

**INTERNSHIP REPORT ON
SANDHAR COMPANY LIMITED**

Submitted by

Karthik N

4AL21BA038

Submitted to



VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI

In partial fulfillment of the requirements for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

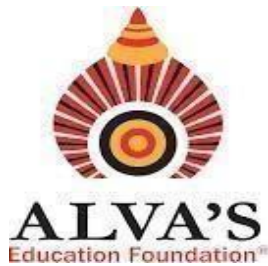
Under the guidance of

INTERNAL GUIDE

Harshitha Shetty

Assistant Professor

PG Department of Business Administration



**ALVAS INSTITUTE OF ENGINEERING AND TECHNOLOGY
SHOBAVANA CAMPUS MIJAR,
(2022-2023)**

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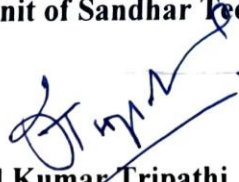
TO WHOMSOEVER IT MAY CONCERN

This is to certify that **Mr.Karthik N** (Reg No:USN 4AL21BA038) Second Semester MBA, Student of “Alva’s Institute of Engineering & Technology”, has completed his **Internship Training (4 Weeks)** in our company from **(31st Oct’22 to 26th Nov’22)**. During this period his conduct and behaviour was good.

This Certificate is issued for the partial fulfilment of his academics only.

We wish all the success in his future endeavours.

For Sandhar Automotives, Bommasandra
(A Unit of Sandhar Technologies Ltd.)


Sunil Kumar Tripathi
(Sr.Manager - HR)

Sandhar Automotives - Bommasandra
(A Unit of Sandhar Technologies Limited)

Head Office
13, Sector-44,
Gurgaon - 122002, Haryana, India
Ph : +91-22-4518900

Registered Office
B-6/20, Local Shopping Complex,
Safdarjung Enclave,
New Delhi-110029, Ph: +91-11-40511800

Plot No. 8, Bommasandra,
Jigani Link Road, KIADB Industrial Area,
Bangalore - 562 106.
Karnataka, Tel : +08110-419110

Email - enquiries@sandhar.in; website - www.sandhargroup.com; CIN - L74999DL1987PLC029553



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DATE: 30/01/2023

CERTIFICATE

This is to certify that **KARTHIK N** bearing USN 4AL21BA038 is a bonafide student of Master of Business Administration program of the Institute (2021-22) affiliated to Visvesvaraya Technological University, Belagavi.

The Internship report on "**SANDHAR AUTOMOTIVES, BANGALORE**" is prepared by him under the guidance of **Mrs. Harshitha V Shetty**, Assistant Professor, PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

Mrs. Harshitha V Shetty
Internal Guide

Mrs. Priya Sequeira

DEAN

Dept. of Business Administration
Alva's Institute of Engg. & Technology
MIJAR - 574 225

Dr. Peter Fernandes
Principal

Alva's Institute of Engg. & Technology
MIJAR, MOODBIDRI - 574 225, D.K.

Shobhavana Campus, Mijar, Moodbidri - 574225, Mangalore, Karnataka, India.

☎ 0824-66724 (O), 66725 (P)

✉ principalnet08@gmail.com

🌐 www.aet.org.in

DECLARATION

I **Karthik N** hereby declare that this Organization Study conducted at **Sandhar Technologies LIMITED** is a record of independent work carried out by me under the guidance of Asst. Professor **Mrs. Harshitha V Shetty**.

P G Department of Business Administration, Alva's Institute of Engineering & Technology, Mijar.

I also declare that this organization study is towards the partial of the university regulation for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi

I have undergone an organisation study for a period of four weeks. I further declare that this organisation study is based on the original study undertaken by me and has not been submitted for the award of any degree from any other University/Institution.


Signature

Acknowledgement

I would like to take this opportunity to express my sincere gratitude to all those who have helped me throughout this organisational internship study.

It gives me immense pleasure to acknowledge all those who have rendered encouragement and support for the successful completion of this work. I express my deep sense of gratitude to my internal guide **Mrs. Harshitha Shetty**, Assistant Professor, PG Department of Business Administration for constant support and to carry out my internship project successfully without much difficulty.

And I would like to express my sincere thanks to Principal **Dr. Peter Fernandes**, AIET, Moodbidri and it would be a failure on my part not to mention my parents, family and friends whose undying support and encouragement kept me going at times of need. Deepest thanks to you all.

They are all indeed the reason for the successful completion of this internship.

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EXECUTIVE SUMMARY

The main objective of this study is to gain the knowledge of the production or product or manufacturing process of Sandhar technologies ltd. This company is involved in the production of various products and Foray of the product. This company incorporated in the founder of Jayant devar

The study was conducted by gathering data from secondary sources. It is gathered from the organization catalogues, prospectus, journals, business line company websites, company manuals, company reports, etc.

This report is divided into seven chapters. The first chapter of the study deals with the introduction of Sandhar and their various product brands. Also about the company's structure and how many competitors are there to compete against the brand Sandhar Technologies. And also includes who is the board member of Sandhar. The second chapter of the study deals with some theoretical concepts about the organizational profile of Sandhar Company Limited. The third chapter deals with McKinsey's framework and Porter's five force model with reference to the organization. The fourth chapter of the study is about SWOT analysis and PESTLE analysis. The fifth chapter of the study is about the analysis of financial statements like balance sheet, profit/loss A/C and Ratio analysis of the organization. The sixth chapter of the study is about the learning experience. Finally, the seventh chapter is about the bibliography.

