**Project Dissertation**

**Credit Research**

**(Mahindra & Mahindra)**

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**2K13/MBA/52**

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**Jan -May 2015**

**Certificate from the Institute**

This is to certify that the Project Report titled **Credit Research Analysis of Mahindra & Mahindra**, is a bonafide work carried out by **Pulkit Khurana** 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.

Signature of Guide Signature of Head (DSM)

Place: Seal of Head

Date:

**DECLARATION**

I **Pulkit Khurana**, student of MBA 2013-15 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that Dissertation Report on **Credit Research Analysis of Mahindra & Mahindra** 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.

Pulkit Khurana

Place:

Date

**Acknowledgement**

Accomplishment of a task with desired success calls for dedication towards work and prompting guidance, co-operation and deliberation from seniors.

At the outset, I would like to thank Dr. Archana Singh, Associate Professor, Delhi School of Management for her support and professional approach in guiding me through the careful details of the project.

I am very grateful to my project guide, Ms Khushbu Madan, & my friends who not only helped me on this topic but also helped me to understand the nuances of credit market. In spite of having a very busy schedule, they made sure in every way that we acquire the best possible exposure and knowledge during our project.

I would be failing in my duty if I do no express my deep sense of gratitude to Sri P.K. Suri, H.O.D. and all the faculty members for their valuable advice and guidance in this project.

**Pulkit Khurana**

**Executive Summary**

The Indian as well as global automobile industry has undergone metamorphosis with the advent of new business and manufacturing practices in the light of liberalization and globalization. The sector seems to be optimistic of posting strong sales in the couple of years in the view of a reasonable surge in demand.

Companies often need capital to finance their operations and investment activities and for such purpose firms raise capital through stock market via stake sale or companies raise debt from bond market or financial institutions depending on their needs. For every penny invested into the business, there is cost of capital which must be low from business point of view and on other hand, investors seek high returns given the risk profile of the company.

To raise capital through debt, companies issue long term bonds and debentures with fixed coupon i.e. interest payments and repayment of principal amount on maturity of the bond. Companies add financial risk to their business when they raise debt as timely payment of interest becomes mandatory and affects the credit worthiness of the organization with rising debt levels. Hence, investors tend to measure the riskiness involved while lending money to the companies by following the credit research reports and credit ratings assigned to the companies to ensure timely repayment of interest as principal amount.

Through this project report, detailed Credit analysis of Automobile major Mahindra and Mahindra has been done and Credit Rating has been assigned to signify the ability of the company to raise debt and fulfill their obligations. An extensive study of company was done in coherence with economy and industry on EIC( Economy- Industry- Company) model to include the effect of macro-economic factors on the operations of the company.

Last four years Consolidated financials & annual reports of Mahindra and Mahindra are analyzed and future projections of company’s performance have been made keeping in view the effect of macro-economic factors like demand & supply, inflation, interest rates in economy, Porter five forces & SWOT analyses etc.

Given the historical and future projections, financial strength and liquidity position of company was evaluated in addition to measurement of business risk to determine the credit worthiness of the Mahindra and Mahindra and a credit rating has been assigned on a framework similar to credit rating agencies on parameters like profitability, financial risk, business risk, financial policy & accounting quality.

At the end conclusion and recommendations have been specified so as to make the project work more meaningful and purposeful.

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