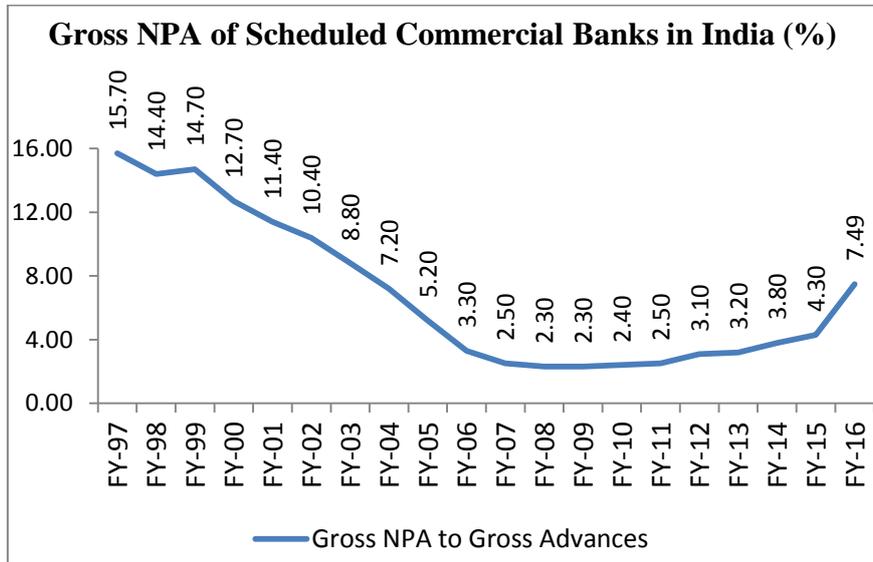
From the available data it can be seen that within India there is huge scope for financial inclusion. The number of commercial bank branches in India per one lakh adults is less as compared to the developed countries. Over a period of time, the traditional banking channels have received a boost through various Government Schemes; however, banks can still pursue goals to convert the unbanked population in India into one that has high financial inclusion and reduce the usage of cash for transactions.

**b) Adequacy levels and NPA cycle**



The private banks have sufficient Capital Adequacy as per Basel III Norms than Nationalised banks to expand operations outside India. However, if the NPA cycle in India is taken into

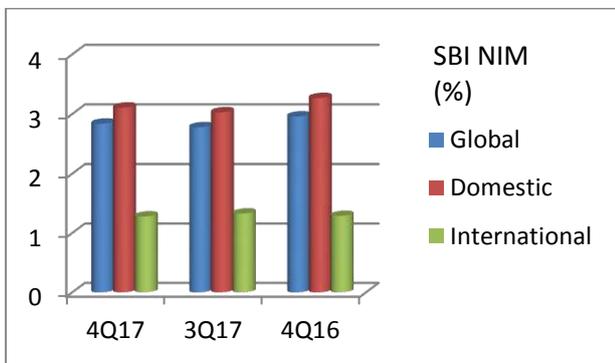
consideration, Indian Banks need to clear their NPAs before trying to expand operations globally. It can also be noted that the NPA levels improved post 1997-98 Asian Financial Crisis till the next Global Financial Crisis of 2008 and had declined to 2.50% (Gross NPA to total gross advances) in the year 2010-11. However, it has further increased to 7.49% in the year 2015-16 (refer below graph)



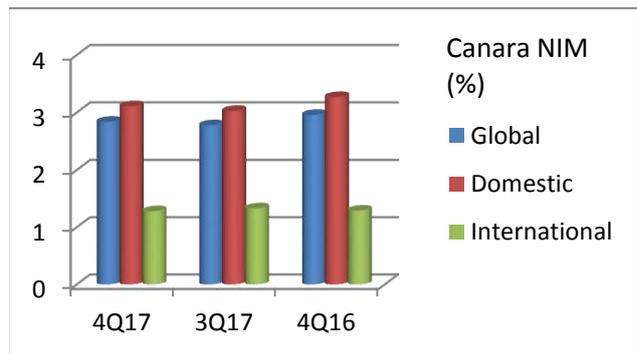
**c) Net Interest Margins of Banks**

Net Interest Margin from International operations is much less than those for domestic operations for both PSU's and private Indian banks (refer below graphs)

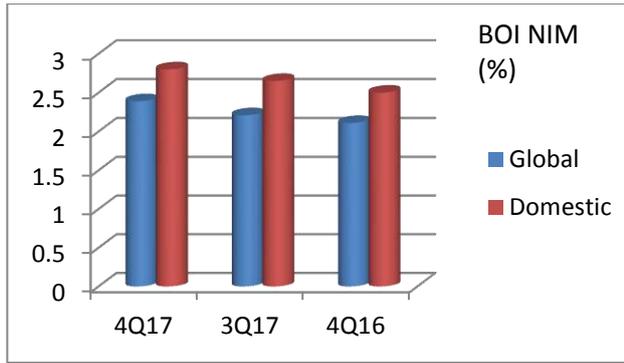
1. SBI



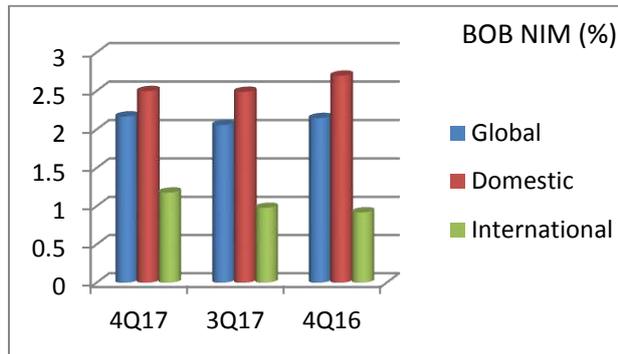
2. Canara



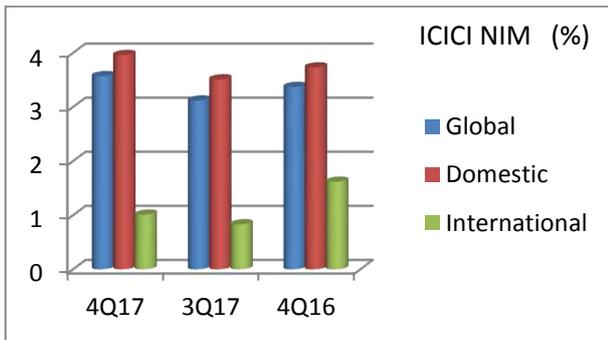
3. BOI



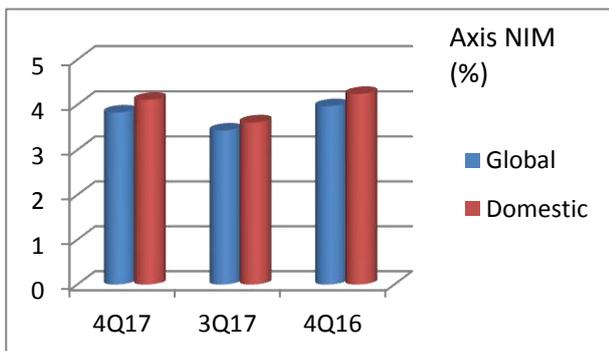
**4. BOB**



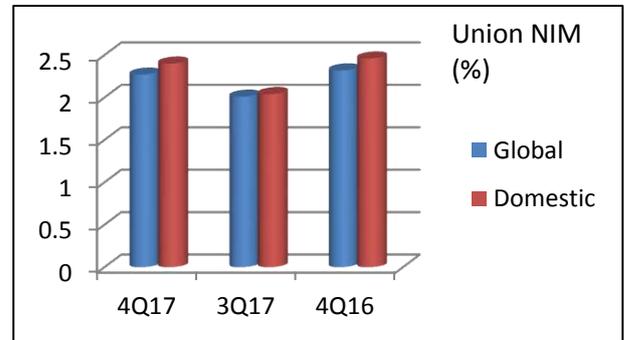
**5. ICICI Bank**



**6. Axis Bank**

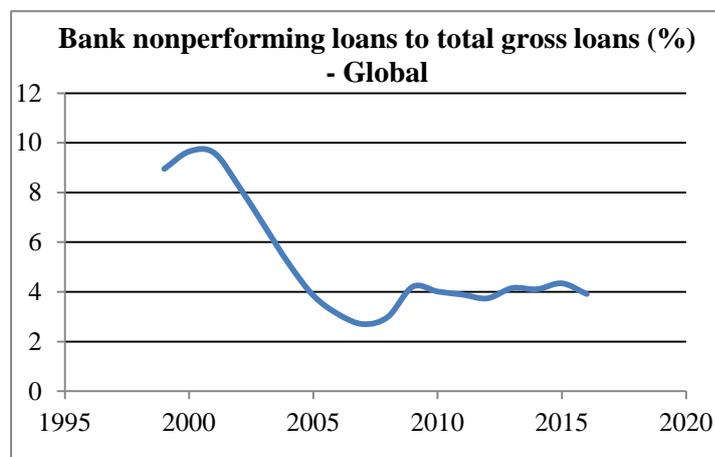


**7. Union Bank**



**d) Risk of NPAs in foreign countries**

Globally, NPA's have decreased substantially from 2001 to 2007. During the financial crisis of 2008, NPA figure had shot up and post financial crisis, the rate of NPA has been around 4%. As compared to Indian Banks the NPA levels of Foreign Banks are relatively lower however, the risk still exists.



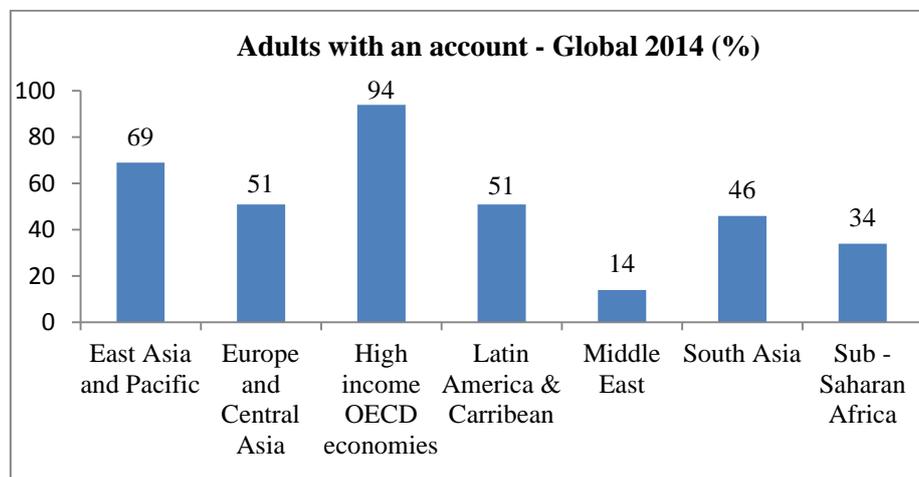
**Areas where expansion for traditional banking channels is required**

If Indian Banks were to expand operations globally, we need to look at possible countries where there is scope for Indian Banks to grow.

**a) Low Penetrated countries**

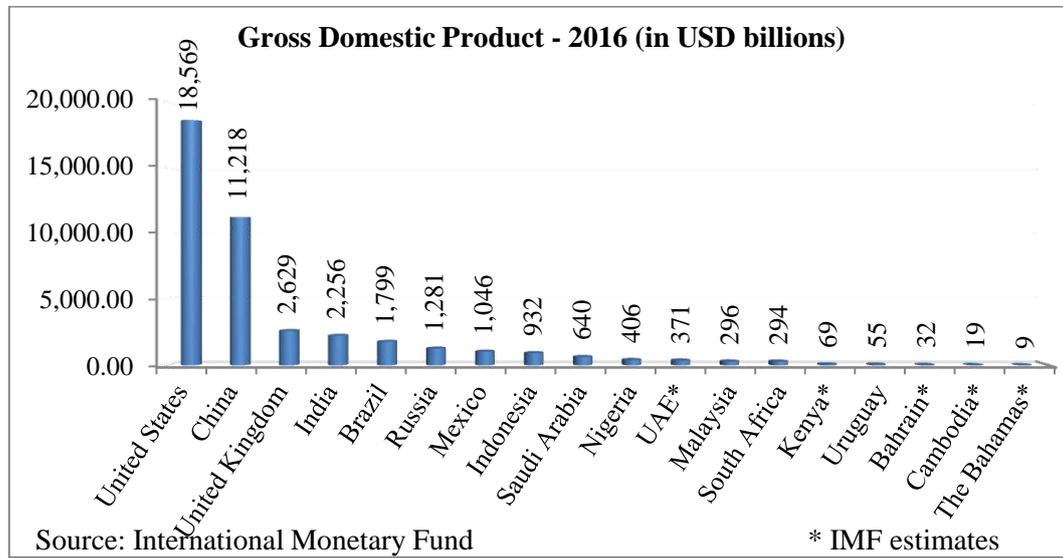
In high-income OECD economies, 94% of adults reported having an account in 2014, whereas in developing economies only 54% did. In developing regions, account penetration ranged from 14% in the Middle East to 69% in East Asia and the Pacific. The lowest account

penetration was sighted in Middle East followed by Sub-Saharan Africa and further followed by South Asia (refer below graph).



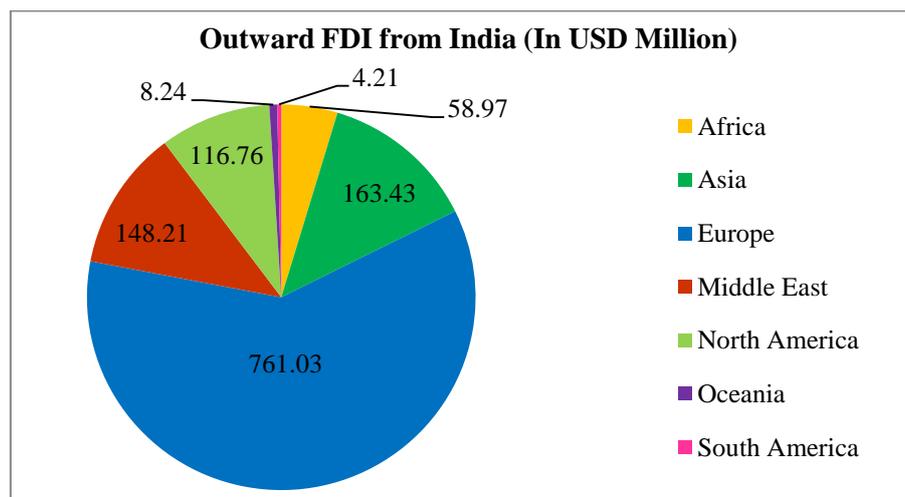
Globally 42% of adults borrowed money in the year 2013. Number of adults who availed loans was low in Latin America and the Caribbean with 33% and highest in Sub-Saharan Africa with 54%. In 2014, 18% of adults reported to have borrowed from a financial institution in high-income OECD economies in the past year. In all other regions family and friends was the most common source of new loans. In developing economies, 29 percent of adults reported borrowing from family or friends, while only 9 percent reported borrowing from a financial institution. In Sub-Saharan Africa, 42 percent of adults reported borrowing from family or friends.

b) *Size of Economy:*



It is known that the developed economies are saturated and therefore, there is more scope for Banking Industry to grow with the emerging markets. As can be seen there is still a lot of scope for emerging markets to grow to their full potential and hence Indian Banks can target the emerging economies for expanding their global operations.

c) *Outward Foreign Direct Investment from India*



From the above chart it is evident that India has maximum Foreign Direct Investment (FDI) in Europe followed by Asia, then by Middle East and North America. However, as European economies are saturated, Indian Banks don't have much scope for growth in Europe. But Africa being an emerging market, there is scope for Indian Banks to expand in those countries. At present Bank of Baroda, State Bank of India and Bank of India have their subsidiaries set up in Africa as there is plenty of room for expansion and therefore, other Indian Banks can also follow the lead and expand their operations in Africa.

Similarly, Indian Banks can also set up operations in Middle East and other unbanked regions in Asia.

### **OBSERVATIONS AND FINDINGS:**

- a) Indian Banks reliance on raising funds through bonds (other than deposits) is less compared to that of Foreign Banks
- b) Capital adequacy levels have improved since the Financial crisis and Indian Banking system is yet to completely fulfil the Basel III norms
- c) Indian Banks need to follow the Global Banks in terms of technology adoption keeping in mind the dynamic technological environment
- d) Given the development of the Indian Banking Industry, there are few products like Lease Rental Discounting, Construction Equipment Leasing, etc. which Indian Banks can further add to their product portfolio
- e) There is huge outward FDI from India towards countries in Europe, Middle East, North America and Asia

## **CONCLUSIONS**

### **Liability Franchise:**

From the above analysis, we can conclude that banks have slowly started considering borrowing through issuance of various bonds as an attractive source of raising funds. In the long term, augmenting money through borrowings might be more beneficial than through deposits. However, raising deposits will remain a major source of raising funds by Banks since this is a key component of the primary functions of banks and the cost of deposits is also very low as compared to issuance of bonds.

Therefore, Banks should ideally have both (deposits and bonds) in their Balance Sheets to meet the regulatory requirements and for efficient asset liability management.

### **Capital Adequacy:**

Globally Banks will have to manage risk and capital carefully so as to comply with regulatory norms since the upcoming changes in Basel Norms will require Banks to maintain more capital and leverage.

Although various measures like Counter-cyclical provisioning are being undertaken by RBI, Indian Banking Industry has still a lot to work upon its endeavour to meet the International Basel III Norms and to be resilient enough for any economic turmoil in the future.

### **Technological Advancements**

The future of Banking is very much dependent on enhancing Banks' offerings through advanced technology. Implementation of blockchain, use of chatbots, Robots in banks will help reduce operating expenses and thus increase profit margin.

In the current scenario, all major global Banks are investing heavily in upgrading the technology used by them in day-to-day banking. Therefore, implementing these trends in technology by Indian Banks would therefore provide them an edge over competitors domestically and globally.

## **Product Offerings**

Among the various products offered by Banks in India, Banks can now go further by offering Consumer Durable Loans, Lease Rental Discounting, Construction Equipment Leasing, Loan against Gold (especially E-gold loan) and Lifestyle Product Financing (especially EMI cards) as these products have low penetration in India and decent potential to generate profits.

Indian Banks should also offer a wide range of products catering to global clientele as this will allow more foreign investment and thus boost the country's economy.

## **Indian Banks' Expansion in to Global Markets**

Even though there is huge scope for Indian Banks to expand their operations within India, on observing the Adequacy levels, NPA's in India, Margins and Risk of NPA's in Foreign countries, we can say that Indian Banks (especially private) have enough capital to expand their operations in other countries. Also on NPA front, Indian Banks will have to tread international waters carefully – firstly, improving their NPA levels within India and secondly, playing strategically so that NPA from International operations don't pile up the Indian Banks' Financials. However, they do have scope to increase their level of margins from International operations.

For Indian Banks to sustain in International Markets, they need sufficient Capital Adequacy. As seen earlier, the adequacy levels of Indian Private Banks are decent enough (above 10%) in domestic markets. If Indian Banks continue to follow proper strategy, provisioning and maintaining good asset quality, they have a fair chance to survive in International Markets.

Therefore, to conclude, there is scope for Indian Banks to expand operations within India and outside India as well, especially in African and Middle Eastern countries where Financial Inclusion is yet to reach its maximum potential and countries are emerging.

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# **A Study on Consumer Psychology Associated With In-Store Sampling of Squashes**

**Student - Sumer Bhowmick**

**Faculty mentor - Dr. C. Kaushik**

## **COMPANY PROFILE OF MAPRO FOODS PVT. LTD. :**

Located around the idyllic hill-town of Panchgani in Western India, Mapro Foods manufactures Fruit Jams; Fruit beverage concentrates – Crushes and Squashes; and Fruit Bars. With an annual processing capacity of around 30 thousand MT, Mapro is a market leader in Western India. The company has grown organically over the last five decades with sustained profitability. Known for its quality and innovation, Mapro has been built on its founder's philosophy of developing products that are wholesome, nutritious, value-for-money, and imaginative.

## **SCOPE OF THE PROJECT :**

- To understand consumer psychology related to promotion through wet sampling
- Interaction with consumers
- Live demo
- Feedback from consumers

## **OBJECTIVE OF THE PROJECT :**

- ❖ The primary objective of my project was to study brand awareness through sampling
  - Awareness refers to the strength of brand's presence in consumer's mind. As very well explained by David Aaker in his book Building Strong Brands where he has described brand awareness by considering 4 major factors which are :
    - Anchor to Which Other Associations Can Be Attached
    - Familiarity – Liking
    - Signal of Substance Commitment
    - Brand to be Considered
  
- ❖ The other objective was to identify different innovative techniques to promote the product through sampling.

## **CONSUMER PSYCHOLOGY :**

Why do you buy one brand of soda over another? If you're a consumer psychologist, you're probably trying to answer these questions about consumers. In this lesson, you'll learn about some of the major factors that motivate consumer behaviour.

### **Definition of Consumer Psychology**

Consumer behavior is the study of how people buy, what they buy, when they buy and why they buy. It blends elements from psychology, sociology, socio psychology, anthropology and economics. It attempts to understand the buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics, psychographics, and behavioral variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general. Belch and Belch (2007) define consumer behavior as the process and activities people engage in when searching for, selecting, purchasing,

using, evaluating, and disposing of products and services so as to satisfy their needs and desires.

The study of consumer behavior helps firms and organizations improve their marketing strategies by understanding issues such as,

The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products) The psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media)

The behavior of consumers while shopping or making other marketing decisions; Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome.

Effect of Sampling:

With so many options available to connect consumers with free samples, sampling seems to be a solid strategy for food companies, big and small. According to TIME, "In terms of reaching consumers, free samples are often much more powerful, and much cheaper than traditional advertising." Here are a few reasons why sampling works.

### **Breaks down price barrier**

Sometimes the only thing standing between a consumer and a product is a price point, which can be subjectively high or low based on a consumers' budget. Offering a free sample means consumers can try products that are outside their budget — products they otherwise might have never tried.

### **No strings attached**

When consumers have access to free samples, they don't have to commit to a purchase. Even if the price point is reasonable and within a consumer's budget, that consumer may still not want to buy the product just to try it for the first time and risk not liking it.

### **Taste and quality**

Sometimes the best marketing for a food product is simply taste and quality. But without free samples to break down some of these barriers between consumers and products, that key marketing strategy might never have a chance to draw consumers into something they've never tried before. Regardless of traditional marketing like ads or packaging, consumers may not always be convinced they will like a product, even if it is a type of food they enjoy, until they taste it.

### **Reciprocation**

Though receiving free samples generally means no strings attached for consumers, whether consciously or subconsciously, sometimes consumers will end up buying the product because they feel obligated to after getting something for free, according to TIME.

Sampling was big when Procter & Gamble popularized the focus group in the mid-20th century, and it's no less big now. Consumers love getting things for free, so food companies capitalize on both by continuing to bring samples to the masses, whether through traditional retail or a more innovative route.

### **Effect of Free samples of squashes on consumers :**

The practice of giving out free samples that is free sampling has become traditionally associated with new products.

#### **➤ Operant conditioning.**

Sampling is akin to what is known as Shaping in learning theory. Reinforcing behavior that closely approximate the desired behavior, sampling tend to bring about conditioning of the desired responses more effectively and efficiently.

Sampling is the form of shaping the actual purchase and consumption of the products.

From the operant conditioning perspective it increases the probability of purchase. (Lammers, 1991)

In the mid-summer Consumer while entering the store when tasted the free sample they got tempted to refreshment and taste of squash which made them to go in the store and purchase the same whether it was in their list of shopping or not.

#### **➤ Self-perception: The foot in the door effect.**

When a consumer accepts a free sample, the consumer presumably goes through a process of forming self-perception and attribution about his or her behaviour.

Consumer who accept the offered sample may lable themselves as being willing to try product they have tried or consequently may even perceive themselves as being willing to buy the product.

The phenomenon Foot in the door which a consumer who has yielded to an intial , smaller request that is sample is more likely to yield to a subsequent , larger request that is purchase. (Lammers, 1991)

Here the foot in door effect occurred when the consumer who tasted the product before entering the store was more determined to purchase the product than the ones who didn't.

➤ **Attribution theory: stimulus saliency effect.**

A free sample heightened the cues associated with consumption of the product, such as the odour, color and taste. To the extent that these sampling cues are positive consumer is more likely to purchase the product. (Lammers, 1991)

When the different flavoured squashes were prepared in different glasses altogether, the different attractive color of the squashes attracted more consumer to taste it, which subsequently resulted in their willingness to buy the squash they liked.

**METHODOLOGY:**

- I was given the task of giving free samples of Mapro squashes of three flavours (Mango, Orange, and Strawberry) in the month of May when summer was on its peak at the D-mart store Powai. To begin the task, finding a perfect spot in the store for sampling was the challenge of exactly where I could the target more consumers.
- I was provided a kiosk by the company to do the sampling and I set up the kiosk at the entrance of the store. (Entrance because the consumer could taste the product before entering the store, and if positively influenced then he or she could purchase it inside).
- Displaying the different flavours of the squashes on the kiosk was the first step to attract the customers near the kiosk. Once if any customer approached out of curiosity the next thing done by me was to explain them the information related to the product which included the procedure to make the squashes, discounts available on them, the life of the product and not only that but to answer their different questions too which were related to the healthier side of their diet.
- Customers used to come mostly to quench their thirst in the mid-summer and mostly got satisfied with the squashes.
- Noting down the daily observations showed that most of the customers liked the squashes. On an average I interacted and sampled the squashes to 65 to 70

customers a day and 95% of the customers gave their positive feedback on the squashes where as 30% of the customers decided to purchase the product just after tasting the samples.

