

Project Dissertation Report on

Stock Market (Analysis of two Sectors)

Submitted By:

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2K20/DMBA/126

Under the Guidance of

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CERTIFICATE

This is to certify that the project entitled "**Stock Market- Analysis of Two Sectors**", is a bonafide work carried out by **Simran** and submitted it to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfillment of the requirement for the award of a Masters of Business Administration degree.

I hereby certify that this project is correct and checked for plagiarism less than 20% to the best of my knowledge.

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(Simran)

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Summary

EXECUTIVE SUMMARY

The stock market is a collection of exchanges and other places where publicly listed companies' shares can be purchased, sold, and issued. These types of financial transactions take place on either official exchanges (physical or electronic) or over-the-counter (OTC) marketplaces that follow a set of regulations.

The terms "stock market" and "stock exchange" are sometimes used interchangeably, whereas the latter refers to a subset of the former. When someone buys or sells stocks in the stock market, they are doing it on one (or more) of the stock exchanges that make up the whole stock market. One or more stock exchanges may make up a country's or region's stock market.

I chose this topic to learn about and comprehend the Indian financial markets and stock exchanges. The current financial condition of listed companies was assessed, and investments were made as a result. Although the money invested was fictitious, the process was carried out using real-time financial markets. Along with investing, equity market research was conducted. To enhance the amount of virtual cash available, real-time stock trading was carried out.

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INTRODUCTION

What is a Stock Exchange?

Existing shareholders can deal with potential buyers on stock exchanges, which are secondary markets. It's important to realize that stock exchange corporations don't purchase and sell their own shares on a regular basis. Companies may repurchase stock or issue additional shares, although these are not day-to-day activities and typically occur outside of the exchange's framework.

So, when you purchase stock on the stock market, you're not purchasing it from the firm, but from another shareholder. You don't sell your stock back to the firm when you sell it; instead, you sell it to another investor.

History of Stock Exchanges

The earliest stock markets formed in Europe in the 16th and 17th centuries, especially in port towns or commercial centres like Antwerp, Amsterdam, and London. These early stock exchanges were more akin to bond exchanges due to the small number of firms that issued equity. Most early enterprises were considered semi-public since they had to be authorised by their government in order to conduct business.

The New York Stock Exchange (NYSE), for example, was founded in the late 18th century to allow for the trading of equity shares. The Philadelphia Stock Exchange (PHLX) was America's first stock exchange, and it is still in operation today. The NYSE was founded in 1792 by the Buttonwood Agreement, which was signed by 24 New York City stockbrokers and merchants. Prior to the company's legal establishment, traders and brokers would gather informally under a buttonwood tree on Wall Street to purchase and sell shares.

With the advent of modern stock markets, a new age of regulation and professionalization started, assuring stock buyers and sellers that their transactions would be completed at fair prices and within a reasonable time period. There are multiple stock exchanges in the United States and across the world today, many of which are linked electronically. Markets have grown more efficient and liquid as a result.

How Share Prices Are Set

Share prices on a stock exchange can be set in a variety of ways. The most frequent method is to conduct an auction, in which buyers and sellers submit bids and offers to buy or sell. A bid is the price at which someone wants to buy something, whereas an offer (or ask) is the price at which they want to sell something. A trade is made when the bid and ask are equal.

Millions of investors and traders make up the total market, all of whom may have various opinions on the worth of a particular stock and, as a result, the price at which they are willing to purchase or sell it. Over the course of a trading day, the thousands of transactions that occur as these investors and traders transform their intentions into actions by buying and/or selling a stock generate minute-by-minute gyrations in it.

A stock exchange provides a platform for this type of trading by connecting buyers and sellers of equities. A stockbroker is required for the average person to have access to these exchanges. This stockbroker serves as a go-between for the buyer and the seller. The most frequent way to become a stockbroker is to open an account with a well-known retail broker.

Stock Market Participants

The stock market attracts a diverse range of players, including long-term players and short-term players. Each has a distinct job to play, yet many of the roles are interconnected and reliant on one another to keep the market running well.

Stockbrokers are certified professionals that buy and sell shares on behalf of investors. In the United States, they are known as registered representatives. By

purchasing and selling stocks on behalf of investors, brokers operate as a link between the stock exchanges and the investors. To access the markets, you'll need an account with a retail broker.

Portfolio managers are individuals who manage client portfolios, or groupings of securities. Analysts provide suggestions to these managers, and they decide whether to buy or sell the portfolio. Portfolio managers are employed by mutual fund firms, hedge funds, and pension plans to make investment decisions and develop investment strategies for the money they hold.

Investment bankers represent corporations in a variety of capacities, including private companies seeking to go public through an initial public offering (IPO) or companies undergoing mergers and acquisitions. They handle the listing procedure in accordance with the stock market's regulatory standards.

