

A MAJOR PROJECT
ON
PRICE MOVEMENTS OF SHARES IN AUTOMOBILE INDUSTRY IN INDIA
(A CASE STUDY ON SELECT COMPANIES)

Submitted in partial fulfillment
Of the requirement for
“MASTER OF BUSINESS ADMINISTRATION”

PIDUGU DHANUNJAY

(18H61E0034)

UNDER THE ESTEEMED GUIDANCE OF

Dr.C.Mallesha

(M.Com, MBA, MCA, Ph.D.)

Assistant Professor



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Venkatapur (V), Ghatkesar (M) Medchal (Dist.), Telangana- 500088

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Abstract: Indian securities exchange has seen remarkable and inconceivable development lately. This is to a great extent because of expanded pay level, change in speculator's conduct. The effect of yearly execution on the value development of the portions of the organizations keeps on being a significant exploration question in money. A few organizations appreciate excessive cost profit proportion yet share value shows insignificant development in this paper basic investigation of four organizations has been performed for motivation behind information examination which incorporates monetary examination, industry investigation and friends investigation. In this exploration GDP development of India and industry, mechanical yield and development rate have been investigated. For breaking down the presentation of the organization quarterly monetary reports are examined by utilizing factors, for example, EPS, P/E, and Quality of Earnings proportion. Test is browsed the Automobile area and recorded organizations with BSE. This organizations have been chosen as conscious example. This paper endeavors to discover the relationship between's value development of the offers and the presentation of their individual organizations. It is evident that there are very wide everyday changes in the value quote on the greater part of the stock trades. It is preposterous to expect to state whether it is financial or mental real factors which are the significant reasons for the value vacillations in the securities exchanges. This is a significant issue, as it brings into account the breaking down the yearly presentation of organizations and the value developments of the portions of that specific organizations to the speculators.

1.1 INTRODUCTION:

India turned into the fourth biggest auto market in 2018, with deals rising 8.3% year-over-year to 3.99 million units. The seventh biggest utility vehicle producer in 2018, the Two Wheeler fragment overwhelms the market regarding volume because of a developing working class and youthful populace. Likewise, the developing revenue of organizations in investigating rustic business sectors has additionally added to the development of the area. India is additionally a main vehicle exporter and has exclusive requirements for trade development soon. Auto fares developed 14.50 percent in FY19. It is required to develop at a CAGR of

3.05% in 2016-2026. Also, a few activities by the Indian government and major auto parts in the Indian market are relied upon to make India a pioneer in the two and four wheel market on the planet by 2020.

The car area is a central member in the worldwide and Indian economy. The Indian automobile industry set out on another excursion in 1991 with the withdrawal of area licenses and the ensuing opening of 100% FDI naturally. In India, the car business gives direct work at around 5 lakh. It contributes 4.7% of India's GDP and 19% of India's roundabout expense incomes. Until the mid 1980s; there were not many parts in the Indian car area, which experienced low creation volumes, obsolete and inadequate advances. With the evacuation of licenses and the launch of this area to FDI, the area has become quickly because of the passage of worldwide players the development of the Indian working class with expanding buying power just as a Strong development in the economy lately has pulled in significant vehicle makers to the Indian market.

1.2 OBJECTIVE OF THE STUDY:

The objectives are follows:

1. To study the performance of Automobile Industry
2. To study and analyze of Tata motors, Maruti Suzuki and Mahindra&Mahindra.

1.3 NEED AND IMPORTANCE OF THE STUDY:

The automotive industry is one of India's fastest growing sectors. Increasing demand for automobiles and other vehicles, supported by rising incomes, is a major growth driver for the Indian automotive industry. The implementation of bespoke financing plans and simple repayment plans is also demonstrating the growth of the automotive sector.

1.4 SCOPE OF THE STUDY:

The study is conducted based on the automobile industry in India by comparing Tata motors, Maruti Suzuki, Mahindra&Mahindra companies.

1.5 LIMITATIONS OF THE STUDY:

1. The study is confined to only automobile industry in India.
2. There is no scope in collecting primary data.
3. The present study uses important tools for analytical study of automobile industry in India select companies.

