

# **Project Dissertation**

## **Power Sector India – Fundamental Analysis of Tata Power**

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## **CERTIFICATE FROM THE INSTITUTE**

This is to certify that the Project Report titled **Power Sector India – Fundamental Analysis of Tata Power**, is a bonafide work carried out by **Ms. Balpreet Kaur** of MBA 2013-15 and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfillment of the requirement for the award of the Degree of Masters of Business Administration.

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## **DECLARATION**

I **Balpreet Kaur**, student of MBA 2013-15 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that Dissertation Report on **Power Sector India – Fundamental Analysis of Tata Power** submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This Report is not being submitted to any other University for award of any other Degree, Diploma and Fellowship

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## **EXECUTIVE SUMMARY**

If India is to become a superpower in the future, energy security is of utmost importance. It is very much critical for a country which has a population of 120 crores and is aspiring to be a superpower.

The demand for energy has been growing steadily up-till now and is only expected to go further up in the same direction. But somehow, the supply seems to be unable to keep up with the growing demands pushing the economy towards an energy crisis.

The “Integrated Energy Policy” points out the following few key points:-

- Should meet India’s energy demand to attain a growth rate of 8-9% p.a.
- To meet the energy demands of all the sectors of economy

India is the 4<sup>th</sup> largest consumer of energy in the world. It accounts for almost 5% of the overall energy production of the world. The 11<sup>th</sup> Five Year Plan of the government aimed to generate 55,000 MV new electricity. But still there is continued to be a deficit of 8.7% overall which peaked at 9%. Due to the inability to meet the growing demands, and the insufficiency of the allocated resources, our dependence on imports is increasing.

And going further, according to the report of World Economic Outlook 2012, global consumption of energy, up to the period of 2035, is going to increase by one-third, with India, China & Middle East accounting for over 60% of the consumption.

For any country to grow at the faster rate, the basic necessity comes as Infra and Power. As we have seen after the much hyped IPOs in power sector, power company stocks are under performing since last 2-3 years. Power companies are facing severe operational as well as financial issues. So this project will analyze the issues faced by power sector companies, the prospects of the sector in the future and on the basis of this research and financial modeling, will find out the correct intrinsic value of the power sector company stocks.

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