Custodians and depot service providers are businesses that store customers' assets for safekeeping in order to reduce the risk of theft or loss. These institutions also work in tandem with the exchange to transfer shares between transacting parties' accounts based on stock market activity.

Market makers are broker-dealers who help people trade stocks by posting bids and asking prices and keeping a stock inventory. They maintain adequate market liquidity for a specific (set of) share(s) and earn on the spread between the bid and ask prices that they quote.

Individual stocks or bigger indices are used by speculators to make market directional wagers. Speculators can acquire shares to build a long position or sell them to build a short position. Based on fundamental or technical analysis, some speculators keep their holdings for a lengthy time. Day traders, for example, trade frequently and swiftly.

Arbitrageurs are traders that seek out market mispricing in exchange for low-risk rewards. As a result, the market remains more efficient. This type of arbitrage is frequently used by algorithmic and high-frequency trading (HFT) algorithms.

Stock exchanges are for-profit companies that charge a fee to use their services. These stock exchanges' principal source of revenue comes from transaction fees

levied for each trade made on their platform. Exchanges earn money from the listing fee paid to firms throughout the IPO process, as well as any follow-on offerings. For equities research and other reasons, market data generated on an exchange's platform, such as real-time data, historical data, summary data, and reference data, is also useful. Many exchanges will additionally provide technical elements, such as a trading terminal and a dedicated network connection to the exchange, for a fee to interested parties.

Stock Market Supply and Demand

The stock market is also a great illustration of real-time supply and demand laws in play. In every stock transaction, there must be a buyer and a seller. Due to the immutable principles of supply and demand, if there are more buyers than sellers for a certain stock, the stock price will go higher. When there are more sellers than purchasers of a stock, however, the price falls.

The bid-ask or bid-offer spread (the difference between the bid price for a stock and its ask or offer price) is the difference between the highest price a buyer is willing to pay or bid for a stock and the lowest price at which a seller is offering the stock.

A trade transaction occurs when a buyer accepts the ask price and a seller accepts the bid price. When buyers outnumber sellers, they may feel compelled to raise their prices in order to secure the goods. As a result, merchants will charge greater prices, causing the price to rise. If there are more sellers than buyers, sellers may be ready to accept lower offers, while buyers may lower their bids, lowering the price.

Investing in Stocks

Several studies have demonstrated that equities outperform all other asset classes in terms of investment returns over lengthy periods of time. Capital gains and dividends are the sources of stock returns.

When you sell a stock for a higher price than when you bought it, you have a capital gain. A dividend is a portion of a company's profit that is distributed to its

shareholders. Dividends make up a significant portion of stock returns. Since 1956, they have provided roughly a third of total equity return, with capital gains accounting for the other two-thirds.

While the appeal of owning a stock like to one of the mythical FAANG quintet—Meta, Apple (AAPL), Amazon (AMZN), Netflix (NFLX), and Google parent Alphabet (GOOGLE)—at an early stage is one of the more tempting prospects of stock trading, such home runs are rare.

Investors who want to take a riskier approach to their stock portfolios should have a higher risk tolerance. The majority of these investors' profits will come from capital gains rather than dividends. Investors who are conservative and require income from their portfolios, on the other hand, may choose equities with a long history of providing high dividends.

Market Cap and Sector

While there are numerous methods to classify equities, market size and sector are two of the most common.

Market cap refers to the entire market worth of a company's outstanding shares, which is calculated by multiplying these shares by the current market price of one share. Large-cap businesses have a market capitalization of \$10 billion or more, while mid-cap companies have a market capitalization of \$2 billion to \$10 billion, and small-cap companies have a market capitalization of \$300 million to \$2 billion, however the exact definition varies per market.

The Global Industrial Classification Standard (GICS) is the industry standard for stock classification by sector, developed by MSCI and S&P Dow Jones Indices in 1999 as an efficient technique to represent the breadth, depth, and evolution of industrial sectors. The Global Industry Categorization System (GICS) is a four-tiered industrial classification system that divides industries into 11 sectors and 24 categories. The 11 sectors are as follows:

- Energy
- Materials

- Industrials
- Consumer Discretionary
- Consumer Staples
- Health Care
- Financials
- Information Technology
- Communication Services
- Utilities
- Real Estate

Investors may easily modify their portfolios based on their risk tolerance and investment preferences according to this sector classification. Conservative investors seeking income, for example, may allocate their portfolios to sectors whose constituent companies have superior price stability and pay appealing dividends, such as consumer staples, health care, and utilities. More volatile sectors, such as information technology, financials, and energy, may appeal to aggressive investors.

What is SEBI and its functions?

The Securities and Exchange Board of India (Sebi) is a statutory regulatory agency set up by the Indian government in 1992 to oversee the securities market and protect the interests of investors.