1.6 RESEARCH METHODOLOGY:

Sources of data:

Secondary data:

For this project, I used only secondary data and it is taken from annual reports of selected companies with help of websites, books, journals, magazines and using analytical study.

2.1 REVIEW LITERATURE:

Oyama (2012), Honda Motor needs to be number one in the Indian market and the organization needed 30% of Honda's worldwide deals to come from Indian tasks by 2020. HMSI have had issues identified with creation in the past with the greater part of its models having the longest holding up period in the country, this diminished in Honda's infiltration in the rustic market, which is not exactly 33% of Hero Moto Corp.

Kevin Keller (2012), Caterpillar has gotten a main firm by amplifying the complete client esteem with the assistance of viable CRM, best after deals administration in the business and better prepared seller. This permits the firm to order a superior cost of 10% to 20% higher than contenders, for example, Volvo, Komatsu and so forth

Pawan Chabra (2011), Nowadays consistently bicycle sold in the excellent portion is a pulsar and this shows the predominance of Bajaj in the Indian commercial center, this was conceivable on the grounds that the organization has been routinely making the adjustments to make the motorbike take a gander consistently and Bajaj today holds over half market in the exceptional fragment (for FY 2010-2011) trailed by a removed second biggest player Honda Motorcycle and bike India with a 19% piece of the pie and creation arranging can be lined up with the client data accessible, to expand client faithfulness.

Abhijeet Singh and Brijesh Kumar (2011), Hero Honda Motors Ltd, is running a program called Good life Passport to Relationship Reward, with a target to establish a creative climate for association between Hero Honda and its clients. Individuals from this program are given an attractive card where all data is put away and this card is swiped when utilizing any assistance at a display area or workshop and it works like a dedication advantage card. **Abhijeet Singh (2011)**, Tata Motors utilizes a client relationship the board and vendor the executives framework (CRM-DMS) which coordinates probably the biggest application in the car business, connecting in excess of 1200 sellers across India. CRM DOS has assisted Tata Motors with improving its stock administration, charge estimation and valuing. This framework has additionally end up being gainful to sellers since it has decreased their working capital expense.

3.1. COMPANY PROFILE:

Selected 3 COMPANIES:

Selected three Indian Automobile companies are:

- TATA MOTORS
- MARUTI SUZUKI
- MAHINDRA & MAHINDRA

TATAMOTORS:

Tata Motors was supported in 1945 underneath the Tata cluster. it's one amongst the leading automobile makers within the world with close to eighty one,090 staff. it absolutely was the market leader within the industrial vehicle phase with a market share of roughly four hundred and forty yards in business 2018. It's present in segments such as automobiles and commercial vehicles, trucks and buses, and defense. The company has expanded its international presence by concluding joint ventures (JVs) such as the strategic alliance with Fiat and Marco polo. Tata Motors is present in approximately 175 countries with research and development (R&D) centers in the UK, Italy, India and South Korea.

- Leader in automotive manufacturing
- Market share of 45.1% in the commercial vehicle segment in FY19
- Present in 175 countries
- Workforce of approximately 81,090 employees
- Total consolidated revenue of Rs 301,938 cores (US \$ 43.20 billion) for FY19 198,575 cores (US \$ 28.41 billion) in FY20 9M.
- **MARUTISUZUKI**
Maruti Suzuki India Limited, a subsidiary of Suzuki Motor Corporation, Japan, is India's largest auto manufacturer with a market share of over 49% in the passenger car segment as of April to August 2019. The company recorded its highest sale never sold in FY19 of approximately 1,862,445 units. . During April 2019-January 2020, total sales were 1,332,397 uni

MAHINDRA & MAHINDRA LTD

Mahindra and Mahindra Limited is an Indian global vehicle manufacturing company settled in Mumbai, Maharashtra, India. It was set up in 1945 as Muhammad and Mahindra and later renamed as Mahindra and Mahindra. It is one of the biggest vehicle makers by creation in India and the biggest producer of farm haulers on the planet. It is a piece of the Mahindra Group, an Indian combination. It was positioned seventeenth on top notch of top organizations in India by Fortune India 500 out of 2018.

