



SUMMER INTERNSHIP REPORT 2021

‘AN OVERVIEW OF INDIAN FINANCIAL MARKET’

GROWTH ARROW COMPANY



Submitted To:

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Purpose of the report: To share my learning and accomplishments that I have acquired during the summer internship and brief the institute of the same.

Prepared for: Institute of Management, Nirma University

Prepared under the guidance of: Prof. Tripurasundari Joshi (Faculty Mentor)

Organization Mentor: M. Megesh

ACKNOWLEDGEMENT

The internship opportunity I am having with **The Growth Arrow Company** is a great chance for learning and professional development. Therefore, I consider myself a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to so many wonderful people and professionals who led me through this internship period.

Thus, I would first and foremost like to thank **Ms. Priyanka, HR Manager Growth Arrow Company**, for providing me with this work from home opportunity at this time where a global pandemic curtailed the economy. I would like to thank **Mr. Megesh M, Trainer and my mentor at The Growth Arrow Company**, for taking me under his wing despite his busy schedule and for guiding me. Without him, I wouldn't have learned as much as I have, and wouldn't have gained as much exposure. I would also like to thank **Prof. Tripurasundari Joshi** for her constant support throughout my internship.

I perceive this opportunity as a big milestone in my career development. I will strive to use the gained skills and knowledge in the best possible way, and I will continue to work on their improvement, to attain desired career objectives. Hope to continue cooperation with all of you in the future.

Pranjal Mahajan

201333

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EXECUTIVE SUMMARY

This internship report is based on my two-month long internship which I have successfully completed with Growth Arrow Company under the **Research Department**. The project that I carried out is based on the overview of the Indian financial markets and the analysis of top- and low-level companies. The report also includes information about the company and its major competitors. This internship has helped me gain practical exposure and has helped in applying the theoretical knowledge into practice.

Firstly, fundamental analysis was carried out for the market. Under fundamental analysis, first the industry analysis was carried out. **This included the PESTEL analysis.** Followed by that, an analysis of the five companies, by market capitalization, was carried out. This included the SWOT analysis, Cash Flow Statement analysis and analysis of a few key ratios.

Secondly, **technical analysis** was carried out. For this, four main indicators were used. These included the oscillator indicator Relative Strength Index, Moving Averages, Pivot Point and Bollinger Band. This analysis helped in identifying which stocks to buy and which to sell and also at what price.

The report has been created to inculcate three major components – **the industry and the company in its context, the projects undertaken and the contribution made to the organization, and lastly the objective of the Summer Internship Programme, learnings** that could be taken from the brief yet enriching experience at Growth Arrow Company.

Working with The Growth Arrow Company has allowed me to learn about the stock exchange at a deeper level which was otherwise unknown to me. My mentor also provided us with the freedom of doing the live trading or can-do paper trading to learn more about the reality of the stock exchange.

PART – A

PROFILE OF THE ORGANIZATION

INDUSTRY OVERVIEW

People and businesses use financial services provided by the financial services sector. Banks, investment houses, lenders, finance companies, real estate agents, and insurance companies are among the financial firms that make up this sector of the economy.

The financial services business is the **most important sector** of the economy, with earnings and equity market capitalization dominating the world. This industry is dominated by large conglomerates, although it also includes a varied spectrum of smaller businesses.

Financial services, according to the International Monetary Fund's (IMF) finance and development section, are the methods through which consumers or enterprises acquire financial goods.

When a payment system provider receives and transmits monies between payers and recipients, for example, it is providing a financial service. Accounts settled through credit and debit cards, checks, and electronic funds transfers are included.

The financial services business is in charge of **money management**. A financial advisor, for example, controls a client's assets and provides recommendations. The advisor does not supply investments or any other products directly; rather, they help savers and issuers of securities and other instruments move money around. This service is more of a one-time task than a tangible asset.

Tasks, on the other hand, are not financial goods. They're just things. A mortgage loan may appear to be a service, but it is actually a product that lasts longer than the initial loan term. Financial goods include stocks, bonds, loans, commodities assets, real estate, and insurance policies.

The financial services sector is the engine that propels a **country's economy forward**. It allows capital and liquidity to flow freely in the market. The economy grows when the sector is strong, and businesses in this industry are better able to manage risk.

ABOUT THE COMPANY:

GROWTH ARROW SERVICES is a Bangalore-based independent financial services company. They are looking to upgrade and strengthen their services after several years of experience. To grasp and learn more effectively, it is critical to develop a strong commitment among clients and trainees in an easy-to-understand manner. They create and implement strategies that have been shown to work for a variety of clients. The company has a total of 370 employees.

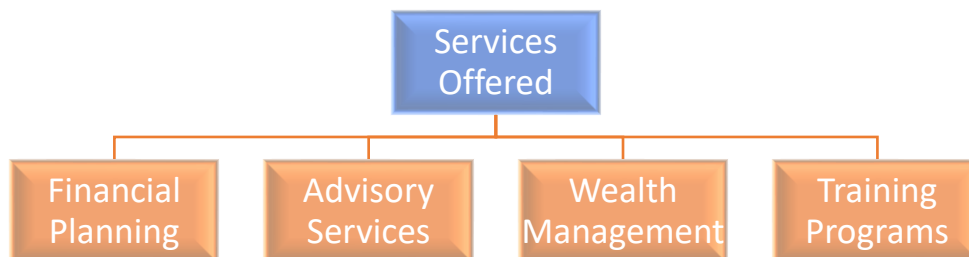
Growth Arrow is an innovative platform for educating and guiding the theory towards wealth and prosperity, with over 1000 clients throughout the world as proof.

The mission and vision of the company is “It wants to create a better future for investors by making smart plans with independently verified results through its financial services with an all-inclusive structure.”

BASIC INFORMATION:

<i>Name of the Organization</i>	Growth Arrow Company
<i>Type of Organization</i>	Financial Services
<i>Company Category</i>	Sole Proprietorship, Unlisted
<i>Total no. of employees</i>	370
<i>Years of functioning</i>	2014-Present

SERVICES OFFERED:

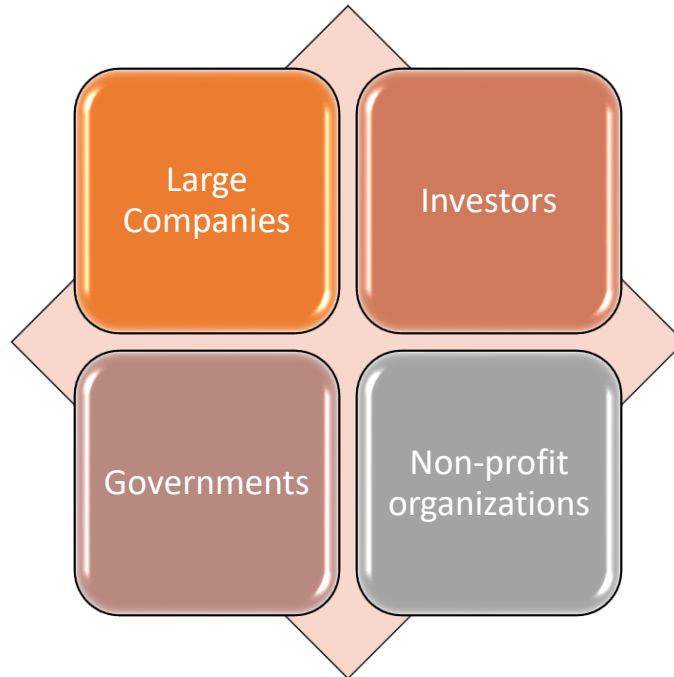


1. *Financial Planning*: Discovering amazing investment opportunities.
2. *Advisory services*: Portfolio advisory services in the capital and global market.
3. *Wealth Management*: Providing customized investment strategy.

4. *Training programs:* Providing training, education, and knowledge.

5. *DEMAT Services:* The Company helps their clients in opening trading and DEMAT accounts. They also help the clients in the management of their investment portfolios.

CUSTOMERS:



COMPETITORS:

1. **Wealth Farmers:** Wealth farmers is a Delhi-based startup. It started four years ago. It is best described as an online mutual fund investment platform that allows individual investors to invest in mutual funds without having to deal with paper.



2. **Investment Mitra:** Investor education can assist investors in determining the appropriateness and relevance of investment advice. Whether it's financial planning or

wealth management, the organization meets the needs of both types of clientele in just two years.



- 3. Midas Fin serve:** To build wealth for clients, Midas mostly uses Mutual Funds and ULIPS. Individuals, HNIs, MSME, company promoters, Charitable Trusts, and Provident Fund Trusts are among the clients served by Midas at the moment.



- 4. Sanguine Capital:** Sanguine Capital provides a wide range of services, including research and advisory, money management, and weekend investing. This focuses on the clients' financial needs, such as investing and wealth management, as well as mentoring in the Indian stock markets.



- 5. Jama Wealth:** Jama Wealth's equity advisory approach and powerful financial planning service, as well as a personalized company portfolio, are based on a strong philosophy of "Roots & Wings."



PART - B

INTRODUCTION

People invest in stocks with an aim to earn high returns and wish to do so at the least risk possible. However, it gets difficult to meet your financial goal if you don't know where to invest and when to invest. It is necessary to understand which sector and which company to invest in. Also, investing all your resources in one stock can be very risky and thus it becomes important to diversify your portfolio and manage your risk.