SEBI has the authority to regulate and carry out functions such as checking stock exchange books of accounts and requesting periodic returns, approving stock exchange bylaws, inspecting the books of financial intermediaries such as banks, requiring certain companies to be listed on one or more stock exchanges, and handling broker registration.

Objectives of SEBI

SEBI's primary goal is to protect the interests of all parties involved in the trading process. It also oversees the operation of the stock exchange. SEBI's goals are as follows:

- To keep track of the stock exchange's activities.
- Investors' rights must be protected.
- Maintaining a balance between legislative laws and self-regulation to combat fraudulent practices.
- To establish a code of ethics for brokers, underwriters, and other financial intermediaries.

Powers of SEBI

To achieve its goals, SEBI performs the following functions: protective functions, regulatory functions, and developmental functions.

SEBI conducts the following functions as part of its protective functions:

- It keeps an eye on pricing manipulation.
- Insider trading is prohibited.
- It outlaws deceptive and unfair business activities.
- In the security industry, it supports a fair code of conduct.
- It takes time and effort to educate investors on how to effectively analyse investment possibilities.

SEBI has the following responsibilities as part of its regulatory responsibilities:

- Brokers, underwriters, and other middlemen are governed by a code of conduct, rules, and regulations.
- The takeover of a corporation is likewise governed by SEBI.
- It oversees and records the activities of share transfer agents, stockbrokers, merchant bankers, trustees, and other stock exchange participants.
- It also regulates and registers mutual funds.
- It conducts stock exchange audits and investigations.

SEBI fulfills the following service as part of its developmental functions:

- It enables intermediary training.

- Its goal is to promote stock market activity through an adaptable and flexible strategy.

SECTORAL ANALYSIS

Automotive sector

One of the reasons for choosing the vehicle sector was a personal interest in it. This has always been a fascinating investment opportunity for investors, and examining various features and conditions for research in this field would be fantastic work. India is a major auto exporter with strong development prospects in the next few years. Furthermore, the Indian government and major vehicle manufacturers have undertaken a number of programmes that are projected to catapult India to the forefront of the global two-wheeler and four-wheeler markets.

By 2025, the Indian electric vehicle (EV) market is anticipated to be valued Rs. 50,000 crore (US\$ 7.09 billion), with two- and three-wheelers driving growth. The government introduced the voluntary vehicle scrappage scheme in the Union Budget 2021-22, which is projected to increase demand for new automobiles by replacing outdated, unfit vehicles currently on Indian roads. To stimulate the adoption of electric vehicles, the Delhi government began the process of building 100 vehicle battery charge outlets across the state in February 2021. This sector will experience considerable growth due to rising middle-class income and a young population.

Porter's Five Force Analysis of Automobile Sector

The Five Forces model by Porter is commonly used to analyze the structure of the industry in which a firm operates, as well as the corporate strategy it employs. Michael Porter identified five irrefutable forces that shape all marketplaces and businesses around the world. This model is frequently used to assess the competitive intensity, attractiveness, and profit potential of a market or sector.

The most important thing for an entrepreneur to consider before embarking on a startup journey is to research the numerous advantages and disadvantages, as well as a variety of other factors, of the particular industry into which he or she is about to join with his or her company. Because it is stated that we can behave as entrepreneurs and then research the chosen sector using Porter's five principals, I will describe the influence of each principal on the organization.

1. Bargaining power of the Buyers-

Buyers are the ones who are in charge of purchasing both intermediate and final items in any industry. When it comes to the automobile sector, the biggest buyers are customers, and because they don't buy in volume, their bargaining power is limited. The buyer can use his or her bargaining power in the following situations:

- Purchasing in bulk or in huge quantities
- Due to product standardization, the buyer purchases the product from a different provider.
- The buyer's desire is based on their extensive knowledge of the goods.

The aforementioned criteria make buyers powerful, and because they lack any of the aforementioned factors, their bargaining power is limited.

If I were an entrepreneur, I would first focus on raising enough capital from investors and then try to bring innovative technologies to market at lower prices than other companies. But, because starting an automobile firm involves a lot of money, contacts, and cutting-edge technology, the focus will be on investment.

2. Bargaining power of Suppliers-

Because suppliers' bargaining power can have a significant impact on the firm, it is critical to assess their position in the marketplace. By threatening to raise prices or reducing the quality of goods and services, suppliers might have an impact on the firm. Both of these scenarios are unworkable for a corporation since they have a direct influence on earnings. Labor is also considered as a supplier in this case, as he participates in many company operations.

As a newcomer to this market, it's critical to analyse who is already present as a provider and what they have to offer. We may launch our items based on that, and

the originality of our products will determine our providing power, and we can list our rates based on that.