CHAPTER - 1

INTRODUCTION TO ORGANIZATION AND INDUSTRY PROFILE

INDUSTRY PROFILE

The Auto parts market is today of 40 million units of which 60% are in the unorganized sector. In this situation Sandhar placed in top because many of having costumers such as Royal Enfield, Hero, TVS, BMW, Ather were captured in this dynamic world. It also contains GDP towards the nation, because changing the price in the brand everyone is willing to buy from this will result in high revenue to the industry. Indian Auto Component Industry clocks highest-ever turnover of \$6.5 bn, 23% in FY 2021-22. The growing presence of global automobile Original Equipment Manufacturers (OEMs) in the Indian auto components industry has significantly increased the localization of their components in the country.

The FDI inflow into Indian automotive industry during the period April 2000-June 2022 stood at \$33.53 bn. 100% FDI in the automotive parts industry is allowed under the automatic route. Indian Auto Component industry exports, which are currently valued at \$13.3bn in FY21, are expected to reach \$80 bn by 2026. USA, Germany, UK, Thailand and Italy are the top destinations for exports. India's auto component industry recorded its highest trade surplus of \$700 Mn in a financial year in 2021-22. Aftermarket segment which includes tyre, battery, brake parts, is expected to reach \$30bn by 2026 from \$9.8 bn FY20.

The overall Indian auto components industry, which accounts for 2.3% of India's GDP currently, is set to become the 3rd largest globally by 2025. The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi announced the Production-Linked Incentive (PLI) Scheme in the Automobile and Auto Components sectors. The PLI scheme (outlay of \$ 3.5 Bn) for the automobile sector proposes financial incentives of up to 18% to boost domestic manufacturing of advanced automotive technology products and attract investments in the automotive manufacturing value chain. Incentives are applicable for determined sales of products manufactured in India from April 1, 2022, for a period of five consecutive years. The scheme was closed on 9th January 2022. Total 95 applicants have been approved under this PLI scheme: 20 under Champion OEM and 75 under Component champion.

INTRODUCTION ABOUT THE ORGANIZATION:

Sandhar technologies ltd is an Indian auto products company that mainly manufactures Auto parts such as rear-view mirrors, Key sets, fuel caps and fabrication parts.

With its self-driven and self-sustaining approach in expanding opportunities and enhancing business, Sandhar Technologies Limited has set a strong foothold in the diverse range of product categories across automotive segment. Since its inception, Sandhar has been working relentlessly to create value for not just business, but also its employees, clients and stakeholders. Aligning itself with the goal of self-reliant India, Sandhar has always nurtured innovation and will continue to do so to promote growth and development in the sector.

Leading manufacturer of automotive components in the world, SANDHAR TECHNOLOGIES LIMITED (SANDHAR) was incorporated in October 1987 as a sheet metal components supplier catering to a major local OEM. What started as a homegrown Company, Sandhar has, in over 30 years, cemented its position as a multi-faceted manufacturing player supplying diverse range of products across automotive segments across the globe.

With its interests revolving around customer needs and building real connection with them, the company aspires to emerge as a global leader in the manufacturing marketplace. Steering Sandhar towards success is its innovation-led product portfolio and a team of dedicated professionals working relentlessly to deliver the best.

With our sheer zest to create and deliver value, we at SANDHAR have successfully added a diverse range of product categories across automotive segments. Not only this, we have also expanded our geographical reach to emerge as one of the leading automotive component suppliers in the world. With our vision to enhance our business value and with the efforts of our competent team, our state-of-art R&D and our core expertise, we are confident to achieve greater heights while embracing new technologies, augmenting our capacities.

CHAPTER 2

ORGANIZATIONAL PROFILE

2.1 BACKGROUND

- **1987-90:** The company was founded in 1987 by Jayant Davar and started supplying sheet metals for Hero Honda motorcycles and received technical assistance from Honda Lock to manufacture lock systems for the motorbikes.
- **1990-95:** It started producing mirrors and door handles for Honda cars thanks to technical assistance received from Honda Lock and even up to the date it is the only supplier for Honda cars.
- **2000-05:** The company starts investing in Zn, Al die casting and tools and
- **2011-16:** The business expanded to manufacture plastic injection moulding seatbelts then eventually set up a research unit Gurugram.
- **2016-18:** Thanks to joint venture with Wharton and Jinyoung,[4] the company has started to manufacture automotive electronic products. In December 2017 the company entered into joint venture with Daeshin Machinery Ind. Co. Ltd. By the end of 2018, the company announced a joint venture with Kwang sung Corporation Ltd., Rep Korea to manufacture sun visor, cargo screen, black-Out tape, glove box & several other blow-molded products.
- **2019:** The company has entered into Joint Venture with Winnercom Co. Ltd., and Hanshin Corporation of Rep Korea,

2.2 VISION, MISSION AND QUALITY PROFILE:

VISION: To be the Most Preferred Choice of Global Stakeholders.

Mission: To be the leading player in Global Markets watchfully satisfied Stakeholder, maintaining cost effectiveness through innovative technology and optimum utilization of talent and resources.

QUALITY PROFILE:

It ensures that all the requirements of the customers are properly and absolutely satisfied in a safe, productive, and skillful manner all over the stages of the contract. To accomplish this policy, the company has established a management system that balances all the sectors of the Company's act.