DATA ANALYSIS AND INTERPETATION

4.1 ECONOMIC ANALYSIS:

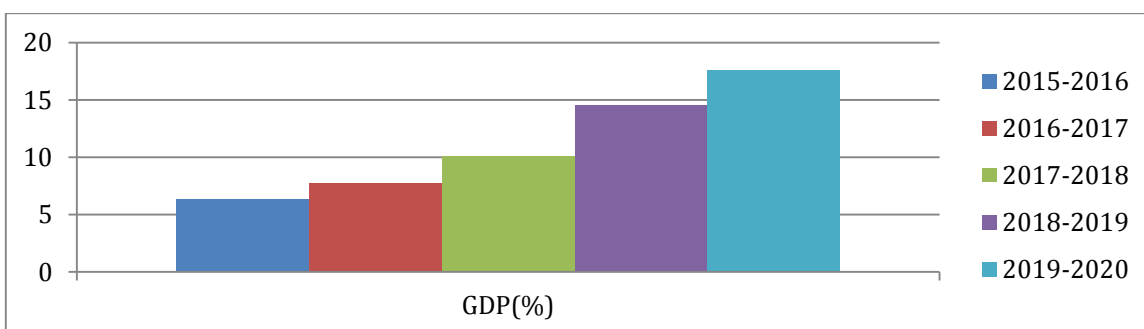
4.1.1. Table showing the GDP Growth of three companies from 2016-17 to 2019-2020:

GDP (Growth rate):

YEARS	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
GDP (%)	6.3	7.7	10.05	14.50	17.55

Source: computed from secondary data

Graph no 4.1.1: Graphical representation GDP Growth of three companies from 2016-17 to 2019-2020:



Source: computed from secondary data

Interpretation

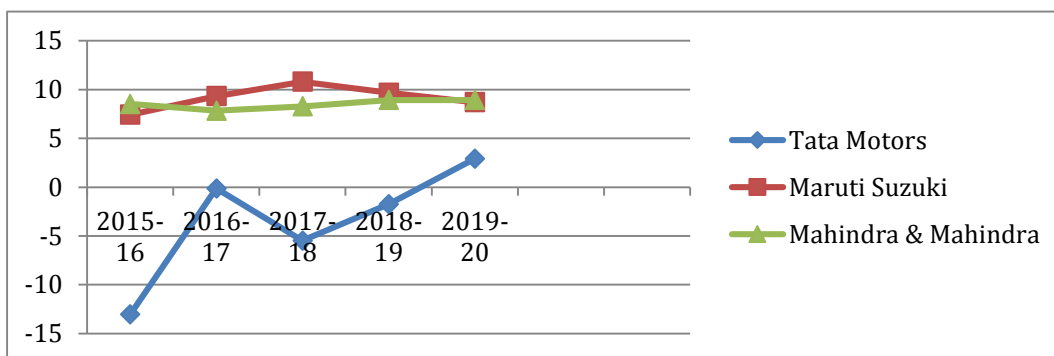
Growth rate was high in the year 2019-2020 with the value 17.55 and low in the year 2015-2016 with the value 6.3.

4.1.2. Table showing the Net profit margin of three companies from 2015-16 to 2019-2020:

Year	Tata Motors	Maruti Suzuki	Mahindra & Mahindra
2015-16	-13.05	7.42	8.52
2016-17	-0.14	9.32	7.83
2017-18	-5.48	10.80	8.27
2018-19	-1.75	9.68	8.94
2019-20	2.91	8.71	8.94
Mean	-3.5	9.2	8.5
Standard deviation	6.14	1.25	0.47

Source: computed from secondary data

Graph no 4.1.2: Graphical representation Net profit margin of three companies from 2015-16 to 2019-2020:



Source: computed from secondary data

Interpretation of Table No 4.1.2:

Tata motors: Net profit margin of Tata Motors was low in the year 2015-2016 with the value of (-13.05) and high in the year 2019-2020 with the value 2.91

Maruthi Suzuki: Net profit margin of Maruthi Suzuki was low in the year 2015-2016 with the value of 7.42 and high in the year 2017-2018 with the value 10.80