More bargaining power of suppliers is generally harmful to new entrants because, if we consider raw material providers or intermediate goods providers as suppliers, more bargaining power will give them the advantage of taking more money and we will have to pay more money out of our pockets, reducing our profits or increasing manufacturing or R&D costs. As a result, it's difficult to say if increased supplier bargaining power would be advantageous to us or not, as it depends on a variety of elements and perspectives. As a result, determining the impact of each supplier on the firm and measures to limit or minimize their bargaining power is critical.

3. Competitive rivalry-

In an industry, competitive rivalry arises when competitors aim to outperform one another in front of the market's customers. Price competition, ad warfare, and new product launches are all used by the companies to compete for the position. The rivalry can be harsh if the firms are striving for a higher market share; yet, if the market as a whole is rising, the rivalry can be less intense.

It's important to remember that the automobile industry is cutthroat. As a result, if I were to enter this market, my strategy would be to partner with a larger company with significant holdings in the company and produce cars using both their and my company's technology, as this will help us establish our brand faster and earn us more money. At the end of the day, we want to make money because no one starts a business to lose money.

4. Threat of Substitute products-

Threatened enterprises should consider not only other manufacturers of similar vehicles, but also the possibility of consumers transferring to alternative kinds of transportation, such as public transit. The expensive expense of operating and maintaining the vehicles deters purchasers from buying them, forcing them to look for other options. Consumers' purchasing decisions are influenced by the cost and use of fuels. In the car travel market, the firm must additionally consider time, money, personal choice, and convenience in order to estimate the influence of replacements.

5. Barriers to Entry –

The entry of foreign enterprises with large sums of money, newer technology, and sophisticated management techniques has eroded the indigenous manufacturers' market share. Foreign players can now easily enter the domestic market thanks to globalization. The automobile business is completely reliant on market trends, as well as consumer tastes and preferences. The automobile industry's primary source of revenue is consumer sales.

Oil and Gas Sector

Oil and gas are the mainstays of the economy. Prices of oil and gas have an impact on the entire economy, not just on individuals. Price changes have an impact on everything from consumer purchases to airline ticket pricing, and the effect even extends to the automobile sector. They are also a source of income for many people in India.

The Indian oil and gas industry is expected to develop at a rate of more than 2.64 percent over the forecast period of 2020–2025. Factors such as increasing natural gas pipeline capacity, refining capacity, and demand for petroleum products are likely to enhance the Indian oil and gas market's growth throughout the forecast period. India's oil and gas sector, on the other hand, is likely to be impeded by the country's reliance on crude oil and natural gas imports to meet domestic demand, as well as crude oil prices' significant volatility. Investment in the oil and gas sector has propelled India's oil and gas industry. Pipeline coverage is expected to rise significantly over the forecast period, with petroleum product pipeline coverage increasing the most in segment.

This industry also plans to take advantage of information technology (IT) by implementing automation and digital transformation at all levels of the operating cycle. These large oscillations and movements piqued my curiosity, and I wanted to learn more about this industry.

Porter's Five Force Analysis of Oil and Gas Sector

1. Suppliers Bargaining power -

Fully integrated oil and gas firms (International and National Oil Companies) that operate across the whole value chain of the oil and gas sector are among the industry's largest suppliers. Because these businesses are active in all aspects of the oil and gas industry, they have a greater potential to affect oil pricing and the whole market, and hence have substantially more bargaining power than others.

The Organization of Petroleum Exporting Countries owns almost 70% of the world's proven oil reserves (OPEC). In the oil sector, the oil fields held by OPEC have a lower cost of production than deep-water oil fields or oil generated from oil sand, which are expensive in nature and so have a high cost of production.

2. Buyer's Bargaining power -

Various oil refineries, national and international oil and gas firms, distribution companies, and countries all over the world buy oil and gas products. Due to the nature of the industry, buyers' bargaining power in the oil and gas industry is particularly minimal. Buyers are only concerned with the product's price and quality. Brent Blend, West Texas Intermediate (WTI), Dubai/Oman, and other global oil benchmarks dictate oil prices.

As a result, purchasers have little control over the price of oil. Buyers with greater bargaining power than other countries include the EU, China, the United States, Japan, and India, who consume massive volumes of oil and gas. Despite this, the only area in which purchasers in the oil sector can use their bargaining power is in the quality of the oil they buy. Only a shift in consumer behavior away from oil as a source of energy can boost buyers' negotiating power, but that is a long way off.

3. Competitive rivalry-

Depending on the intensity and foundation of the competition, high rivalry among existing rivals might have a detrimental impact on industry profitability. In terms of size, power, and capabilities, the bulk of oil and gas businesses are about equal. This intensifies competition, potentially leading to a price war if a competitor tries to sway prices.

A slowdown in output, such as that experienced by oil and gas companies, combined with diminishing net liquids production and reserves, according to Porter, might enhance the intensity of competition in this industry.