2.3 CSR POLICY:

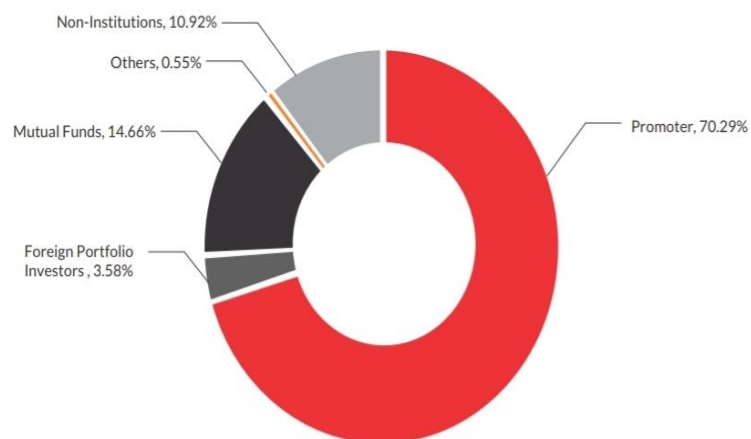
- Adopt a Green
- Free health camp at Sandhar health care
- Khushi school
- Yoga class
- Academic updates
- Skill development for underprivileged youth
- Capacity building
- Responsible citizenship
- Happy eyes
- Needy causes
- Innovation

2.4PRODUCT PROFILE/SERVICE:

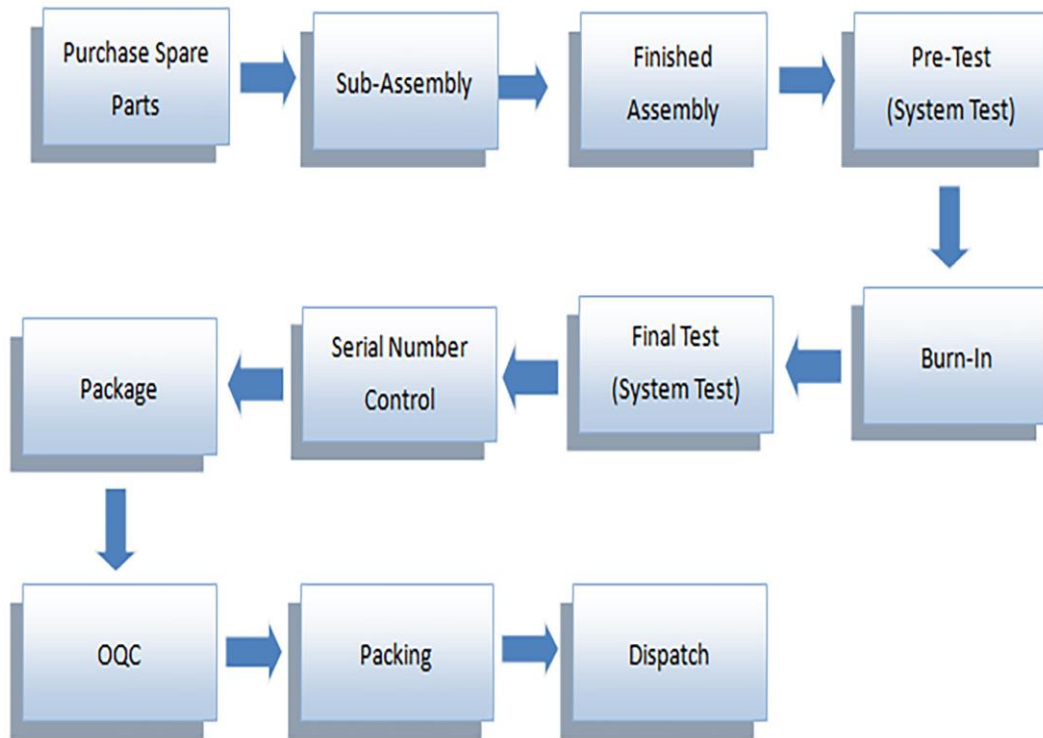
- **Automotive Division:** It has many products like Locking system, Vision system, Auto relays, switches, Hinges, Door Handles and Latches.
- **Components Division:** It includes products like Spools, Spindles, Aluminum die casting, Sheet Metal Components and Zinc Die Casting.
- **Automatic Division:** It includes products like Wheel Rims, Handle Bars, Clutch Brakes and wheel assemblies,

2.5 OWNERSHIP PATTERN:

Holder's Name	No of Shares	% share Holding
No of shares	60190708	100%
Promoters	42305844	70.38%
Foreign Institutions	2157150	3.58
Mutual Funds	8826354	14.66
Central Government	—	0%
Others	331290	0.55
General Public	6570070	10.92
Financial Institution	—	



2.5 Work flow model:



The work flow model of an auto components company can vary depending on the specific company and the products they produce. However, a general workflow model for an auto components company could include the following steps:

1. **Design and Development:** The process of developing new products and improving existing ones based on customer requirements and industry trends.
2. **Raw Material Procurement:** Sourcing of raw materials required for the production of auto components.
3. **Production:** The process of manufacturing auto components using machinery and equipment.
4. **Quality Control:** Inspecting the finished products to ensure that they meet the required standards and specifications.

5. **Packaging and Shipping:** Packing the finished products for shipment to customers and distributors.
6. **Sales and Marketing:** Promoting the company's products and services to potential customers.
7. **After-Sales Service:** Providing support and maintenance services to customers after the sale.