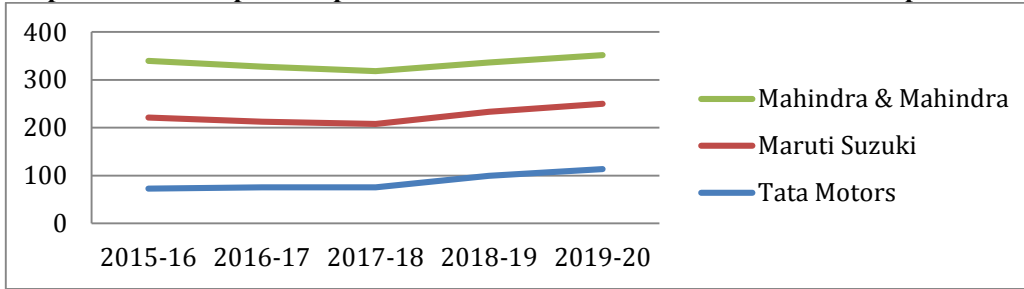
Mahindra&Mahindra: Net profit margin of Mahindra & Mahindra was low in the year 2016-2017 with the value of 7.83 and high in the year 2019-2020 with the value 8.94

4.1.3. Table showing the Asset Turnover Ratio of three companies from 2015-16 to 2019-2020:

Years	Tata Motors	Maruti Suzuki	Mahindra & Mahindra
2015-16	72.67	148.93	118.21
2016-17	75.59	137.19	115.14
2017-18	75.26	132.74	110.22
2018-19	99.35	134.34	102.67
2019-20	113.61	136.68	101.74
Mean	87.3	137.98	109.60
Standard deviation	18.26	6.38	7.33

Source: computed from secondary data

Graph no 4.1.3: Graphical representation of Asset Turnover Ratio of three companies from 2015-16 to 2019-2020:



Source: computed from secondary data

Interpretation of Table No 4.1.3:

Tata motors: Asset Turnover Ratio of Tata Motors was low in the year 2015-2016 with the value of 72.67 and high in the year 2019-2020 with the value 113.61

Maruthi Suzuki: Asset Turnover Ratio of Maruthi Suzuki was low in the year 2017-2018 with the value of 132.74 and high in the year 2015-2016 with the value 148.93

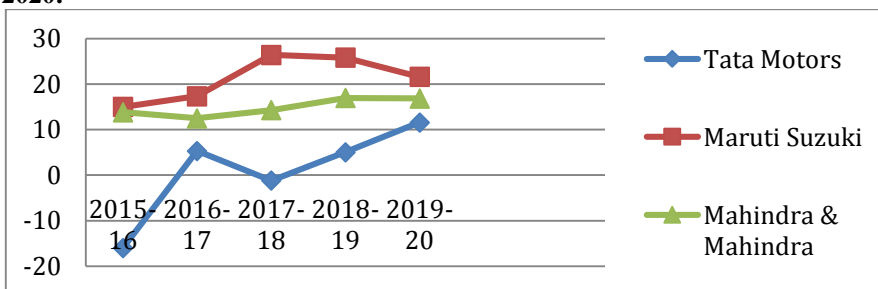
Mahindra & Mahindra: Asset Turnover Ratio of Mahindra & Mahindra was low in the year 2019-2020 with the value of 101.74 and high in the year 2015-2016 with the value 118.21

4.1.4. Table showing the Return on Capital Employed of three companies from 2015-16 to 2019-2020:

Year	Tata Motors	Maruti Suzuki	Mahindra& Mahindra
2015-16	-16.02	15	13.85
2016-17	5.31	17.35	12.49
2017-18	-1.19	26.42	14.28
2018-19	5.04	25.83	16.95
2019-20	11.57	21.6	16.86
Mean	0.942	21.24	14.87
Standard deviation	10.50	5.05	1.96

Source: computed from secondary data

Graph no 4.1.4: Graphical representation of the Return on Capital Employed of three companies from 2015-16 to 2019-2020:



Source: computed from secondary data

Interpretation of Table No 4.1.4:

Tata motors: Return on Capital Employed of Tata Motors was low in the year 2015-2016 with the value of (16.02) and high in the year 2019-2020 with the value 11.57

Maruthi Suzuki: Return on Capital Employed of Maruthi Suzuki was low in the year 2015-2016 with the value of 15 and high in the year 2017-2018 with the value 26.42

Mahindra & Mahindra: Return on Capital Employed of Mahindra & Mahindra was low in the year 2016-2017 with the value of 12.49 and high in the year 2018-2019 with the value 16.95

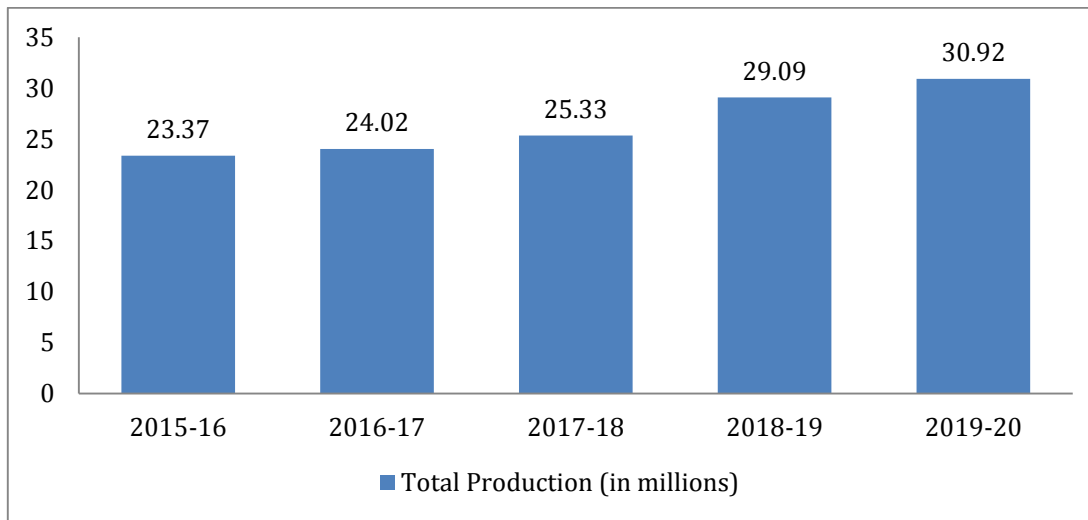
4.2 INDUSTRY ANALYSIS:

4.2.1. Table showing the Volume of domestic automobile production across India from financial year 2015-16 to 2019-20 (in millions)

Years	Total Production (in millions)
2015-16	23.37
2016-17	24.02
2017-18	25.33
2018-19	29.09
2019-20	30.92

Source: computed from secondary data

Graph no 4.2.1: Graphical representation of Volume of domestic automobile production across India from financial year 2015-16 to 2019-20 (in millions)



Source: computed from secondary data

Interpretation

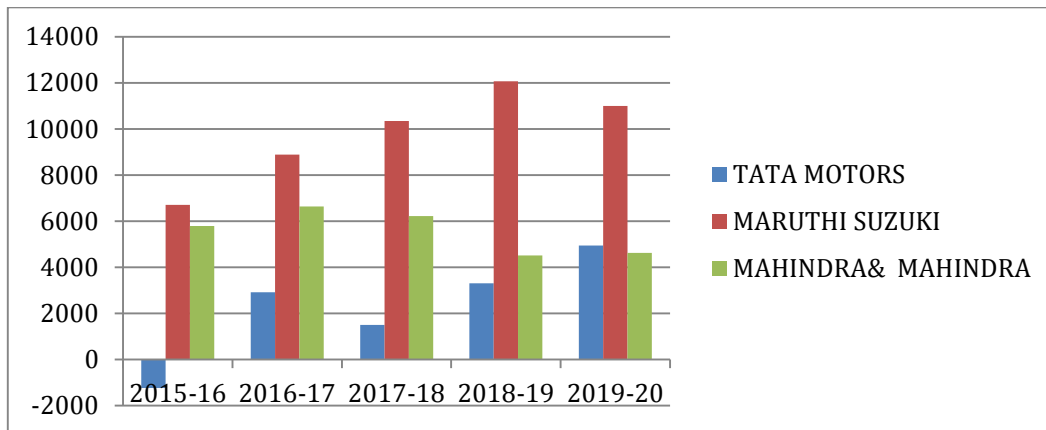
Growth rate was high in the year 2019-2020 with the value 30.92 and low in the year 2015-2016 with the value 23.37.