**Steps taken to target the consumers:**

- Just by standing didn't really work in the beginning, so I started approaching the customers passing by and asking them if they would spare some time of them to taste the squashes. Tried to approach as many customers as possible at a time.
- The best way to do this was to approach the customers and greet them with a smile and asking if they would like to taste the sample.
- Wasn't an easy task where 20% of people directly said no, 30% people were the one who were already using the product since long and 50% people gave it a try.
- Later on when I started making all the three flavours at a time in glasses the different colors of the squashes did half of the work of attracting the people towards the kiosk.
- People got attracted by the different colors of the squashes and they approached on their own to taste. At times it became very difficult to serve so many people all together.
- Talking about the ingredient of the squashes the 23% of real fruit mixed in the squash which made it healthier and the discount available on the also played its role on convincing customers to buy the product.

### **Innovative Techniques Used :**

- There was a point where number of sampling was not increasing it was the perfect time for trying innovative techniques to attract the consumers.
- Displaying all the 3 different colors of squashes by making all the 3 squashes all together at a same time and keeping them on the kiosk made it look attractive and captivated consumer's eyes making it difficult to resist. Which is when started approaching by themselves to give a try to it. Which certainly increased the number of sampling.
- Shifting from exit point to the entry point as at the exit point consumers who tried the samples were not willing to enter to store to make purchase. Which is why shifting to the entry point of store helped me to target the consumers to make a purchase inside the store.
- It is when I had less consumers to deal with and saw them waiting for their car/cab to come or waiting somewhere under the shadow, and were not willing to come to kiosk for a try, I took the samples of squashes to them.
- It was mid-summer the season of mango Dmart had a mango corner where consumers just used to buy mangoes and while they stood there I approached them with just mango squashes by making them taste it and explaining them that how quickly they can make their mango drink, milk shake in a few moment of time and can chill in this summer which worked well as majorly consumers liked it.

## **OVERALL OBSERVATIONS AND FINDINGS :**

- After months long of sampling I found the mostly all that is 95% of the consumer who tasted the samples liked it.
- Consumers were sensitive towards discounts provided on the squashes as most of the consumers who tried the sample first queried about the discount.
- Consumers belonging to younger side were more temped towards the squashes especially children.
- Senior citizen and Angry mothers of children were little difficult to tackle.
- Approaching always resulted in attracting more n more consumers for tasting the Squashes.
- Approaching just by eye contacts many time resulted consumers to get curious about the sampling and ultimately trying the product.
- Needed to be quick to serve the consumers as they never liked waiting for long.
- When one customer comes to taste the product, looking at him many others come.
- Customers are very much bothered about their health, so using mineral water is the essential part of making samples of squashes.
- When stood near the exit point of the store customers who tried the sample even after liking was not willing to go inside the store again to purchase it.
- When stood near the entrance point the customer did really made their mind to buy the squash from inside after tasting even when it was not in their list of that day's shopping.
- Many customers like ready to drink products like different soft drink and beverages, they becomes difficult to convince to buy the squashes

## **CONCLUSIONS :**

- **Anchor to Which Other Associations Can Be Attached:** - It is the strength of the brand name, more or fewer associations can be attached to it. Which will in turn eventually influence brand awareness
- **Familiarity – Liking:** - Consumers with a positive attitude towards brand will talk about it more and will end up spreading brand awareness.
- **Signal of Substance Commitment:** - Committed Consumers can be expected to generate a very predictable sales & Profit. In fact a brand without a loyal consumer base is vulnerable. Its impact on marketing is substantial, it is simply much less costly to retain consumers than to attract new ones
- The innovative techniques helped me to surge the sampling rate this happened as mostly consumers started approaching towards the kiosks by themselves. This was nothing but temptation, the curiosity generated in their mind by seeing the different colors of squash and the other consumers consuming it, as when one came to try looking at him many other came to try it.
- Brand awareness was much higher than the sales, as we have not included the people who saw the sampling event but were too busy to stop and try.

# **Project report on “Equity Research on Tata Motors Ltd.”**

**By Aman Singh**

**Dr. Neetu Bhardwaz**

## **INTRODUCTION**

### **What is Equity?**

In accounting and finance, equity is the residual claim or interest of the most junior class of investors in assets, after all liabilities are paid. In an accounting context, Shareholders' equity (or stockholders' equity, shareholders' funds, shareholders' capital or similar terms) represents the interest in assets of a company, spread among individual shareholders of common or preferred stock. At the start of a business, owners put some funding into the business to finance assets. This creates liability on the business in the shape of capital as the business is a separate entity from its owners. Businesses can be considered to be, for accounting purposes, sums of liabilities and assets; this is the accounting equation.

This definition is helpful to understand the liquidation process in case of bankruptcy. At first, all the secured creditors are paid against proceeds from assets. Afterward, a series of creditors, ranked in priority sequence, have the next claim/right on the residual proceeds. Ownership equity is the last or residual claim against assets, paid only after all other creditors are paid. In such cases where even creditors could not get enough money to pay their bills, nothing is left over to reimburse owners' equity. Thus owners' equity is reduced to zero. Ownership equity is also known as risk capital.

### **What is Equity Shares?**

Total equity capital of a company is divided into equal units of small denominations, each called a share. For example, in a company the total equity capital of Rs 2,00,00,000 is divided into 20,00,000 units of Rs 10 each. Each such unit of Rs 10 is called a Share. Thus, the company then is said to have 20, 00,000 equity shares of Rs 10 each. The holders of such shares are members of the company and have voting rights.

## **Equity Research:**

Equity Research primarily means analysing company's financials, perform ratio analysis, forecast the financials (financial modelling) and explore scenarios with an objective of making BUY/SELL stock investment recommendation. Equity Research analyst discuss their research and analysis in their equity research reports. In this in-depth article on Equity Research, we discuss the nuts and bolts of Equity Research –

Equity research is all about finding the valuation of a listed company. Once you have the company under consideration, you look at the economic aspects like GDP, growth rates, market size of the industry and the competition aspects etc. Once you understand the economics behind the business, perform the financial statement analysis of the historical balance sheet, cash flows and income statement to form an opinion on how the company did in the past. Based on management's expectation, historical performances and industry completion, project the financial statements like the BS, IS and CFs of the company. (also called as Financial Modelling in Equity are undervalued and should be recommended as a BUY. Research)

Use the Equity valuation models like Discounted Cash Flows, Relative valuations, sum of parts valuation the company

Calculate the Fair price based on the above models and compare the fair price with the Current Market Price (stock exchange)

If the Fair Price < Current Market Price, then the company stocks are overvalued and should be recommended as a SELL.

If the Fair Price > Current Market Price, then the company shares.

## **Role of Equity Research**

Equity Research plays a very critical role that fills the information gap between the buyers and sellers of shares. Reason is that at all levels (individual or institutional) may not have the resources or the capabilities to analyse every stocks. Additionally, full information is not provided by the management due to which further in-efficiencies are created and stocks trade below or above the fair value. Equity Research analyst spend lot of time, energy and expertise to analyse stocks, follow

news, talking to the management and provide an estimate of stock valuations. Also, equity research tries to identify the value stocks out of the massive ocean of stocks and help the buyers to generate profits.

## **Equity Investment**

Equity investments generally refers to the buying and holding of shares of stock on a stock market by individuals and firms in anticipation of income from dividends and capital gain as the value of the stock rises. It also sometimes refers to the acquisition of equity (ownership) participation in a private (unlisted) company or a startup (a company being created or newly created). When the investment is in infant companies, it is referred to as venture capital investing and is generally understood to be higher risk than investment in listed going-concern situations.

## **Why should one invest in Equity in particular?**

When you buy a share of a company you become a shareholder in that company. Equities have the potential to increase in value over time. It also provides your portfolio with the growth necessary to reach your long term investment goals. Research studies have proved that the equities have outperformed most other forms of investments in the long term. Equities are considered the most challenging and the rewarding, when compared to other investment options. Research studies have proved that investments in some shares with a longer tenure of investment have yielded far superior returns than any other investment. However, this does not mean all equity investments would guarantee similar high returns. Equities are high risk investments. One needs to study them carefully before investing. It is important for investors to note that while equity shares give highest return as compared to other investment avenues it also carries highest risk therefore it is important to find 'real value' or 'intrinsic value' of the security before investing in it. The intrinsic value of a security being higher than the security's market value represents a time to buy. If the value of the security is lower than its market price, investors should sell it.

## **OBJECTIVE :**

- To determine the share price of a company which will help investor for investing in companies share. Introduction to Equity in India to study the performance of Equity So far in India.
- To determine the future trend of Equity in India.
- To analysis the stocks which are appropriate for investment.

## **RESEARCH METHODOLOGY :**

Collected data through various sources. The consist of secondary data which were taken from company's annual report and other source for few calculations.

Secondary Source Includes:

- Various websites related to stock market
- Books related to financial management

## **Different valuation methodologies:**

The most common valuation methodologies were used is

Discounted cash flow using FCFE,

- P/E (price to earnings),
- P/B (price to book),
- EV/Sales (enterprise value to sales),
- EV/EBITDA (enterprise value to earnings before interest, taxes, depreciation and amortization),
- EV/EBIT (enterprise value to earnings before interest and taxes)

## **CONCLUSION :**

TATA MOTORS has a strong market position and established brands, which should help to grow its domestic business & international business.

Here are the key takeaways –

- Volume outlook continues to be positive with new launches driving growth,
- Incentives are lower than the average of the last four years,
- So we maintain BUY, tweak our estimates, and roll- forward to FY16 – increasing our TP to Rs 454.(Current market price-Rs 388)

## **Project report on “Equity Research using Fundamental Analysis”**

**Student - Jyoti Amonkar**

**Faculty mentor -Dr. Nehal Joshipura**

### **INTRODUCTION OF ORGANISATION:**

A PLUS Capital Services LLP is a niche organization, which envisions at generating tailored and profitable investment plans. Providing smart trading and profit generating ideas for intraday and short-term delivery and positional trades in Derivatives, they follow a protocol defined by the terms: ‘discipline’ and ‘analytical approach’.

### **Introduction to Equity Research**

Equity Research primarily means analysing company financials, perform ratio analysis, forecast the financials and explore scenarios with an objective of making BUY/SELL stock investment recommendation.

Equity Research plays a very critical role that fills the information gap between the buyers and sellers of shares. Equity Research analysts spend lot of time, energy and expertise to analyse stocks, follow news, talking to the management and provide an estimate of stock valuations. Also, equity research tries to identify the value of stocks out of the massive ocean of stocks and help the buyers to generate profits.

Fundamental analysis is the study of the various factors that affect a company's earnings and dividends. Fundamental analysis studies the relationship between a company's share price and the various elements of its financial position and performance.

The objective of fundamental analysis is to determine a company's growth prospects. This intrinsic value can be compared to the current value of the company as measured by the share price. If the shares are trading at less than the intrinsic value then the shares may be seen as good value. Many people use fundamental analysis to select a company to invest in, and technical analysis to help make their buy and sell decisions.

Fundamental analysis includes following:

- Economic analysis
- Industry analysis
- Company analysis

## **METHODOLOGY:**

### **1. The objectives of the project**

- (1) To give a brief overview about economy using economic indicators namely, GDP, Inflation rate.
- (2) To give sectoral analysis taking into consideration 3 sectors namely, oil and gas sector, aviation sector, Automobile sector.
- (3) To analyse the company performance with EIC framework

### **2. Analysis:**

Analysis was done using various ratios in the format of EIC analysis. Data was collected at the Macro level, Industry level and Company level separately. This is a secondary data based exploratory study.

### **3. Data Collection:**

- Duration:
  - 5 years data: March 2012 to March 2016
- The Data:
  - Annual report HPCL 2015-2016
  - Annual report BPCL 2015-2016
  - Annual report IOC 2015-2016
  - Annual report INDIAN OIL 2015-2016
  - Annual report CRAIN INDIA 2015-2016
  - Annual report ONGC 2015-2016

- Annual report Ashok Leyland 2015-2016
- Annual report Eicher Motors 2015-2016
- Annual report Tata Motors 2015-2016
- Annual report Jet Airways 2015-2016
- Annual report Spice Jet 2015-2016
- Annual report INDIGO 2015-2016
- Ratios from Money Control website

➤ Sources:

- Company websites
- Ibef.org
- Money control
- Value research
- Investing.com
- Trading economics

#### **4. Fundamental Analysis Methodology :**

Fundamental analysis is the study of the various factors that affect a company's earnings and dividends. Fundamental analysis studies the relationship between a company's share price and the various elements of its financial position and performance.

Fundamental Analysis is based on the premise that, “in the long run true or fair value of an equity share is equal to its intrinsic value”. The intrinsic value of a share is the present value of all expected future earnings from that asset. Shares have indefinite life and the earnings are measured in the form dividend, capital gain etc.

Fundamental Analysis involves in-depth analysis of all the factors which have an impact on the earning and profitability of the company, which further impacts the fair price of the share. It involves detailed study of economy wide, industry wide and company specific factors.

Fundamental analysis includes following:

- Economic analysis
- Industry analysis
- Company analysis

**Economic analysis** is the study of various economy wide factors influencing stock market, i.e. Gross Domestic Product (GDP), growth rate, inflation rate, interest rate, exchange rate, balance of payment, fiscal deficit and budgetary provisions, infrastructure etc.

It is a useful tool to understand general direction of economy and deciding about the right time to invest. Nowadays, even political stability is considered as an important ingredient for stable and growing financial market. Similarly, issues such as corruption, law and order and economic policies are of equal importance.

The Economic variables are:

- Growth in GDP
- Inflation
- Interest Rates
- Interest rate
- Foreign Trade
- Employment rate
- Government Policies

**Industry analysis** is a type of investment research that begins by focusing on the status of an industry or an industrial sector. A form of fundamental analysis involving the process of making investment decisions based on the different stages an industry is at during a given point in time. The type of position taken will depend on firm specific characteristics, as well as where the industry is at in its life cycle.

Important factors are:

- Nature and Type of Industry
- Industry Life Cycles

The stages are as follows:

1. The Start-up stage
  2. Growth Stage
  3. Maturity Stage
  4. Decline Stage
- Industry Structure and Performance
  - Porters 5 force model

The industries based on the above mentioned factors were:

- Oil and gas sector
- Aviation sector
- Automobile sector

**Company analysis** is the method of analysing a company based on factors that affect their intrinsic value. There are two sides to this method the quantitative and the qualitative. The quantitative side involves looking at factors that can be measured numerically, such as the company's assets, liabilities, cash flow, revenue and price to- earnings ratio. The limitation of quantitative analysis, however, is that it does not capture the company's aspects or risks immeasurable by number things like the value of an executive or the risks a company faces with legal issues. The analysis of these things is the other side of fundamental analysis: the qualitative side or non-number side. Although relatively more difficult to analyse, the qualitative factors are an important part of a company. Since they are not measured by a number, they more represent an either negative or positive force affecting the company.

Companies were analysed based on the qualitative as well as the quantitative parameters:

Aviation sector	Automobile sector	oil and gas sector	oil and gas sector
Interglobe Aviation Ltd	Tata Motors	Hindustan Petroleum Corporation Limited	Oil India
Jet Airways	Eicher Motors	Bharat Petroleum Corporation Limited	Oil and natural gas corporation
Spice Jet	Ashok Leyland	Indian Oil Corporation	Cairn India

## RATIO ANALYSIS :

**Ratio Analysis** as a tool possesses several important features. The data, which are provided by financial statements, are readily available. The computation of ratios facilitates the comparison of firms which differ in size. Ratios can be used to compare a firm's financial performance with industry averages. In addition, ratios can be used in a form of trend analysis to identify areas where performance has improved or deteriorated over time.

### Peer comparison using ratio analysis for the oil and gas sector

Refineries			
BPCL	Return on Net worth / Equity (%)	Return on Capital Employed (%)	Return on Assets (%)
Mar-16	27.36	16.77	9.78
Mar-15	22.63	13.7	7.29
Mar-14	20.86	11.99	5.6
Mar-13	15.88	10.87	3.94
Mar-12	8.79	6.92	1.99
HPCL	Return on Net worth / Equity (%)	Return on Capital Employed (%)	Return on Assets (%)
Mar-16	21.04	8.84	5.48
Mar-15	17.05	6.23	4.04
Mar-14	11.54	4.1	2.23
Mar-13	6.59	2.74	1.18
Mar-12	6.94	3.2	1.28
IOC	Return on Net worth / Equity (%)	Return on Capital Employed (%)	Return on Assets (%)
Mar-16	14.06	8.09	4.58
Mar-15	7.76	4.28	2.39
Mar-14	10.64	5.99	2.79
Mar-13	8.19	5.01	2.23
Mar-12	6.83	4.39	1.88

The return on net worth/equity of BPCL, HPCL AND IOC has increased from 2012 to 2016, which shows that there is efficient allocation of capital to generate returns and the higher the return on equity the better the firm. The return on net worth/equity of BPCL is better than HPCL and IOC as it has a consistent increase which is not seen as such in HPCL or IOC.

The return on capital employed has increased of HPCL & BPCL in the same span of time showing that the company is generating higher returns for every rupee of capital employed IOC has a moderate increase In the ROCE from 2012 to 2015 but a good increase only in 2016 can be observed.

The return on asset of bpcl shows that the company has efficiently managed its assets to increase its profits from 2012 to 2016 the ROA of HPCL and IOC can be seen to be consistent in its returns on asset.

Oil Drilling And Exploration			
crain india	Return on Net worth / Equity (%)	Return on Capital Employed (%)	Return on Assets (%)
Mar-16	2.29	2.19	2.03
Mar-15	3.56	3.41	3.11
Mar-14	19.22	18.22	16.86
Mar-13	43.35	41.43	38.56
Mar-12	0.13	0.13	0.13
Ongc	Return on Net worth / Equity (%)	Return on Capital Employed (%)	Return on Assets (%)
Mar-16	10.53	8.04	7.27
Mar-15	12.26	9.38	8.52
Mar-14	16.16	12.26	11.08
Mar-13	16.81	13.02	11.74
Mar-12	22.24	17.2	14.62
oil india	Return on Net worth / Equity (%)	Return on Capital Employed (%)	Return on Assets (%)
Mar-16	10.44	6.76	6.25
Mar-15	11.66	7.76	6.92
Mar-14	14.39	12.27	8.54
Mar-13	18.68	17.19	14.25
Mar-12	19.45	17.95	15.19

The return on net worth/equity of Cairn India has decreased from 2014 and further reduced in 2016 only showing a outperformance in 2013 which shows that there is no efficient allocation of capital to generate returns and the lower the return on equity the weaker the firm The

return on net worth/equity of ONGC & Oil India has been the lowest in 2016 as compared to its previous years and therefore there can be seen less efficiency in the firms.

The return on capital employed has decreased of Cairn India, Oil India & ONGC in the same span of time showing that the company is generating lesser returns for every rupee of capital employed.

The return on asset of Cairn India, Oil India & ONGC has decreased which shows that the company has not been able to efficiently manage its assets to increase its profits.

## **Analysis of the aviation sector**

aviation sector			
Indigo	Return on Networth / Equity (%)	Return on Capital Employed (%)	Return on Assets (%)
Mar-16	108.47	22.02	15.28
Mar-15	306.61	16.55	12.02
Mar-14	113.48	7.58	5.21
Mar-13	203.27	19.7	13.38
Mar-12	58.66	6.06	3.85
Jet Airways	Return on Networth / Equity (%)	Return on Capital Employed (%)	Return on Assets (%)
Mar-16	-35.24	26.45	6.12
Mar-15	41.16	-46.34	-9.62
Mar-14	144.22	-74.89	-19.96
Mar-13	49.51	-6.91	-2.58
Mar-12	229.14	-11.79	-5.92
Spice Jet	Return on Networth / Equity (%)	Return on Capital Employed (%)	Return on Assets (%)
Mar-16	-64.46	68.28	15.06
Mar-15	54.33	-1,069.04	-26.35
Mar-14	98.4	-269.47	-34.18
Mar-13	85.13	-15.41	-6.22
Mar-12	395.76	-101.45	-30.74

The return on networth/ equity of indigo has reduced from its previous year but has managed to be high as compared to Jet Airways and Spice Jet, which have negative returns. In the current year therefore only indigo can be seen to have an efficient allocation of capital to generate returns.

The return on capital employed has increased of INDIGO, Spice Jet & Jet Airways showing that the companies are generating good returns for every rupee of capital employed.

The return on assets of INDIGO, Spice Jet & Jet Airways have been recovered from its previous negative returns and can be seen to give positive return in the following year showing proper management of assets to generate profit.

### **Analysis of the Automobile sector**

Tata Motors	Return on Networth / Equity (%)	Return on Capital Employed (%)	Return on Assets (%)
Mar-16	1.04	0.67	0.44
Mar-15	-31.93	-16.02	-9.48
Mar-14	1.74	1.08	0.67
Mar-13	1.57	0.97	0.57
Mar-12	6.33	3.84	2.27
Eicher Motors	Return on Networth / Equity (%)	Return on Capital Employed (%)	Return on Assets (%)
Mar-16	57.18	55.35	35.98
Mar-15	45.3	43.93	25.07
Mar-14	33.92	32.84	18.78
Mar-13	23.01	22.34	14.13
Mar-12	23.06	22.42	15.91
Ashok Leyland	Return on Networth / Equity (%)	Return on Capital Employed (%)	Return on Assets (%)
Mar-16	16.06	8.82	5.39
Mar-15	8.17	4.04	2.51
Mar-14	0.89	0.35	0.22
Mar-13	13.73	5.55	3.31
Mar-12	19.55	8	4.74

The return on net worth/ equity of Eicher Motors can be seen to have a consistent increase and that of Ashok Leyland and Tata Motors are seen positive in the current year but not consistent growth therefore the roe of Eicher motor shows that the company has efficient allocation of capital to generate profit.

The ROCE of Eicher Motors is increasing as well and the ROCE of Ashok Leyland & Tata Motors has a low increase which shows that Eicher Motors is generating good returns for every rupee of capital employed.

The ROA of Eicher Motors has been increasing and that of Ashok Leyland has also increased in the year 2016 but that of Tata Motors is too low showing Eicher Motors has efficient management of assets to generate profit

## **CONCLUSIONS :**

- From overall study of the Oil and Gas sector in the Refineries industry the performance of BPCL was seen to be efficient enough as its performance in terms of its earnings was seen to be good and therefore BPCL is a BUY for a long term HPCL and IOC also have been performing good showing a buy signal for long term.
- In the exploration & production industry the performance was overall seen to be bad as the business depends basically on exploration of crude oil and as they have huge debts on them to meet investor expectation even the turmoil of the crude oil prices has shown an effect on the industry the stocks in the following sector namely Cairn India, ONGC, Oil India are recommended HOLD and should be kept for a long-term.
- Eicher Motor is a performing stock in the Automobile sector which is even seen to be giving great returns to its existing shareholders and therefore is a BUY for a long term. Ashok Leyland is a Sell as it has seen a 52week high of only 112 and it is near to the same price. A Hold recommendation for Tata Motors its financials can be seen improving.
- In the aviation sector INDIGO has maintained its performance even after peer competition were occurring losses and it has also sustained returns to its shareholders therefore INDIGO is a BUY and Spice Jet and Jet Airways can be kept on HOLD as they are been seen recovering in the following study.

I would like add that the following study gave me an insight to the sectors namely oil and gas sector, aviation sector & Automobile sector. I tried to analyse the companies in each sectors and on the basis of the financial analysis of the past performance of the companies I gave BUY/SELL/HOLD recommendations. The industry analysis helped me in understanding that

there is a huge dependence of the oil and gas sector on the aviation and Automobile sector and the effect can be seen on the companies in the sectors been effected. The change in any economic factor has an impact on the sector and industry and therefore having knowledge about the economic conditions is a important part while investing and the effect of the changes should be analysed on the sectors which would be considered while investing.

# **Project Report on “Study of Organizational Structure at Cello Plast”**

**Student - Shruti Deepak Rajgire**

**Faculty mentor - Prof. Sharmila Bonnerjee**

## **INTRODUCTION OF PROJECT :**

This project is about the Organizational Structure of Cello Plast factory at Daman which has now started production of glassware. Organizational structure is important for any Organization as it provides guidance and clarity on specific human resources issues, such as managerial authority, line of communication.

The first section of the report deals with a detailed company profile. It includes the company’s history, its activities and operations, existing organizational structure, etc. This section attempts to give detailed information about the company and the nature of its functioning.

The project also deals with existing Organizational Structure of Cello Plast at the head office in Mumbai. It tries to find out the merits and demerits of this structure, further also tries to remove the demerits by giving suggestions. This Project includes the definition and meaning of Organizational Structure, and also helps in understanding different types of Organizational Structure.