2.7 Achievements and Awards:

- Quality circle Awards for many years
- 5s and kaizen Awards
- Group first prize publicity prop agenda and innovations
- Award for excellence in consistent TPM Commitment first category

2.8 Future Growth and Aspects:

Sandhar Technologies Ltd., a diversified auto component manufacturing company, with multiple technology platforms and product lines, signed a Joint Venture agreement with Hanshin Corporation (Republic of Korea) in the presence of several of our joint venture Partners, recently. You, Chairman, Daewha Fuel Pump Ind. Ltd.; Y K Cho, President, Hansung I.M.P. Co., Ltd.; M J Lee, Representative Director, Hanshin Corporation; Jayant Davar, Co-Chairman and MD Sandhar Technologies Ltd.; M S Sung, President, Kwangsung Corporation Ltd.; Arvind Joshi Whole Time Director, CFO and company secretary, Sandhar Technologies Ltd.; Niraj Hans COO, Sandhar Automotives, J H Lee, Advisor Sandhar Technologies ltd. And K Y Lee, Director, Hanshin Corporation)The joint venture is being established for manufacturing and selling, futuristic high end data cables for the automotive industry in India which would include Radio Cable, AV/NAVI Cable, GPS/DMB Cable, USB Cable, AVM Cable and others for the four-wheeler segment

This joint venture is yet another step towards expanding Sandhar's presence into the lucrative connected car devices market through the ever expanding automotive wiring harness market which is estimated to be around USD 80 billion in 2019 and projected to reach USD 120 billion by 2025 including the wires, connectors and terminals and would be a key component of the futuristic Electric Vehicle communication controllers. The market for such components driven by rising trend of integration of advanced features for increasing driving experience and growing demand for electric vehicles. The JV company will have its production unit in Bengaluru and is expected to commence commercial production and supplies by 4th quarter of FY 19-20.

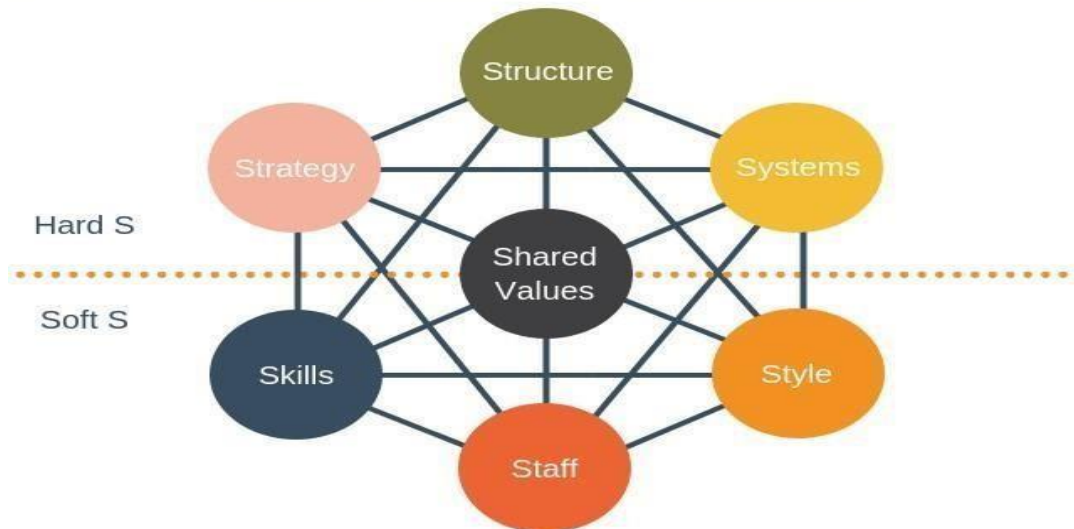
CHAPTER 3

MCKINSEY'S 7s FRAMEWORK

AND

PORTER'S FIVE FORCE MODEL

McKinsey 7S Framework



The 7 elements in the McKinsey 7s model can be divided into two

1. Hard in nature
2. soft in nature

1. Hard in nature

It includes strategy, structure, system, the hard elements are tangible and can be identified easily. It can be influenced and directly controlled by the management and leadership of the organization.

STRATEGY:

Sandhar Tech needs to build a balance between short run cost savings and protecting its core competitive advantage. Customers perceive Sandhar Tech products and services to deliver 'value for money' proposition plus a bit extra. In its zest to gain more market share through competing on prices, Sandhar Tech should avoid cutting costs that can result in inferior product and service delivery.

STRUCTURE:

The pandemic has questioned the current structure and supply chain management of the company. To be more resilient organization and prepare itself for future disruption of similar magnitudes Sandhar Tech should focus on – diversifying suppliers geographically so that climate related, geopolitical, and other disruptions don't impact. Reduce the dependence on China – As the trade war between US and China is getting aggressive, it should reduce its dependence on supply chain emerging out of China. This will help the organization to diversify risks avoid regulatory problems etc. To achieve the above two goals – Sandhar Tech needs to fine tune its organization structure. It needs to have smaller teams, easy reporting to the headquarters, and enabling teams to take decisions based on real time developments

SYSTEM

Sandhar Tech needs to focus on the following areas – Improve internal processes, such as risk management, Customer Relationship Management (CRM), web app optimization, and data visualization across the organization. Sandhar Tech needs to put in place robust system for “work from home” employees so that there can be greater interaction among the employees both online and in physical environment. It will not only improve productivity but also increase the data security and cyber security.