Investment should not be made based on intuitions and feelings. In order to **gain maximum returns and minimize the risk**, it is important to understand, analyze, interpret and then invest in the various stocks. Not all people know how to scientifically go about investing in stocks. And so, it becomes necessary to bridge this knowledge gap. Thus, the primary objective of this project is bridging this gap.

This project comprises an overview of the Indian financial market. It involved learning about the market and the trading techniques and processes. Afterwards, it includes analyzing the top level and low-level companies on the basis of market capitalization and understanding the factors that are affecting the share prices of the company.

EQUITY RESEARCH

Equity research basically refers to studying and understanding the stocks or equity of companies. It helps in determining how attractive an investment is and making informed decisions regarding a particular investment. Equity research involves both qualitative and quantitative analysis. There are two kinds of analysis, that are carried out under equity research – **Fundamental Analysis and Technical Analysis**.

FUNDAMENTAL ANALYSIS

Fundamental analysis is the method used to evaluate the intrinsic value of a security by studying the related economic and financial factors. It involves the study of all factors that might potentially affect the stock, including both, macroeconomic as well as microeconomic factors.

There are two approaches available for conducting any fundamental analysis. They are – the *‘top-down’ approach and ‘bottom-up’ approach*. Top-down approach is studying the macro environment first and then moving on to the micro environment. Bottom-up approach involves studying the company first then moving on to studying the industry.

In fundamental analysis, three types of analysis are to be done – *Economic analysis, Industry analysis, and Company analysis*. Economic analysis includes analyzing various macro-economic factors like GDP, savings and investments, inflation, interest rates, budget and tax structure. Industry analysis includes analyzing the performance of industry over the years and analyzing porter’s five forces. Company analysis includes analyzing the growth of the company, competitive edge of the company, market share, growth the sales and stability of the sales.

Fundamental analysis can be classified into two types – *qualitative and quantitative analysis*. Qualitative analysis includes the study of the growth and growth potential of the industry and company, the market share of the company, the competition, industry wide regulations, percentage of exports, past performance of the company and industry and so on. It involves studying the macro-economic factors affecting the business.

Quantitative analysis on the other hand is more company specific and involves analysis of the financial statements of the company and the analysis of the various ratios like Return on Equity, Return on Assets, Operating Profit Margin and so on.

TECHNICAL ANALYSIS

Technical analysis is a discipline for the analysis of a security, which is based on forecasting investment opportunities by understanding the trading activities like price movements and volume. It mainly sees how the supply and demand for a company’s stocks affects its price, volume and volatility of a stock.

It primarily examines historical behavior and trading activities, as well as price fluctuations, in order to forecast the price trend of an asset in the future.

Technical analysis helps in understanding at what price a particular stock may be bought or sold. For conducting technical analysis, various indicators such as Pivot Point, Candlestick Patterns, Bullish and Bearish engulfing, Bollinger Bands, Relative Strength Index (RSI), Moving Averages (MA) and Fib Ronchi Retracement are looked into to be able to make proper buy and sell decisions.

Pivot Point Calculations which are calculated on a daily, weekly and monthly basis. It is one of the traditional methods of trading. It is one of the indicators for support and resistance. There are different types of candlesticks such as bullish and bearish, which are used for predictions and are a combination of line and bar charts. It was founded by Munehisa Hamma in Japan and again made famous by Steve Nison. It describes the financial price movement and helps in understanding the technical analysis. Pivot point can be calculated by using a formula i.e.

$$= O + H + L + C / 4$$

O – Opening value; H – Highest value; L – Lowest value; C – Closing value

There are various types of **Candlestick patterns**, which includes:

- a. Bullish candlestick: It is used for predictions. It is a combination of line and bar chart. It is of green color. It describes the uptrend in the market.
- b. Big black candle: There is a wide range between high and low value. It forms a reversal pattern. It is bearish candle.
- c. Big white candle: It also has a wide range between high and low. It is a bullish candle.
- d. Doji candlesticks: There are the most important tools for understanding the price movements. Doji suggests the indecisive/neutral behavior of buyers and sellers. It shows that both buyers and sellers are not able to take the control of the market and therefore, there is a draw in the market. There are different types of doji such as dragonfly doji, gravestone doji, four price doji, long-legged doji.

Bullish and Bearish engulfing tells about the trend in the market, whether it is bearish or bullish trend in the market.

Bollinger Bands is an indicator used to identify the volatility of the market. There are three types of Bollinger bands i.e. upper Bollinger band, lower Bollinger band and middle Bollinger band. When a band is getting squeezed, it means there is no noise or movement in the market for a particular stock, which means that there are minimum number of buyers and sellers.

RSI is an oscillator indicator, oscillating between 0 and 100, which indicates the overbought and oversold shares in relation to current price levels. RSI above 70 is considered overbought and below 30 is considered oversold. A bullish market is indicated when RSI is between 40 & 90 and a bearish market is signaled when RSI is between 10 & 60. It calculates the price gains and losses over a period of time and the default time period is 14 periods.

Stochastic Oscillator, it shows two lines as compare to the RSI. When there is an intersection of lines, there is chance of change in trend in the market.

Moving Average constantly averages out the prices for smoothening out the price data. It helps in removing the impact of short-term fluctuations of price over a specified period of time. Usually, the 50-day MA and the 200-day MA are considered as important trading signals. The shorter the time frame, the more sensitive the MA would be to the price changes and the longer the time frame, the less price sensitive it would be. When the short-term MA crosses the long-term MA, it's a buy signal. This cross is also known as the golden cross. On the other hand, when the long-term MA crosses below the short-term MA, it's a sell signal and this cross is known as death cross.

Fib Ronchi Retracement is used to find the support and resistance through high swing and low swing.

MACD shows the relationship between two moving averages of a security's price. It is an indicator to measure the trend-following momentum. The MACD is calculated by subtracting the 26 period EMA from the 12 period EMA. The resultant of this is the MACD line. On top of the MACD line, a "signal line" is plotted, which is a nine-day EMA of the MACD line. This helps in figuring out when to buy and sell the securities. The securities are bought when the MACD crosses the signal line from below and are sold when the MACD crosses above the signal line.

METHODOLOGY

The project's data was gathered entirely from **secondary sources**. For this project, no primary data has been obtained. Various secondary sources such as the firm annual reports and websites, other websites like Money Control and Screener as well as publications released by the Government of India, Crisil, IBEF, Motilal Oswal etc. were used.

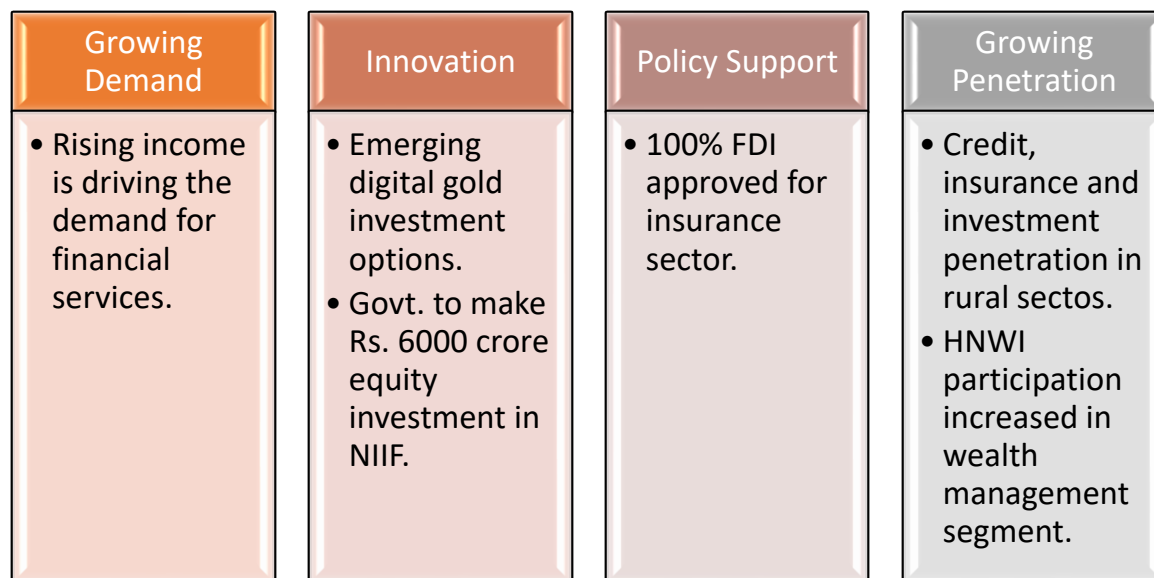
The information gathered for the research included **qualitative as well as quantitative**. The PESTEL analysis was utilized to do industry analysis using qualitative data. For company analysis, qualitative data was also employed, which included a SWOT analysis. In basic and technical analysis, quantitative data was utilized. For the fundamental analysis, cash flow statements of the company and various ratios were analyzed. For the technical analysis, stock prices were analyzed using various indicators.