The project has been prepared to help the organization in designing the appropriate Organizational Structure. As the Organizational structure refers to the network of relationships among individuals and positions in an organization. It can be defined as established pattern of relationships among components of the organization. It is the formal system of task and reporting relationships that controls, coordinates and motivates employees. It helps in associating them and working together to achieve organization’s goals. Organization structure is like the framework of an organization. Organizational structures imply formal relationships with well-defined duties and responsibilities. It also implies to the hierarchical relationships between superior and subordinates within the organization. It helps

in coordinating various tasks and activities that are assigned to different persons and departments. Organizational structure helps in having set of policies, procedures, standards and methods of evaluation of employee's performance. It should be developed as per the needs of the people in the organization.

### **OBJECTIVES OF STUDY:**

- Understand the processes in Daman factory.
- Study the Organizational structure of Daman factory.
- Find the Merits and demerits of the existing structure.
- Give suggestions to overcome the demerits.

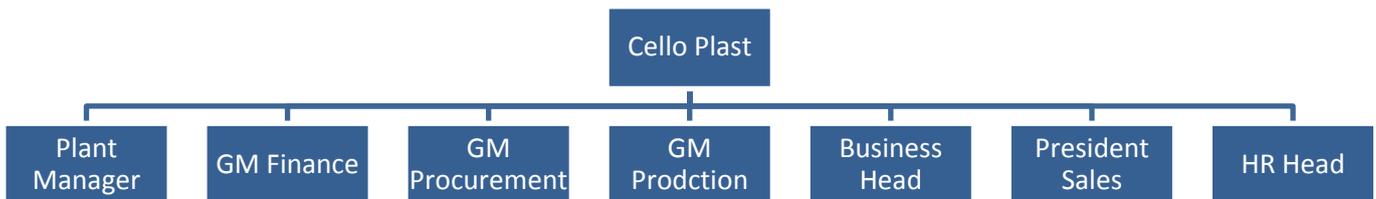
### **SCOPE OF STUDY :**

This study focuses on studying the current organizational structure at the Daman factory and understanding the processes in the factory to produce glassware. This study will also help in finding the merits and demerits of the organizational structure. The suggestions given in this study will help to overcome the demerits and strengthen the merits of the structure.

### **LIMITATIONS :**

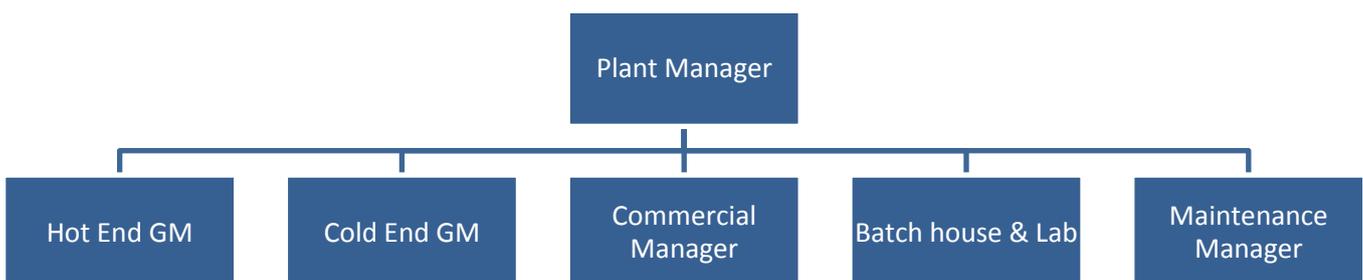
- Time constraint: As the study was to be conducted within two months of internship, time constraint was the major limitation.
- Location: Since the factory is in Daman and my internship was in the head office which is located in Mumbai, visiting the factory and collecting information was a constraint.
- Availability of Information: The information collected is the secondary information which was collected by studying the organizational charts in Mumbai head office. The information was also collected by interviewing the HR Officer appointed at the factory.

## Cello Plast



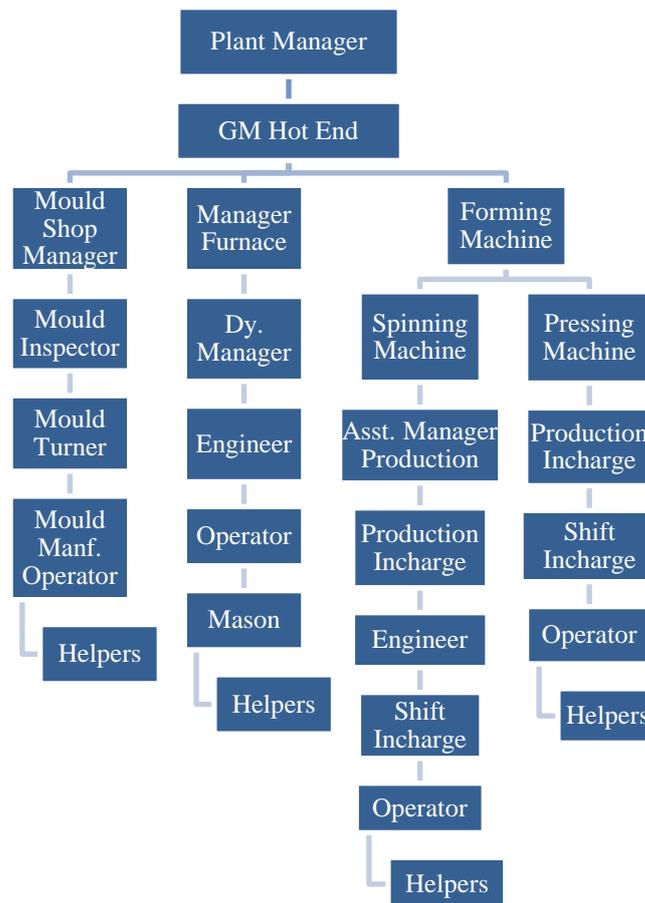
This is the organizational structure of Cello Plast, Head office. Except the plant manager, who is available at the Daman factory.

## Cello Plast Plant, Daman



The above organizational structure is of Daman factory. This structure shows various departments in the factory. The departments are done on the basis of various process that are important for production of glass ware. This is very simple kind of organizational structure.

## Hot End Department



The Hot End is where the melting of glass is done to manufacture various glass products for the company. The Hot End department deals with the furnace areas and the machines where the product actually takes shape as desired.

There are various processes in Hot End department. The mould is where the shape of the product is taken care of. The physical appearance of the product is seen in this process. There are furnaces in which the raw materials are melted and used further for moulding. The

forming process has two kinds of machines used to manufacture different products. The spinning machine is used to manufacture plates and dishes. The machine takes the molten glass and spins it to give it the shape of a glass. The pressing machine is used to manufacture jars and bottles. The molten glass is pressed into a mould to give it a desired shape.

Through the study of the organizational structure it was observed that the departments are formed on basis of different processes i.e it can be said as a functional departmentalization. These processes are required to manufacture the glassware which is the product of the organization.

Departmentalization on basis of processes has led to high degree of job specialization for the workers. The workers are supposed to focus only on tasks within their department. This kind of departmentalization helps in increasing the productivity as the workers are supposed to do the routine jobs. There is less degree or no exceptions in their daily tasks. This helps the workers to master the tasks and perform them with high efficiency and thus high production. There are demerits of this type of departmentalization. The workers working in one department and handling on process may work in silos and may not know the functioning of other department. Productivity might suffer because of workers performing tasks in silos.

There is high degree of formalization in the factory. The workers are very clear about the tasks to be performed and the sequencing of the processes. This helps in continuous working of the machines and processes. Forming departments on basis of the processes is helpful as it helps in simplifying the organizational structure. But it also makes the organizational structure to be tall. The tall structures result in larger line of communication. This means that the communication will take greater time to travel in the hierarchy. This can also act as a demerit to the organization. Tall structure helps in narrow span of control which helps the supervisors in having direct contact with every worker and it also helps the workers as they have to report to only one supervisor.

Along with the above given organizational structures the structure of other departments like: Cold End Department, Batch house & lab Department, Maintenance Department and Commercial Department was also studied. It was observed that some roles had an overlapping job descriptions. The employees holding these roles were supposed to do same tasks but there was different level formed for these tasks. Solving this demerit will help the organization in controlling the cost and having an effective organizational structure.

#### **FINDINGS :**

- The organization is a mechanistic organization.
- Since the company is into manufacturing business the organizational structure is process based.
- The work is much specialised.
- The departments are divided on basis of processes also the roles are divided according to the processes.
- The span is control is very small since the employees have to report only to the immediate superiors. The chain of command is very well defined.
- The Structure is very tall structure with much formalised.
- Due to high degree of standardization and formalization the operations run smoothly without breakdowns as the employees know which process is to be followed.

## **RECOMMENDATIONS :**

- It is seen that the organization is very mechanistic and is less flexible. The changes are very difficult to incorporate.
- The processes are rigid which leads to rigid working conditions. And there is too much of work specialization. This has an advantage of more productivity and skilled employees but can also led to employees working in silos. By doing job rotation and job enlargement the company can have employee pool specialized in various processes. Also it would help the employees in being motivated.
- Being in the manufacturing industry the organization structure is very well done on basis of processes.
- It is seen that there are roles overlapping in some departments, by eliminating the overlapping levels and combining the roles, company can reduce its unwanted cost and make its structure more efficient. For example there are different levels for a store executive and a store in charge of the commercial department. But it is observed that the job descriptions for them are overlapping. Also in machine maintenance department the role of a supervisor can be eliminated and the engineer can do the supervisory role.
- Also the chain of command is very long which makes the communication process too long. By eliminating the overlapping roles the chain of command can be made small thus helping in easy and quick communication.
- The communication is a one way communication at the factory with no feedback mechanism. To solve this problem the plant manager along with the Human Resource manager can use various technique to receive feedback. They can be design feedback forms and get filled by the employees at the interval of two months and an employee manager meeting at the end of every quarter. Also since there is a large workforce in the factory the company can use the informal communication processes to receive feedback.

## **Project Report on “The people factor - A 360 degree approach to training and development”**

**Student - Dipti Tiwari**

**Faculty mentor - Prof. Kusum Pawar**

### **OVERVIEW OF THE COMPANY :**

BrandKeeda is a brand consulting company based in Navi Mumbai, Maharashtra. The initial idea of BrandKeeda came up over a coffee table in 2015 when the duo of student and professor struck a conversation about “Is the world of business same as we are taught on the campus or not”. And during the discussion, they realized that the world of creative and fancy advertisements was only available for wealthy firms.

Therein, BrandKeeda was formed with the core idea of availing small and traditional family businesses with equal brand creation opportunities whose product may be superior but never get a voice to speak to masses with supporting businesses such as branding and HR services.

Currently, BrandKeeda is serving PAN India basis with the majority of services in design, brand merchandising, corporate & academic training programs, outsourced recruitments, promotional content creation such as jingles, videos etc. Focusing on startups, Brandkeeda even came up with 360-degree tailor-made brand solutions with a budget as low as around 30 US dollars. BrandKeeda as of 2017 have a remarkable clientele with several multinationals along with over 100 MSME’s

## **Business Model**

BrandKeeda is a company with consulting business model and works on PAN India basis. BrandKeeda as a company helps their clients in different phases of business following a unique 3B concept namely Building, Branding & Boosting.

### **Building**

In this phase, BrandKeeda helps entrepreneurs and companies for idea generation and validation followed by converting those ideas and concepts into a real and legal entity with company registration and IPR (Intellectual property rights) consultancy

### **Branding**

Once the ideas are converted into a real legal entity and business unit, the products and services are given a push to reach customers through different branding tools such as via print and digital media advertisements, merchandise branding etc so that a brand awareness followed by sales shall be achieved.

### **Boosting**

In boosting phase, businesses are given an extra helping hand to execute their business model better with training programs from key stakeholders such as customers, employees, suppliers etc. in order to achieve key results such as better brand loyalty, customer service, cross selling and up selling, resource management etc.

## **SCOPE & OBJECTIVES OF THE PROJECT:**

### **Scope:**

- To understand the process cycle of training and development programs.
- To understand the key factors responsible for a successful training and development program

### **Objectives:**

- To handle training and development process of the SIP firm, from training design to training delivery.
- To assist the SIP firm in marketing and execution of training programs for different sectors.

### **Work Responsibility**

- To develop content for training and development programs using primary and secondary research data.
- To market the training programs using a mix of promotional tools; such as online and offline advertising, personal selling etc.
- To gather experience in execution of training programs by acting as a junior coordinator for major training programs conducted by experienced professionals.
- To act as a facilitator/co-facilitator for a few training programs as an exposure to training delivery.

## **RESEARCH METHODOLOGY**

### **QUALITATIVE METHODOLOGY**

- Descriptive Methodology
- Primary research through personal interview & observation methodology
- Analytical Methodology
- Secondary research through analysis and filtration of data collected from newspapers, magazines, websites, blogs etc.

## **QUANTITATIVE METHODOLOGY**

- Descriptive Methodology
- Primary research through survey

### **Target audience:**

- Age group of 18-50 years working population who can be prospective recipients of training and development programs
- Sample size:
- 230 respondents

### **Research methodology:**

- A structured questionnaire was send across to target audience using online survey through google forms

### **Analytical Methodology**

- Secondary research through analysis and filtration of data collected from newspapers, magazines, websites, blogs etc.

## **KEY FINDINGS:**

- The major age group of respondents had been youth (78.30%) with males as majority in terms of gender.
- Respondents had been from a mix of startups, MSME's and multinationals and hence gives an overall view of industry.
- On average, almost all major companies are having some training programs for every level of organization.
- Most of respondents have attended majorly training programs related to personal development (60.9%) followed by trainings to improve professional life.
- Majority of respondents believe training programs are necessary and gives value to their life as whole (82.6%).
- Majority of respondents believe the implementation of concepts learned from training & development programs helps to improve their personal and work life.
- Respondents in majority agrees that superiors and colleagues help them in implementing what they have learned in training programs in real life and derive value.
- As per respondents, the key for success for a training program is engagement with the audience (66.7%) and followup after the programs for successful implementation of what had been taught (42.9%).
- The highest demand of training & development programs is in the phase of work life balance coaching (81.9%).

## **CONCLUSION AND RECOMMENDATIONS :**

The major conclusions and recommendations based on research and findings are as follows:

- Most of organizations have an existing training & development program culture and hence have a good level of scope for training and development business.
- Organizations and professionals believe that there is good value for conducting training and development programs and hence value for services provided can be perceived as high form training and development companies such as BrandKeeda.
- The role of superiors and colleagues are important in successful implementation of concepts learned in training and development programs to real life.
- While designing and execution of training and development programs, highest stress has to be given to engagement of audience and there shall be at least some level of post program follow-up with audience done to ensure effectiveness of training and development program done.
- There is good level of scope for programs related to work life balance such as stress management, time management, EQ etc.

## **Project Report On “Valuation And Equity Research On**

### **Maruti Suzuki India Ltd”**

**Student – Jeetesh Shinde**

**Faculty Mentor- Prof. Maneesh Gupta**

#### **INTRODUCTION**

##### **Equity Research:**

Equity Research primarily means analyzing company’s financials, perform ratio analysis, forecast the financials (Financial modeling) and explore scenarios with an objective of making BUY/SELL stock investment recommendation. Equity Research analyst discuss their research and analysis in their equity research reports. In this in-depth article on Equity Research, we discuss the nuts and bolts of Equity Research.

Equity research is all about finding the valuation of a listed company. Once you have the company under consideration, you look at the economic aspects like GDP, growth rates, market size of the industry and the competition aspects etc. Once you understand the economics behind the business, perform the financial statement analysis of the historical balance sheet, cash flows and income statement to form an opinion on how the company did in the past.

Based on management’s expectation, historical performances and industry completion, estimate the financial statements (BS, IS and CFs) of the company. (Also called as Financial Modeling in Equity Research)

Use the Equity valuation models like Discounted Cash Flows or Relative valuations.

Calculate the Fair price based on the above models and compare the fair price with the Current Market Price (stock exchange).

If the Fair Price < Current Market Price, then the company stocks are overvalued and should be recommended as a SELL.

If the Fair Price > Current Market Price, then the company shares are undervalued and should be recommended as a BUY.

### **Role of Equity Research**

Equity Research plays a very critical role that fills the information gap between the buyers and sellers of shares. Reason is that at all levels (individual or institutional) may not have the resources or the capabilities to analyse every stock. Additionally, full information is not provided by the management due to which further in-efficiencies are created and stocks trade below or above the fair value. Equity Research analysts spend lot of time, energy and expertise to analyse stocks, follow news, talking to the management and provide an estimate of stock valuations. Also, equity research tries to identify the value stocks out of the massive ocean of stocks and help the buyers to generate profits.

### **OBJECTIVE:**

- The Scope of the project was to have in-depth knowledge and understanding of how equity research is being done.
- The project also intends to forecast and predict the future trend of the share of a company.
- To determine the share price of a company that helps an investor for investing in companies share.
- To analyse the stocks that are appropriate for investment.
- To build profitable long-short term strategies.

## **METHODOLOGY**

The most common valuation methodologies used were

- Discounted cash flow using FCFE
- P/E (price to earnings) Ratio
- P/B (price to book) Ratio
- EV/Sales (enterprise value to sales)
- EV/EBITDA (enterprise value to earnings before interest, taxes, depreciation and amortization).

## **DATA**

### **Primary Source Includes:**

- Collection of raw data through various sources such as company's annual report.

### **Secondary Source Includes:**

- Various websites related to stock market
- Books related to financial management

## **CONCLUSION**

Since, Maruti Suzuki being an established brand and also having strong Market position, and also the valuation estimating the intrinsic value per share of the company to be undervalued, there was a strong buy call for the stocks of Maruti Suzuki India ltd. The above call was also being supported by few ratios such as Current Ratio, Debt to Equity Ratio, and Interest Coverage Ratio.

# **Project Report On “Updating Of Standard Operating Procedures Manual At Reliance Digital Retail Limited”**

**Student - Aishwarya Khairnar**

**Faculty mentor - Prof.Zubin Sethna**

## **OBJECTIVES OF THE PROJECT**

1. To study the existing Reliance Digital Retail Limited logistic department to identify the 22 different warehouse process.
2. To identify the gap in previously made versions 2, May 2011 SOP manual of Reliance Digital Retail Limited and current state.
3. To update the previously made SOP manual, according to gaps

## **SCOPE OF THE PROJECT:**

- A key component of the retail supply chain logistics system is warehousing, storage, and distribution of commodities.
- This SOP is only for operation department of Reliance Digital Retail Limited Company which is Child Company of Reliance Retail.
- Pertaining to CDIT goods received, put away, storage, picking and shipment i.e. process like Inbound, Put away, Storage, Picking and Outbound.
- The SOP will be referred by 27 different DC's and any upcoming DC's (i.e. covering operations all over India)

**Terminologies and definitions:**

Terminology	Full form	Definition
SOP	Standard operating procedure	Any document that is a “how to” falls into the category of procedures.
WMS	Warehouse Management System	Software application that supports the day-to-day operations in a warehouse.
PO	Purchase Order -	A commercial document and first official offer issued by a buyer to a seller, indicating types, quantities, and agreed prices for products or services.
STO	Stock Transfer Order -	A special procurement type that a warehouse supervisor uses to transfer a company's goods from one warehouse or plant to another.
SO	Sales Order -	A confirmation document sent to the customers before delivering the goods or services.
SIT	Stock in Transit	Trip started from sender side but GRN not done from receiver side.
ASN	Advance Shipment Note -	A document that provides detailed information about a pending delivery.
TO	Transfer Order	System give exact location for picking /put away
GRN	Goods Received Note	Record is used to confirm all <b>goods</b> have been <b>received</b> and often compared to a

		purchase order before payment is issued
GRDC	Good Received at DC	Stock sends from store/DC to receiver DC. Hence that stock is GRDC material at receiver DC
DC	Distribution Centre	
HU Label	Handling Units Label	At the time of creating TO .All information which is on TO get printed on 3*3 paper which will get stick on cartoons
FnR	Forecast and Replenishment	This is system used to calculate required stock need to transfer to store base on previous data
PGI	Post Good Issue	Whenever PGI is done on system that mean that many of stock deducted from inventory in system
RPGI	Reverse Post Good Issue	The stock come return on DC and After RPGI in system that stock is added into inventory
STN	Stock Transfer Note	It is document having details information of HU and eaches in cartoons.
TMS	Transportation Management System	Decide which vendor should be select
DMS	Document Management System	Scanning of the document and upload on SAP system
POD	Proof Of Delivery	Document gives proof about delivery is

		completed
VLPOD	Virtual Proof Of Delivery	On DT device take signature of customer
VoC	Voice of Customer	Asking questions to customer related to service given
IB Sales	Institutional Business Sales	Deliver product to institute
TR	Technical Report	ResQ team raise document before moving article to particular location
ROS	Release of Service	Get approval about vendor service
DT Device	Delivery Tracking Device	Used to track vehicle
RSO	Reverse Sales Order	Taking back stock from store/DC
SLOC	Storage Location	Various locations in system
WO	Work Order	Number use during payment
PI	Physical Inventory -	A process of determining that the <b>inventory</b> quantities are exact, or if there are differences in quantity mentioned physically present and that mentioned in the <b>SAP</b> system.
CN	Credit Note	Check credit limit of receiver

## **RESEARCH METHODOLOGY**

**Descriptive Research:** This project is descriptive in nature because this project is about updating previous SOP manual which includes description of each process along with workflow and system steps.

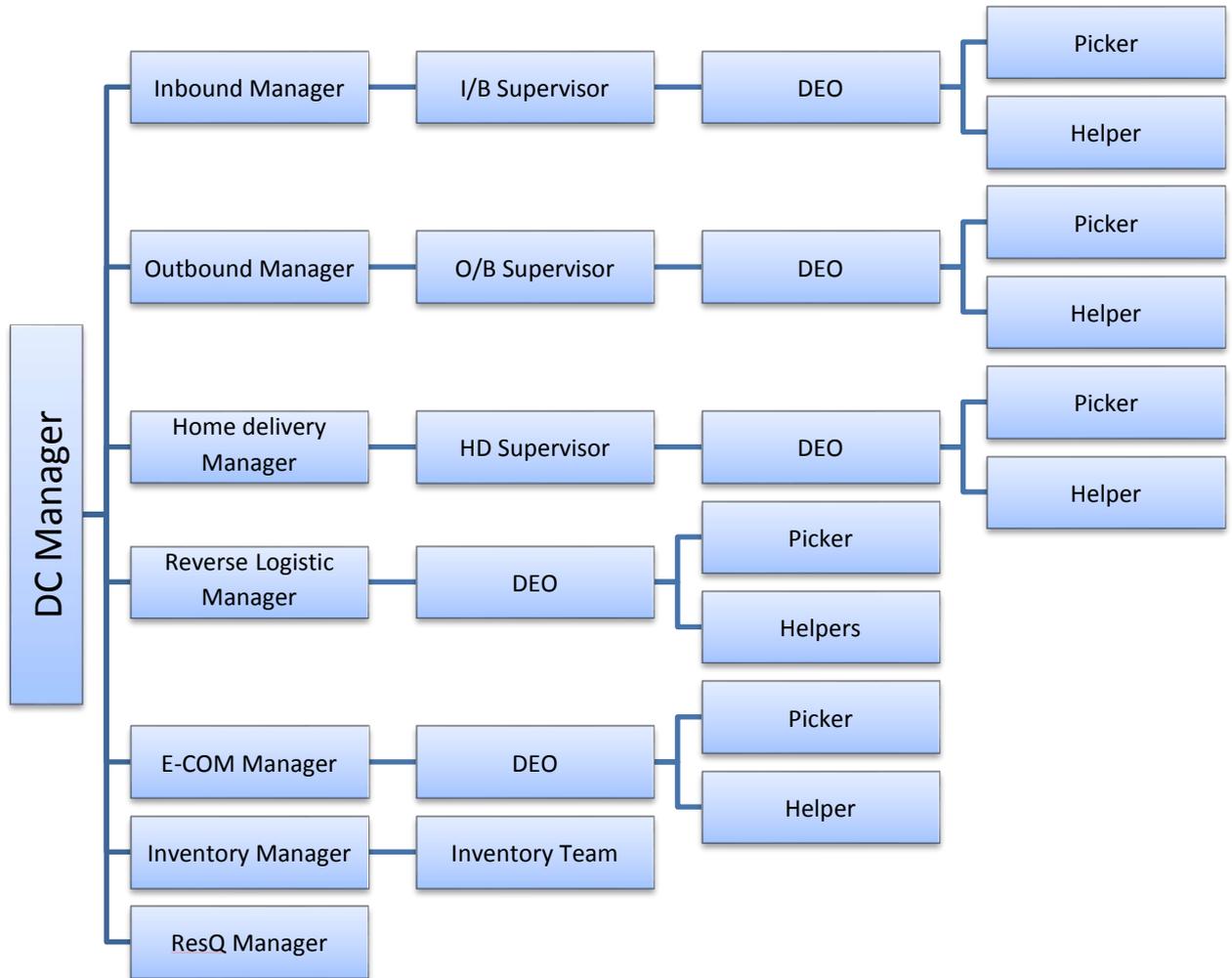
### **Data collection**

➤ **Primary data:**

- 1) Information was collected by intern Aishwarya Khairnar after visiting to DC
- 2) Information provided by industry mentor, training on process, and previously made manual (version-2, May 2011)

➤ **Secondary data:** Information regarding Reliance Digital and warehouse was collected from Web sites.