4. Potential for new entrants in the Oil & Gas Sector-

The following are factors that affect any new entrant or potential entrant in the Oil & Gas business, particularly in the upstream segment:

- Huge capital expenditure is required.
- The big or established enterprises have an advantage over the newcomer in terms of economies of scale, which makes the competition fierce.
- Oil and gas prices are unpredictable.
- Over 90% of confirmed oil and gas reserves are owned by existing oil firms.
- Domestic and international legal constraints can have an impact on a new company's ability to enter this industry.

5. Threats of substitutes in the Oil & Gas sector

Coal, which isn't a major issue because it's a finite resource that's already been used and dumped.

Hydrogen, a renewable and pollution-free alternative fuel, is infinitely renewable. The efficiency of hydrogen fuel is three times that of gasoline.

Biofuels and other sustainable energy sources such as solar and wind power are examples.

COMPANY ANALYSIS

Automotive Sector

Large Cap- Tata Motors

Introduction:

Tata Motors has introduced electric Indica versions that employ TM4 electric motors and inverters. Tata Motors presented the Nexon EV, an electric vehicle with a 30.2KWh lithium-ion battery with a constant range of 312 kilometers on a single charge, in December 2019. It also includes rapid charging technology, which enables it to charge the vehicle from 0% to 80% in 60 minutes. Tata Motors is a fantastic investment option for higher profits, and I can personally attest to this. The company's stock is currently trading at 313.101.

Furthermore, following a multi-quarter growth in sales, especially for its SUVs and vehicles, Tata Motors has set aside up to Rs 3,500 crore in capital investment for its India operations in FY22, with its dealers failing to satisfy retail demand. According to recent reports, the organization has taken steps to support COVID-affected families by giving 50 percent of the monthly basic income to individuals who succumbed to COVID-19 until retirement age. The contribution will be made in addition to a one-time payment that will help the family immediately. Tata Motors has lost 47 workers to COVID-19 since the outbreak began last year.

In India's automotive industry, the corporation employs a vast number of people, with many plants producing automobiles, SUVs, vans, mini trucks, medium and heavy-duty trucks, and buses.

Personally, I am following Tata Motors because I believe it will provide a good return on investment, but the investor must be patient because it is a long-term investment.

Status:

- Following the lock-down period, there are numerous factors to consider when analyzing Tata Motors' growth and share price increase. Its stock price soared to Rs 318.15 on April 9, 2021, before plummeting to Rs 293 on April

22, 2021. The company's growth was visibly damaged by the lockdown, and following the lockdown, the company is working hard to get back on track, which is evident in their efforts.

- After the firm's proposal to raise Rs 1,000 crore through NCDs was put on hold, its stock rose 4% to Rs 78. Personally, I am following Tata Motors because I believe it will provide a good return on investment, but the investor must be patient because it is a long-term investment.
- Following the lockout, share prices soared to Rs 118, and it is expected to gradually increase back to Rs 200, indicating pre-lockdown growth. As a result, Tata Motors is a terrific investment option for higher returns, and I can personally attest to this.

Shareholding Pattern of Company

Table 1

Holder's Name	No of Shares	% Share Holding
No Of Shares	3088973894	100%
Promoters	1309551138	42.39%
Foreign Institutions	482438007	15.62%
N Banks Mutual Funds	191680853	6.21%
Central Govt	4944144	0.16%
Others	428532242	13.87%
General Public	455057739	14.73%
Financial Institutions	216769771	7.02%

Source:

<https://www.bloombergquint.com/stock/949886/tata-motors-ltd/shareholding>

Management of the company

Table 2

Name	Designation
Guenter Butschek	Managing Director & CEO
H K Sethna	Co. Secretary & Compl. Officer
H K Sethna	Secretary
Hanne Sorensen	Ind. Non-Executive Director
N Chandrasekaran	Chairman & Non-Exe.Director
Om Prakash Bhatt	Ind. Non-Executive Director
P B Balaji	Group Chief Financial Officer
Ralf Speth	Non Executive Director
Ratan N Tata	Chairman Emeritus

Source: Corporate Overview, Annual Reports, Tata Motors Limited, 2019-2020

Strategies at Tata Motors



Fig.1

Swot Analysis

Strengths:

- Strong R &D
- Established brand image: - The organization has been able to create and maintain a strong brand name and image by indulging into brand association, innovative activities and technology enhancement.
- Diversification strategy: It has spread its presence in over 175 countries around the world along with diversification in the products offered by it, which has made it reach more people and made it a household name.

Weaknesses:

- Jaguar Land Rover deliveries in the United States and Europe have declined: The company has experienced poor returns as a result of slow Jaguar Land Rover deliveries in the United States and Europe, which have declined at a 3.5 percent rate due to weak demand in North America and Europe. Profits before tax at Jaguar Land Rover fell by 25% to 192 million pounds (\$271 million).
- Reduction in sales and a fragile financial position: The organization is making losses in the commercial vehicle division in majorly due to the stiff competition in that segment.