For the purpose of **fundamental analysis**, cash flow statements were analyzed and various ratios were calculated and analyzed. The ratios included Operating Profit Margin, Asset Turnover Ratio, Return on Equity, Cash Conversion Cycle and so on. For the purpose of **technical analysis**, various statistical instruments and indicators like Candlestick Patterns, Moving Averages, Pivot Point, Bollinger Bands and Relative Strength Index were used.

CONTEXT OF THE PROBLEM

In the past decade, we can notice a rise in the income levels of the citizens of the country. Therefore, more people are interested in investing their idle or extra money in order to get returns on that money. The investors aim at getting higher returns at low risks. However, there are not many research reports available which people can use as reference to make investments or even understand how to make such judgments on their own. Thus, this report aims at providing detailed insights into the Indian Financial Markets and also analyzing the top- and low-level companies, so as to help the investors get an idea about how to do the analysis before investing and where to invest. The report has been prepared using authentic resources and has been analyzed without any biases.

PRESENTATION AND ANALYSIS OF DATA



It discusses the primary market, foreign direct investments (FDIs), alternative investment alternatives, banking, insurance, and pensions, as well as the asset management industry. With all of these characteristics, the *Indian financial market is one of the oldest in the world*, as well as the fastest expanding and best among the developing market financial markets.

The Indian financial market is currently more sophisticated than many other sectors, having been established as early as the 19th century with the establishment of securities exchanges in Mumbai, Ahmedabad, and Kolkata. In the early 1960s, *India had eight stock markets*, including those in Mumbai, Ahmedabad, and Kolkata.

Due to strict economic regulations, the Indian stock markets have remained stagnant till date. The Indian securities market did not see a frenzy of IPOs until 1991, following the liberalization process. Many new businesses emerged on the market, spanning many industry categories, and business began to grow.

India Financial Market aids in the promotion of economic savings by assisting in the adoption of an effective channel for transmitting various financial policies. India's financial sector is well-developed, competitive, efficient, and integrated, allowing it to withstand any shock.

There are many different sorts of financial products in the Indian financial market, and their pricing are established by the numerous buyers and sellers in the market. The market forces of demand and supply are the other determinant element of financial product prices. Other forms of Indian marketplaces contribute to the smooth operation of the Indian financial system.

Paytm claimed a **2x increase** in digital gold transactions in the last six months in November 2020. Since the beginning of current fiscal year, the number of **new clients has climbed by 50%**, and the average order value has increased by 60%. India is expected to be the **fourth largest private wealth market** globally by 2028. By 2025, the Association of Mutual Funds in India (**AMFI**) hopes to increase AUM by nearly five times to Rs. **95 lakh crore** (US\$ 1.47 trillion) and investor accounts by more than **three times to 130 million**.

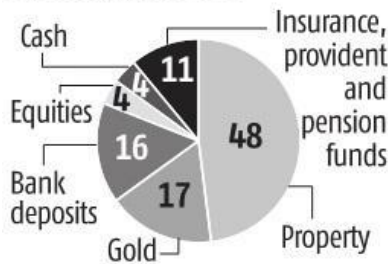
FUNDAMENTAL ANALYSIS

ECONOMIC ANALYSIS

NEW INVESTORS WELCOME

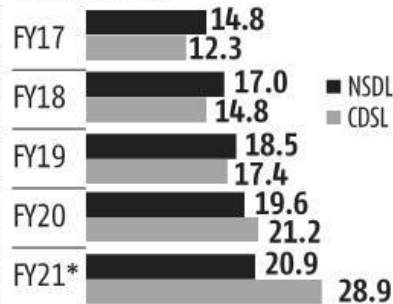
Stocks formed small part of Indian household wealth, but a record number of demat accounts were opened last year

Indian household assets as of December 2020



Sources: Reserve Bank of India, Jefferies estimates, Central Depository Services Ltd, National Securities Depository Ltd

Investors demat accounts (in million)



*Dec 2020; Compiled by BS Research Bureau
Source: CDSL result presentation

With its robust democracy and strong relationships, India has emerged as the world's fastest growing major economy and is anticipated to be one of the top three economic powers in the next 10-15 years.

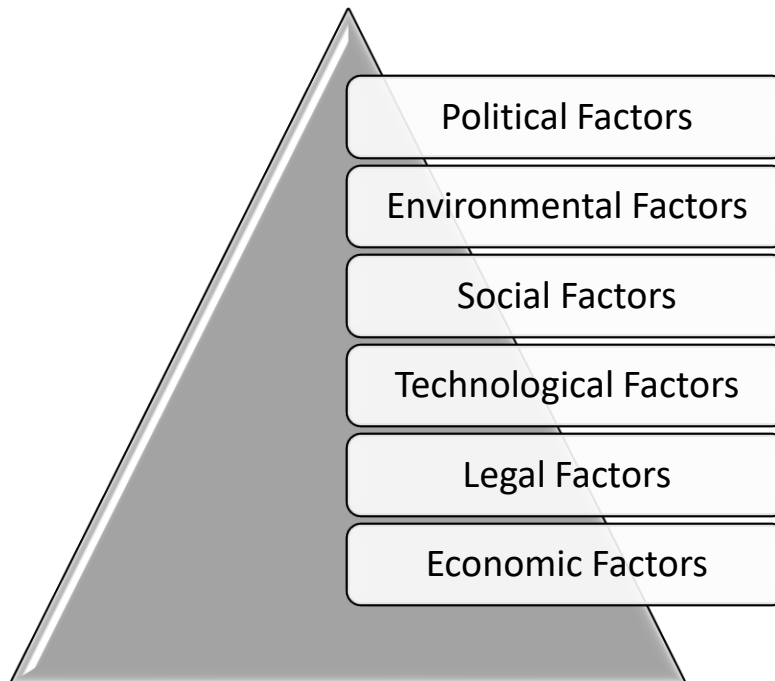
According to the Hurun Global Unicorn List, India has the world's fourth-largest unicorn population, with over 21 unicorns worth a total of \$73.2 billion. According to the Nasscom-Zinnov report "Indian Tech Start-up," **India will have 100 unicorns by 2025 and will generate 1.1 million direct jobs.**

Investments have been made in many sectors of the economy as the economic situation has improved. In 2020, India's overall deal value was US\$ 80 billion, spread across 1,268 transactions.

India's real **GDP growth for FY22 is expected to be 11%**, according to the Economic Survey 2020-21. The January 2021 WEO report predicted a gain of 11.5 percent in FY22 and 6.8 percent in FY23. India is also anticipated to become the fastest-growing economy in the next two years, according to the IMF.

INDUSTRY ANALYSIS

PESTLE ANALYSIS



1. **Political Factors:** Government regulation has a variety of effects on the financial services business, but the exact impact depends on the type of legislation. Between brokerage businesses and consumers, the **government acts as a referee**. Overregulation can impede innovation and push up expenses, while under regulation can lead to mismanagement, corruption, and collapse. This makes it impossible to predict the exact impact of **government regulation** on the financial services industry, but it is usually significant and long-lasting. The **Securities and Exchange Commission (SEC)** is in charge of overseeing the securities markets and ensuring that investors are protected against mismanagement and fraud. These laws should, in theory, encourage additional investment while simultaneously ensuring the financial services industry's stability.
2. **Economic Factors:** Recently, the country has been witnessing a slowdown and that has impacted all the industries, but not the financial service industry much. The sector has seen doing good in the past few quarters. Because of its strong banking and insurance sectors, India is now one of the most vibrant economies in the world. The insurance industry has reacted positively to the loosening of foreign investment laws, with many corporations

announcing plans to boost their holdings in joint ventures with Indian enterprises. India is expected to be the fourth largest private wealth market globally by 2028.