2. Soft in nature

SHARED VALUES:

The organization has built a successful business model based on its core values, vision and mission. It doesn't have to change much in the shared values segment. One area where it can focus more is – sustainability. Investors are putting a lot of stress on Environmental, Societal, and Governance issues, so it can bring more transparency by using the Triple Bottom Line concept in its ESG and financial reporting.

STYLE:

The leadership styles required in the physical location and in remote scenario are completely different. In a physical environment manager can stop by a chat, provide inputs and go through the work. But in the remote location's employees have to work in far more isolated environment. To improve the workflow – leaders should pursue collaborative and inclusive form of leadership. Leaders should build smaller teams as part of larger teams.

STAFF:

Some of the steps Sandhar Tech can take in to improve the human resources are – Recruitment and remote onboarding – Because of the pandemic, a lot of employees are working from remote locations. To make the environment more inclusive for the new employees, Sandhar Tech should build system for remote onboarding such as – catalog of short videos, small groups interaction, technical demonstrations.

Open chats for the people to approach people at various levels in the hierarchy. It will not only help the top management to directly interact with the people below but also help in building an open and transparent culture.

SKILLS:

Some of the steps Sandhar Tech can take in to improve the human resources are :

Recruitment and remote onboarding – Because of the pandemic, a lot of employees are working from remote locations. To make the environment more inclusive for the new employees, Sandhar Tech should build system for remote onboarding. Open chats for the people to approach people at various levels in the hierarchy. It u bro will not only help the top management to directly interact with the people below but also help in building an open and transparent culture of short videos, small groups interaction, technical demonstrations.

3.2 PORTER'S FIVE FORCE MODEL:

Porter's Five Force is a model that identifies and analyses five competitive forces that shape every industry and helps determine an industry's weakness and strengths. Five Force analysis is frequently used to identify an industry's structure to determine corporate strategy. Porter's model can be applied to any segment of the economy to understand the level of competition within the industry and enhance a company's long-term profitability. The Five Force model is named after Harvard Business School professor, Michael E Porter Understanding Porter's Five Force is a business analysis model that helps to explain why various industries are able to sustain different levels of profitability. The model was published in Michael E. Porter's book, "Competitive Strategy: Techniques for Analyzing Industries and Competitors" in 1980. The Five Forces model is widely used to analysis the industry structure of a company as well as its corporate strategy. Porter identified five undeniable forces that play a part in shaping every market and industry in the world, with some caveats. The five forces are frequently used to measure competition intensity, attractiveness, and profitability of an industry or market.



Porter's five forces are:

1. Threat of New Entrants.
2. Bargaining power of suppliers.
3. Bargaining power of customers.
4. Threat from substitute products.
5. Rivalry among the existing players.

1. Threat of New Entrants:

Sandhar Company Limited tackles the new entrants by innovating new products and services. Introducing new products not only focuses on new customers, it also gives reason for old customers to buy the products. New Entrants will be less likely to enter the dynamic industry such as well players like sandhar Company which defines standards regularly. Product differentiation is strong within the industry, where firms in the industry sell differentiation products rather than standardized products. Customers also look for differentiated products. There is a strong emphasis on advertising and customer service as well. All of these factors make the threat of new entrants a weak force within this industry. It's very difficult for new entrants to join the industry as sandhar gives strong competition as new entrants require more capital to set up the business. High capital expenditure is required to do research and development so all these factors make the threat of new entrants a weaker force within this industry. Threat of new entrants is low as it requires huge capital of investment to start a Automobile parts division.

Bargaining power of the suppliers:

Suppliers in a dominant position can decrease the margins. Sandhar company can earn in the market. powerful suppliers in the industrial goods sector use their negotiating power to extract higher prices from the firms. Bargaining power of suppliers towards the auto parts is high as price for the raw materials is fixed by the international market. So that bargaining power of suppliers is moderate.

Bargaining power of the buyers:

The bargaining power of the buyers for the Sandhar company is high regarding all the four divisions, such as there are many other sellers selling the same type of products.

Whereas for:

Mirror: TVS Motors, Royal Enfield, BMW, Triumph

Lockset: Ather Energy pvt ltd, TVS and Hero motors ltd, Honda,

Threat from substitute product:

When a new product or service meets a similar customer needs in different ways. Industry profitability suffers. By understanding the core need of the customer rather than what the customer is buying. Mainly they innovated smart lock systems which may cause threat to lock set

Rivalry among the existing competitors:

If the rivalry among the existing players in an industry is intense then it will drive down price and decrease the overall profit. Minda, is the top competitor for Sandhar in the mirror and key set business.

CHAPTER 4

SWOT ANALYSIS

4.2 SWOT ANALYSIS:

SWOT analysis is a simple but useful framework for analyzing your organization's strength, weakness, opportunities, and threats. It helps you to build on what you do well, to address what you're lacking, to minimize risks, and to take the greatest possible advantage of chances for success. It is a well-established technique for the audit and analysis of the overall strategy position of a business and its environment. It contains elements that are favorable and unfavourable to reach the objective. SWOC stands for strength, weakness, opportunities, challenges. Strength and weakness stand for internal elements, opportunities and challenges are external elements.

SWOT'S are:

S: characteristics of the company are helpful in accomplishing the objectives.

W: characteristics of the company that are harmful in accomplishing the objectives.

O: external situations are helpful in accomplishing the objective. C: characteristics outside the company that are harmful in accomplishing the objective.