Opportunities:

- As the Indian economy grows, along with it increases the purchasing power of the customers which can be tapped by the organization.
- The organization can look into ways to cater to the budget range of consumers hailing from rural or backward areas.

Threats:

- The changing lifestyle of millennials.

- The UK's weak post-Brexit economy poses a significant threat to the company's operations in the country.
- The evolving regulatory environment surrounding environmental issues may pose a threat to the company.

Conclusion

Tata Motors is an undisputed market leader in the commercial vehicle industry in India, and it is attempting to establish itself as a key player in international markets as well.

However, maintaining and expanding on this success is difficult. Aside from product reliability, the ability of the company to improve its support framework would be the most important determinant of future success.

The future holds both challenges and opportunities for the company, both domestically and internationally. Tata Motors appears to be well positioned to capitalize on these opportunities and take on the world, given its renewed focus.

Mid Cap- Minda Industries Ltd.

Introduction:

Switches for 2/3 wheelers and off-road vehicles are designed, developed, and manufactured by the company. The company also makes batteries for two-wheelers, four-wheelers, and off-road vehicles. In India, the company has more than 70% market share in the 2/3-wheeler segment and is one of the top few globally. It has built eight state-of-the-art facilities across India, as well as one in the ASEAN zone, and employs more than 2800 people.

MIL has admitted that its revenues and growth have been hit by lockdown period and now post lock-down they have been allowed to operate at 10-20% of human resource capacity. With such a crunch situation it will be great to see how the company will bounce back because it is a testing situation for every company.

And for MIL, with more than 80% business coming from India, it becomes even more important. I am interested in its growth path and how the shares will rise. The target price has been quoted to be around Rs 584. The recently launched products- such as Airbags, Filters etc will help them to achieve this.

Personally I like how they are trying hard to achieve their target by focusing on existing products, adding more value to the existing components and adding more products in their offerings.

Status:

- MIL has admitted that its revenues and growth have been hit by the lockdown period and now post lock-down they have been allowed to operate at 10-20% of human resource capacity. With such a crunch situation it will be great to see how the company will bounce back because it is a testing situation for every company.
- And for MIL, with more than 80% business coming from India, it becomes even more important. I am interested in its growth path and how the shares will rise. The target price has been quoted to be around Rs 345 which currently is around Rs 260.
- The recently launched products- such as Airbags, Filters etc will help them to achieve this. Personally I like how they are trying hard to achieve their target by focusing on existing products, adding more value to the existing components and adding more products in their offerings.

Shareholding Pattern of Company

Table 3

Holder's Name	No. of Shares	% Share Holding
No Of Shares	262216965	100%
Promoters	185628317	70.79%


Foreign Institutions	26890928	10.26%
N Banks Mutual Funds	19089343	7.28%
Others	13365208	5.1%
General Public	16743685	6.39%
Financial Institutions	499484	0.19%

Source: www.economictimes.com/MIL/shareholding

Management of the Company

Table 4

Name	Designation
Amit Gupta	President
Amit Jain	Chief Executive Officer
Anand K Minda	Chief Executive Officer
Anand Kumar Minda	Non Executive Director
Chandan Chowdhury	Ind. Non-Executive Director
J K Menon	Chief Executive Officer
Krishan Kumar Jalan	Ind. Non-Executive Director

Kundan K Jha	Chief Executive Officer
Naveesh Garg	Chief Strategy Officer
Nirmal K Minda	CEO
Nirmal K Minda	Chairman & Managing Director
Paridhi Minda	Whole Time Director
Pradeep Tiwari	Chief Executive Officer
Pravin Tripathi	Independent Director
Rajeev Gandotra	Chief Marketing Officer
Rajiv Kapoor	Group Head - HR
Ravi Mehra	Chief Executive Officer
Satish Sekhri	Independent Director
Sunil Bohra	Group Chief Financial Officer
Tarun Kumar Srivastava	Co. Secretary & Compl. Officer
Tarun Kumar Srivastava	Secretary 

Source:

<https://economictimes.indiatimes.com/minda-industries-ltd/infocompanymanagement>

Swot Analysis

Strengths:

- The company has no Promoter Pledge
- The shareholding of FII / FPI has increased.

Weaknesses:

- It has witnessed a fall in Net Profit
- The degrowth in Quarterly Revenue and Profit is also not a favorable situation

Opportunities:

- Rising Delivery Percentage Compared to Previous Day and Month, Strong Volumes

Threats:

- The trends are increasing in the Non-Core Income
- The stocks of the organization have relatively high PE (PE > 40)

Conclusion

Minda Industries is a laggard in the automobile industry in terms of future growth prospects. Furthermore, the stock is trading at a higher PE than its peers, implying that it is more expensive in terms of relative earnings.