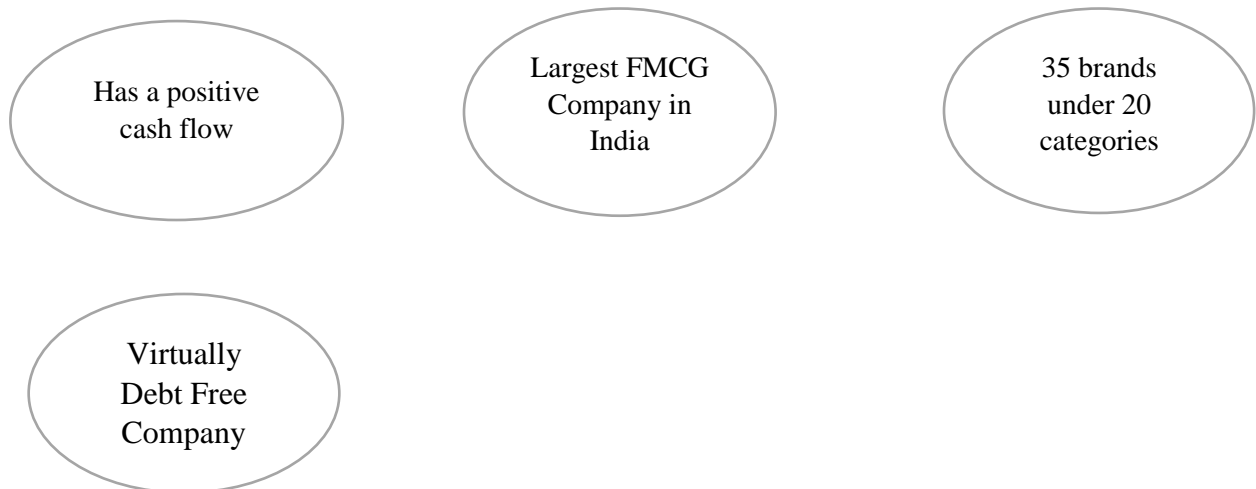
3. **Social Factors:** In the recent past, the country has seen major changes in terms of living style of the consumers due to **rapid urbanization and increasing literacy rates**. The culture and way of life of a society have an impact on the culture of an organization in a given context. The **population's shared views** and attitudes play a significant impact in how Financial Services marketers comprehend a market's clients. Major social factors affecting the financials service industry are **demographics** and skills level of competitors, class structure, **education level, culture, entrepreneur skills, attitude** and leisure interests.
4. **Technological Factors:** With the introduction of smart analytics, financial services organizations can now **mine vast amounts of consumer data** to better understand and serve their clients. Organizations have also used technology to produce novel financial services. Organizations face a major problem in developing **better payment systems**. The digitization of financial services is still a work in progress. Businesses might choose to make innovation the emphasis of a separate company or integrate it throughout their entire firm. This necessitates "**amazing engineering**." Firms that take a start-up model will benefit from having a full stack of engineers that can introduce dynamism to deal with innovation. Attempts to **improve customer experience** management by advancing technologically are at the center of efforts to better serve customers. As a result, for financial services companies to thrive, they must adopt **innovative banking technologies**.
5. **Legal Factors:** The significance of legal elements in the **growth and maintenance** of the financial market is critical. The fate of the financial market is determined by legal difficulties connected to any industry or organization. If the Indian government or parliament passes a new rule that has the potential to **disrupt the industry's operations**, the industry will be demotivated, and this demonization will lead to the demonization of investors, resulting in the **financial market's collapse**. Following the Hardhat Mehta fraud, **additional laws and regulations** were enacted, such as requiring a PAN card for trading, questioning investors who invested too much money in a small firm, and so on. These restrictions were intended to protect **financial market transparency**, although

investment was discouraged at the time. Legal aspects are required for the financial market to **improve and remain stable**.

6. **Environmental Factors:** Environmental factors do not play a significant effect in the financial market at first. However, **times have changed**, and people are becoming more **environmentally conscious**. This is definitely disturbing them because they don't know whether any company or **industry is environmentally friendly** or not. Despite the fact that an increasing number of people, investors, and corporate executives are paying attention to these facts, the financial markets continue to view the environment as a liability. They conceal the fact that it is irrelevant to their approach. The market even **undervalues the environmental performance**.

COMPANY ANALYSIS

HINDUSTAN UNILEVER LIMITED



Hindustan Unilever was started in the year 1933 by the Lever Brothers. It is the Indian subsidiary of Unilever PLC, with Unilever having **67% shareholding** in the company. It is headquartered in Mumbai, Maharashtra. The company has products spanning from food & beverages to cleaning agents to personal care to consumer goods to water purifiers. The company has a very diverse portfolio and houses brands like Lux, Close up, Axe, Brook Bond, Knorr, Kwality Walls, Pureit, Lakme, Surf Excel and so on. The **company employees over 21,000 people** and it clocked sales worth Rs. 45996 crores in FY2020-21.

SWOT ANALYSIS

Strengths:

The company has a very good **brand visibility** and is the market leader. According to a report published by Nielsen India, 2 out of every 3 Indians use HUL products. The brand has a **high share of wallet** as it caters to all kinds of customers by offering products of different price ranges in the same category. The company is **financially very strong** and has a high market share due to high market penetration, even in rural India. It has an extensive and integrated distribution network. They have **improving annual net profits and ROE**.

Weaknesses:

HUL as a company has very few weaknesses. Firstly, the company is witnessing **decreasing market share** due to increased competition. Secondly, it has a **diverse portfolio**, thus their positioning gets confusing for the consumers. The company also has a few dog products such as Taaza, Bru and Brook Bond Sehatmand. The company has seen declining revenues for past 3 quarters and **declining net cash flows**.

Opportunities:

There are a few opportunities like **untapped potential in the rural segment** and increased disposable income of the population in the past decade which can prove advantageous for the company as it leads to increased demand.

Threats:

Increasing competition is one of the major threats faced by the company. The products have **low differentiation**. Low switching costs make the consumers highly elastic and even small price differences make them shift to other brands. There is **increased competition** from private labels and local and unorganized sector. FDI in single and multi-brand retailing can also prove to be a threat.

CIPLA Ltd.



Cipla is an Indian pharmaceutical and biotechnology company with a presence in over **80 countries** across the globe. The company was founded in 1935 and it is headquartered at Mumbai, Maharashtra. Cipla mainly sells its products in India, USA, Australia, Europe and South Africa. The company has 46 manufacturing facilities for APIs as well as Formulations and employees over **25,000 people**. The company's main strengths include respiratory, anti-retroviral, urology, cardiology and CNS segments. The company aims to make affordable medicines for all the people across the globe.

SWOT ANALYSIS

Strengths:

The company is **low on debt** and has been witnessing an improvement in its book value per stock for past 2 years. Their **return on equity has been improving** for past 2 years. The company has strong R&D facilities and are focused on creating new products and improving the delivery systems. Cipla has a wide portfolio, with more than **1500 products** with more than 50 dosage forms. They have brought in lots of **advancements in terms of technology**, especially with its 'No Touch Breast Scan'. Its products are recognized by many regulatory bodies of various countries.

Weakness:

The company has been witnessing **declining Net Profits and Net Cash Flows**. They have faced negative publicity for its pricing of AIDS drugs, which were unaffordable for many people in need of it. Cipla also faces stiff competition from domestic and foreign players.

Opportunities

There are many opportunities for the company in India and South African region. Also, there are **emerging markets** in Middle East, Asia-Pacific and rest of the world. There are opportunities in the US market as well and it can further grow through **strategic alliances**. They have opportunities in terms of **enhancing cost and operational efficiencies** through use of lean model, AI and advanced analytics.

Threats

The company faces the threat of the **regulatory and competitive developments** in India. There is also the threat of uncertainty of growth in the US market. There is the issue of **increasing costs** and growing business complexity, especially due to **tightening of regulatory norms in China**. There are geopolitical risks and risks related to environment, health and safety too. There are risks of disruption in the supply chain and quality as well. **Quality** is of prime importance as it poses a significant risk on to the patients.

BRITANNIA INDUSTRIES LTD.



Britannia Industries Ltd., headquartered in Kolkata, West Bengal, was established in 1892. It is now a subsidiary of the Wadia Corporation. Tiger, Good Day, Nutri Choice, Bourbon, and Marie Gold are among the brands represented by Britannia. It sells biscuits, breads, rusks, cakes, as well as dairy items such as milk, cheese, yoghurt, and beverages. They are available in about **60 countries throughout the world**. Britannia had become the first zero-trans-fat company in the country. The Britannia Nutrition Foundation, which investigates malnutrition in impoverished children and women, is also owned by the corporation.

SWOT ANALYSIS

Strengths

With a **strong brand portfolio** and products for customers of all economic levels, the corporation is able to gain a larger share of wallet. It controls nearly **a third of the biscuit market**. With its jingle on everyone's tongues, Britannia also has a strong brand recall and Top of Mind Awareness. Their **successful marketing** efforts have resulted in this. The business has a well-developed distribution network, with locations in even the most remote parts of the country. Annual net earnings and **operating profit margins are increasing**.

Weaknesses

Britannia's biscuit business is **unduly reliant on it**, accounting for 75 percent of overall sales. Other companies produce identical items, resulting in commoditization of some brands; also, switching costs are cheap, resulting in a **loss of sales for the company**. They spent a **lot of money on marketing and advertising** their items. Britannia's dairy division isn't doing particularly well, accounting for only 5% of overall income.

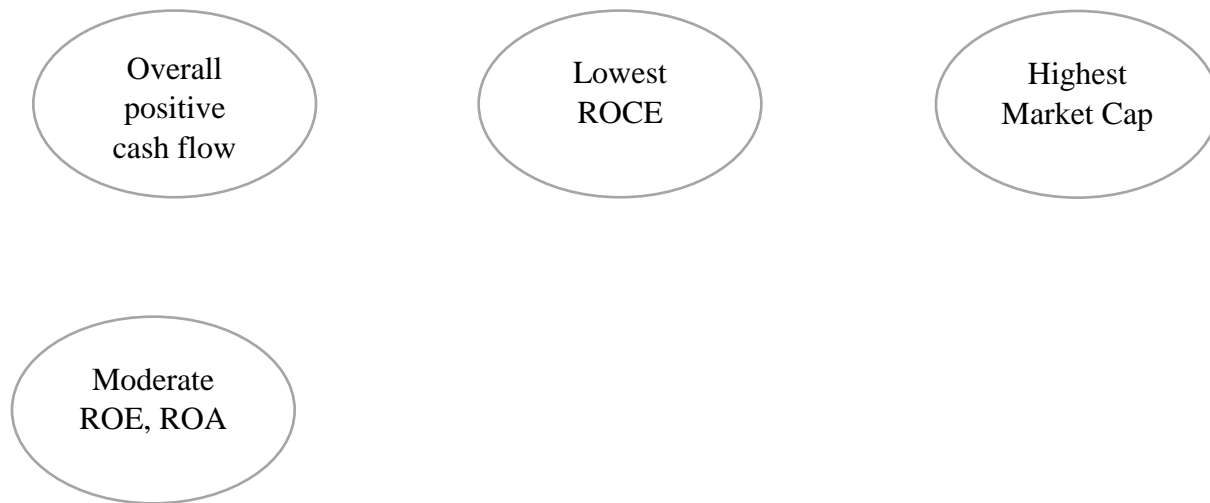
Opportunities

The changing lifestyle and shift towards a **healthy living** is an excellent opportunity, as it may even help to propel Nutri Choice, the company's dog product, to the forefront of the market. The company has a lot of **potential in the international market**. Because it is a well-known and well-established brand, it may even consider product line extensions. It has few significant competitors in the dairy sector, thus it **can acquire market share**.