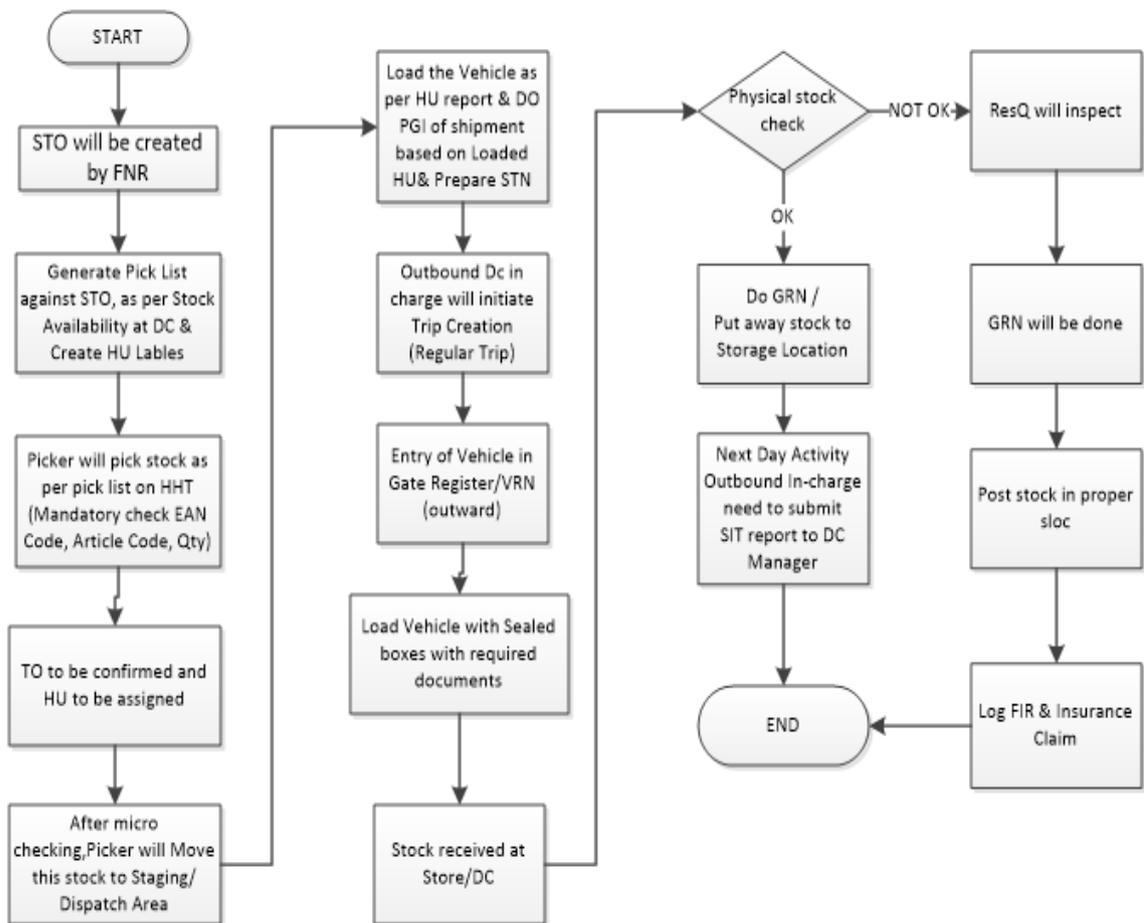
**Organisation structure of DC (Distribution Centre):**



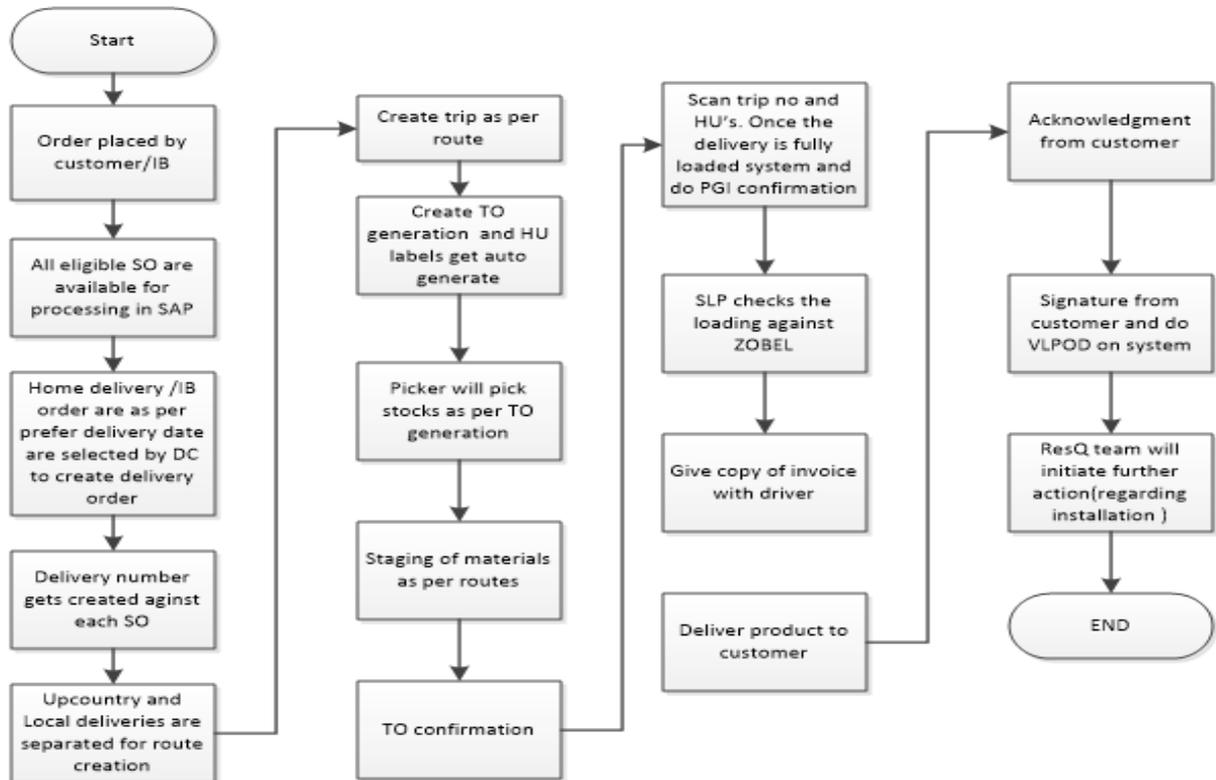
**FOCUS AREA:**

**Outbound:**

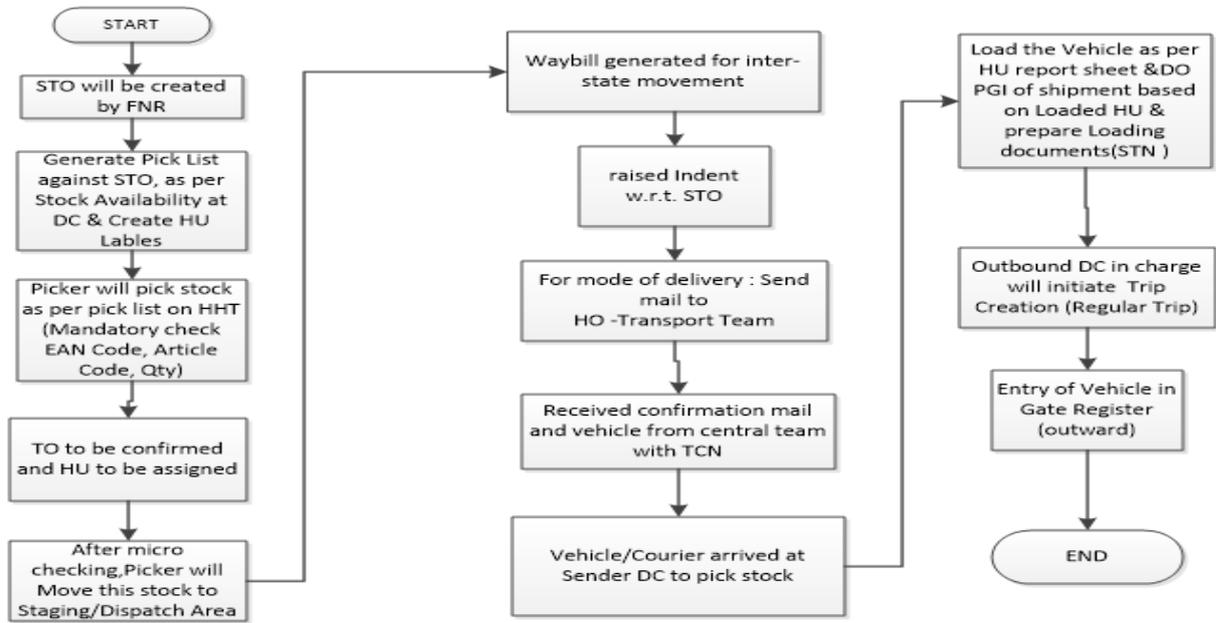
- **DC TO STORE:**



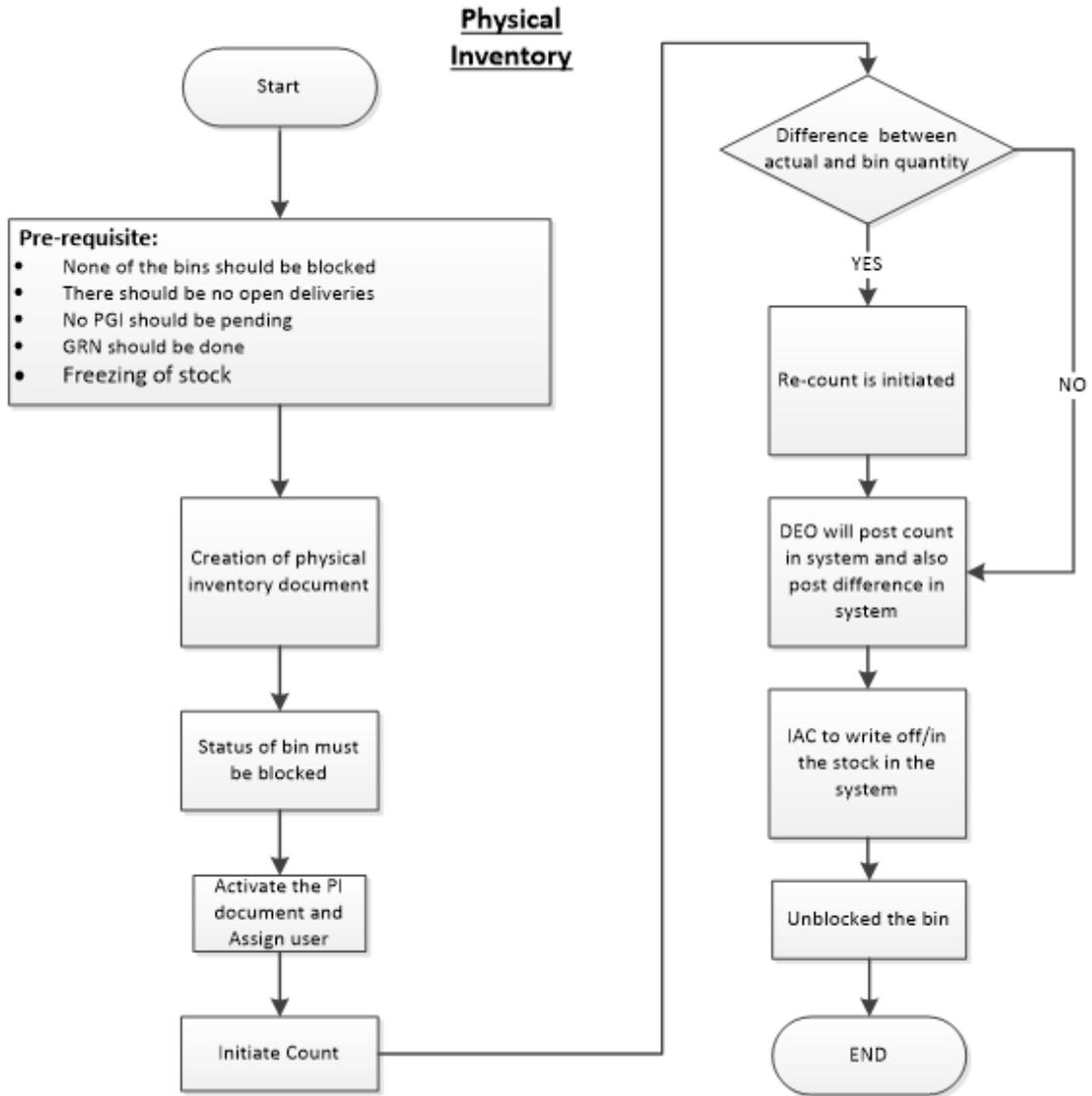
• **DC TO HOME DELIVERY/ DC TO INSTITUTIONAL BUSINESS(IB):**



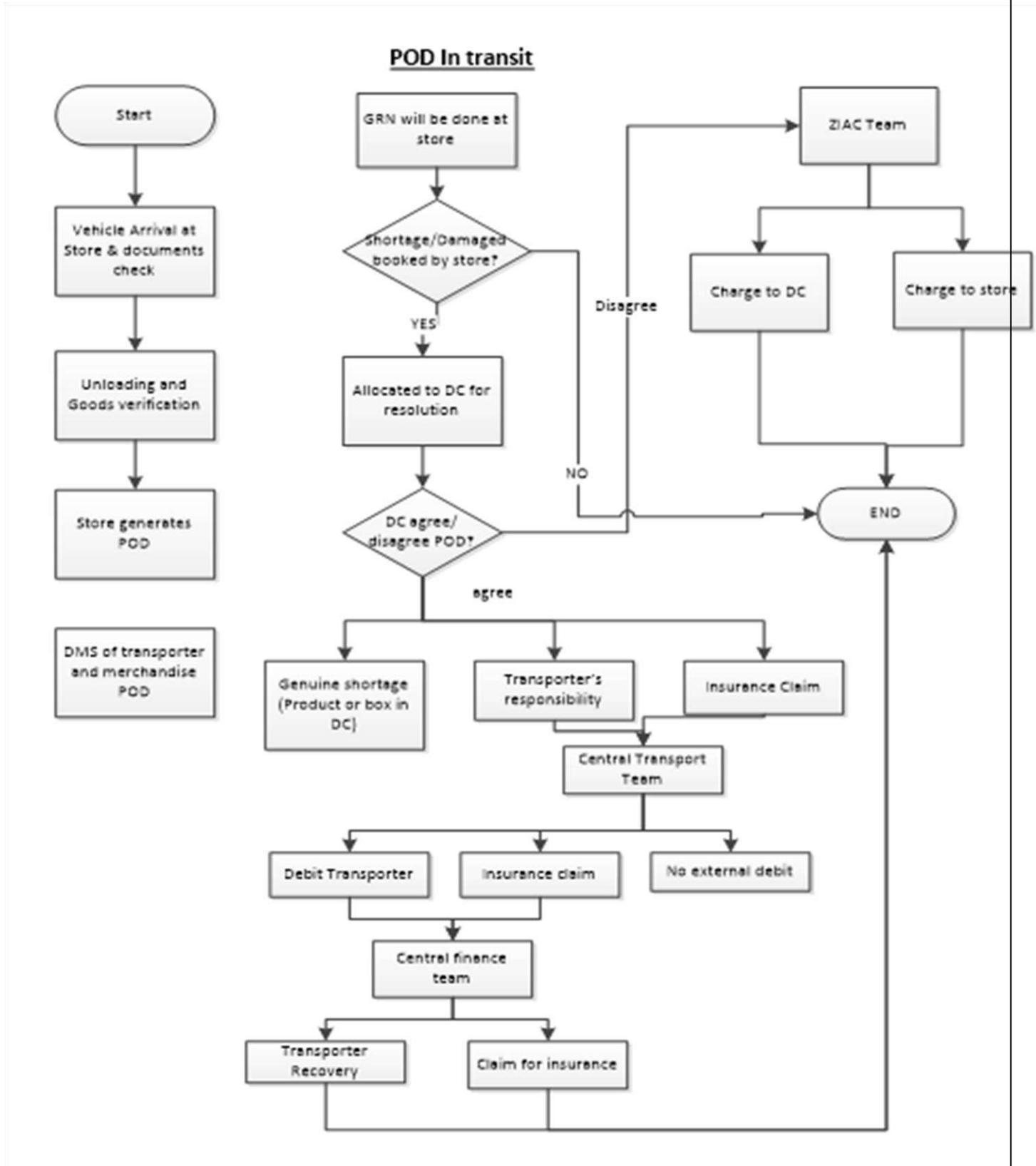
• **DC TO DC:**



- 
- **PHYSICAL INVENTORY (PI)/CYCLE COUNTING:**



- **POD IN TRANSIT:**



## **FINDINGS:**

- 40% of deviation between previously stated SOP manual and updated SOP manual.
- In six year gap between previously made SOP manual and Current state process few process were introduced in SOP manual such as E-com, DMS, TMS, PI, Manpower planning, WMS Hygiene, Audit.
- Absent of basic facilities like fans, Lights.
- Computer equipment is not working properly like Keyboard, mouse because of dust and other equipment likes Material handling equipment, Pallet.
- The problem faced by DC staff is due to human errors like counting error, Typing error.
- Sometime goods not founds caused they are misplaced during put away , slow process time because staff is not experienced in their role or they are depended on other co-worker, and uncontrolled storage access due to no storage access regulation.

## **RECOMMENDATIONS:**

- SOP updating should be done annually.
- SOP Manual should be available at all DC.
- While taking print of SOP manual take as per one process each so it will easy to refer and also multiple person use at a time.
- DC should clear GRDC material on daily bases so the inbound staging area gets available for tomorrows inward deliveries.
- There should be SOP creator sample template file for SOP updating such as companies like Master Control, Monitrium who have SOP templates.
- If helper and picker co-ordination is manage properly during outbound store delivery picking than there will be no delay in delivery as well as overtime of the DEO and it will help for cost reduction up to Rs.50400 per year (Rs.150 per day due to overtime, 28 days per month) + Rs.20160 per year (approx.1hr 30 min idle, Rs.40 per hr. during working hrs. 28 days per month) for one DEO. If consider one DEO per DC for

outbound-SD than for 27 DC's cost reduction will be Rest.19, 05,120 per year ((50400+20160)\*27).

- Proper and all information of customer should be provided by store to respective DC. This is help to save the time to calling store to get customers information.
- Maximum usage of DT device to keep track of vehicle.This will help to increase time efficiency.
- There should be paper rack in inbound, outbound, home delivery and reverse logistic for keeping papers of different activities (ASN, Invoices, POD, and ZOBEL) in one place. So it gets easy for everyone to find documents as well as there will be less chance of misplace of documents and fasten the work.
- In outbound area almost 5% of time has been gone to collect printed documents from office. Hence devices like printer place near to DC staff that required on daily basis.
- As pallet picking is doing at the end of Shelving and High value picking because of that there is delay in outbound deliveries. Hence do at least complete picking of 2 routes so there should not be any delay in outbound deliveries.
- They should provide basic facilities so there is easiness to work like fans, lights.
- Have contact number of delivery boy along with driver. So it is easy to take follow up.
- New joinee should come 1 day prior before joining date to take proper handover.

## **CONCLUSION**

The introduction of SOPs for Reliance Digital has many benefits. This makes it easier to analyze current ways of working and decide whether better use can be made of support staff. This is making DC operations process oriented instead of person oriented. Many new processes have evolved and necessary system development has been done. There is need of updated SOP manual which is used by DC Operation Team, 3PL Staff, Training to new joiners / staff.

## **Project Report - “To Study Recruitment and Selection Process” at**

### **Hotel Sahara Star**

**Student - Disha Thakker**

**Faculty Mentor – Dr. Sanchita Banerji**

#### **OBJECTIVE:**

- To understand the effectiveness of various sources and methods of recruitment and selection at Hotel Sahara Star
- To understand factors that influences employees to choose a company

#### **SCOPE OF THE STUDY:**

- The scope of study is to take survey or interview of all the employees who are currently working in hotel Sahara Star

#### **LIMITATIONS OF THE STUDY:**

- Collecting data properly from employees become difficulty due to the time constraint.
- Busy schedule of the employees and also different shift timings effected to some extent.
- There is a chance for bias in the information given by the respondents.
- The study was based on sample hence results were not fully absolute.

## **RESEARCH METHODOLOGY:**

- The project includes collection of responses through questionnaire survey. So it was a primary source of data collection. Moreover I interacted with employees and interviewed them.
- The sampling method used in conducting this survey is Simple Random Sampling. The employees were randomly selected from various departments of Hotel Sahara Star.
- In this research, I had distributed 60 survey questionnaires to employees of various departments. So my sample size was 60 respondents.

## **STATISTICAL TEST USED:**

- One Way Anova
- Chi – Square
- Correlation & Regression

## **KEY FINDINGS:**

- The One way Anova test explains that there is:
  - no significant difference between age group and image of the company
  - no significant difference between age group and salary
  - no significant difference between age group and working condition
  - no significant difference between age group and career growth
- The Chi-Square test conducted in the research explains that is no association between Current Position in the Company with Educational Qualification. Thus we can say that Educational Qualification have no impact on Current Position in the Company.
- Out of the total respondents, 85% says that the company follows a formal way of recruitment process and 15% says that the company does not follow a formal way of recruitment process.

- The company recruits employees from different sources such as promotions/transfers, campus placements, references, job portals and others. 51.7% of the recruitment is by references and 25% is via Job portals. 15% recruitment is done when the current employee is promoted or transferred. Recruitment by the way of other recruitment methods and campus placement is 5% and 3.30% respectively.
- Almost 66.70% of the total respondents say that personal interview should be the main criteria for the selection process than written tests and telephonic interview.
- Employees have given different weightage to parameters on which the candidate should be evaluated for selection. Majority of the respondents believe that educational qualification, experience, soft skills and family background are important on which and employee should be evaluated at the time of selection.
- The Correlation and Regression analysis test shows that experience recruits have more impact on recruitment and selection process for the effectiveness of the organizational objectives.

#### **RECOMMENDATION AND SUGGESTION:**

- There should be proper Human Resource system that evaluates performance of employees.
- Recruitment and Selection Process should not take much time. The process should be speedy.
- Manpower planning should be done well in advance with keeping a proper counting's as per requirement only.
- As per observation candidates called for interview should be allotted with different timings in order to avoid overlapping.
- Instead of paper work joining formalities should done online, selected candidates should be given an authorized Id and Password prior on the date of selection so that there would be a proper record of different candidates, this will reduce paper work and also time.
- Exit forms should also be done online in order to reduce paper work and time.

**CONCLUSION:**

In this competitive and dynamic environment, Human Resource specialist must understand the importance of Recruitment and Selection. The study presented here explains the Recruitment and Selection in details, company profile of Hotel Sahara Star, Recruitment process adopted by Hotel Sahara Star. The company majorly recruits on the basis of employee referrals and from the job portals apart from promotions/transfers, campus placements and other ways of recruitments. The company follows a formal recruitment process and consider personal interview as the main criteria to recruit an employee. Also experienced recruiters have more impact on recruitment and selection process for the effectiveness of the organisational objectives.

# Merger & Acquisition – FMCG Sector

Student : Ayushi Ajit Desai

Faculty Mentor : Dr. Sarita Vichore

## 1. COMPANY PROFILE

### CapitalSquare Advisors Private Limited

**CapitalSquare Advisors Pvt Ltd** (CSAPL) is an emerging **Investment Banking company**, based out of Mumbai. In the past 3 years, it has been active in the areas of Debt Syndication, Private Equity, Mergers & Acquisitions and Structured Finance. The Firm has a strong network among Banks/Financial Institutions, especially Public-Sector Banks, supported by a team of highly qualified and well experienced professionals.

CapitalSquare Advisors Private Limited was established in 2008 under the aegis of Mr. Sunil Kumar Manocha, with an objective to provide financial advisory services to its clients across industry, sectors and geographies. Today, CapitalSquare Advisors has become one of the leading Investment Banks providing focused advisory services to Corporate and Entrepreneurs. By enabling Corporate/Entrepreneurs and Investors forge win-win relationships; we have established ourselves as a Financial Advisory Services firm that works towards enhancing value of the financial eco system it operates in.

CapitalSquare Advisors is dedicated to partner with their clients in their overall Corporate, Business and Financial strategy by adopting a holistic and integrated approach to add value to client's proposition. The team possesses unique skill sets and the inclination to go out of the way for understanding and making a difference to the business of the company.

CapitalSquare Advisors display a focused transaction-closure orientation which is supported by our deep industry knowledge and relationships that we nurture at the highest levels within the investor community, market intermediaries and the corporate sector. The focus is to work in partnership with the management of their clients and commit their resources end-to-end throughout the transaction, ensuring timely execution with minimal disruption.