If Minda Industries has been on your radar for a while, now may not be the best time to invest. If growth and mispricing are important aspects of your investment thesis, the automobile sector may offer better opportunities.

Oil & Gas Sector

Large Cap- GAIL

Introduction

GAIL owns almost 70% of India's 16,981-km pipeline network, making it country's major natural gas marketing and trading firm along with providing the organization a strong hold over the market. It operates in a variety of industries, including natural gas, liquid hydrocarbons, liquefied petroleum gas transmission, petrochemical, city gas distribution, exploration and production, GAILTEL, and electricity generation. In 2013, it was bestowed with the Maharatna status.

I am interested in studying GAIL as it is one of the first organizations that has joined India's first natural gas exchange that went online recently. It is a Natural Gas Trading platform created by Indian Energy Exchange that will also assist in determining the market price of gas on the exchange. It is critical to the country because India consumes approximately 145 million standard cubic meters per day (mmscmd) of gas on a daily basis. The ROE and RoCE of Gail has been improving over the past 2 years. It has also experienced growth in net profits with increasing margins prior to the pandemic lockdown. It also has an impeccable record of high dividends along with rising dividend yields over the span of the last five years. The Relative Strength Index (RSI) is also indicating price strength. Gail's P/E ratio, 14.48, is above the industry P/E ratio of 3.7. The financial strength of Gail is also good with no debt which makes it an interesting subject to assess.

Status

Gail (India) Limited (GAIL) is a government-owned undertaking company in India. It is the country's largest natural gas processing company, owned by the government, and operates under the administration of the Ministry of Petroleum and Natural Gas. It operates in a variety of industries, including natural gas, liquid hydrocarbons, liquefied petroleum gas transmission, petrochemical, city gas distribution, exploration and production, GAILTEL, and electricity generation. On February 1, 2013, the Government of India designated the organization as a Maharatna company.

Shareholding Pattern of Company

Table 5

Holder's Name	No. Of Shares	% Share Holding
No. Of shares in total	4539703374	100
Promoters	2334449987	51.42
Foreign Institutions	699526194	15.41
Banks	504673335	11.12
Central Government	368292662	8.11
Others	88700605	1.95
General Public	131927006	2.91
Financial Institutions	353010569	7.78
GDR	59123016	1.3

Source: <https://trendlyne.com/equity/share-holding/431/GAIL>

Management of the company

Mr. Manoj Jain is the newly appointed Chairman and Managing Director of GAIL.

The board of directors comprises 6 directors and the Chairman. The senior management team includes:

- Shri M.V. Ravi Someswarudu as the Chief Executive Officer (CEO)
- Shri Anupam Mukhopadhyay as the Chief Operating Officer (COO)
- Shri Pankaj Walia as the Chief Financial Officer (CFO)

- Shri Kapil Kumar Jain as the Chief General Manager (Projects)
- Shri Deepak Asija as the Company Secretary (CS).

Swot Analysis

Strengths:

- The Organization gets a competitive advantage over its peers due to its strong market position
- The company has been able to diversify its operations and ensured for itself a sustainable growth with the help of integrated operations
- It ranks on the top in the country in the natural gas sector.
- The Maharatna status awarded to GAIL by the Government of India is a prestigious result of its success and is among only six other Public Sector Enterprises (PSEs) enjoying this status.
- The organization has grown organically over the years in the area of gas transmission with the construction of a huge system of trunk pipelines.

Weaknesses:

- Due to its operations concentrated solely in India, it is highly susceptible to the risks of economic slowdown or change in regulations by the government.
- Since the organization is owned by the government, it poses a potential risk on the growth and expansion opportunities of GAIL.

Opportunities:

- The consumption of energy in India is rising at a very fast pace in the past few years and is expected to increase manifolds in the future.
- The organization can introduce new products and services with the help of research and development projects to channelize more revenue.
- The Polymer sector is on an up rise, the organization can try to enter that area as well.

Threats:

- The competition faced by the organization is very intense in almost every

market segment served by it

- There are various risks involved in the drilling of natural gas wells and development wells

Conclusion

GAIL (India) Ltd is trying its way through the competition to sustain itself considering the government interventions being involved due to it being a Government of India undertaking.

GAIL, India's largest gas transportation company, is planning to set up battery charging stations for electric vehicles along with building solar plants in order to become future ready for up-and-coming businesses. It is also looking forward to taking advantage of business opportunities in waste-water treatment plants, water distribution, and large water pipelines by being the first to market.

The company is prepared and accepting of the need to instill new and diverse methods in order to provide clean, cost-effective, and efficient mobility services that are safe in nature, reduce reliance on oil imports, and achieve more efficient land usage in cities with the smallest environmental footprints and impacts on human health.