Threats

The huge MNCs, local players, and private labels have all **increased their competition**, making it harder to stay on top. The bakery business accounts for a significant portion of the company's annual revenue, but the growing number of local bakeries has posed a **serious threat** to the brand's breads. Consumers can readily switch from one brand to another due to limited product **differentiation opportunities and low switching costs**.

RELIANCE INDUSTRIES LTD.



Reliance Industries Limited (RIL) is a Mumbai-based Indian multinational enterprise. Energy, petrochemicals, natural gas, retail, telecommunications, mass media, and textiles are among RIL's **diversified activities**. Reliance Industries is one of **India's most lucrative enterprises**, as well as the country's largest publicly traded company by market capitalization. With over 195,000 people, it is **India's eighth largest employer**. Reliance Industries became the first Indian business to have a **market capitalization of \$200 billion** on September 10, 2020. Reliance is responsible for over **5% of the entire customs** and excise duty revenue collected by the Indian government. It is also the **private sector's top income tax payer** in India.

SWOT ANALYSIS

Strengths

Reliance industries have a **strong market position** in various categories. RIL is the first private Indian firm to make the Fortune Global 500 list. Reliance has a **strong brand identity** and financial position, allowing it to expand its existing operations as well as push into new ones. The company has **operational efficiency**. For example, In Jamnagar, RIL operates the world's largest oil refinery and is one of the world's largest privately held refining enterprises. The company is **expanding in the retail industry** vastly.

Weaknesses

The production of the company is declining due to various **natural and operational challenges**. It affects their supply and operational margins. RIL recently sold off part of its production-sharing agreements in Dubai, Yemen, and other places. This has an **impact on RIL's global expansion** goals. RIL has been the subject of a **number of legal processes** and lawsuits in the past. RIL was recently forced to pay a large penalty to the government. Such incidents have a **negative impact on the company's reputation**.

Opportunities

Reliance industries is planning to set up **more and more plants**. RIL's operating facilities will be expanded, allowing it to **enhance production and strengthen its market position**. RIL won the Myanmar Offshore Block auction in 2015 with a 96 percent interest. RIL should continue to make similar investments in order to grow its global activities.

Threats

In the oil, petroleum, and gas industries, RIL is up against a **slew of state-owned rivals**. RIL confronts tough competition in the retail sector from the Future Group, D-Mart, and others. Market share is limited as a result of such competition. Jio is competing against industry behemoths such as Vodafone, Airtel, and Idea. These businesses are **seeking for a way to reclaim clients** who have been lost to Jio.

NESTLE INDIA



Nestle India is a **subsidiary of Swiss company** Nestle S.A. Nestle is in the food and beverage industry. Nescafe, Maggi, Kit Kat, Milkmaid, and other brands are among the company's offerings. The company was founded in 1959 in India and is based in Gurgaon, Haryana. It now has **eight production plants** and four branch offices. Nestle offers a diverse range of items, including beverages, morning cereals, chocolates and confectionaries, dairy products, culinary products, and baby food.

SWOT ANALYSIS

Strengths

It **has less risks** and can withstand economic pressures because it is a global brand. It offers unrivalled R&D skills, which aids in the development of nutrient-dense foods. The company offers a **diverse product portfolio** and a large assortment, allowing them to meet the needs of a wide range of customers. The brand has a **large distribution network** that reaches out to even the most isolated rural locations. It has a **decentralized supply chain** and a locally tailored distribution network, which has allowed the brand to successfully penetrate both urban and rural markets. Their **ROA, ROCE, and annual net earnings are all increasing**.

Weaknesses

There are numerous brands under its umbrella, making it difficult to efficiently manage them and **causing consumer confusion**. Many scandals have also surrounded the brand, including those

involving Maggi, baby feeding formula, and so on. The brand also **houses canine goods** such as Nestle Milo, which is a cash cow that does not generate considerable revenue and, in fact, is **dragging the brand down**.

Opportunities

As people become more health conscious, they will be able to **enter the healthy breakfast market**. In terms of market expansion, nestle also has options. With changing lifestyles and a growth in the number of working women, there is a higher need for packaged foods. Another potential is for **customers' discretionary income to rise**. Nestle now only sells tea, coffee, and malt-based beverages; however, it has the potential to extend its market by offering additional beverages as well.

Threats

The prospect of **increased competition** from organized and unorganized retail segments, as well as private labels, is significant. There are **few differentiation options**, minimal switching costs, and a **high degree of client elasticity**.

RATIO ANALYSIS

	HUL	CIPLA	BRITANNIA	RELIANCE	NESTLE
Market Cap	5,75,989	77,417	83,724	13,34,909	1,70,038
Profit growth	11.63%	6.47%	32.26%	-12.11%	5.795
Return on Equity	16.76%	12.38%	53.02%	6.73%	103.12%
Return on Assets	11.67%	10.74%	23.73%	3.65%	23.36%
Inventory Turnover Ratio	13.60	4.50	12.49	6.56	9.42
Current Ratio	1.26	3.79	1.21	1.04	1.68
Asset Turnover Ratio	67.52	60.53	166.92	28.11	168.99
Receivables Turnover	28.51	3.63	36.55	35.81	68.60
Receivable Days	11.10	90.59	9.36	9.77	3.84
Payable Days	93.34	61.27	40.75	98.95	58.04
Net profit margin	17.29%	17.75%	14.21%	13.00%	15.59%
Inventory No. of Days	26.83	81.11	29.22	55.64	38.74
Average Collection Period	13	100	10	10	5
ROCE	18.90	16.75%	60.59%	5.82%	55.05%

As per **Market Capitalization**, Reliance industries are at the top, followed by HUL and NESTLE India. The market cap of reliance is more than the other four is because the company has diverse businesses and is expanded overall India.

Though the market cap of Reliance is highest but the **profit growth** of the same is negative for the year 2019-20. The reason being the lockdown in India and people of India including Reliance in political debates and banning their products throughout. Britannia has highest profit growth with 32.26%, followed by HUL and NESTLE.

Return on equity tells about the company's ability to make profits using just the funds of the shareholders. The higher the ROE, the more efficiently the company is earning profits using shareholder funds. It is highest for NESTLE, followed by Britannia and then rest are very low. It means that Nestle is doing good enough to earn profits using just the funds of their shareholders.

Return on assets tells about the company's ability of efficiently using their assets to earn the revenue. High ROA tells that company is earning enough through its assets. Britannia and Nestle is at par with each other and are having almost same ROA. The margins between rest companies is quite high and they are out of the competition.

Return on capital employed (ROCE) determines company's profitability to overall capital employed by them. Higher the ROCE, higher is the profitability of the company. The most profitable companies are therefore, Nestle and Britannia.

Inventory turnover ratio tells about number of times the company has managed to sell its inventories in a specified time. HUL has the highest turnover ratio, followed by Britannia.

Inventory number of days tells that how many days a company takes to convert its inventories into cash. The company which can convert its inventories in cash in less time is Cipla and Reliance.

Accounts receivable turnover ratios tells that how many days company wants to recover the cash from the debtors. The company which can do this at the earliest is Nestle India and rest four are almost at the same level.

After analyzing all the ratios, we can say that **Britannia and Nestle are doing good**. They have good financial ratios followed by HUL. It means that Cipla and Reliance still has to work on their financials.