4.3 COMPANY ANALYSIS:

4.3.1. Table showing the Operating profit of three companies from 2015-16 to 2019-2020:

YEARS	TATA MOTORS	MARUTHI SUZUKI	MAHINDRA & MAHINDRA
2015-16	-1237.48	6712.97	5798.06
2016-17	2923.65	8884.40	6639.56
2017-18	1498.64	10353.00	6224.02
2018-19	3308.46	12061.50	4514.66
2019-20	4939.55	10999.30	4619.94

Source: computed from secondary data

Graph no 4.3.1: Graphical representation of Operating profit of three companies from 2015-16 to 2019-2020:

Source: computed from secondary data

Interpretation of Table No 4.3.1:

Tata motors: Operating profit of Tata Motors decreased from the year 2015-16 to 2016-17 from the value (1237.48) to 2923.65 and it got increased from the year 2017-18 to 2019-20 from the value 1498.64 to 4939.55

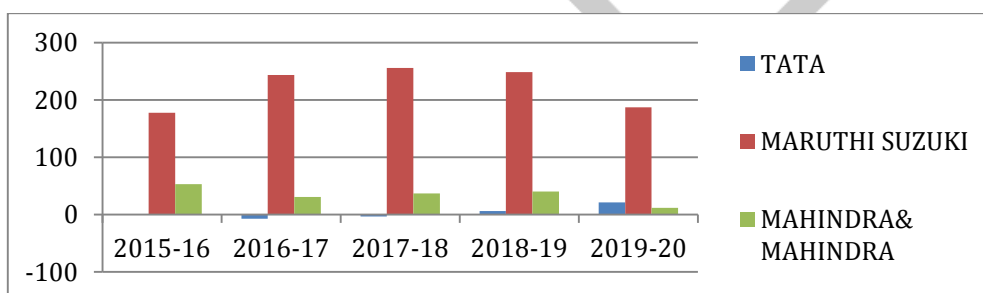
Maruthi Suzuki: Operating profit of Maruthi Suzuki increased from the year 2015-16 to 2018-19 from the value 6712.97 to 12061.50 and in the year 2019 it got decreased to 10999.30

Mahindra & Mahindra: Operating profit of Mahindra & Mahindra increased from the year 2015-16 to 2016-17 from the value 5798.06 to 6639.56 and in the year 2017-18 to 2018-19 it got decreased to 6224.02 to 4514.66 and in the year 2019-2020 it got increased to 4619.94

4.3.2. Table showing the Earnings per share of three companies from 2015-16 to 2019-2020:

YEARS	TATA	MARUTHI SUZUKI	MAHINDRA & MAHINDRA
2015-16	-0.18	177.58	53.05
2016-17	-7.15	243.32	30.69
2017-18	-3.5	255.62	36.64
2018-19	5.94	248.30	40.29
2019-20	21.06	187.06	11.6

Source: computed from secondary data

Graph no 4.3.2: Graphical representation of Earnings per share of three companies from 2015-16 to 2019-2020:

Source: computed from secondary data

Interpretation of Table No 4.3.2:

Tata motors: EPS of Tata Motors was low in the year 2016-2017 with the value of (7.15) and high in the year 2019-2020 with the value 21.06

Maruthi Suzuki: EPS of Maruthi Suzuki was low in the year 2015-2016 with the value of 177.58 and high in the year 2017-2018 with the value 255.62