T: threats from external environment and competitors

Strength of Sandhar Technologies:

Sandhar Technologies, being one of the leading companies in its industry, has several benefits that help it flourish in the marketplace. These strengths not only help it retain market share in existing areas but also help it break into new ones.

- **Famous Brand:** A well-known name in India for over 25 years reflects the amount of trust its customers hold including Honda, TVS, Bajaj and many such big brands.
- **Global Operations:** Sandhar Technologies has 43 manufacturing facilities and a presence in 3 countries in Spain, Poland, and Mexico.
- **Major Distributor:** Sandhar Technologies is one of the major distributors of automotive locking and manufacturing systems, vision systems, stampings, operators' cabin, zinc die, aluminium die, magnesium die, automotive optoelectronics, polymers, painting, plating, coating, commercial tooling, helmets, fuel pumps, assemblies and new component is used by some of the

major automotive manufacturing companies like Honda, Bajaj Auto, TVS Motor Company.

- **Offer Many Services:** They offer customers a wide range of solutions including Casting Simulation, Prototyping, Tool Designing & Manufacturing, Assembly, Die Casting, Shot Blasting, Powder Coating, Core Making & multi-process Foundry services.
- **Leading Market Position:** Sandhar Technologies holds the largest Indian auto component group position for automotive components. Since its inception the growth enabled the company to create a new revenue stream and diversify the economic cycle risk in the markets it serves, propelling Sandhar Technologies to the top of the Indian market.
- **Highly Qualified Workforce:** Through training and learning initiatives, Sandhar Technologies has been able to develop highly qualified 8000+ employees. Sandhar Technologies devotes significant resources to employee training and development, resulting in a team that is not just highly competent but also driven to attain greater success.

Weaknesses of Sandhar Technologies:

Strategy is all about choices and weaknesses are areas where companies can improve through SWOT analysis and leverage their competitive advantage and strategic positioning.

- **High turnover of employees** at the lower levels is also a concern for the Sandhar Tech. It can lead to higher salaries to maintain the talent within the firm.
- **Business Model** of Sandhar Tech can be easily imitated by the competitors in the Auto & Truck Parts industry. To overcome these challenges company name needs to build a platform model that can integrate suppliers, vendors and end users.
- **Declining market share** of Sandhar Tech with increasing revenues - the Auto & Truck Parts industry is growing faster than the company. In such a scenario Sandhar Tech has to carefully analyse the various trends within the Consumer Cyclical sector and figure out what it needs to do to drive future growth.
- **Gross Margins and Operating Margins** which could be improved and going forward may put pressure on the Sandhar Tech financial statement.

- **Low investments into Sandhar Tech's customer-oriented services** - This can lead to competitors gaining advantage in near future. Sandhar Tech needs to increase investment into research and development especially in customer services-oriented applications.
- **Niche markets and local monopolies** that companies such as Sandhar Tech able to exploit are fast disappearing. The customer network that Sandhar Tech has promoted is proving less and less effective.

Opportunities for Sandhar Technologies:

Opportunities are possible areas for a company to consider to improve results, sales, and, ultimately, profit. Sandhar Technologies includes the following opportunities:

- **Survival:** The company has been able to resist the losses caused due to the pandemic which implies the company has a long way to go in sustaining itself as a manufacturer.
- **Expansion:** While the company is going international, it is simultaneously leaving an everlasting imprint, which implies that the company has the potential to expand to many locations. Sandhar Technologies raised Rs 272.10 crore to set up a manufacturing unit in Nalagarh, Himachal Pradesh to manufacture sheet metal parts like frame parts, complete frames, handlebars, swing arms etc. for two-wheelers.
- **Transport Industry Boom:** More and more automotive industries are relying on external suppliers for vehicle components to save their manufacturing costs which imply that Minda's importance won't decline and would rather increase with time.
- **Pandemic:** Due to Corona, people are preferring to use their vehicles rather than public transport for fear of infections which means that the sale of automobiles (especially electric) would increase with time which would have a positive impact on the sales of Minda products to automotive manufacturers.
- **R&D and Tech:** If the company starts investing more capital to boost itself and to be in sync with the latest developments in tech, the company can have a bright future!
- **Expected Growth:** According to recent research India could become a major manufacturer of automotive components and a global auto parts manufacturing hub, says ET. Sandhar Technologies can benefit from this opportunity and grow its business

Threats of Sandhar Technologies:

Threats are factors that can be potential dangers to the firm's business models because of changes in macro-economic factors and changing consumer perceptions. Threats can be managed but not controlled.

- **Growing technological expertise** of local players in the export market - One of the biggest threats of tie-up with the local players in the export market for Sandhar Tech is threat of losing IPR. The intellectual property rights framework is not very strong in emerging markets especially in China.
- **Competitive pressures** - As the new product launch cycles are reducing in the Consumer Cyclical industry. It has put additional competitive pressures on players such as Sandhar Tech. Given the large customer base, Sandhar Tech can't respond quickly to the needs of the niche markets that disruptors are focusing on.
- **Commoditization of the product segment** - The biggest challenge for Sandhar Tech and other players in the industry is the increasing commoditization of the products in Consumer Cyclical industry.
- **Competitors catching up with the product development** - Even though at present the Sandhar Tech is still leader in product innovation in the Auto & Truck Parts segment. It is facing stiff challenges from international and local competitors.
- **Changing demographics** - As the babyboomers are retiring and new generation finding hard to replace their purchasing power. This can lead to higher profits in the short run for Sandhar Tech but reducing margins over the long run as young people are less brand loyal and more open to experimentation.
- **Saturation in urban market and stagnation in the rural markets** - For Sandhar Tech this trend is an ongoing challenge in the Auto & Truck Parts segment. One of the reasons is that the adoption of products is slow in rural market. Secondly it is more costly for Sandhar Tech to serve the rural customers than urban customers given the vast distances and lack of infrastructure.