CASH FLOW STATEMENT ANALYSIS

The *net cash flow of HUL is positive*. Their cash flow from *operating activity is positive* thereby indicating profits from operations. The cash flow from *investing activities is positive* indicates that the company has made more sales than purchases. The company has purchased current investments and sell them in the same year. However, the fixed asset purchases and sales made are lesser than last years and the investments purchased and sold are greater compared to last year. The cash flow from financing activity is negative which means that the company is paying its interests and dividends, which is a *positive sign*. (Annexure 1)

The *net cash flow of CIPLA is positive*. The cash flow from *operating activities is positive*, which indicates that the company is generating sufficient cash from its operations. The cash flow from *investing activities is negative*. They have purchased a greater amount of investments but fewer fixed assets as compared to last year and interest and dividends received are higher. The cash flow from *financing activity is negative*. The company has paid greater dividends and interests as compared to last year. (Annexure 2)

The overall *net cash flow of Britannia is negative*. Their cash flow from operating activity is positive thereby *indicating the profits from the operations*. The cash flow from investing activities is negative indicates that the company is *spending more in investments* and deposits and *purchasing more fixed assets*. The sale of assets and investments is very less and also, they are receiving more interest and dividend. The cash flow from *financing activities is also negative*. The company has paid more money to bonus debentures and is also paying more dividends as compare to previous years. The cash and cash equivalents at the end of the year is positive. (Annexure 3)

The *net cash flow of Reliance industries limited is positive*. Their cash flow from operating activity is *positive*. It indicates that they are earning profits from their operations. The company is giving more interest and dividends and also the trade receivables of the company is more than the trade payables. The *cash flow from investing activities is also positive*. It indicates that the proceeds from sale of investments, interest income and dividend received all together is more than the purchase of investments. The *cash flow from financing activity is negative*. The company ahs only paid the dividends and not receive any interest income. The cash and cash equivalents at the end of the year is also positive. (Annexure 4)

The *net cash flow of Nestle limited is positive*. Their cash flow from *operating activity is positive* and also very high. The company's profit before tax is more than the last year. There has been an increase in the employee benefits provisions. The *cash flow from investing activity is negative*. It indicates that the company is purchasing more fixed assets and investments rather than selling them. Their *cash flow from financing activity is also negative*. The company has paid huge dividends. The cash and cash equivalents at the end of the year is also positive. (*Annexure 5*)

TECHNICAL ANALYSIS

Most technical indicators of *HUL continue to be in very bullish mode*. In the last one month the stock gave many opportunities to enter the market. As per Bollinger bands, when the price was around Rs. 2380, it was on the line and gave the opportunity to enter. Oscillator indicator RSI above 50 shows the speed and change of price movements and indicates an uptrend. This is another buy signal. Also, we can see that the 50-day exponential moving average is well above the 200-day exponential moving average, which also indicates a *buy signal*. Most of the indicators were showing buy signal few days back as the market was bullish. (*Annexure 6*)

The stocks of CIPLA are also showing *bullish trend*. As per Bollinger bands, the price is above the trend line so the *signal of buying was not there*, but from past few days, it has been on the line and therefore, giving the chances to enter the market. RSI above 50 also shows the speed and change of price movements and indicates an uptrend. It is also giving buy signal now. The stock was in *downward trend* in the last month due to self-stock adjustments by the company. (*Annexure 7*)

For Britannia, the *trend was bearish from May to start of June*. It took support at Rs. 3366 and then took the bullish trend. It was *all bullish in the month of June* and therefore gave many opportunities to investors for entering the market. As per Bollinger bands, when the price was **Rs. 3650**, it was slightly down the line and gave the *opportunity to enter*. However, the 50-day EMA was below the *200-day EMA indicating that short term trend is worse* than the long-term trend, indicating a death cross. RSI has been above 50 from past one month, showing the changes in price movements and therefore, indicating upward trend. the MACD line is moving along with the signal

line therefore *not giving any clear indications of buy or sell*. Thus, it is best to wait and watch for a while. (*Annexure 8*)

The trend for *Reliance industries was sideways* in the month of May. At the start of June, it took bullish trend. It gave many opportunities to investors for entering as per Bollinger bands. It took support at Rs. 1950. The *50-day EMA was below the 200-day EMA* indicating that short term trend is worse than the long-term trend, indicating not so good situation. However, the 50-day EMA crossed and went over the 200-day EMA line around when the stock price was Rs. 2146 and *indicated a buy signal*. RSI line was above 50 from mid-May to mid-June, giving the signal for sell. From the past few days, the MACD line is moving along with RSI, giving a signal of buy as *the company is facing bearish trend*. (*Annexure 9*)

For the Nestle India, according to the MACD line, the *best buy signal* was indicated around when the prices of the stock were around **Rs. 16759** as the MACD line had crossed the signal line and made a large angle. Also, we can see that there is a *rise in the RSI* indicating a bullish trend and *50-day MA was also well above the 200-day MA*. All these signals indicated a buy signal. As per the current scenario, the MACD line is moving very close to the signal line, this is not a clear buy signal and the *RSI is also around 50* and thus is not giving clear indications. The 50-day EMA is well above the 200-day EMA, which is a *bullish sign*. (*Annexure 10*)

LEARNINGS FROM THE INTERNSHIP

- 1. Practical applications of concepts learnt:** I was able to understand the practical application of several ideas that I had learned in the first year of my MBA programme through this internship. Got hands on experience on the use of ratios learned in 'corporate finance'. The concepts of 'industry analysis' and 'strategic management' helps in understanding the fundamental analysis of the companies. The company analysis carried on is purely based on what we have learnt in the 'corporate finance'. The learnings from 'communication for managers' helped a lot during the internship while communicating to the mentor and peers at work. Overall, I have applied many concepts learnt in the first year at the internship. It was very helpful.
- 2. Industry Analysis:** Over the two months, I learnt about the financial service sector and financial markets. I conduct the industry analysis for the financial service sector. Under this, PESTLE analysis was done, which I have learned in the subject of 'industry analysis'.
- 3. Company Analysis:** Company analysis was done for the 5 companies, which I monitor during my internship. These are from different sectors. SWOT analysis was used to conduct the company analysis.
- 4. Observation of Stocks:** I kept track on the market in order to undertake technical analysis. Also learned the significance of every corporate activity done and how it affects the company's stock values, such as the publication of the company's quarterly reports, any important announcements, changes in the shareholding patterns etc. All of this impact the prices of company's shares.
- 5. Fundamental Analysis:** I have conducted fundamental analysis for the five companies. I learnt the process of fundamental analysis as a part of my internship. For fundamental analysis, ratio analysis and cash flow analysis were conducted, for which company's annual reports have to be read and then analyze the financials of the company.
- 6. Technical Analysis:** I learned how to perform technical analysis, which aided me in determining the best stock price to invest in and the best stock price to sell. This also aided in comprehending stock price variations and their causes. Every modest company move and the publication of results has a significant impact on the stock market. For technical analysis, various indicators were taken into consideration such as Relative Strength Index

(RSI), Bollinger Bands, MACD, Moving Averages etc. All these were taught in the training programme of the internship.

7. I also learned that stock investments should be based on an appraisal of the company and its future prospects, rather than sentiments, emotional reasons, or recommendations from friends and coworkers.
8. **Soft Skills:** Since I had to contact with coworkers and bosses on a regular basis, I learned how to communicate more professionally. And I learned that no activity is insignificant, and that each task has its own meaning and significance. This has also aided me in better comprehending and polishing my business ethics. Another significant lesson I learned was that listening skills are really important and can assist you in acquiring new perspectives, as well as feedback. Having a keen eye for detail is also beneficial since it allows you to gain a deeper knowledge of situations and evaluate them more thoroughly.
9. **Roles:** After working in Growth Arrow for two months, I understand that I am more inclined towards jobs in BFSI sector. I am comfortable working in this sector and learning more about this sector will help me in achieving my future goals.
10. **Work-life Balance:** Another crucial lesson was the importance of striking a work-life balance. During the lockdown, the entire internship was completed from home. As a result, it was quite easy for business and personal lives to be linked to each other. However, this internship has assisted me in managing my time in a better way and being able to balance my work and personal lives.

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ANNEXURES

Standalone Statement of Cash Flows for the year ended 31st March, 2021			(All amounts in ₹ Crores, unless otherwise stated)		
	Year ended 31st March, 2021	Year ended 31st March, 2020		Year ended 31st March, 2021	Year ended 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES:			C. CASH FLOW FROM FINANCING ACTIVITIES:		
Profit before tax	10,490	9,092	Dividends paid	(8,811)	(5,196)
Adjustments for:			Dividend distribution tax paid	-	(1,048)
Depreciation and amortisation expenses	1,069	938	Principal payment of lease liabilities	(383)	(352)
(Profit)/loss on sale of property, plant and equipment	(57)	50	Interest paid on lease liabilities	(81)	(74)
Government grant received (net)	13	(104)	Interest paid other than on lease liabilities	(5)	(6)
Contingent consideration true up for business combination	(22)	(26)	Proceeds from share allotment under employee stock options/performance share schemes	0	0
Finance income	(350)	(500)	Net cash used in financing activities - [C]	(9,280)	(6,676)
Dividend income	(102)	(96)	Net (decrease)/increase in cash and cash equivalents - [A+B+C]	(1,490)	2,555
Other non-operating income - Fair value (gain)/loss on investments	(61)	(137)	Add: Cash and cash equivalents at the beginning of the year	3,130	575
Interest expense	108	106	Add: Cash acquired under Business Combination (refer note 40)	300	-
Provision for expenses on employee stock options	(2)	2	Cash and cash equivalents at the end of the year (refer note 13)	1,740	3,130
Impairment of non-current investments	-	4			
Inventory written off net of Provision/(write back) for inventory	195	155			
Bad debts/assets written off net of Provision/(write back)	74	12			
Mark-to-market loss/(gain) on derivative financial instruments	25	(23)			
Cash Generated from operations before working capital changes	11,389	9,473			
Adjustments for:					
(Increase)/decrease in Non-Current Assets	1	(16)			
(Increase)/decrease in Current Assets	(395)	351			
(Increase)/decrease in Inventories	(472)	(369)			
Increase/(decrease) in Non-Current Liabilities	30	59			
Increase/(decrease) in Current Liabilities	790	272			
Cash generated from operations	11,324	9,770			
Taxes paid (net of refunds)	(2,367)	(2,465)			
Net cash generated from operating activities - [A]	8,957	7,305			
B. CASH FLOW FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment	(603)	(754)			
Sale proceeds of property, plant and equipment	97	52			
Purchase of intangible assets	(3,422)	(11)			
Investment in subsidiary	(60)	-			
Contingent consideration paid on business combination	(33)	(30)			
Purchase of current investments	(18,450)	(34,074)			
Sale proceeds of current investments	37,076	35,056			
Stamp duty on issue of equity shares	(44)	-			
Loans given to subsidiaries	(180)	(292)			
Loans repaid by subsidiaries	126	257			
Investment in term deposits (having original maturity of more than 3 months)	(2,375)	(4,979)			
Redemption/maturity of term deposits (having original maturity of more than 3 months)	6,139	5,546			
Investment in non-current deposits with banks	1	-			
Interest received	285	359			
Dividend received from subsidiaries	101	95			
Dividend received from others	1	1			