Mid Cap- Gujarat Petronet

Introduction

Gujarat State Petroleum Corporation Ltd (GSPC) is a Gujarat based company which deals in exploration, production and distribution of oil and gas. It is the only oil and gas company in India which is owned by the State Government. Around 95% equity stake of GSPC is held by the Gujarat government. It was incorporated in the year 1979 as a petrochemical company. Krishna Godavari Basin is the largest gas find of India made by GSPC. Ratnakar, at Hazira, India's first land-based drilling platform has also been built by the company. The company has various exploration activities across countries like Egypt, Yemen, Indonesia and Australia.

I am interested in studying GSPC as the organization is doing really well amidst the

current scenario. It has a high growth and high Return on Equity (ROE) with a low P/E ratio. It has a market capital of Rs.15,594 (in Cr). Its stocks have gained more than 20% in a month, with strong momentum. The price of the stocks is above the short, medium and long term moving averages. It has also experienced good quarterly growth in recent results. Earning per share is 16.72. Subsequently, PAT was at Rs 225.6 crore, up 47.1% YoY, aided by a lower tax rate.

Status

- Gujarat State Petronet Ltd. was incorporated in the year 1998. The current market cap of the organization is at Rs 11375.95 Cr.
- Sunaina Tomar, Pankaj Joshi, Anil Mukim, Sanjeev Kumar, Shridevi Shukla, Bimal N Patel, Bhadresh Mehta, Sudhir Kumar Jain, Bakul Dholakia, Yogesh Singh, and M M Srivastava are among the company's executives.
- It is traded on the BSE under the symbol 532702, the NSE under the symbol GSPL, and the ISIN is INE246F01010.

Shareholding Pattern of Company

Table 6

Holder's Name	No of Shares	% Share Holding
No, of shares	564143539	100%
Promoters	212305270	37.63%
Foreign Institutions	87640410	15.54%
Banks Mutual Funds	102627995	18.19%
Central Govt	61938000	10.98%
Others	39785350	7.05%
General Public	34620358	6.14%

Financial Institutions	25226156	4.47%
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Source: <https://www.financialexpress.com/gujarat-state-petronet-ltd/share-holdings>

Management of the Company

Table 8

Name	Designation
Anil Mukim	CEO
Anil Mukim	Managing Director
Bakul Dholakia	Independent Director
Bhadresh Mehta	Independent Director
Bimal N Patel	Independent Director
Pankaj Joshi	Nominee Director
Reena Desai	Secretary
Sanjeev Kumar	Joint Managing Director
Shridevi Shukla	Independent Director
Sudhir Kumar Jain	Independent Director
Sunaina Tomar	Nominee Director
T R Ajith Kumar	Chief Financial Officer
Yogesh Singh	Independent Director

Source: Corporate Overview, Gujarat Petronet Annual Reports, 2019-2020

Swot Analysis

Strengths:

- The company has good revenue and profit growth
- It also has high growth rate and ROE along with a Low P/E ratio

- Its ROA has been rising for the past 2 years which signifies efficient in management of assets
- The cash flows from the core business in the organization has also been steadily increasing

Weaknesses:

- The promoter have considerably reduced their shares

Opportunities:

- Companies with current TTM PE Ratio less than 3 Year, 5 Year and 10 Year
- Stock with Low PE ($PE \leq 10$)

Threats:

- Upcoming Results for Nifty500 with Declining Share Price Over the Week.

Conclusion

Gujarat State Petronet is resolute on paying out dividends to its shareholders, considering its history of steady payments of dividends for over the last 10 years. As per the current situation analysis it is expected that the future payout ratio of the organization for the span of next 3 years is expected to be around 14%.

However, Gujarat State Petronet's future return on equity is expected to fall to 15% regardless of almost no change in the company's payout ratio.

CONCLUSION

- Stock exchanges bring buyers and sellers together to trade equity shares in public companies.
- Stock exchanges are critical components of a free-market economy because they provide democratized access to trading and capital exchange for all types of investors.
- In markets, they execute a variety of tasks, including effective price discovery and efficient dealing.
- The act of devoting money or capital to an undertaking in the hopes of gaining further income or profit is known as investing.
- Investing, unlike consuming, sets aside money for the future in the hopes of seeing it grow over time.
- Investing, on the other hand, entails the risk of losing money.
- Tata Motors is India's indisputable commercial vehicle market leader, and it is aiming to establish itself as a major participant in overseas markets as well.
- In terms of future growth possibilities, Minda Industries is a laggard in the vehicle sector. Furthermore, the company has a greater price-to-earnings ratio than its peers, meaning that it is more expensive in terms of earnings.
- GAIL (India) Ltd is battling the competition to stay afloat, despite the fact that it is a Government of India venture that requires government intervention.
- Gujarat State Petronet is committed to delivering dividends to its stockholders, as seen by its track record of consistent dividend payments over the last decade. According to the present scenario study, the organization's perspective payout ratio for the next three years is expected to be approximately 14 percent.

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