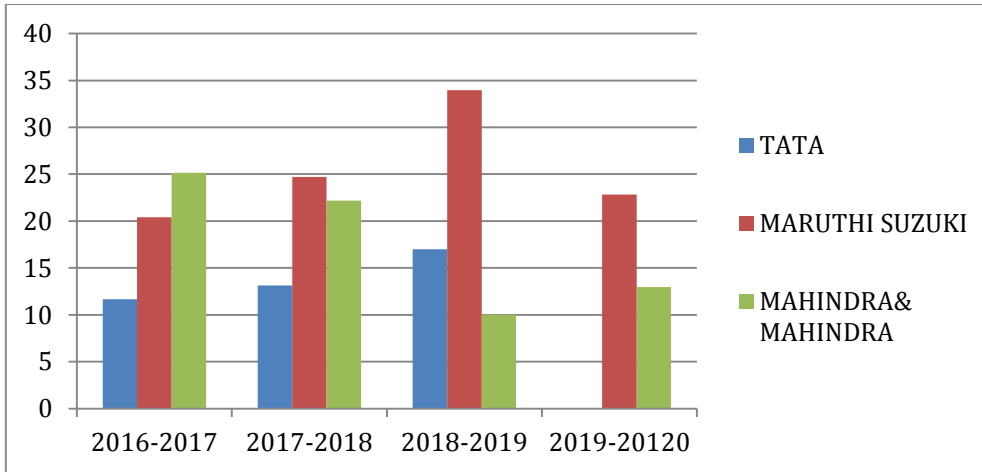
Mahindra & Mahindra: EPS of Mahindra & Mahindra was low in the year 2019-2020 with the value of 11.6 and high in the year 2015-2016 with the value 53.05

4.3.3. Table showing the Price to Earnings Ratios of three companies from 2016-17 to 2019-2020:

Year	TATA	MARUTHI SUZUKI	MAHINDRA & MAHINDRA
2016-2017	11.66	20.42	25.14
2017-2018	13.12	24.72	22.17
2018-2019	17	33.97	10.03
2019-2020	0	22.82	12.98

Source: computed from secondary data

Graph no 4.3.3: Graphical representation of Price to Earnings Ratios of three companies from 2015-16 to 2019-2020:



Source: computed from secondary data

Interpretation

Tata motors: Price to earnings ratios of Tata Motors was low in the year 2019-2020 with the value of 0 and high in the year 2018-2019 with the value 17

Maruthi Suzuki: Price to earnings ratios of Maruthi Suzuki was low in the year 2016-2017 with the value of 20.42 and high in the year 2018-2019 with the value 33.97

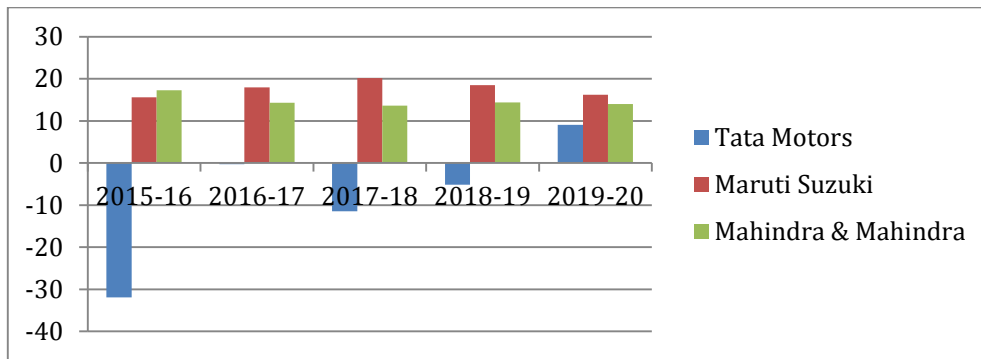
Mahindra & Mahindra: Price to earnings ratios of Mahindra & Mahindra was low in the year 2018-2019 with the value of 10.03 and high in the year 2016-2017 with the value 25.14

4.3.4. Table showing the Return on Equity of three companies from 2016-17 to 2019-2020:

Year	Tata Motors	Maruti Suzuki	Mahindra & Mahindra
2015-16	-31.93	15.65	17.25
2016-17	-0.26	17.95	14.29
2017-18	-11.48	20.17	13.60
2018-19	-5.13	18.49	14.37
2019-20	9.11	16.25	14.01
Mean	-7.94	17.70	14.70
Standard deviation	15.38	1.81	1.45