Annexure 1 -Cash flow statement HUL

Standalone Statement of Cash Flows for the year ended 31 st March, 2020			Annual Report 2019-20		
	₹ in Crores			₹ in Crores	
Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019	Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Cash flow from operating activities			Cash flow from financing activities		
Profit before tax	2,964.31	2,492.83	Proceeds from issue of equity shares (ESOs)	0.11	0.12
Adjustments for:			Proceeds/(repayment) from/(to) current borrowings (net)	6.06	(174.43)
Depreciation, impairment and amortisation expense	599.78	569.72	Repayment of non-current borrowings	-	(0.07)
Interest expense	56.05	66.97	Interest paid	(9.69)	(16.97)
Unrealised foreign exchange (gain)/loss (net)	(75.40)	12.41	Payment of lease liabilities	(58.66)	-
Share based payment expense	18.56	22.01	Dividend paid	(564.26)	(241.57)
Allowances for credit loss (net)	103.50	42.88	Tax paid on dividend	(87.45)	(40.40)
Provision for diminution in value of investments	32.56	-	Net cash flow used in financing activities (c)	(693.89)	(473.32)
Interest income	(51.63)	(37.54)	Net increase/(decrease) in cash and cash equivalents (a+b+c)	197.92	(152.32)
Interest income on income tax refund	(9.28)	(22.09)	Cash and cash equivalents at the beginning of the year	64.47	217.45
Dividend income	(565.51)	(241.50)	Exchange difference on translation of foreign currency cash and cash equivalents	(0.85)	(0.66)
Fair value loss/(gain) on financial instruments at fair value through profit or loss	(9.11)	(9.11)	Cash and cash equivalents at the end of the year (refer note 13)	261.54	64.47
Sundry balance written back	(2.41)	(26.60)			
Corporate guarantee commission	(18.35)	(19.92)			
Net gain on sale of current investments carried at fair value through profit or loss	(114.02)	(96.39)			
Net gain on sale/liquidation of investments in subsidiaries	(0.07)	(11.02)			
Net (gain)/loss on sale/disposal of property, plant and equipment	(5.35)	(5.35)			
Rent income	(9.16)	-			
Operating profit before working capital changes	2,928.58	2,680.43			
Adjustments for working capital:					
(Increase)/decrease in inventories	(152.95)	169.57			
Increase/(decrease) in trade and other receivables	(260.07)	(802.82)			
Increase/(decrease) in trade payables and other liabilities	167.56	(127.75)			
Cash generated from operations	2,683.12	1,909.43			
Income taxes paid (including tax deducted at source)	(664.98)	(451.38)			
Net cash flow generated from operating activities (a)	2,018.14	1,448.05			
Cash flow from investing activities:					
Purchase of property, plant and equipment (including capital work-in-progress and capital advance/payables)	(304.05)	(251.37)			
Purchase of intangible assets (including intangible asset under development)	(145.66)	(60.68)			
Proceeds from sale of property, plant and equipment	10.15	1.74			
Investments in associates (Refer note 5)	(9.00)	-			
Proceeds from sale/liquidation/capital reduction/ investment in subsidiaries (Refer note 5)	(2,503.47)	(250.57)			
Sale/(purchase) of current investments (net)	1,270.27	(856.34)			
Change in other bank balance and cash not available for immediate use	(51.27)	(102.45)			
Interest received	58.95	17.85			
Dividend received from subsidiaries	565.51	241.50			
Dividend received from other investments	-	0.00			
Rent received	916	5.35			
Net cash flow used in investing activities (b)	(1,126.33)	(1,147.05)			

Annexure 2 -Cash flow statement CIPLA

For the year ended	₹ in Crores	
	31 March 2020	31 March 2019
Cash flow from operating activities		
Profit before tax	1,908.26	1,716.11
Adjustments for :		
Depreciation and amortisation expense	151.69	135.00
Share based payment expense	21.58	16.12
Net gain on financial asset measured at fair value through statement of profit and loss	(81.42)	(53.09)
Profit on sale of property, plant and equipment	(0.17)	(1.16)
Reversal of provision for diminution in value of investment, net (Refer note 34)	(19.00)	-
Dividend income	(66.47)	-
Interest income	(108.67)	(128.50)
Finance costs	65.17	1.54
	1,810.97	1,686.02
Changes in		
Inventories	85.36	(124.31)
Trade receivables	108.73	(120.64)
Loans receivable, other financial assets, other bank balances and other assets	(30.26)	46.40
Accounts payables, other financial liabilities, other liabilities and provisions	157.18	205.51
Cash generated from operating activities	2,131.98	1,692.98
Income-tax paid, net of refund	(472.30)	(579.33)
Net cash generated from operating activities	1,659.68	1,113.65
Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	(225.05)	(314.39)
Proceeds from sale of property, plant and equipment	0.68	1.82
Purchase of investments, net	(1,363.65)	(316.76)
Investment in subsidiaries, net	(31.43)	(89.69)
Inter-corporate deposits placed	(1,252.00)	(837.00)
Inter-corporate deposits redeemed	1,122.00	611.79
Interest received	114.64	113.13
Dividend received	66.47	-
Net cash used in investing activities	(1,568.34)	(831.10)
Cash flow from financing activities		
Interest paid	(24.93)	(1.82)
Proceeds from share allotment	23.97	29.79
Principal payment of lease liabilities	(0.44)	-
Interest paid on lease liabilities	(0.18)	-
Issue of bonus debentures	720.95	-
Proceeds from borrowings, net*	474.40	0.15
Dividends paid (including dividend distribution tax)	(420.23)	(354.38)
Payment of bonus debentures (including dividend distribution tax)	(867.79)	-
Net cash used in financing activities	(94.25)	(326.26)
Net change in cash and cash equivalents	(2.91)	(43.71)
Cash and cash equivalents at beginning of the year (net of bank overdraft)	23.13	66.84
Cash and cash equivalents at end of the year (net of bank overdraft)	20.22	23.13

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STATEMENT OF CASH FLOW

For the year ended	₹ in Crores	
	31 March 2020	31 March 2019
Note:		
Cash and cash equivalents at the end of the year [Refer note 14]	21.76	24.73
Book overdraft [Refer note 23]	-	(1.60)
Bank overdraft [Refer note 20]	(1.54)	-
	20.22	23.13
Debt reconciliation statement in accordance with Ind AS 7		
Current borrowings		
Opening balance	-	-
Proceeds from borrowings, net	474.20	-
Non-cash change (fair value)	5.73	-
Closing balance	479.99	-
Non-current borrowings and Certain components of other financial liabilities		
Opening balance	1.74	1.59
Proceeds from borrowings, net	722.19	0.15
Closing balance	723.93	1.74