What enables them to achieve the aforesaid objectives is the gamut of services they bring to the table. They provide end to end services for achieving financial closure including Advisory services for conceptualizing the Business Plan, Project & Corporate Structuring, Valuation to Debt Syndication, raising Foreign Currency Loans, ECBs, ADRs/GDRs, Mezzanine placement and Private Equity placement. Apart from this, they also provide strategic advice with regard to Mergers & Acquisitions, Initial Public Offerings and Capital Restructuring.

## 2. SCOPE OF THE STUDY

- This research provides a **holistic practical understanding** of the FMCG sector and deal activity taking place in the sector.
- It helps in **developing the insights** into the FMCG sector.
- It also gives the understanding of the **strategic priorities** that influence the M&A activity and their valuations.

## 3. OBJECTIVE OF THE STUDY

- The objective of the Research is to **study and analyze the recent transactions** of Merger & Acquisition which have taken place in the FMCG Sector globally and domestically.
- To **Study and analyze the deals of the major companies** of the FMCG sector.
- To **study and analyze the FMCG sector** as a whole.
- To create a report highlighting **macro and industry dynamics** influencing the same.
- To **establish /update** their coordinates.
- To **circulate the same** with the stakeholders.

## 4. METHODOLOGY

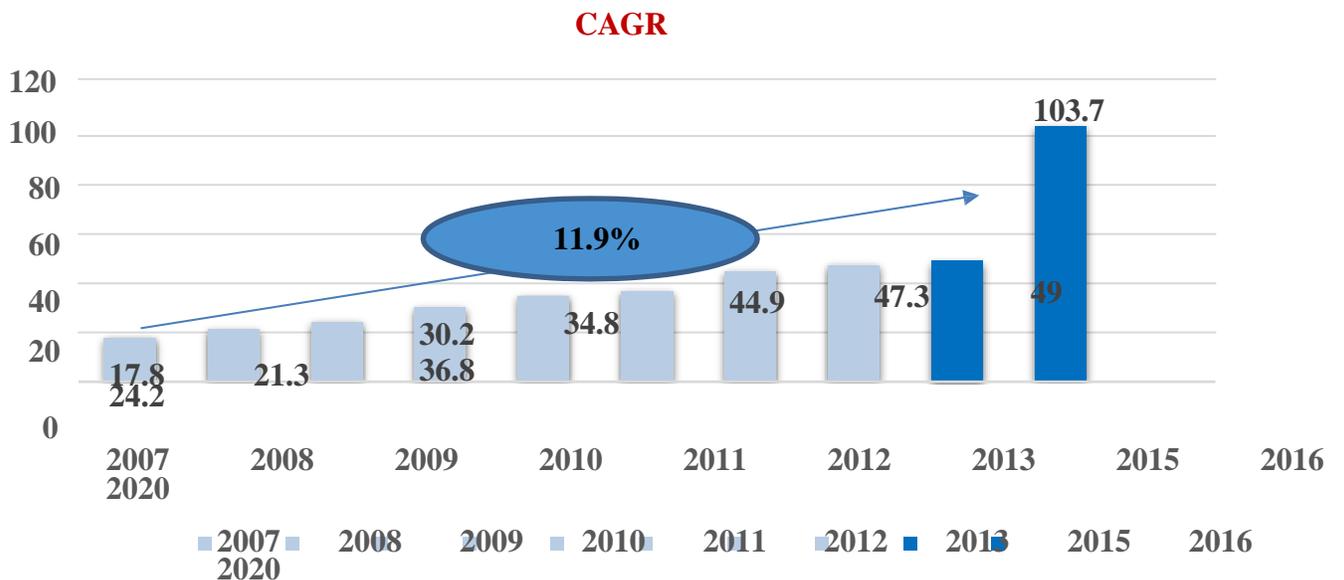
- This report is prepared with the help of **secondary data**.
- The analysis is made using annual reports, company reports, companies' sites, BSE and financial ratios of last three years.
- Merger & Acquisition Transactions of previous years have also been analyzed in order to give a overview of the sector and companies.
- Comparative Valuation method is used to find out if the deal is accretive or dilutive.

## 5. DATA ANALYSIS

### 9.1 Indian Sector Analysis

#### 9.1.1 STRONG GROWTH IN THE INDIAN FMCG SECTOR

- The FMCG sector in India generated revenues worth USD47.3 billion in 2015
- Over 2007-16F, the sector is expected to post CAGR of 11.9% in revenues
- In 2016, revenues for FMCG sector is expected to reachUSD49 billion
- During 2015-16, seven leading FMCG companies in the country have fared better than their multinational peers, in terms of revenue growth. The combined revenue of seven leading Indian FMCG companies during 2015-16 stood at 11,066.46 million
- In the long run, with the system becoming more transparent & easily compliant, demonetization is expected to benefit organized players in the FMCG industry.



Source: Booz & Company, Dabur, AC Nielsen, TechSci Research

## 9.2 Recent M&A Deals: INDIA

Date	Transaction Name	Rationale
17/08/2017	Dabur-South African companies	Consumer products maker Dabur India Ltd said it will acquire two South African companies for 50 million rand (\$3.8 million) in cash to expand its presence on the African continent.
18/03/2017	Marico-Zed Lifestyle Pvt Ltd.	The FMCG major, as per a stock market disclosure, acquired a 45% stake for an undisclosed amount in the Ahmedabad-based company.
7/12/2016	Vini Cosmetics-Paree Brand	Darshan Patel acquires majority stake in maker of sanitary napkin Paree. Vini Cosmetics promoter Darshan Patel has picked up a majority stake for an undisclosed amount in Noida-based Soothe Healthcare Pvt. Ltd, the firm behind Paree brand of sanitary napkins.
5/10/2016	Patanjali-Sonipat-based rice mill	Patanjali Ayurved Ltd., the FMCG giant promoted by yoga guru Baba Ramdev, has acquired Sonipat-based rice mill from RH Agro for \$10.5 million (Rs. 70 crore).
26/06/2016	Wipro-Zhongshan Ma Er Daily products	Wipro Consumer Care & Lighting Ltd.'s (WCCLG) Singapore arm is all set to buy the Chinese fast-moving consumer goods company, Zhongshan Ma Er Daily Products Ltd. The amount of the deal is not disclosed; however, it is going to be an all-cash transaction.

Source: Vccircle, Dealcurry

## 9.3 Recent M&A Deal: Global

	Transaction Name	Rationale
03/03/2016	Keurig Green Mountain- JAB Holding	Personal beverage system company Keurig Green Mountain has agreed to be taken private by an investor group led by JAB Holding for \$92 a share in cash.
10/10/2016	AB InBev-SAB Miller	Anheuser-Busch InBev NV clinched its \$103 billion takeover of SABMiller Plc after the British brewer's investors approved a deal that unites the world's two biggest beer makers about a year after it was proposed.
13/4/2017	Danone & Whitewave	Danone S.A. has completed its \$12.5 billion acquisition of The WhiteWave Foods Co. WhiteWave shareholders will receive \$56.25 per share in cash.
19/6/2017	Amazon- organic food store	Amazon's acquisition of organic food store company Whole Foods for \$13.7 billion (£10.7 billion) is likely to take it head-to-head with the major retailers in the US and UK, market analysts have warned.

Source: Vccircle, Dealcurry

## 9.4 COMPANY ANALYSIS

### 9.4.1 Hindustan Unilever Limited

<p><b>Introduction</b></p>	<ul style="list-style-type: none"> <li>□ Hindustan Unilever Limited (HUL) is an Indian consumer goods company based in Mumbai, Maharashtra.</li> <li>□ HUL is a subsidiary of Unilever, one of the world's leading suppliers of Food, Home Care, Personal Care and Refreshment products with sales in over 190 countries and an annual sales turnover of €52.7 billion in 2016.</li> <li>□ Unilever has over 67% shareholding in HUL.</li> <li>□ HUL's products include foods, beverages, cleaning agents, personal care products and water purifiers.</li> <li>□ HUL is the market leader in Indian consumer products with presence in over 20 consumer categories such as soaps, tea, detergents and shampoos amongst others with over 700 million Indian consumers using its products.</li> <li>□ The Company has about 18,000 employees and has a net sales of INR 33895 crores (financial year 2016-17).</li> </ul>																																																												
<p><b>Recent</b></p>	<p>In April 2016, it acquired Indulekha</p>																																																												
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	Fixed Assets	3256.13	3646.71	4567.00
	Investments	3025.08	2747.42	3794.00
	Cash & Cash Equivalents	805	830	628

Source : Annual Report of 2015, 2016 & 2017 data

## 9.4.2 ITC

<b>Introduction</b>	<ul style="list-style-type: none"> <li>□ <b>ITC Limited</b> is an Indian conglomerate headquartered in Kolkata, West Bengal.</li> <li>□ Established in 1910 as the <b>Imperial Tobacco Company of India Limited</b>, the company was renamed as the <b>Indian Tobacco Company Limited</b> in 1970 and further to <b>I.T.C. Limited</b> in 1974.</li> <li>□ ITC has rapidly scaled up presence in its newer FMCG businesses comprising Branded Packaged Foods, Lifestyle Retailing, Education and Stationery products, Personal Care products, Safety Matches and Incense Sticks (Agarbatti), at an impressive pace over the last several years, crossing Rs. 9700 crore mark in 2015-16.</li> </ul>																																																								
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Fixed Assets	14369.04	14459.36	15262.27
Investments	8405.46	12854.24	17026.38
Cash	155.69	283.59	333.07

Source: Annual Report of ITC for 2015 & 2016 data, BSE for 2017 data

## 6. FINDINGS

### 10.1 HINDUSTAN UNILEVER LTD (HUL):

- EV/EBITDA multiple gives an acquirer a view of the company's valuation as a whole. EV/EBITDA multiple of HUL was 29.76 in March'15 which has gone up to 32.36 by March'17 after the acquisition.
- P/E ratio is the market value of common equity. P/E of the company was 43.28 in March'15 while it increased to 45.33 by March'16 and it was 43.85 by the end of March'17.
- Market Capitalization/ Sales of HUL were 5.91 then it went down to 5.44 by the end of March'16 and it increased to 5.50 by March'17.
- EPS of HUL was 16.88 in March'15 and it has increased to 19.63 by March'17.

As EV/EBITDA, EPS and Market capitalization/Sales have increased, HUL's deal to acquire Indulekha is an '**Accretive Acquisition**'. An accretive acquisition increases synergy between the acquired and the acquirer, the combination of the two organizations produce a combined value that is greater than the sum of the separate parts

### 10.2 INDIAN TOBACCO COMPANY (ITC):

- EV/EBITDA multiple gives an acquirer a view of the company's valuation as a whole. EV/EBITDA multiple of ITC was 18.64 in March'15 which had gone down to 17.63 and by March'17 the ratio increased to 21.25.
- P/E ratio of the company was 27.15 in March'15 while it decreased to 26.83 by March'16 and the ratio was 33 by the end of March'17.
- Market Capitalization/ Sales of ITC were 5.02 then it went down to 4.79 by the end of March'16 it increased to 6.56 by March'17.
- EPS of ITC was 11.09 in March'15 and it has increased to 12.26 by March'17.

As EV/EBITDA, EPS and Market capitalization/Sales have increased, ITC's deal to acquire Johnson & Johnson's Savlon and Shower to Shower is an '**Accretive Acquisition**'.

## 11. CONCLUSION & RECOMMENDATIONS

### **SECTORAL:**

- FMCG brands would need to focus on R&D and innovation as a means of growth. Companies that continue to do well would be the ones that have a culture that promotes using customer insights to create either the next generation of products or in some cases, new product categories.
- One area that we see global and local FMCG brands investing more in is health and wellness. Health and wellness is a mega trend shaping consumer preferences and shopping habits and FMCG brands are listening. Leading global and Indian food and beverage brands have embraced this trend and are focused on creating new emerging brands in health and wellness.

### **COMPANY:**

- HUL & ITC mergers are one of the profitable deals among various other transactions. Various FMCG companies have chosen to grow inorganically by way merger & acquisition and takeovers. Inorganic growth is seen as a faster way for a company to grow when compared with organic growth
- It is recommended for the companies to properly go through the multiples and deal with a company.

## 12. APPENDIX

### □ TRANSACTIONS

Announce Date	Deal Type	Target	Country	Rationale	Acquirer	Country
28-03-2017	M&A	J&J (Savlon, Shower to Shower)	India	FMCG-to-tobacco-to-hotels giant ITC is back on acquisition path. The over Rs 40,000-crore conglomerate has acquired from Johnson & Johnson (J&J) its India business of Savlon and Shower to Shower, two of the major brands globally for the consumer and healthcare multinational.	ITC	India
22-09-2016	M&A	Zhongshan Ma Er Daily Products Ltd	China	Wipro consumer care and lighting's Singapore arm has acquired a Chinese FMCG company Zhongshan Ma Er Daily Products Ltd in an all cash deal for an undisclosed amount.	Wipro Consumer Care Limited	India
04-05-2016	M&A	Parag Milk	India	Dairy firm Parag Milk Foods Ltd has raised Rs 342.86 crore (\$52 million) from a clutch of anchor investors, including sovereign wealth funds of Norway and Abu Dhabi.	The Government Pension Fund, Abu Dhabi Investment, Others	India
26-03-2016	M&A	Premier Foods	UK	Premier Foods Plc announced that Nissin Foods Holding Co, the leading manufacturer of instant noodles, had agreed to purchase a 17 percent stake. The British company, which makes and retails seasonings, gravy and stock cubes, pasta and cooking sauces, dessert mixes and sweet	Nissin Foods	Japan

				treats under brand names including Oxo, Bisto, Sharwood's and Mr. Kipling's, has been busy fending off a hostile takeover by US-based spice processor, McCormick & Co.		
26-10-2015	Private Equity	Hygienic Research Institute Private Limited	India	PremjiInvest, the private investment firm of Wipro Ltd chairman Azim Premji, has invested R216 Cr (\$33 million) to pick up a significant minority stake in Mumbai-based consumer products company Hygienic Research Institute Pvt Ltd.	PremjiInvest	India
22-01-2015	M&A	Fravin Pty Ltd	Australia	Emami Overseas FZE (based in UAE), a wholly owned subsidiary of the Emami, has acquired controlling 66.67% stake in Fravin Pty Ltd, an Australian natural and organic personal care company.	Emami Limited	India
07-01-2015	M&A	Frika Hair (Pty) Limited	South africa	Godrej Consumer Products is acquiring 100% stake in South Africa based hair extensions company, Frika Hair (Pty) Limited for an undisclosed amount.  The acquisition of the R40 Cr turnover company strengths and consolidates Godrejs presence in Western Cape, Eastern Cape and Gauteng.	Godrej Consumer Products Limited	India

□ Listed Company Multiples as on 31<sup>st</sup> March, 2017

\*Figures in Crores

Particulars	ITC	HUL	Godrej Consumer Products	Dabur India	Colgate	Marico Ltd.	Emami Ltd.	Bajaj Corp	Amrutanjan
	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017	FY 2017
<b>Sales</b>	58,732	35,759	9,609	7,701	4,490	5,918	2,341	797	232
<b>EBITDA</b>	14867.56	6,047	1,630	1,468	678	979	784	291	23
<b>PAT</b>	10,471	4,502	1,307	1,280	577	812	346	218	21
<b>Debt</b>	38	277	149	912	144	2	173	15	2
<b>Cash &amp; Cash equivalents</b>	333	628	87	163	199	8	50	12	47
<b>Market Cap (as on 31<sup>st</sup> March, 2017)</b>	349829	196901	56880	48821	27154	37985	23942	5820	863
<b>EV</b>	<b>349533</b>	<b>196550</b>	<b>56942</b>	<b>49569</b>	<b>27069</b>	<b>37979</b>	<b>24065</b>	<b>5823</b>	<b>818</b>
<b>P/E (x)</b>	<b>33</b>	<b>44</b>	<b>44</b>	<b>38</b>	<b>47</b>	<b>47</b>	<b>69</b>	<b>27</b>	<b>41</b>
<b>EV/EBITDA</b>	<b>24</b>	<b>33</b>	<b>35</b>	<b>34</b>	<b>40</b>	<b>39</b>	<b>31</b>	<b>20</b>	<b>35</b>
<b>Market Cap/Sales</b>	<b>5.96</b>	<b>5.51</b>	<b>5.92</b>	<b>6.34</b>	<b>6.05</b>	<b>6.42</b>	<b>10.23</b>	<b>7.30</b>	<b>3.72</b>
<b>Market Cap/EBITDA</b>	<b>23.53</b>	<b>32.56</b>	<b>34.89</b>	<b>33.27</b>	<b>40.03</b>	<b>38.81</b>	<b>30.53</b>	<b>19.98</b>	<b>37.05</b>

Source: BSE

**For the calculation of EV & Market Capitalisation**

**1. HUL**

	2015	2016	2017
No. of shares	216.35	216.39	216.43
Closing Price	872.9	869.5	909.75
Market Cap	188848.85	188154.32	196901.71
Debt	43	177	277
Cash & cash equivalent	805	830	628
Enterprise Value	188086.85	187501.32	196550.71

**2. ITC**

	2015	2016	2017
No. of shares	801.55	804.72	1214.74
Closing Price	325.45	328.05	280.45
Market Cap	260865.083	263988.6	340673.36
Debt	224.72	71	38
Cash & cash equivalent	156	284	333
Enterprise Value	260933.803	263775.6	340378.36

**13. REFERENCES**

**Annual Reports:**

- HUL
- ITC

**Other Sources:**

- Ibef Report- <https://www.ibef.org/industry/indian-consumer-market.aspx>
- Deloitte Report- <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/consumer-business/deloitte-uk-consumer-products-m-and-a-2017.pdf>
- Baker Mckenzie Report- <http://crossbordermainindex.bakermckenzie.com/fmcg-q4-2016>
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- <http://www.dealcurry.com/MergersAcquisitions.htm>
- <https://www.vccircle.com/deal-type/m-a/>
- <http://economictimes.indiatimes.com/industry/cons-products/fmcg/patanjali-indian-fmcgs-new-baahubali/articleshow/58523174.cms>
- <http://economictimes.indiatimes.com/industry/cons-products/fmcg/budget-2017-fmcg-consumer-durable-companies-look-to-tap-rural-market/articleshow/56943471.cms>

# **Training and development initiatives at HyperCITY**

**Student - Neekita Pathak**

**Faculty Mentor \_ Beena Prakash**

## **INTRODUCTION**

In the present dynamic environment, skill up gradation and skill obsolescence are the two key challenges faced by each organization. In that context, role of learning development becomes essential for the growth and survival of the organization. Thus, every organization needs to have well trained and experienced people to perform the activities that have to be carried out in the organization.

As in retail sector, Human Resource plays a vital role, training and development is essential for ensuring desired behavior is being demonstrated to add value to the customers. Hence my project was in the area of Training and Development and Identifying Causes of Attrition. The process initiated with identification of training needs at service Associate level, customization of their induction programme as per the departments, delivery of training programme and its assessment.

Training is the process of assisting a person for enhancing his efficiency and effectiveness at work by improving and updating his professional knowledge by developing skills relevant to his work and cultivating appropriate behavior and attitude towards work and people. Training could be designed either for improving present at work or for preparing a person for assuming higher responsibilities in further which would call for additional knowledge and superior skills.

Training is different education particularly formal education. While education is concerned mainly with enhancement of knowledge, training aims essentially at increasing knowledge, stimulating attitude and imparting skills related to a specific job. It is a continuous and life long process. Training provides an atmosphere of sharing and synthesizing, with the help of the trainers, the information already available on the subject. Training is a time bound activity program. Thus there is a separate specialized discipline of trainers socializing in the field of human activity.

## **OVERVIEW OF THE COMPANY**

HyperCITY has constantly made an effort to provide its customers with a truly international shopping experience in the comfort of a large, modern and exciting environment. Earning and retaining their customer's trust and loyalty remains at the core of their vision. Providing high quality products at the best ever prices make them an integral part of our customers' lives something they truly cherish and work hard for.

HyperCITY opened its first store in Mumbai in May, 2006. It is spread across 1, 25,000 sq. ft. of retail space. Today HyperCITY has 19 stores across Mumbai, Hyderabad, Bengaluru, NCR, Bhopal, Amritsar, Pune, Ahmedabad and Vadodara. Each of the stores features the best of global design, infrastructure and safety facilities. As India's finest hypermarket, HyperCITY offer customers a dominating assortment of over 50,000 innovative and contemporary products across categories like fresh food & grocery, personal care, home and furniture, fashion, small appliances, sports and fitness equipment, toys and stationery which offer great quality and value. The company turnover is Rs.1000 Crores and is eyeing to grow by 15%

### Hyper Vision 2020

“We will build a strong sustainable profitable business focused sharply on our customer's needs, backed by an authoritative nest in class range and assortment across food, home and everyday fashion, A Service Philosophy built on trust, respect, knowledge and customer experience& people who are passionate, persevering, innovative and committed.”

That will be recognized as “India's Most Admired” Hypermarket and Omni Channel Retailer.

## **OBJECTIVES OF THE STUDY**

1. To conduct profile customization induction.
2. To conduct training passport initiative.
3. To study the effectiveness of the training and development in the organization.

## **SCOPE OF THE STUDY**

The scope of the study is limited to employees of Hypercity, Mumbai.

## **LITERATURE REVIEW**

This article provides a review of the training and development literature since the year 2000. We review the literature focusing on the benefits of training and development for individuals and teams, organizations, and society. We adopt a multidisciplinary, multilevel, and global perspective to demonstrate that training and development activities in work organizations can produce important benefits for each of these stakeholders. We also review the literature on needs assessment and pertaining states, training design and delivery, training evaluation, and transfer of training to identify the conditions under which the benefits of training and development are maximized. Finally, we identify research gaps and offer directions for future research. (Herman Aguinis, 2009)

This paper reviews the literature on mentorship and presents an initial framework for research on mentor-protégé relationships for both men and women. Critical dimensions of this framework include the context within which a mentor-protégé relationship exists, the gender of these role partners, the characteristics each partner seeks in the other, the stages of the relationship, and the positive and negative outcomes accruing to the mentor, to the protégé, and to their organization. (David Marshall Hunt, 1983)

Employee turnover reflects a company's internal strengths and weaknesses. New hires need to be constantly added, further costs in training them, getting them aligned to the company culture, etc.,—all pose a challenge. Organizations also face difficulties in retaining the remaining employees as well as attracting potential employees. High attrition rates also lead to a chronic or systemic cycle. All this has a significant impact on the strength of a company in managing their business in a competitive environment. This study is conducted to find out the main causes which increase the employee turnover in BPO companies and to find out the way to control attrition. (Anantharaja, 2009)

The study was conducted with the aim of discovering the factors which maximally discriminate between those employees who intend to leave the organization and those who intend to stay with the organization. The primary motive was to find those factors which are strong predictors of intention to stay, so that employees who intend quitting are identified in

advance, and remedial measures are taken to retain them, especially if they are key performers. (Piyali Ghosh, 2005)

## **PROFILE CUSTOMIZED INDUCTION (PCI)**

To start with PCI, PCI stands for Profile Customization Induction, it's and on the job training given to employees based on their particular profiles. As earlier two hours of induction was not able to meet the desired level of the performance, hence this initiative was undertaken. The first month of internship was focused on delivering induction training to the new joiners, delivery of Profile Based Customization Induction Training i.e. On the Job training and handling of Training Passport of all the Service Associates, Team Leaders, Managers. It is a customized training given to the employees to enhance their product and departmental knowledge. It is a 5 days process in all the departments but in the case of Prep Room it is a 6 days process.

A Hypercity Store will have 16 Departments and 3 levels of employees ie Service Associate, Team Leader and Service Manager within each department. Beyond this the store will also have 4-5 Senior Managers. In total at least more than 50 unique roles.

Profile Customized Induction is an induction tool designed for each of these 50 unique roles. It gives a day by day, hour by hour description of what should a new joinee be doing, how and why he should be doing it and who should be coaching him. After completion of his respective PCI the incumbent is completely clear about his responsibilities and how to execute them.

### **The ROI:**

- New joinee hand held at every step
- A more confident employee serving the customer
- Reduction in attrition (for tenure less than 3 months)
- Also used for inducting transfers and promotion cases

## **Need for PCI**

Earlier two months of training was not able to meet the desired level of performance, hence the associates were lacking behind their process knowledge.

The need to undertake PCI initiatives was to enhance customized process knowledge in the employees.

The impact assessment was done by seeking information from Head of Department and by observing associates interacting with the customers.

## **Benefits of PCI**

PCI Benefited HyperCITY by increasing awareness and customized process knowledge in the associates and also by increasing customer service by better able to understand and address the need of the customers.

## **Training Passport**

HyperCITY have recently launched the idea of training passport. It is a tool to track employee's training, employee's knowledge, and employee's performance.

## **Need for Training Passport?**

Prior they used to update only the training tracker in the learning chronicles; because of this the employee's performance was not updated.

The need to undertake Training Passport initiatives was to measure the performance of the employees.

The impact assessment was done by conducting structured exam based on the employee's process comprising of 50 questions but in the case of receiving department it was 60 questions. The passing criteria in the case of service associates were to get maximum 44 out of 50 and 54 out of 60. In the case of team leaders and managers were to get maximum 47 out of 50 and 57 out of 60.