Source: computed from secondary data

Graph no 4.3.4: Graphical representation of Return on Equity of three companies from 2015-16 to 2019-2020:



Source: computed from secondary data

Interpretation of Table No 4.3.4:

Tata motors: Return on Equity of Tata Motors was low in the year 2015-2016 with the value of (31.93) and high in the year 2019-2020 with the value 9.11

Maruthi Suzuki: Return on Equity of Maruthi Suzuki was low in the year 2015-2016 with the value of 15.65 and high in the year 2017-2018 with the value 20.17

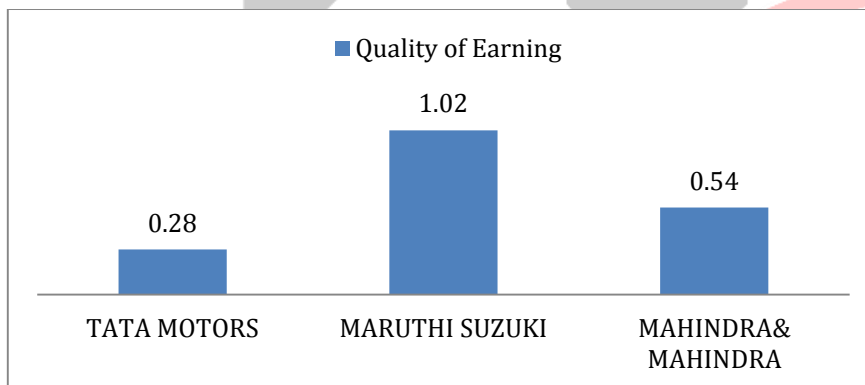
Mahindra & Mahindra: Return on Equity of Mahindra & Mahindra was low in the year 2017-2018 with the value of 13.60 and high in the year 2015-2016 with the value 17.25

4.3.5. Table showing the Quality of Earnings of three companies:

Company Name	Quality of Earning
TATA MOTORS	0.28
MARUTHI SUZUKI	1.02
MAHINDRA & MAHINDRA	0.54

Source: computed from secondary data

Graph no 4.3.5: Graphical representation of Quality of Earnings of three companies:



Source: computed from secondary data

Interpretation

Tata motors: Quality of Earnings of Tata Motors is 0.28

Maruthi Suzuki: Quality of Earnings of Maruthi Suzuki is 1.02

Mahindra & Mahindra: Quality of Earnings of Mahindra & Mahindra is 0.54

5.1 FINDINGS:

1. Quality of earnings of Maruti Suzuki is highest than Tata motors and Mahindra and Mahindra.
2. Net profit margin of Mahindra & Mahindra is increasing year after year and highest in the year 2018-2019 and 2019-2020.
3. Highest asset turnover ratio is Maruti Suzuki is when compared to the other two companies.

4. Highest role is Maruti Suzuki's.
5. From the industry analysis it is clear that the growth of automobile industry is increasing

5.2 SUGGESTIONS:

1. Automobile industry accordingly presents a decent open door for the financial specialists particularly as Mahindra and Mahindra Ltd.
2. Significant Indian makers like Tata's and Maruti might be doing acceptable in the structure of numbers in deals however will confront incredible rivalry in for of Mahindra and Mahindra.
3. Mahindra and Mahindra has an extraordinary situation on the securities exchange and will draw in speculators and this could prompt development and development.
4. Consequently the Tata's and Maruti need to deal with their stock and work on its consistency. This would assist them with pulling in more financial specialists and develop in this developing economy of India.
5. Expanding requests and deals quantities of Indian auto bring numerous open doors for these players in the event that they are up to get it.

5.3 CONCLUSION:

Financial specialists are keen on foreseeing the future conduct of securities exchange. The financial specialist should take a gander at the cost developments of the specific organization throughout the long term and ought to go for better portfolio. The real status, likely arrangements of the association, data which can influence purchasing choices and so forth is accessible in monetary outcomes which is fundamental for examination. Theoretical or wistful variables do assume a part in value development of offers. However, it is just a present moment impact, in long haul yearly execution is sole factor liable for value development.

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