CHAPTER - 5
FINANCIAL STATEMENT ANALYSIS

5.1 INCOME STATEMENT:

INCOME STATEMENT OF SANDHAR TECHNOLOGIES LIMITED

Standalone Profit & Loss account	----- in Rs. Cr. -----				
	Mar '22	Mar '21	Mar '20	Mar '19	Mar '18
	12 months	12 months	12 months	12 months	12 months
Income					
Sales Turnover	1,941.02	1,585.31	1,640.03	2,036.99	1,721.40
Excise Duty	0	0	0	0	37.23
Net Sales	1,941.02	1,585.31	1,640.03	2,036.99	1,684.17
Other Income	4.05	9.39	10.12	4.14	4.44
Stock Adjustments	6.48	0.55	-4.15	3.32	3.31
Total Income	1,951.55	1,595.25	1,646.00	2,044.45	1,691.92
Expenditure					
Raw Materials	1,380.32	1,075.29	1,085.90	1,369.49	1,126.46
Power & Fuel Cost	56.33	47.93	51.8	62.39	46.85
Employee Cost	234.16	208.87	223.3	242.51	202.02
Miscellaneous Expenses	110.73	100.02	115.85	144.58	125.67
Total Expenses	1,781.54	1,432.11	1,476.85	1,818.97	1,501.00
	Mar '22	Mar '21	Mar '20	Mar '19	Mar '18
	12 months	12 months	12 months	12 months	12 months
Operating Profit	165.96	153.75	159.03	221.34	186.48
PBDIT	170.01	163.14	169.15	225.48	190.92
Interest	9.43	9.09	12.63	17.46	38.12
PBDT	160.58	154.05	156.52	208.02	152.8
Depreciation	74.26	68.57	75.6	66.7	55.13
Profit Before Tax	86.32	85.48	80.92	141.32	97.67
PBT	86.32	85.48	80.92	141.32	97.67
Tax	24.89	20.25	20	46.64	29.95

Reported Net Profit	61.43	65.23	60.92	95.33	67.73
Total Value Addition	401.22	356.82	390.95	449.49	374.54
Equity Dividend	6.02	12.04	15.05	7.52	15.35
Corporate Dividend Tax	0	0	2.99	1.45	3.1
Per share data (annualised)					
Shares in issue (lakhs)	601.91	601.91	601.91	601.91	601.91
Earnings Per Share (Rs)	10.21	10.84	10.12	15.84	11.25
Equity Dividend (%)	22.5	22.5	20	25	20
Book Value (Rs)	142.87	134.03	125.86	117.73	103.6

BALANCE SHEET OF SANDHAR TECHNOLOGIES LIMITED

BALANCE SHEET OF SANDHAR TECHNOLOGIES (in Rs. Cr.)	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18
	12 months	12 months	12 months	12 months	12 months
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	60.19	60.19	60.19	60.19	60.19
TOTAL SHARE CAPITAL	60.19	60.19	60.19	60.19	60.19
Reserves and Surplus	799.75	746.55	697.36	648.46	563.39
TOTAL RESERVES AND SURPLUS	799.75	746.55	697.36	648.46	563.39
TOTAL SHAREHOLDERS FUNDS	859.94	806.74	757.55	708.65	623.58
NON-CURRENT LIABILITIES					
Long Term Borrowings	90.31	0.05	0.24	0.59	1
Deferred Tax Liabilities [Net]	8.42	9.95	11.19	11.65	5.65
Other Long-Term Liabilities	12.05	12.17	8.64	0.04	0.04
Long Term Provisions	0	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	110.78	22.17	20.07	12.28	6.69
CURRENT LIABILITIES					

Short Term Borrowings	147.65	43.06	38.67	113.17	73.99
Trade Payables	290.41	335.22	188.3	293.7	289.47
Other Current Liabilities	43.16	32.48	31.19	39.11	316.83
Short Term Provisions	9.34	6.93	6.33	12.81	11.52
TOTAL CURRENT LIABILITIES	490.56	417.68	264.5	458.79	691.81
TOTAL CAPITAL AND LIABILITIES	1,461.29	1,246.60	1,042.11	1,179.72	1,322.08
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	622.99	590.98	587.96	577.32	519.17
Intangible Assets	31.42	10.86	13.42	12.19	14.26
Capital Work-In-Progress	35.97	7.36	22.1	28	63.6
Other Assets	0	0	0	0	0
FIXED ASSETS	690.38	609.2	623.47	617.5	597.03
Non-Current Investments	163.65	114.39	91.24	67.44	49.28
Deferred Tax Assets [Net]	0	0	0	0	0
Long Term Loans and Advances	0	9.86	9.4	9.19	7.67
Other Non-Current Assets	17.21	6.78	3.99	8.31	14.07
TOTAL NON-CURRENT ASSETS	871.24	740.23	728.1	702.44	668.06
CURRENT ASSETS					
Current Investments	0	0	0	0	0
Inventories	156.3	133.97	121	134.55	121.96
Trade Receivables	406.59	312.86	160.84	300.68	234.8
Cash And Cash Equivalents	1.08	1.69	3.79	1.64	254.49
Short Term Loans and Advances	0.41	7.83	7.67	4.05	3.14
Other Current Assets	25.66	50.01	20.72	36.36	39.63
TOTAL CURRENT ASSETS	590.05	506.37	314.01	477.29	654.02
TOTAL ASSETS	1,461.29	1,246.60	1,042.11	1,179.72	1,322.08
OTHER ADDITIONAL INFORMATION					
CONTINGENT LIABILITIES, COMMITMENTS					
Contingent Liabilities	194.56	115.56	107.92	131.26	129.85
CIF VALUE OF IMPORTS					
Raw Materials	62.29	35.18	77.58	0	0
Stores, Spares and Loose Tools	0	0	0	0	0
Trade/Other Goods	0	0	0	0	0
Capital Goods	21.21	11.73	17.18	0	0
EXPENDITURE IN FOREIGN EXCHANGE					
Expenditure In Foreign Currency	2.07	1.94	6.36	0	0
REMITTANCES IN FOREIGN CURRENCIES FOR DIVIDENDS					