Based on performance categorized as:

<b>Service Associates</b>	<b>Yellow Belt</b> 
<b>Team Leaders</b>	<b>Green Belt</b> 
<b>Managers</b>	<b>Black Belt</b> 

### **Benefits of Training Passport**

Training Passport helped the organization by bringing objectivity in Performance Appraisal and by tracking employee's training, employee's knowledge, employee's performance.

### **Introduction**

In Retail Sector, Human Resource play a vital role under which Training and Development plays an important role in ensuring that the desired behavior is demonstrated to add value to the customers. Hence, the study was in the area of Learning and Development and identifying causes of Attrition.

### **Research Objectives**

To study the effectiveness of the PCI Training given to the employees and to find the ways to reduce Attrition at HyperCITY.

## **RESEARCH METHODOLOGY**

Research in common parlance refers to the search for knowledge. It can be also defined as a scientific and systematic search for pertinent information on specific topic. In fact, search is an art of scientific investigation. In simple terms, research means, ‘a careful investigation or enquiry especially through search for new facts in any branch of knowledge.’

Logical flow of research is as follows:

- Research objective
- Sources of data
- Data collection
- Sample
- Sample Size
- Data interpretation
- Data analysis
- Recommendation
- Conclusion

**Research Objectives:** “To identify New Training & Development initiatives and identifying cause of Attrition at HyperCITY”

### **DATA SOURCE:**

**Primary Data:** The primary data was collected from the respondents by administering a structured questionnaire and also through observations, interviews and discussion with management team.

**Secondary Data:** Apart from primary data, the secondary data is being collected through Text book, records of HyperCITY, Academic Reports, and Internet is used for the study.

### **SAMPLING:**

**Sampling Method:** Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher.

**Sample Population:** There are approx 1000 employees working in the 5 Hypercity stores of Mumbai region.

**Sample Size:** Out of the total population, the sample taken among workers i.e. 152 respondents

**Sampling Area:** The research was conducted at 5 stores of HyperCITY (Malad, Vashi, Panvel, Thane)

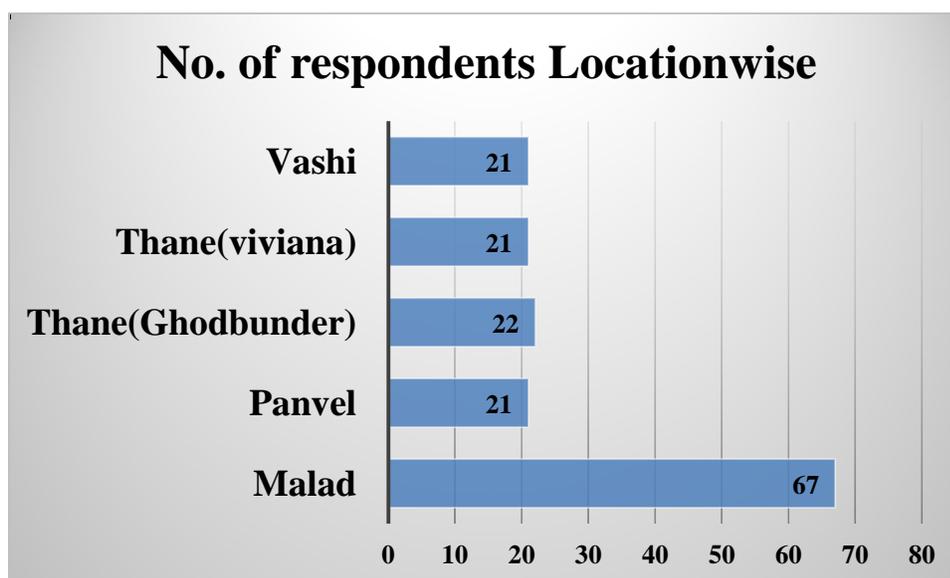
**Sample Method:** The research was made by the survey in accordance to the convenience of the employees. So the sample type is convenient sampling.

**Method:** The research was conducted by using contact methods through Questionnaire, Interview and observation. The information was collected from store workers as well as from support staff.

### **Data Analysis**

#### **1. Hypercity Location**

- Panvel
- Vashi
- Thane (Viviana)
- Thane (Ghodbunder)
- Malad



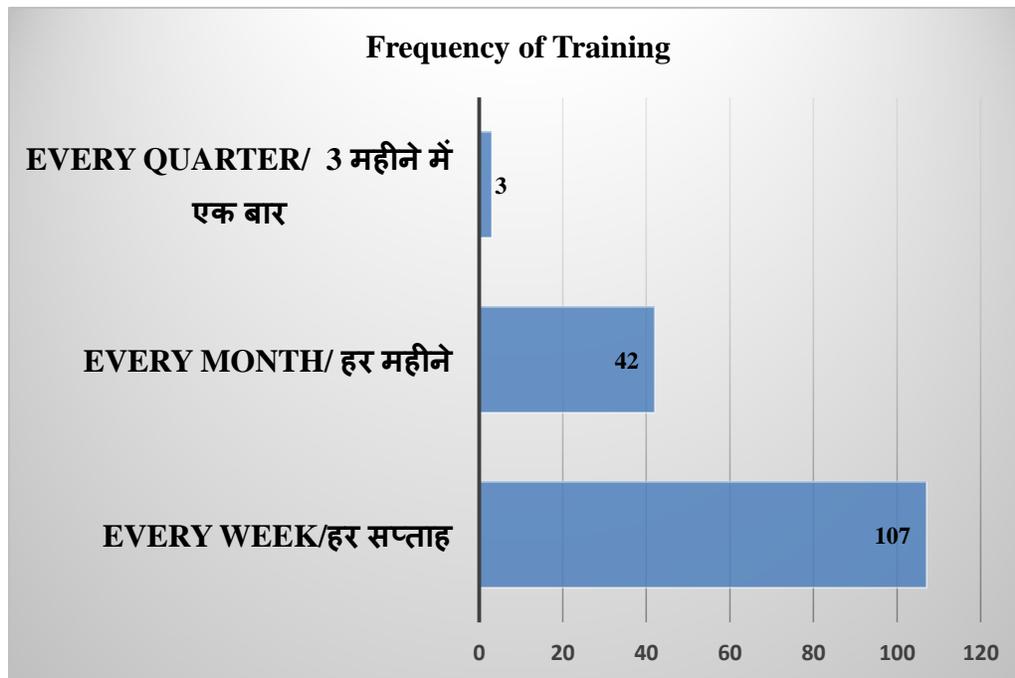
Interpretation:

The study was conducted in 5 stores, 152 respondents from which 21 responses were taken in Vashi, Thane (Viviana), Panvel and 22 in Thane (Ghodbunder) and 67 responses in Malad

**2. How often the Training programs are conducted in your organization? आपके**

**संगठन में कितनी बार प्रशिक्षण कार्यक्रम आयोजित किया जाता है?**

- Every Week/हर सप्ताह
- Every Month/ हर महीने
- Every Quarter/ 3 महीने में एक बार
- Half Yearly / एक साल में दो बार
- Once in a year/ साल में एक बार



**Interpretation:**

Out of 152 responses, 107 respondents say that the training programs are conducted very week for the betterment of the employees as well as the organization.

3. When was the last time you attended a training session? पिछली बार आपने कब प्रशिक्षण मे भाग लिया था?

- Last Week/ पिछले सप्ताह
- Last Month/ पिछले महीने
- 3 months/ 3 महीने पहले
- 6 months/ 6 महीने पहले
- 1 year/1 साल पहले



Interpretation

In the previous question, employees said that training is conducted every week, from which 94% of the employees attended training last week and 44% attended training in last month.

## **RECOMMENDATIONS**

According to the study done at HyperCITY, I would like to suggest that HyperCITY should adopt ADDIE Model approach to meet the Training Needs of the employees as well as the organization.

The **ADDIE Model** is an approach used by instructional designers and content developers to create instructional course materials. ADDIE is an acronym for the five-phase courseware development program of Analysis, Design, Development, Implementation and evaluation. One of the attractions of the ADDIE Model is its flexibility. For example, it can be used with both individualized and traditional instruction.

### **What is 'Attrition?'**

The second month of my internship was focused to identify the cause of Attrition.

Trends were indicating that in the past few years there was an increased in number of employees exit from the organization. Hence a study was initiated to analyze factors leading to attrition.

Attrition in business can mean the reduction in staff and employees in a company through normal means, such as retirement and resignation, the loss of customers or clients to old age or growing out of the company's target demographic. Attrition, in Human Resource terminology, refers to the phenomenon of the employees leaving the company. It is usually measured with a metric called attrition rate, which simply measures the no of employees moving out of the company (voluntary resigning or lay off by the company). The meaning of attrition in a work environment refers to a reduction or decrease in the size or strength the work force, or a gradual reduction in labor occurring through means other than firing employees. Both of these explanations can be applied to activities addressed by human resources, and both can have positive and negative ramifications for a company. Human resources teams factor attrition rates into their department budgets to account for potential losses in productivity and the costs associated with replacing departing employees.

## **OBJECTIVES OF THE STUDY**

- To know the satisfactory level of employees towards their job and working conditions at HyperCITY.

- To identify the factors which make employees dissatisfied about company's policy and norms.
- To know the reasons, why attrition occurs in Retail Industry like HyperCITY.
- To find the ways to reduce the attrition in Retail industry like HyperCITY.

### **SCOPE OF THE STUDY**

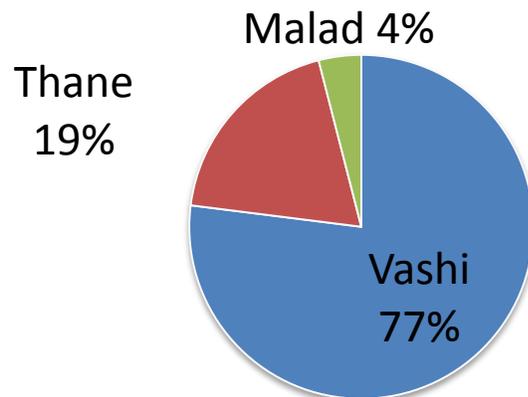
The scope of the study is limited to employees of Hypercity at Malad Store, Mumbai

### **DATA ANALYSIS**

To study attrition, a survey was conducted using structured Questionnaire Method. The data was collected based on the following factors:

1. Satisfaction with focus of training Method on developing skills and teamwork across 3 centers
2. Reason that may make associates leave the organization
3. Potential reasons for associates to continue working with HyperCITY

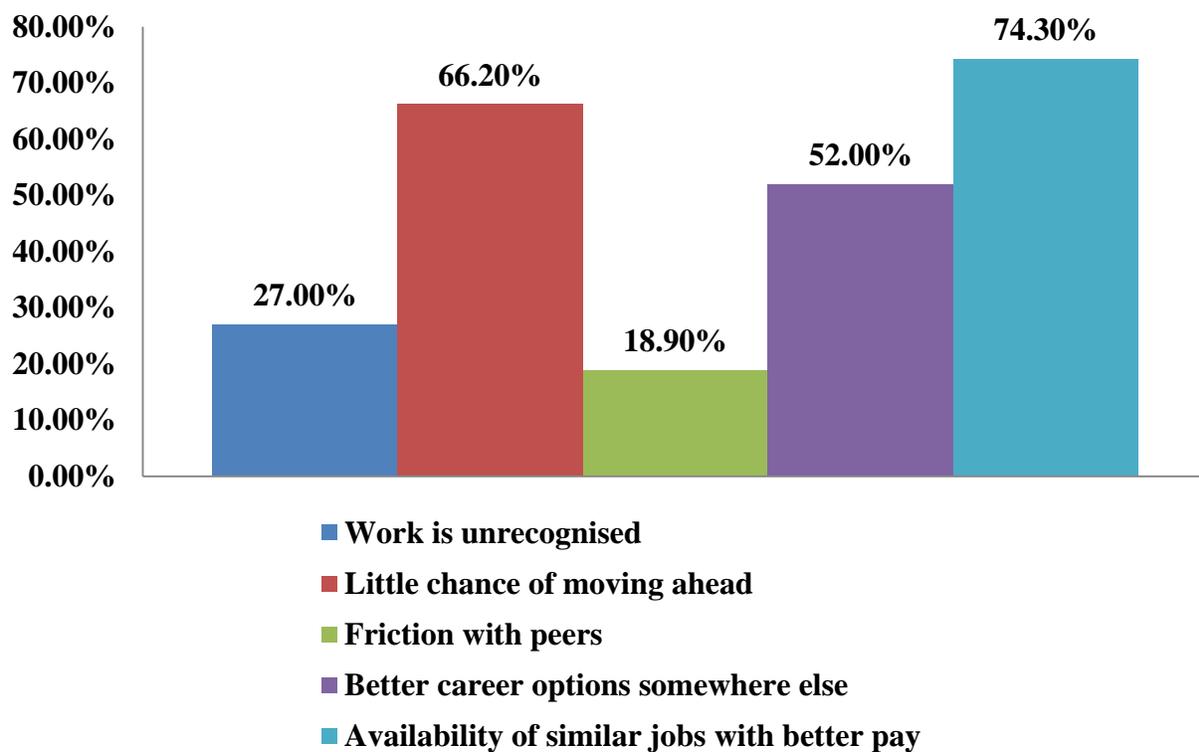
### **Satisfaction with Focus of training method on developing skills and team work at three centers**



### Interpretation:

Satisfaction with focus of training method on developing skills and team work, is more in Vashi store i.e. 77% and comparatively less in Thane store i.e. 19% and the major area of study and concern is Malad store.

### Reasons that may make associates leave the organization



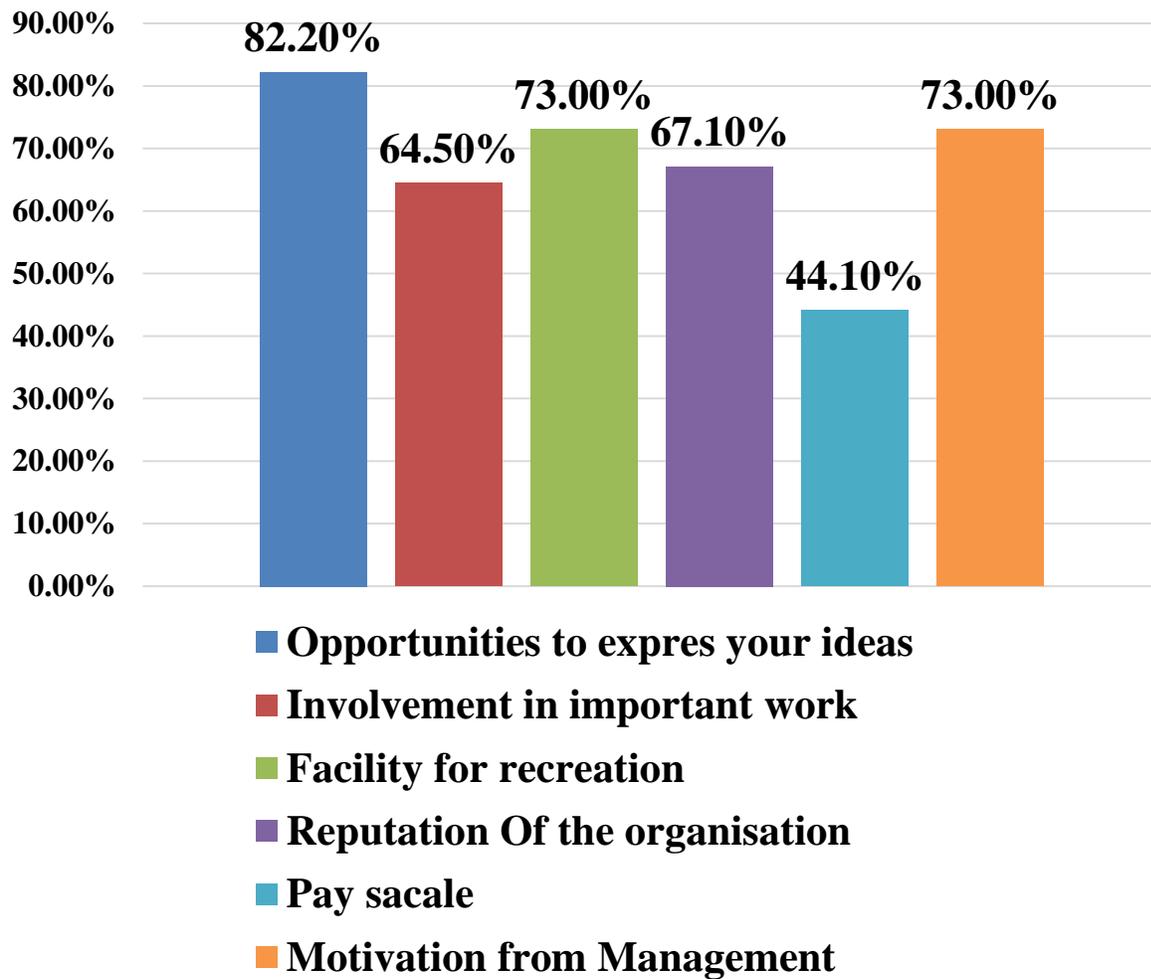
### Interpretation:

The reasons that will make employees leave the organization are

- Little chance of moving ahead. Employees will leave the organization if they get a chance to move ahead like better opportunity coming their way.
- Employees may also leave the organization if they get a good offer from other organization with respect to their career growth i.e. Availability of better career opportunities elsewhere.

- Employees will also leave the organization if they get an offer from different firm for the similar job profile but an increase in the pay scale.

**Potential reasons for associates to continue working with HyperCITY**



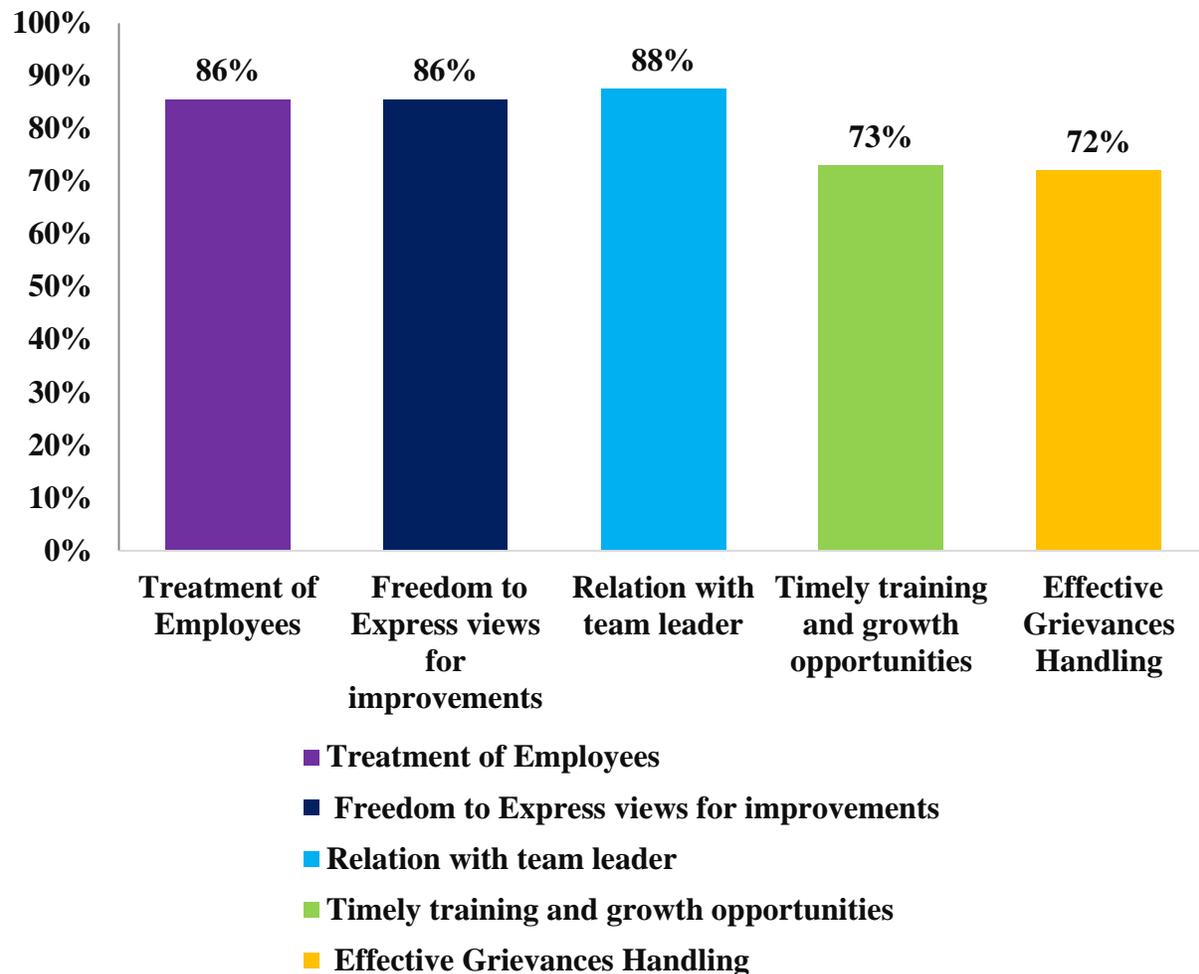
Interpretation:

Potential reasons for employee to continue working with HyperCITY are

- Opportunities to express his/her ideas. Employees like the challenging work environment.
- Facility of recreations after heavy work. Employee enjoy the daily briefing session held with employee engagement activity.

- Reputation of the organization. Employees feel Pride towards the organization, its mission and its products.
- Motivation from management. Being recognized, valued and respected.

### The attrition rate can be reduced by focusing on



#### Interpretation

Attrition can be reduced by focusing more on better treatment of employees and also by giving freedom to employees to express views for improvements.

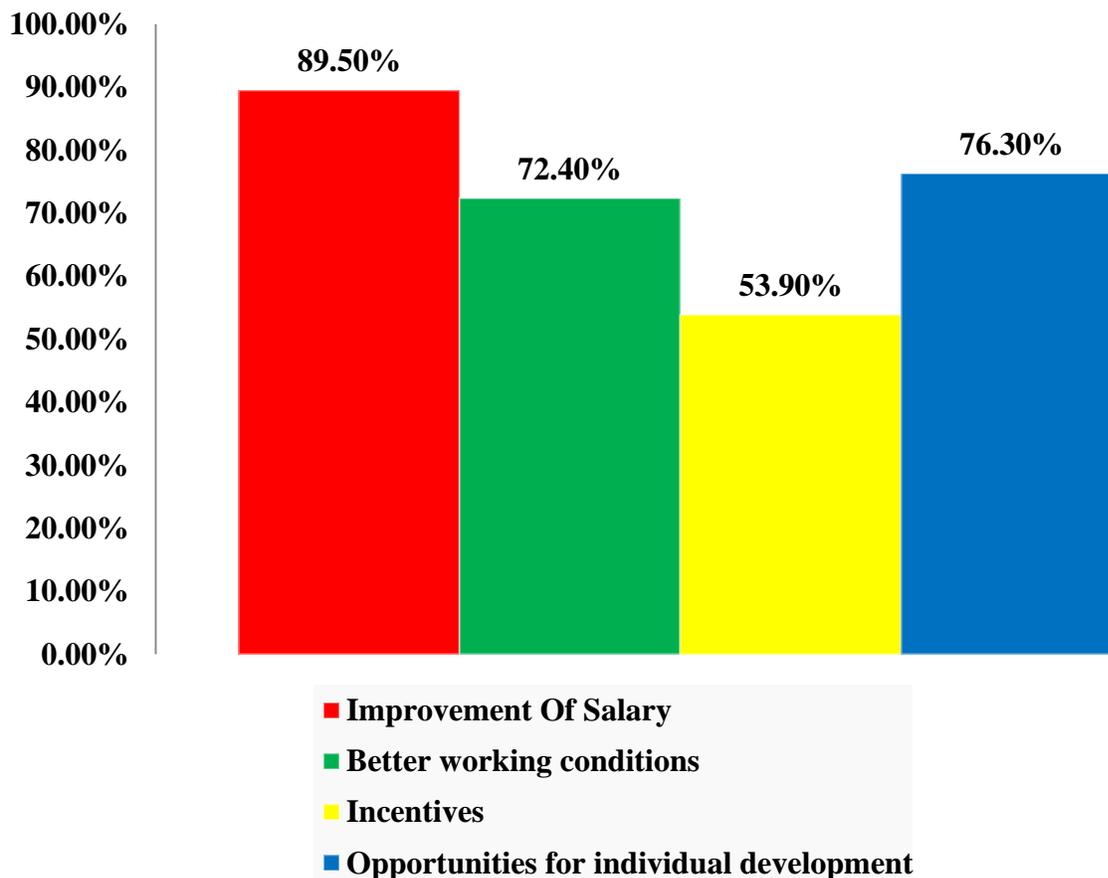
- **Rude behavior.** Studies have shown that everyday indignities have an adverse affect on productivity and result in good employees quitting. Rudeness, assigning blame, back-

biting, playing favorites and retaliations are among reasons that aggravate employee turnover. Feeling resentful and mistreated is not an enticement for a good work environment.

- **Decision-making ability is lacking.** Far too many managers micromanage to the level of minutia. Micromanagers appear insecure regarding their employees' ability to perform their jobs without the manager directing every move. Organizations need employees to have ownership and be empowered! Empowered employees have the freedom to make suggestions and decisions.