Annexure 3 -Cash flow statement BRITANNIA

Cash Flow Statement

For the year ended 31st March, 2020

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	2019-20	2018-19
(₹ in crore)		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Statement of Profit and Loss (After Exceptional Item and Tax thereon)	40,316	47,367
Adjusted for:		
Loss on Buy back of Debentures	60	-
(Profit) / Loss on Sale / Discard of Property, Plant & Equipment (Net)	192	(15)
Depreciation / Amortisation and Depletion Expense	9,728	10,558
Effect of Exchange Rate Change	(253)	(1,540)
Net Gain on Financial Assets ¹	(1,171)	(2,252)
Tax on Exceptional Item	(899)	-
Dividend Income	(350)	(449)
Interest Income ²	(10,899)	(5,517)
Finance costs	12,305	9,751
Operating Profit before Working Capital Changes	48,283	57,903
Adjusted for:		
Trade and Other Receivables	5,050	(24,071)
Inventories	5,342	(4,575)
Trade and Other Payables	23,139	9,300
Cash Generated from Operations	81,814	38,617
Taxes Paid (Net)	(5,254)	(9,426)
Net Cash Flow from Operating Activities³	76,560	29,191
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	(23,183)	(24,971)
Consideration for Capex Liabilities transferred from R.J.L. through scheme ⁴	31,849	-
Proceeds from disposal of Property, Plant and Equipment and Intangible Assets	15	103
Investments in Subsidiaries/Trusts	(212,106)	(28,827)
Disposal of Investments in Subsidiaries	65,365	97
Purchase of Other Investments	(9,86,658)	(10,17,130)
Proceeds from Sale of Financial Assets (including Advance Received)	10,02,471	10,77,713
Net Cash Flow from Other Financial Assets	(24,620)	(19,150)
Interest Income	3,863	2,368
Dividend Income from Subsidiaries/Associates	303	3
Dividend Income from Others	47	445
Net Cash Flow used in Investing Activities	(1,42,652)	(53,949)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Share Capital	18	117
Share Application Money	1	2
Payment of Lease Liabilities	(97)	-
Proceeds from Borrowings – Non-Current	20,323	23,989
Consideration for Non-Current Borrowings transferred from R.J.L. through scheme ⁴	66,987	-
Repayment of Borrowings – Non-Current	(9,238)	(6,594)
Borrowings – Current (Net)	11,828	24,147
Dividends Paid (including Dividend Distribution Tax)	(4,584)	(4,282)
Interest Paid	(14,471)	(11,584)
Net Cash Flow from Financing Activities	70,767	25,795
Net Increase in Cash and Cash Equivalents	4,675	1,037
Opening Balance of Cash and Cash Equivalents	3,768	2,731
Closing Balance of Cash and Cash Equivalents (Refer Note B)	8,443	3,768

Other than Financial Services Segment.
¹ Includes amount spent in cash towards Corporate Social Responsibility is ₹ 909 crore (Previous Year: ₹ 849 crore).
² Net of repayment of ₹ 5,529 crore.
³ Refer Note 40.1.

CHANGE IN LIABILITY ARISING FROM FINANCING ACTIVITIES

	1st April, 2019	Cash flow ¹	Foreign exchange movement	31st March, 2020
Borrowing – Non-Current (Refer Note 15)	1,22,623	78,072	10,374	2,11,069
Borrowing – Current (Refer Note 20)	39,097	11,828	351	51,276
	1,61,720	89,900	10,725	2,62,345

	1st April, 2018	Cash flow	Foreign exchange movement	31st March, 2019
Borrowing – Non-Current (Refer Note 15)	1,01,642	17,395	3,586	1,22,623
Borrowing – Current (Refer Note 20)	15,239	24,147	(289)	39,097
	1,16,881	41,542	3,297	1,61,720

¹ Includes Consideration for Non-Current Borrowings transferred from R.J.L. through scheme (Refer Note 40.1).

As per our Report of even date

For D T S & Associates LLP
Chartered Accountants
(Registration No.14242/W/100595)

T.P. Dabral
Partner
Membership No. 030848

Alok Agarwal
Chief Financial Officer
Mumbai
Date: April 30, 2020

For S R B C & CO LLP
Chartered Accountants
(Registration No.324982/E/300003)

Vikas Kumar Pantari
Partner
Membership No. 053649

Srikant Venkatesh
Joint Chief Financial Officer

K. Sathuraman
Company Secretary

Saifal Parash
Joint Company Secretary

For and on behalf of the Board

M.D. Ambani
R.K. Messuri
R.K. Messuri
P.K.E. Prasad
P.K. Saha

Nita M. Ambani
V.P. Doshi
Prof. Dinesh C. Jain

Dr. R.A. Mashruwala
Aad. Laxminidhi
Dr. Shantini Banerjee
Anuradha Bhattacharya
K.K. Choudhary

Chairman and Managing Director

Executive Directors

Non-Executive Directors

Annexure 4 -Cash flow statement RELIANCE

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Year ended 31 December 2020 (₹ in million)	Year ended 31 December 2019 (₹ in million) (Restated)*
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	28,127.9	26,734.9
Adjustments for :		
Depreciation and Amortisation	3,703.8	3,701.5
Deficit/(Surplus) on property, plant and equipment sold/scrapped/written off (net)	(48.0)	(15.6)
Other income	(1,468.9)	(2,488.8)
Interest on bank overdraft and others	180.4	18.8
Interest on lease liabilities	85.0	92.9
Allowance for impairment on financial assets	6.0	18.3
Unrealised exchange differences	12.6	(31.1)
Operating profit before working capital changes	30,608.2	28,049.0
Adjustments for working capital changes:		
Decrease/(increase) in trade receivables	(416.0)	(0.4)
Decrease/(increase) in inventories	(1,334.1)	(3,175.2)
Decrease/(increase) in loans, other financial assets & other assets	(108.7)	(86.9)
Increase/(decrease) in trade payable	225.6	2,533.3
Increase/(decrease) in other financial liabilities & other liabilities	412.0	876.0
Increase/(decrease) in provision for contingencies	114.3	348.8
Increase/(decrease) in provision for employee benefits	2,073.4	1,416.4
Cash generated from operations	31,573.7	29,681.0
Income taxes paid (net of refunds)	(7,028.9)	(6,728.5)
Net cash generated from operating activities	34,544.8	22,952.5
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,783.6)	(1,545.2)
Sale of property, plant and equipment	42.4	23.2
Purchase of tax free long term bonds and T-bills	-	(158.6)
Decrease/(increase) in loans to employees	28.1	1.2
Income from mutual funds	20.4	129.2
Loans given to related parties	(360.0)	(150.0)
Loans repaid by related parties	350.0	150.0
Interest received on bank deposits, investments, tax free bonds, employee loans etc.	1,477.1	2,380.1
Net cash generated from/(used in) investing activities	(3,214.6)	829.9
C CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in deferred VAT liabilities under state government schemes	30.8	180.0
Interest on bank overdraft and others	(5.4)	(16.9)
Interest on lease liabilities	(85.0)	(92.9)
Principal payment of lease liabilities	(801.8)	(522.9)
Dividends	(18,997.5)	(29,503.2)
Dividend distribution tax	-	(6,059.4)
Net cash used in financing activities	(19,958.9)	(36,075.3)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	1,771.3	(12,332.9)

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	Year ended 31 December 2020 (₹ in million)	Year ended 31 December 2019 (₹ in million) (Restated)*
Cash and cash equivalents (Refer note 13)	12,931.6	15,867.7
Current investments (Refer note 11)	10,074.5	19,251.3
Total cash and cash equivalents at the beginning of the year (see per Ind AS 7)	23,006.1	35,119.0
Cash and cash equivalents (Refer note 13)	17,548.0	12,931.6
Current investments (Refer note 11)	7,228.4	10,074.5
Total cash and cash equivalents at the end of the year (see per Ind AS 7)	24,776.4	23,006.1
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,770.3	(12,112.9)

Disclosure of non-cash transactions as per Ind AS 7 :

Non-cash Transaction from Financing activities is as under :	Year ended 31 December 2019 (₹ in million)	Cash flow changes	Non-cash changes	Year ended 31 December 2020 (₹ in million)
Deferred VAT liabilities	631.4	30.8	(213.6)	348.4
Deferred Government Grants	4.3	-	216.6	220.9
Lease liabilities	1,368.0	(888.3)	455.3	1,128.5
	1,893.7	(857.5)	481.5	1,898.8

Notes:

The above Statement of Cash flows has been prepared under the "Indirect Method" as set out in Ind AS 7 on "Statement of Cash Flows".

Annexure 5 -Cash flow statement NESTLE INDIA



Annexure 6 -Charts for technical analysis HUL



Annexure 7 – Charts for technical analysis CIPLA



Annexure 8 – Charts for technical analysis BRITANNIA



Annexure 9 – Charts for technical analysis RELIANCE INDUSTRIES



Annexure 10 – Charts for technical analysis NESTLE



GROWTH ARROW

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Email :support@thegrowtharrow.com
www.thegrowtharrow.com

Date: 08-07-2021

TO WHOMSOEVER IT MAY CONCERN

This is to certify that **Ms. Pranjal Mahajan** has completed her Internship as "**Equity Research Analyst**" at **Growth Arrow**, Bangalore, from 03-05-2021 to 03-07-2021.

During her tenure she has demonstrated her skills with determination and sincerity. As we observed, she was active and could perform all of assigned tasks effectively.

Moreover, she demonstrated excellent behaviour and attitude during her internship with us. We found her to be sincere, truthful, reliable, and sociable. She was also a pleasant person to talk and work within a team.

We wish her all the best for her upcoming career.

Sr. Branch Manager

Krishna Raju



www.thegrowtharrow.com Phone: 080-42118225

Annexure 11- Internship Completion Certificate

UNDERTAKING

I, Pranjali Mahajan, hereby declare that this project submitted to the Institute of Management, Nirma University is my original work, done under the guidance of M. Megesh, Research Head, Growth Arrow Company and Prof. Tripurasundari Joshi, Faculty, Institute of Management, Nirma University.

This project work is submitted in the partial fulfilment of the requirements to be awarded the degree of Masters of Business Administration. I also declare that this project has neither been submitted to any other universities nor done by any other student earlier for the award of degree, diploma, associate-ship or any other similar title.

PRANJALI MAHAJAN

ROLL NO. 201333

MBA FT (2020-22)

INSTITUTE OF MANAGEMENT, NIRMA UNIVERSITY