## Factors to be focussed to enhance employee satisfaction and retention

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Interpretation;

The Dominant factors that enhance satisfaction among employee and enhance retention are:

- Improvement in Salary. Most of the employees concern is salary.
- Better working conditions. Employees enjoy Great work environment and culture. Management are very much supportive
- Opportunities for Individual Development. Employees get an opportunity for Career growth, learning and development

### **Suggestion**

HyperCITY can adopt following initiatives to reduce attrition,

1. To provide salary as per industry benchmark
2. Providing career progression plans for associates
3. Conducting stay interviews
4. By providing perks and benefits like laundry, pick and drop facilities
5. To enrich morning briefs by contest and incentives
6. Efforts needs to be taken to improve relation with the team leader i.e. by conducting town hall or monthly meeting for associates to address their issue as this is one of the important factor to reduce attrition

Management has accepted the suggestion of “**Conducting Stay Interviews**”, to implement it to reduce attrition.

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# **To Develop an Investment Proposal of a Auto Component company on the basis of Fundamental Financial Profiling**

**By**

**Pratik Vasant Maru**  
**PGDM-Finance**

**Under the Guidance of Dr. Sharad Kumar, Dean DSIMS**

## **Executive Summary:**

ABC Auto Limited was facing a cash crunch in the company as there were Repayments of the existing Debtors was started and the company wants more moratorium period and also the company wants to invest in Capital in order to attain efficiency & productivity through modernized technology. UV Capital is appointed as an Investment Bank for Debt Raising of Rs. 110 Crore for an Auto Component company on the basis Technical & Fundamental Financial Profiling.

Unified Vision Capital Private Limited is an Investment Bank established in 2011 by a team of experts including Industry Veterans, CFA/MBA, Chartered Accountants; who believe their personal commitment, transparency and integrity to be intrinsic to the value proposition for their clients and customers. UV Capital provides services in the areas of Project Finance, Fund Raising, Private Equity, Innovative & Structured Products, Syndication, Mergers & Acquisition and Corporate Financial Advisory. UV Capital has already made successful presence in Infrastructure, Energy, Hospitality, Healthcare, Manufacturing, Pharmaceuticals, Real Estate Telecom, Logistics, FMCG, Shipping, IT and Education Sectors.

The company is proposing to take over its existing Term Debt O/s of Rs. 57.00 Crore from the existing lender EXIM Bank of India, State Bank of India, Hero Fincorp Ltd, IDBI Bank Ltd and Tata Capital as repayment are stating from April 2017 and company wants 18 months more moratorium.

Apart from the above the company is proposing additional Rs. 63 Crore which will be utilized for CAPEX and their working capital requirement. This Project is helpful in providing inputs in structuring the project and making it more bankable. This would cover issues such as security, risk mitigation measures, use of the cash flows from the project etc. It is Preparation of a Placement Memorandum, which forms the basis for lenders to carry out an appraisal, for the purpose of lending and preparation of a project presentation to lenders and Assisting in documentation.

**Key Words:** Financial Profiling, Venture capital, CAPEX,

*In this project the Company name is assumed as ABC Auto Limited, as the project contains the confidential a Facts and Figures which are not advised in Public Domain.*

## **Chapter I: Introduction**

### **Objectives and Scope of Project:**

- Providing inputs in structuring the project and making it more bankable.
- Preparing a detailed financial model, along with necessary supporting validations for the project.
- Preparation of a Placement Memorandum, which forms the basis for lenders to carry out an appraisal, for the purpose of lending and preparation of a project.
- Negotiating the terms of the lending with the lenders on behalf of the sponsors.
- Assisting in documentation.
- Assisting in draw down of funds for the project.

### **Client Company's Profile:**

- One of the largest Gear Manufacturing company, established in 1971.
- Manufacturing facility at Mumbra, Faridabad and Lonand.
- Exports to Europe, USA, Mexico, and Asian Markets.

### **Capital structure:**

- Authorised share capital: Rs. 250,000,000
- Paid-up capital: Rs. 7817833
- Promoters Holding: 52.98%

### **Industrial Analysis:**

#### **Automotive Industry:**

- The industry accounts for 7.1 per cent of the country's Gross Domestic Product (GDP).
- The overall Commercial Vehicles segment registered a growth of 5.41 percent in April-March 2017.

#### **Auto Component Industry:**

- The auto-components industry accounts for almost 7 % India's Gross Domestic Product (GDP).
- Employs 19 million people, both directly and indirectly.
- The Indian Auto Component industry is expected to grow by 8-10 per cent in FY 2017-18.
- According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto-components industry is expected to register a turnover of US\$ 100 billion by 2020, from the current US\$ 11.2 billion.

## Chapter II: Overview of the Proposed Deal

The company is proposing to Takeover its existing Term Debt O/s of Rs. 57.00 Crore from the existing lender EXIM Bank of India, State Bank of India, Hero Fincorp Ltd, IDBI Bank Ltd and Tata Capital as repayment are starting from April 2017 and company wants 18 months more moratorium.

### I. Existing Debt Profile:

Sr. No	Name of the Lender (Existing)	Type of Facility	ROI	Amount Rs. in Cr.
1	Herofin Corp	Working Capital Term loan	12.70%	3.81
2	IDBI Bank	Working Capital Term loan	12.75%	6.88
3	Tata Capital Financial Services Limited	Working Capital Term loan	12.75%	13.61
4	EXIM Bank	Term loan	11.60%	19.50
5	EXIM Bank	Term loan	11.60%	6.00
6	EXIM Bank	Term loan	11.70%	3.00
7	SBI Bank	Working Capital Term loan	11.60%	4.20
Total				57.00

Apart from the above the company is proposing additional Rs. 53 Crore which will be utilized for the Following requirement:

Sr. No.	Particulars	Amount
1	Capital Expenditure (CAPEX)	40 Crore
2	Working Capital Requirements	13 Crore
3	Payment For Voluntary Retirement Scheme	10 Crore
Total		<b>63 Crore</b>

## II. List of Capital Expenditure (CAPEX):

Equipment	Qty.	Rs. in Lakhs	Location	New/used	Supplier Name	Purpose
Viper Gear Grinder 500 with part specific Tooling along with auto loader	1	800	Satara	New	Klingelberg, Germany	Capacity Addition
C-30 Klingelberg CNC Bevel Gear Cutting Machine	1	775	Faridabad	New	Klingelberg, Germany	Capacity Addition
P 40 Gear Measuring Machine	1	150	Faridabad	New	Klingelberg, Germany	Technology Improvement/Balancing equipment
Gear Grinding Machine	1	700	Mumbra	New	Gleason, Germany	Technology Improvement/Manpower Reduction
Gleason Phoenix 450HC Hypoid Cutting System	2	375	Mumbra	Used	Gibbs Machinery, USA	Technology Improvement/Manpower Reduction
Shaving Cutter Sharpener	1	350	Satara	New	Gleason, Germany	Balancing Equipments
CGC furnace	1	400	Faridabad	New	Inhouse	Balancing Equipments
UBQ Furnace	1	150	Satara	New	Inhouse	Balancing Equipments
Gear Lapper	1	235	Faridabad	Used	Klingelberg, USA	Balancing Equipments
CNC Gear Shaping Machine	1	65	Faridabad	Used	Winner Bevel, India	Capacity Addition
<b>Total</b>		<b>4000</b>				



**b) Profit & Loss Statement:**

Profit & Loss Statement (INR mm)	Historical			Projections								CAGR	
	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	(FY11 - 16)	(FY17 - 24)
OEM Sales:													
- Domestic	2,432	2,290	2,177	2,308	2,694	2,863	2,992	3,143	3,286	3,376	3,469		
- Exports	1,134	1,382	1,239	1,301	1,366	1,434	1,506	1,581	1,660	1,710	1,761		
Others	666	498	585	451	444	456	469	482	496	510	524		
<b>Total Revenue</b>	<b>4,232</b>	<b>4,170</b>	<b>4,000</b>	<b>4,060</b>	<b>4,503</b>	<b>4,753</b>	<b>4,967</b>	<b>5,206</b>	<b>5,442</b>	<b>5,596</b>	<b>5,754</b>	4%	5%
<i>% Growth</i>	7.0%	-1.5%	-4.1%	1.5%	10.9%	5.5%	4.5%	4.8%	4.5%	2.8%	2.8%		
Materials and Manufacturing	2,020	1,967	1,863	1,921	2,123	2,240	2,340	2,476	2,587	2,660	2,736		
Power and Fuel	403	369	289	289	325	344	360	378	396	407	418		
Personnel	699	758	738	780	802	827	877	929	985	1,044	1,107		
Others	468	453	435	410	455	473	495	520	544	559	575		
Cost of Goods Sold	3,591	3,546	3,325	3,399	3,705	3,883	4,072	4,303	4,512	4,671	4,836	4%	5%
<b>Gross Profit</b>	<b>641</b>	<b>624</b>	<b>675</b>	<b>660</b>	<b>799</b>	<b>869</b>	<b>895</b>	<b>903</b>	<b>930</b>	<b>925</b>	<b>918</b>	2%	5%
<i>% Growth</i>	5.8%	-2.7%	8.2%	-2.2%	20.9%	8.8%	3.0%	0.9%	2.9%	-0.5%	-0.7%		
<i>% Margin</i>	15.1%	15.0%	16.9%	16.3%	17.7%	18.3%	18.0%	17.4%	17.1%	16.5%	16.0%		
SGA	350	365	335	343	386	408	427	449	470	483	497		

<b>EBITDA</b>	<b>291</b>	<b>259</b>	<b>340</b>	<b>318</b>	<b>413</b>	<b>461</b>	<b>468</b>	<b>455</b>	<b>460</b>	<b>442</b>	<b>421</b>	<i>1%</i>	<i>4%</i>
<i>% Growth</i>	<i>-6.9%</i>	<i>-10.8%</i>	<i>31.1%</i>	<i>-6.5%</i>	<i>30.0%</i>	<i>11.7%</i>	<i>1.5%</i>	<i>-2.8%</i>	<i>1.1%</i>	<i>-3.9%</i>	<i>-4.6%</i>		
<i>% Margin</i>	<i>6.9%</i>	<i>6.2%</i>	<i>8.5%</i>	<i>7.8%</i>	<i>9.2%</i>	<i>9.7%</i>	<i>9.4%</i>	<i>8.7%</i>	<i>8.4%</i>	<i>7.9%</i>	<i>7.3%</i>		
Depreciation	137	140	165	174	196	201	204	207	209	212	215		
EBIT	153	120	175	144	217	260	264	248	251	230	206	<i>-6%</i>	<i>5%</i>
<i>% Margin</i>	<i>3.6%</i>	<i>2.9%</i>	<i>4.4%</i>	<i>3.5%</i>	<i>4.8%</i>	<i>5.5%</i>	<i>5.3%</i>	<i>4.8%</i>	<i>4.6%</i>	<i>4.1%</i>	<i>3.6%</i>		
Interest	145	163	162	163	198	241	221	189	154	117	87		
VRS Payment	3	20	8	22	79	0	0	0	0	0	0		
Profit Before Tax	6	(64)	5	(41)	(60)	19	43	59	96	113	119	<i>-48%</i>	<i>NM</i>
<i>% Margin</i>	<i>0.1%</i>	<i>-1.5%</i>	<i>0.1%</i>	<i>-1.0%</i>	<i>-1.3%</i>	<i>0.4%</i>	<i>0.9%</i>	<i>1.1%</i>	<i>1.8%</i>	<i>2.0%</i>	<i>2.1%</i>		
Taxes	0	-22	3	0	0	6	13	18	29	34	36		
<b>Net Income</b>	<b>6</b>	<b>(42)</b>	<b>2</b>	<b>(41)</b>	<b>(60)</b>	<b>14</b>	<b>30</b>	<b>41</b>	<b>67</b>	<b>79</b>	<b>83</b>	<i>-52%</i>	<i>NM</i>
<i>% Growth</i>	<i>-88.0%</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	<i>121.5%</i>	<i>37.1%</i>	<i>63.0%</i>	<i>17.2%</i>	<i>5.8%</i>		
<i>% Margin</i>	<i>0.1%</i>	<i>-1.0%</i>	<i>0.1%</i>	<i>-1.0%</i>	<i>-1.3%</i>	<i>0.3%</i>	<i>0.6%</i>	<i>0.8%</i>	<i>1.2%</i>	<i>1.4%</i>	<i>1.4%</i>		
Dividend	9	0	0	0	0	9	9	9	9	9	9		



<b>Net Current Assets (A. - B.)</b>	<b>408</b>	<b>425</b>	<b>515</b>	<b>496</b>	<b>584</b>	<b>615</b>	<b>635</b>	<b>653</b>	<b>675</b>	<b>686</b>	<b>697</b>
<b>A. Current Assets</b>	<i>1,388</i>	<i>1,503</i>	<i>1,353</i>	<i>1,384</i>	<i>1,525</i>	<i>1,602</i>	<i>1,669</i>	<i>1,745</i>	<i>1,819</i>	<i>1,866</i>	<i>1,915</i>
Inventory	590	649	573	582	653	690	722	759	794	816	839
Receivables	685	716	629	657	727	767	802	842	880	905	931
Other Current Assets	19	24	60	50	50	50	50	50	50	50	50
Loan and Advances	95	113	91	95	95	95	95	95	95	95	95
<b>B. Current Liabilities</b>	<i>980</i>	<i>1,078</i>	<i>838</i>	<i>888</i>	<i>940</i>	<i>988</i>	<i>1,034</i>	<i>1,093</i>	<i>1,144</i>	<i>1,180</i>	<i>1,218</i>
Payables	954	1,065	827	876	928	975	1,021	1,078	1,129	1,165	1,202
Customer Advances	0	0	0	0	0	0	0	0	0	0	0
Other Current Liab.	26	13	11	12	12	13	14	14	15	16	16
<b>Cash &amp; Cash Equivalent</b> s	<b>57</b>	<b>55</b>	<b>58</b>	<b>77</b>	<b>318</b>	<b>430</b>	<b>376</b>	<b>298</b>	<b>229</b>	<b>157</b>	<b>255</b>
<b>Total Assets</b>	<b>1,866</b>	<b>1,831</b>	<b>1,799</b>	<b>1,679</b>	<b>2,252</b>	<b>2,238</b>	<b>2,051</b>	<b>1,834</b>	<b>1,628</b>	<b>1,405</b>	<b>1,349</b>

### d) Cash Flow Statement

Cash Flow Statement	Historical			Projections							
	(INR mm)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
EBITDA	291	259	340	318	413	461	468	455	460	442	421
Less: Cash Taxes	(0)	22	(3)	-	-	(6)	(13)	(18)	(29)	(34)	(36)
Less: VRS Expenses	(3)	(20)	(8)	(22)	(79)	-	-	-	-	-	-
Less: Changes in NWC	(42)	(16)	(91)	20	(88)	(30)	(21)	(17)	(23)	(11)	(11)
Less: Capex	(365)	(57)	(45)	(50)	(450)	(50)	(50)	(50)	(50)	(50)	(50)
<b>Operating Cash Flow ("OCF")</b>	(119)	188	194	266	(204)	375	384	370	359	347	325
Add: Issuance of Long Term Debt	370	50	250	70	900	200	-	-	-	-	-
Less: Repayment of Long Term Debt	(79)	(82)	(171)	(247)	(498)	(59)	(232)	(253)	(244)	(244)	(117)
Add / Less: Issuance / Repayment of Leases	(21)	(15)	(17)	(1)	0	-	-	-	-	-	-
Add / Less: Issuance / Repayment of WK	(22)	49	(77)	92	-	-	-	-	-	-	-
Less: Interest Expense	(145)	(163)	(162)	(163)	(198)	(241)	(221)	(189)	(154)	(117)	(87)
Add: Interest accrued but not due	-	-	-	-	29	39	22	1	(22)	(52)	(16)
<b>Levered Free Cash Flow</b>	(15)	26	17	16	29	314	(48)	(71)	(63)	(66)	104
Add / Less Change in Other Liabilities	9	5	(18)	6	202	(198)	3	3	3	3	3
Add / Less : Change in Other Assets	(11)	(33)	5	(4)	10	5	-	-	-	-	-
Less : Dividend	(9)	-	-	-	-	(9)	(9)	(9)	(9)	(9)	(9)
<b>Total Change in Cash</b>	(26)	(2)	3	19	241	112	(54)	(78)	(69)	(72)	98
Opening Cash Balance	84	57	55	58	77	318	430	375	298	229	157
Change in Cash	(26)	(2)	3	19	241	112	(54)	(78)	(69)	(72)	98
Closing Cash Balance as per calc	57	55	58	77	318	430	375	298	229	157	255



Credit Ratios	Historical			Projections							
	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Gross Debt / Equity	1.4x	1.5x	1.5x	1.4x	2.3x	2.5x	2.1x	1.5x	1.0x	0.6x	0.4x
Gross Debt / EBITDA	3.4x	3.9x	2.9x	2.8x	3.1x	3.1x	2.6x	2.1x	1.5x	1.1x	0.8x
Net Fixed Assets / Total Debt	1.3x	1.3x	1.2x	1.1x	1.0x	0.8x	0.8x	0.8x	0.9x	1.0x	0.9x
<i>NFA / Gross Long Term Debt</i>	2.0x	1.9x	1.6x	1.9x	1.3x	1.0x	1.1x	1.3x	1.8x	4.2x	NA
Net Debt / Equity	1.4x	1.5x	1.5x	1.4x	1.8x	1.9x	1.5x	1.1x	0.8x	0.5x	0.2x
Net Debt / EBITDA	3.4x	3.8x	2.9x	2.7x	2.5x	2.3x	1.9x	1.6x	1.2x	0.8x	0.3x
Interest Cover: (EBITDA + BOP Cash - tax) / fwd (Interest Expense)	2.3x	2.1x	2.4x	2.2x	2.4x	3.9x	4.7x	4.6x	4.3x	6.1x	NA
DSCR:	1.5x	1.0x	1.0x	2.2x	1.9x	1.8x	2.0x	1.9x	1.8x	2.9x	NA

## Chapter IV: Analysis and Interpretation

### I. Business Ratios:

- **Return On Capital Employed:**

Return on capital employed (ROCE) is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed. ROCE is calculated as:

$$\text{ROCE} = \text{Earnings Before Interest and Tax (EBIT)} / \text{Capital Employed}$$

A higher ROCE indicates more efficient use of capital. ROCE should be higher than the company's capital cost; otherwise it indicates that the company is not employing its capital effectively and is not generating shareholder value.

The Company's Returns on capital employed is increasing constantly from 20% to 35% in the projected Financial Years from FY17 to FY24, which indicates positive for the company.

- **Fixed-Asset Turnover Ratio:**

The fixed-asset turnover ratio is, in general, used by analysts to measure operating performance. It is a ratio of net sales to fixed assets. This ratio specifically measures how able a company is to generate net sales from fixed-asset investments, namely property, plant and equipment (PP&E), net of depreciation. In a general sense, a higher fixed-asset turnover ratio indicates that a company has more effectively utilized investment in fixed assets to generate revenue.

The Company's Revenue on Fixed Assets is increasing constantly from 3.8x to 14.2x in the projected Financial Years from FY17 to FY24, which indicates positive for the company as return on fixed asset is increasing in Constant mode.

- **Current ratio:**

The current ratio is a liquidity ratio that measures a company's ability to pay short-term and long-term obligations. To gauge this ability, the current ratio considers the current total assets of a company (both liquid and illiquid) relative to that company's current total liabilities.

ABC Auto has projected a constant liquidity Ratio of 1.6 for the Financial Years from FY17 to FY24.

## **II. Credit Ratios:**

- **Net Debt / Equity:**

Debt/Equity Ratio is a debt ratio used to measure a company's financial leverage, calculated by dividing a company's total liabilities by its stockholders' equity. The D/E ratio indicates how much debt a company is using to finance its assets relative to the amount of value represented in shareholders' equity.

ABC Auto is highly leveraged till FY 19 and from FY 20 it start decreasing in a constant phase as it will start its repayment to the Debtors.

- **Net Debt / EBITDA:**

Debt/EBITDA is a measure of a company's ability to pay off its incurred debt. The ratio gives the investor the approximate amount of time that would be needed to pay off all debt, ignoring the factors of interest, taxes, depreciation and amortization.

The Company's real cash flow is not in a good position to pay the Debt till FY 20 and from FY22 the situation starts changing and it reverses its position till FY24.

- **Interest Cover Ratio:**

The interest coverage ratio is used to determine how easily a company can pay their interest expenses on outstanding debt. The ratio is calculated by dividing a company's earnings before interest and taxes (EBIT) by the company's interest expenses for the same period. The lower the ratio, the more the company is burdened by debt expense.

The Company's real cash flow is in a good position to pay the Interest and the position is becoming better in near Future.

## **Chapter V: Conclusions**

ABC Auto Limited was facing a cash crunch in the company as there were Repayments of the existing Debtors was started and the company wants more moratorium period and also the company wants to invest in Capital in order to attain efficiency & productivity through modernized technology.

This Project is helpful in providing inputs in structuring the project and making it more bankable. This would cover issues such as security, risk mitigation measures, use of the cash flows from the project etc. It is Preparation of a Placement Memorandum, which forms the basis for lenders to carry out an appraisal, for the purpose of lending and preparation of a project presentation to lenders and Assisting in documentation.

Through this Debt fund Raising the company will be able to come out of cash crunch and the company will be able increase its average Gross Profit by 3% (CAGR). The Company has projected an improvement in the average EBITDA levels from 1% to 5%.

The Company's Returns on capital employed is increasing constantly from 20% to 35% in the projected Financial Years from FY17 to FY24, which indicates positive for the company. ABC Auto is highly leveraged till FY 19 and from FY 20 it start decreasing in a constant phase as it will start its repayment to the Debtors. The Company's real cash flow is not in a good position to pay the Debt till FY 20 and from FY22 the situation starts changing and it reverses its position till FY24. The Company's real cash flow is in a good position to pay the Interest and the position is becoming better in near Future.

# **The People Factor**

## **A 360 Degree Approach To Training And Development**

**Student: Dipti Tiwari**

**Faculty Mentor : Prof. Kusum Pawar**

### **OVERVIEW OF THE COMPANY**

BrandKeeda is a brand consulting company based in Navi Mumbai, Maharashtra. The initial idea of BrandKeeda came up over a coffee table in 2015 when the duo of student and professor struck a conversation about “Is the world of business same as we are taught on the campus or not”. And during the discussion, they realized that the world of creative and fancy advertisements was only available for wealthy firms.

Therein, BrandKeeda was formed with the core idea of availing small and traditional family businesses with equal brand creation opportunities whose product may be superior but never get a voice to speak to masses with supporting businesses such as branding and HR services.

Currently, BrandKeeda is serving PAN India basis with the majority of services in design, brand merchandising, corporate & academic training programs, outsourced recruitments, promotional content creation such as jingles, videos etc. Focusing on startups, BrandKeeda even came up with 360-degree tailor-made brand solutions with a budget as low as around 30 US dollars. BrandKeeda as of 2017 have a remarkable clientele with several multinationals along with over 100 MSME's

### **Business Model**

BrandKeeda is a company with consulting business model and works on PAN India basis. BrandKeeda as a company helps their clients in different phases of business following a unique 3B concept namely Building, Branding & Boosting.

### **Building**

In this phase, BrandKeeda helps entrepreneurs and companies for idea generation and validation followed by converting those ideas and concepts into a real and legal entity with company registration and IPR (Intellectual property rights) consultancy

### **Branding**

Once the ideas are converted into a real legal entity and business unit, the products and services are given a push to reach customers through different branding tools such

as via print and digital media advertisements, merchandise branding etc so that a brand awareness followed by sales shall be achieved.

### **Boosting**

In boosting phase, businesses are given an extra helping hand to execute their business model better with training programs from key stakeholders such as customers, employees, suppliers etc. in order to achieve key results such as better brand loyalty, customer service, cross selling and up selling, resource management etc.

## **SCOPE & OBJECTIVES OF THE PROJECT**

### **Scope:**

- To understand the process cycle of training and development programs.
- To understand the key factors responsible for a successful training and development program

### **Objectives:**

- To handle training and development process of the SIP firm, from training design to training delivery.
- To assist the SIP firm in marketing and execution of training programs for different sectors.

### **Work Responsibilities:**

- To develop content for training and development programs using primary and secondary research data.
- To market the training programs using a mix of promotional tools; such as online and offline advertising, personal selling etc.
- To gather experience in execution of training programs by acting as a junior coordinator for major training programs conducted by experienced professionals.
- To act as a facilitator/co-facilitator for a few training programs as an exposure to training delivery.

## **RESEARCH METHODOLOGY**

### **QUALITATIVE METHODOLOGY**

- Descriptive Methodology
- Primary research through personal interview & observation methodology
- Analytical Methodology
- Secondary research through analysis and filtration of data collected from newspapers, magazines, websites, blogs etc.

### **QUANTITATIVE METHODOLOGY**

- Descriptive Methodology
- Primary research through survey

#### **Target audience:**

- Age group of 18-50 years working population who can be prospective recipients of training and development programs
- Sample size:
- 230 respondents

#### **Research methodology:**

- A structured questionnaire was send across to target audience using online survey through google forms

#### **Analytical Methodology**

- Secondary research through analysis and filtration of data collected from newspapers, magazines, websites, blogs etc

## **KEY FINDINGS**

- The major age group of respondents had been youth (78.30%) with males as majority in terms of gender.
- Respondents had been from a mix of startups, MSME's and multinationals and hence gives an overall view of industry.
- On average, almost all major companies are having some training programs for every level of organization.
- Most of respondents have attended majorly training programs related to personal development (60.9%) followed by trainings to improve professional life..
- Majority of respondents believe training programs are necessary and gives value to their life as whole (82.6%).
- Majority of respondents believe the implementation of concepts learned from training & development programs helps to improve their personal and work life.
- Respondents in majority agrees that superiors and colleagues help them in implementing what they have learned in training programs in real life and derive value.
- As per respondents, the key for success for a training program is engagement with the audience (66.7%) and followup after the programs for successful implementation of what had been taught (42.9%).
- The highest demand of training & development programs is in the phase of work life balance coaching (81.9%).

## **CONCLUSION AND RECOMMENDATIONS**

The major conclusions and recommendations based on research and findings are as follows:

- Most of organizations have an existing training & development program culture and hence have a good level of scope for training and development business.
- Organizations and professionals believe that there is good value for conducting training and development programs and hence value for services provided can be perceived as high form training and development companies such as BrandKeeda.
- The role of superiors and colleagues are important in successful implementation of concepts learned in training and development programs to real life.
- While designing and execution of training and development programs, highest stress has to be given to engagement of audience and there shall be at least some level of post program follow-up with audience done to ensure effectiveness of training and development program done.
- There is good level of scope for programs related to work life balance such as stress management, time management, EQ etc.

# **Performance Management System At Rashtriya Chemicals And Fertilizers Ltd**

**Student - Aditi Banerjee**

**Faculty Mentor - Prof. Anthony Colaco**

Performance management is the systematic process by which an organization involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of mission and goals.

At RCF Ltd. Performance Management focuses on guiding the employees to achieve the performance that the organization needs to succeed. Performance Management System supports the consistency in performance review, motivates all employees to perform at their best, and is conducted with fairness and transparency. The system provides a basic framework of policies and procedures for management and employees to use in setting goals and objectives for work to be accomplished within the organization and for appraising the outcomes on a consistent and regular basis.

Performance Management System is made to focus on actual targets, which are SMART (Specific, measurable, Accurate, Real and tangible). Targets under Performance Management System are decided mutually by the appraiser and the appraisee. The system also provides for appraising the outcomes on a consistent and regular basis. A critical incidents Diary is maintained by the Appraiser for this purpose. On completion of Assessment year, PAS (Performance Appraisal System) scores are informed by email and final feedback is given by the appraiser to the employee on how to improve performance level. A KPA for senior Managers is introduced dedicated towards performance management activities by allotting 5 marks for strict adherence to PAS schedule. For handling poor/unsatisfactory performance a Performance Improvement Plan (PIP) has been introduced in the prescribed format. Five marks are also dedicated in PAS for Senior Managers for identification of training needs and facilitating and ensuring training for the staff working under their control. To measure the performance bell curve approach has been applied in Performance Management System Rating as per the Govt. guidelines issued in this regard.

The objective of the report was to study the Performance Management System, Performance Appraisal Process, Performance Counselling and implementation of 360 Degree Performance Appraisal at RCF Ltd. So, that its benefits can be evaluated in the context of the organization and to know the improvement areas required for the organization. The methodology followed was personal interview method asked to the HR managers and Line managers to gain in depth knowledge of the process and the system and what kind of improvements can be instilled to make it more effective.

The outcome of the project was that there is transparency between manager and employee at RCF Ltd. which helps them in achieving their goals as well as company's goals easily which creates a participative environment in the organization. However, it was suggested that in order to make the system more effective special attention should be given to analyse

departmental goals and not just individual goals, performance counselling process can be improved and implementation of 360-degree performance appraisal should be installed for mid-level management as well.

The HRD Centre at Trombay was inaugurated on 25th August 1967. RCF Ltd. believes that its people are its most important asset. The company also has a well-designed system of giving personal attention, guidance and counselling services to new recruits. There by keeping their motivation levels high. It also reduces talent drain through a system of conducting exit Interviews, creating an environment full of open culture, encouraging creativity and also enhancing mutual trust in order to maintain high employee motivation. RCF has always been an organization with- HRD approach.

### **Major HR systems and processes in place:**

#### **Performance Management**

- In order to increase the overall productivity, five marks are allotted in Performance Appraisal for participation in employee engagement activities like 5S, suggestion scheme, Kaizen, QCS, IMS, Quiz contest etc.,
- PMS is made to focus on actual targets, which are SMART (Specific, measurable, Accurate, Real and tangible). Targets under PMS are decided mutually by the appraiser and the appraisee for SMART targets.
- The system also provides for appraising the outcomes on a consistent and regular basis. Midterm feedback has given a chance to improve and overcome
- Drawbacks and weaknesses and works as a motivator for further improvement and achieve set targets. A critical incidents Diary is maintained by the Appraiser for this purpose.
- On completion of Assessment year, PAS scores are informed by email and final feedback is given by the appraiser to the employee on how to improve performance level.
- A KPA for senior Managers is introduced dedicated performance management activities by allotting 5 marks for strict adherence to PAS schedule.
- For handling such poor/unsatisfactory performance a Performance Improvement Plan (PIP) has been introduced in the prescribed format.
- Five marks are also dedicated in PAS for Senior Managers for identification of training needs and facilitating and ensuring training for the staff working under their control. For Evaluation of the learning and thereby making career progression path for improving performance for individual.
- To measure the performance bell curve Approach has been applied in PMS Rating as per the Govt. guidelines issued in this regard.

### **PCMM for systematizing the policies and procedures:**

The company has obtained certification for “People Capability Maturity Model” (PCMM) level 2 for the advancement of the procedures and systematizing the procedures. PCMM is a roadmap for implementing human resource practices that continually improve the capability of an organization’s human resources. Objectives of PCMM are as under:

- Improve the ability of the organization to attract, develop, motivate, organize and retain talent.
- Focus on Employee Engagement
- Ensure alignment between the individual’s personal aspirations and organizational objectives.
- Clarity on career progression and growth.
- Employee participation and empowerment.
- Instil the best HR practices and procedures.
- Transparency in practices.

After achievement of level 2 of PCMM in People Management the next target is certification of level 3 which is defined level for competency management. The said model deals with bringing improvements in the seven processes at level 3. The maturity level 3 process areas are:

- Competency development
- Competency analysis
- Work group development
- Participatory culture
- Competency based practices
- Career development
- Workforce planning

The company has initiated necessary action for the improvements in the said processes area under PCMM level 3. A transition partner has been appointed to deliver “End to End process consulting. Training and appraisal services for sustenance of PCMM level 2 and rollout of PCMM maturity level 3. Framework across the company, A team of 39 official and 8 appraisal team members have been identified. The roll out process will span over a period of 24 months.

### **PHILOSOPHY OF PERFORMANCE MANAGEMENT**

RCF Performance Management focuses on guiding the employees to achieve the performance that the organization needs to succeed. PMS supports the consistency in performance review, motivates all employees to perform at their best, and is conducted with fairness and transparency. The system provides a basic framework of policies and procedures for management and employees to use in setting goals and objectives for work to be accomplished within the organization and for appraising the outcomes on a consistent and regular basis.

## **What is Performance Management System?**

Performance Management system includes performance planning, performance coaching and performance appraisal.

What happens in performance appraisal and management system?

- 1) Each employee grasps what is expected of him with the help of the executive appraisal system (PMS)
- 2) The PMS helps appraisee and appraiser to have a joint knowledge of each appraisee's job.
- 3) PMS helps manager to plan well.
- 4) With the help of PMS, Superiors know the support they need to give.
- 5) Self-review and reflection is facilitated by the PMS.
- 6) The PMS helps the appraisee and appraiser to have a common understanding of the factors affecting the performance of the appraisee
- 7) Discussion between the appraiser and appraisee on the expectations, achievements, failures, constraints, and improvements required in the PMS.
- 8) PMS provides scope for reflection and assessment of each appraisee on the personality factors and other competencies.
- 9) PMS encourage open discussions between appraisee and appraiser through reviews.
- 10) Developmental needs come to the fore in PMS.
- 11) PMS provides scope to correct biases through a review process.
- 12) PMS attempts to strengthen relationships through trust and mutuality.
- 13) PMS provides scope for giving insight into strengths and weakness.
- 14) PMS helps discover and individual potential.
- 15) PMS aids the communication of business plan to staff.
- 16) Objectives of the PMS are clear
- 17) Periodic orientation programs are conducted to explain the objectives and process of PMS.
- 18) The data generated from PMS provides objective indication of actual performance.

## **How Performance Management System works at RCF LTD.**

**There are 3 levels of Appraisal System being followed at RCF:**

<b>SPECIFICATION</b>	<b>LEVEL</b>
Worker	Technician, Operator and allied worker category
Middle Management	Junior Officer to DGM
Top Management	GM and Above

## **OFFICERS' PERFORMANCE APPRIASAL SYSTEM (PAS CYCLE)**

KPAs: Appraiser and Appraisee will together identify 5 major KPAs (Key Performance Areas) at the beginning of the year (16th March-31st March) and fix targets (Individual and/or Group target as applicable) for the appraisee to work during the year. This system has

presumed a Top-down approach in the process of identifications of KPAs and Targets. Thus, major Corporate Goals will flow in the form of specific targets for levels down the line.

**PAS-1 Forms:** Performance Appraisal System-1 (PAS-1) Form to be filled in the Portal assigned to SAP by the Appraiser as per the mutually agreed KPAs & Targets in PAS-1 Form.

Appraiser & Appraisee together take a mid-term (1-10 October) review of Appraisee's Performance on his KPAs/Targets. This is for considering revisions (with justifications) in KPAs or Targets if any and Performance Counselling, if required.

**PAS-2 Forms:** Performance Appraisal System-2 (PAS-2) Form to be filled in the Portal assigned to SAP by the Appraiser indicating the Revised KPAs/Targets. Revisions if any must be endorsed by Reviewing authority. (1-10th October)

Feedback 1: A Feedback form will be made available to the Appraiser during the period from 16th October to 31st October in the prescribed Format. The feedback is required to be given in respect of all KPAs, Managerial competencies as well as in respect of Overall performance. The Appraiser may take the print of Feedback Form where the KPAs and Targets of PAS 1 will appear as filled in the system, and fill up the rest of the columns provided. Then he is required to invite the appraisee for Performance Counselling and will send a copy of the Feedback Form duly acknowledged by the appraisee to HR Department for record.

**PAS-3 Forms:** Performance Appraisal System-3 (PAS-3) Form to be filled in the Portal assigned to SAP by the Appraiser by allotting score secured out of 20 against each KPA and the score for Managerial Competencies (out of 100) in the Final Appraisal Forms i.e. PAS-3 to at the end of the year (by 31st March)

**PAS-3 forms** duly filled in by Appraiser are sent to Reviewing and Controlling Authorities by 10th May and 15th May respectively of following year. The process of getting the PAS-3 duly filled and wherever required, getting it reviewed by the Competent Authority, will be completed up to 31st May of following year.

**Feedback2:** (final PAS 3 score affirmed by the Controlling Authority) will be given to all the Appraisees through Intranet on 1st June followed Performance Counselling by the Appraiser. The Appraiser will then send e-mail to HR Department informing the date on which he completed Performance Counselling of the Appraisee.

#### **Defining outstanding & poor performance:**

a) Total score of 184 & above shall be considered as "Outstanding Performance" provided none of the Managerial Competencies is rated below "Good" i.e. score below 5. Such PAS 3 form needs to be sent for acceptance of Director (in case of officer up to PE & equivalent level) and for acceptance of CMD (in case of officer in Dy. CE and above level). In case, if any of the Managerial Competencies rated below "Good" i.e. score from 1 to 4, such PAS 3

form will not be considered as “Outstanding Performance” and need not be sent for perusal of CMD.

b) Total score below 132 shall be considered as “Poor Performance” and such PAS 3 form needs to be sent for acceptance of Director (in case of officer up to PE & equivalent level) and for acceptance of CMD (in case of officer in Dy. CE and above level).

### **EVALUATION OF FACTORS CONTRIBUTING OR INHIBITING PERFORMANCE**

While evaluating the performance under each KPA the effect of contributing and inhibiting factor will be incorporated and indicated separately. For significant personal contributions if any, a separate note may be written in the closing remarks by the appraiser.

#### **Procedure to be followed in case of transfer of an Appraisee:**

If the officer is transferred after 4 months from the date of filling PAS-1 and it contains specific targets to be achieved during the said period, the degree of achievement of such target may be evaluated in PAS-3 by the original appraiser and sent to the HR Department to be considered along with the final PAS-3 in the following April.

#### **Mechanism to improve timely completion of PAS 1/2/3:**

- 1) The present system of sending plant/department wise list of pending PAS 3 will continue.
- 2) To improve timely completion of PAS 1, Function wise Bank of KPAs will be created with the help of concerned OM/HOD. After concurrence, a Function wise dropdown menu can be provided while filling up PAS 1 to facilitate the appraisee to draw the standard KPAs for his Function, thus expediting the process of filling PAS 1.
- 3) A list of employees whose PAS 3 are completely filled will be displayed on Intranet till it reaches 50% and subsequently a list of employees in case of whom PAS3 remained unfilled can be displayed for information of all the concerned.
- 4) Follow up will be done by HR Plant Coordinators with the concerned Appraiser/ Reviewing Authority.
- 5) Computer generated e-mails may be sent to the concerned Appraisers/ Reviewing Authorities/ Controlling Authorities as a daily reminder.
- 6) SMS may be sent as a reminder to the concerned Appraisers/ Reviewing Authorities/ Controlling Authorities on need basis.
- 7) A schedule to fill up PAS 1, PAS 2, and PAS 3 will be fixed for the year. After the fixed period is over, access to fill up the PAS 1/PAS2/ PAS3 on the PCs of the concerned will be withdrawn. In such case, the non-Complier will have to fill the pending PAS1/PAS 2/and PAS 3 through HR Department only.

### **Performance Appraisal:**

The Departmental Promotion Committee (DPC) will consider PAS-3 for the 3 years preceding the assessment year and will allot maximum 20 marks each to 3 years PAS 3 form.

In case of candidate who was considered not suitable for promotion due to Average/Adverse PAS-3 score less than 121, the PAS scores for future assessment will be arrived at by giving **200% weight age for current PAS score and 50% weight age for previous two years PAS scores.**

In case the eligibility period for promotion is less than three years (E0 to E1 grade), allocation of score will be done proportionately on the basis of available CRs/PAS-3, so that the maximum admissible CRs score would be 60.

### **How is Performance Counselling done at RCF?**

RCF is PCMM level 2 certified company performance management is one of the process identified at level 2 . Under this process performance improvement plan (PIP) needs to be prepared discussed and periodically evaluated in respect of an employee's whose CR is average or poor. The third meeting and second review is scheduled on 26<sup>th</sup> and 27<sup>th</sup> of FEB. For counselling these employees along with their HODs. They have nominated Mr. Ashwin Kamble as one of the member in the committee. The session for employees for the counselling is arranged at CMDC on 26<sup>th</sup> and 27<sup>th</sup> FEB

### **Findings:**

- 1) Regular Up gradation is done about the existing system to evaluate performance and the last change that was implemented was PCMM level 2.
- 2) It was observed that a system of self-appraisal is non-existent at RCF Ltd. Some HR managers were of the opinion that such a system will create biasness and for a central government organization where every appraisal and promotion is based on seniority basis then such a system would diverge from the rules and regulations. But line managers thought that this change can be implemented as it will help them compare the difference of views between self and their managers. But, even they were of the view that such a plan cannot be implemented at RCF since most of the controlling authority belongs to central government and might create biasness and problems for an organization with large number of employees.
- 3) The organization has a top down approach when it comes to breaking down of organizational goals into departmental goals, departmental goal into individual goals and setting targets for the employees.

### **CMD-→ Directors-→ GM→ and so on...**

Individual targets are decided by mutual agreement between boss and subordinate by setting 5 targets (20 each) during PAS 1 on 1<sup>st</sup> April. And PAS 1 contains 100 points. It is done with help of MOU as it is concerned with the activities related to production and training.

- 4) It was deciphered that People are specifically oriented and trained to counsel employees. But, a more organized process of counselling should be in place. Also, managers should be well trained on psychological parameters before counselling the employees? Especially workers who suffer from alcoholism.
- 5) Employees feel that this system is very effective and useful currently as it is very transparent in nature. But, some managers were of the view that HRD should take up more initiatives and activities on developing the soft skills of the employees like personality development session, group speaking skill session etc. While interviewing it was found that some of the employees have felt that they were not being considered for certain training programs which they would like to attend.
- 6) The system of transparency is being followed as remarks and marks are sent to employees after completion of PAS 3 and sent on 1<sup>st</sup> June every year.
- 7) It was observed that departmental/ functional analysis is not really done based on the outcomes of performance appraisal and it is being communicated only individually.
- 8) It was observed that 360-degree performance appraisal system at RCF is being implemented only for top management and is at a very nascent stage. But, the response has been very encouraging and if implemented for mid-level management, It would be highly beneficial for the organization in future.
- 9) Line Managers were of the opinion that they should be given an opportunity to choose from different training courses on their own i.e. whatever they feel is necessary for self-development and which would help them improve their performance and management should try to fulfill their needs.

### **Conclusions & Recommendations:**

From the interviews conducted it was found that:

- 1) RCF should take an initiative to observe that departmental/functional analysis is done on the outcomes of performance appraisal rather than being communicated only individually.
- 2) Since 360-degree performance appraisal is being implemented successfully for top level management and the response has been encouraging therefore, it can be further implemented for mid-level management as well.
- 3) The counseling process needs to be a little more systematic than it currently is. Special attention should be given while counselling workers and managers should be trained on psychological parameters before counselling the employees.
- 4) There should be a system for employees to choose training programs for themselves as they see fit and necessary for self-development purpose.
- 5) A system of Employee self-service can be installed where employees can regularly check and analyze their performance and how it affects the performance of the department as a whole.

# **Customer Evaluation at Bassein Catholic Co. Op. Bank**

**Name : Honey Kumari Magandas**

**Faculty Mentor : Dr. Neetu Bhardwaz**

## **EXECUTIVE SUMMARY**

I have done my training from Bassein Catholic Co-Op Bank Ltd Vasai, Uttan Branch. I learned there working and functioning of the bank. This training is surely going to help me a lot in future. My study is mainly focused on retail banking and after my training; I am clear about my retail banking. This project focus on “**customer evaluation in BCCB Uttan Branch**” customer satisfaction is required for growth of any organization. Banking is one of the largest and fast moving sector in India.

Retail Banking is part of my project. Retail banking, also known as consumer banking, is the provision of services by a bank to individual consumers, rather than to companies, corporations or other banks. Services offered include savings and transactional accounts, mortgages, personal loans, debit cards, and credit cards. The term is generally used to distinguish these banking services from investment banking, banking or wholesale banking. It may also be used to refer to a division or department of a bank dealing with retail customers.

As there are immense opportunities of the retail banking in India. This dissertation is on the issues and challenges in the retail banking because of the competition of the various banks and the customer satisfaction of the services which the banks are providing and at the same time to solve the complaints of the customer and maintaining the sound relationship for the future and by this way to estimate the future growth of the retail banking.

Bassein Catholic Co-op bank ltd was established as Credit Co-operative Society by Social reformer Rev Msgr. P. J. Monis, christianmissionary on 6th February 1918 along with social activists in Vasai to bring financial freedom in the region of Vasai. Through his mission he succeeded in up-lifting the society, which has brought massive change in the people’s lifestyle,

education and financial stability. I focus on retain banking in Bassein catholic coop bank for growth of any organization customer satisfaction is necessary. I take 31 respondents as a sample and use chi square test for data analysis. I take both primary and secondary data in my survey.

This project aims to understand how customer satisfaction improve profit and growth of Bassein catholic bank.

## **ORGANIZATION OVERVIEW**

### **History of Bassein Catholic Co-Op bank ltd.**

Bassein Catholic Co-op bank ltd was established as Credit Co-operative Society by Social reformer Rev Msgr. P. J. Monis, christianmissionary on 6th February 1918 along with social activists in Vasai to bring financial freedom in the region of Vasai. Through his mission he succeeded in up-lifting the society, which has brought massive change in the peoples lifestyle, education and financial stability.

### **Milestones.**

- Established as credit society in the year 6<sup>th</sup> February 1918
- Converted into Urban Co-Op bank 1966.
- “Scheduled bank status” conferred on the bank in 1990.
- Implementation of Core Banking Software in 2010 across all branches.
- Tied up with SIDBI for Credit link Capital Subsidy
- Tied up with CRISIL & SMERA credit rating agency for Rating for units.
- Introduction of RUPAY debit card
- AD-1 License granted by RBI in 2015
- Net banking Facility in 2016

## **SWOT ANALYSIS:**

### **STRENGTH**

- It has an extensive distribution network comprising of branch.
- The Branch has a strong retail depository base & has good number of customers.
- Bank have good Brand equity in that particular area.
- Provide various services like NRI, ECS Banking.

### **WEAKNESS**

- Shortage of staff.
- Technical problem.

### **OPPORTUNITY**

- Branch expansion.
- Door step services.
- Infrastructure improvements & better systems for trading & settlement in the government securities & foreign exchange markets.
- Awareness of Bank .

### **THREATS:**

- This reduces the profit margins in the future.
- Customers were not aware regarding services provided by Bank

### **OBJECTIVE**

- To study the recent trends in retail banking.
- To ensure high satisfaction level and reduce percentage of complaints of customers in retail banking.
- To estimate the future growth of Indian retail banking and for improvement in Customer Service.
- To understand Optimization of retail banking channels.

## **SCOPE OF STUDY**

- This Study is related to the product and services of provided by BCCB bank.
- Need and dislike of customers related to products and services.
- Measures to improve the level of customer's expectation.

## **HYPOTHESES**

**H0:** Customers are satisfied with the services provided by BCCB Bank.

**H1:** Customers are not satisfied with the services provided by BCCB Bank.

## **METHODOLOGY**

1. **Primary data collection-** The primary data was collected by survey. It was collected from different customers through Questionnaire.
2. **Secondary data collection-** This data was collected from Internet, Company's websites.

## **SAMPLE SIZE**

The sample size for this research is 31, since it was not possible to cover the whole universe in the available time period.

## **DATA COLLECTION**

- Primary data has been collected through questionnaire and personal interviews
- Target group: The respondent were existing account holders of BCCB Uttan Branch.
- Secondary data has been collected through internet , journals, internal staff.

## **DATA ANALYSIS**

- Data Analysis through questionnaire.
- Test is Chi square ( $x^2$ )
- Null hypothesis (H0) Accept. Customers are satisfied with product and services provided BCCB.

## **LIMITATIONS OF PROJECT**

- Area covered under the report is sample size was very small.
- The research was carried out in a short period of 7-8 weeks as a part of summer Intern sip.
- Some respondents of the survey were unwilling to give information.
- Chances of biasness.

## **MY CONTRIBUTIONS IN BCCB**

**Filling the forms** – I help customers to fill the forms such as Fixed dposit, saving account, Current Account, and recurring account. And help them by providing information regarding the interest rate.

**Issuing cheque book & Pass Book** : I collect the documents from customers for generating their cheque books and passbook. Generate and authorized cheque book and pass book.

**Information Updation** – I also worked for updation of information like KYC Documents including Aadhar card, PAN Card. And I update customers number for SMS Alert and mobile banking.

**Account Statement** – Some of the clients they were ask me about bank statement and Reconciliation, so I provide them that information.

**Loan Advances (Basic)** – Some of the time I also help by providing basic information about the Loan like education loan, gold loan, Housing loan, personal loan, Vehicle loan etc.

**PM Schemes** – Prime Minister Scheme is the Insurance Scheme its include two types of Insurance Rs. 12 and other one is Rs. 360. So I help customers by providing information about the schemes and help them to fill the form.

**Data Entry Work** – I used OMNI as a system they provide me a Personal Login ID and code, I punch data in system related to NEFT, UTI Generation, RTGS, Transfer charges, Outward Return and cheques clearing.

## **CONCLUSION**

According to my research customer satisfaction in retail banking will boost banking growth. I found that only 67.7% customers were aware about the product and services. For that bank should provide training program to their customers it will boost relation with bank and it will improve bank growth.

How to handle customer is biggest thing in bank and well trained staff is necessary for increase in profit of the so bank also provide training program to their staff for improving their skills and knowledge. Technology is also a major issue in BCCB bank many of the time is error stop the system and customer have to wait till system restart .It will lose customer interest and technological issue also create problem in smooth and error in transaction.

The Indian banking has finally worked up to the competitive dynamics of the new Indian market and is addressing the relevant issues to take on the multifarious challenges of globalization. Banks that employ IT solutions are perceived to be futuristic and proactive players capable of meeting the multifarious requirements of the large customer's base.

BASSEIN CATHOLIC CO OP BANK has a great opportunity to increase their market potential in the present market situation.