Dividend Remittance in Foreign Currency	--	--	--	--	--
EARNINGS IN FOREIGN EXCHANGE					
FOB Value of Goods	11.14	6.97	7.6	--	--
Other Earnings	--	--	--	--	--
BONUS DETAILS					
Bonus Equity Share Capital	40.92	40.92	40.92	40.92	40.92
NON-CURRENT INVESTMENTS					
Non-Current Investments Quoted Market Value	--	--	--	--	--
Non-Current Investments Unquoted Book Value	163.65	114.39	91.24	67.44	49.28

Cash flow:

A cash flow statement is a financial statement that summarizes the amount of cash and cash equivalents entering and leaving a company. The CFS measures how well a company operates its cash position, meaning how well the company generates cash. The CFS complements the balance sheet and the income statement.

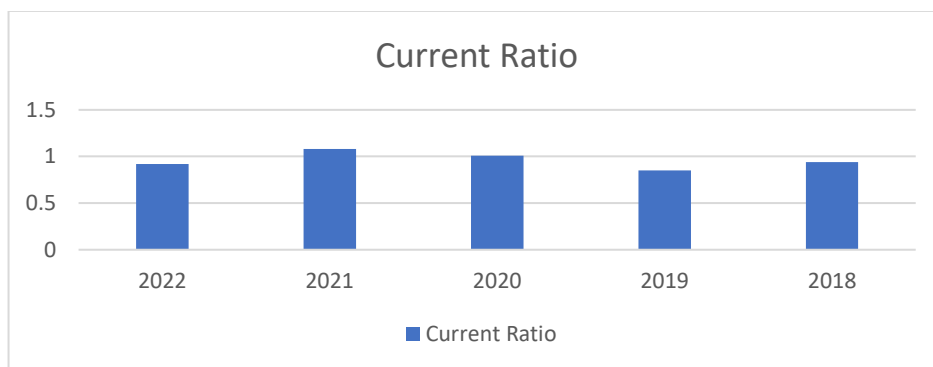
Cash Flow	----- in Rs. Cr. -----				
	Mar '22	Mar '21	Mar '20	Mar '19	Mar '18
	12 months	12 months	12 months	12 months	12 months
Net Profit Before Tax	86.32	85.48	80.92	141.97	97.68
Net Cash From Operating Activities	19.58	96.82	192.82	106.28	176.46
Net Cash (used in)/from Investing Activities	-191.49	-74.69	-77.26	-114.48	-153.69
Net Cash (used in)/from Financing Activities	171.27	-24.25	-113.15	-244.7	228.3

Net (decrease)/increase In Cash and Cash Equivalents	-0.63	-2.12	2.42	-252.89	251.06
Opening Cash & Cash Equivalents	0.87	3	0.58	253.47	2.41
Closing Cash & Cash Equivalents	0.24	0.87	3	0.58	253.47

Ratio Analysis of Sandhar Technology Limited:

Current ratio:

Year	2022	2021	2020	2019	2018
Current ratio	0.92	1.08	1.01	0.85	0.94

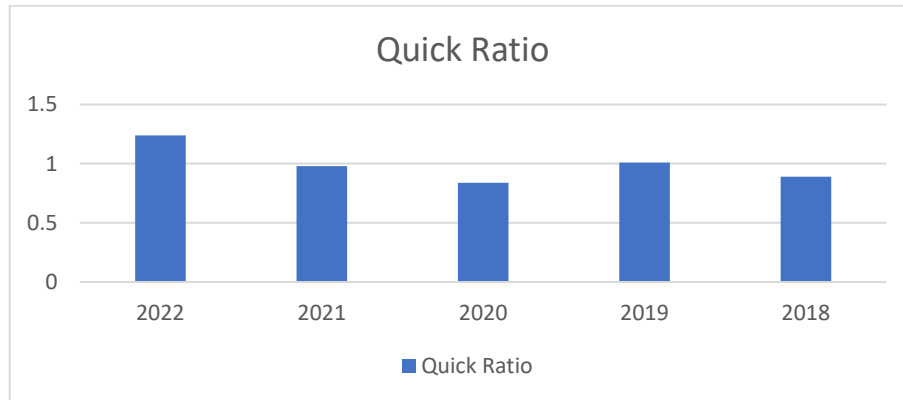


Interpretation:

The current ratio is a financial metric that measures a company's ability to pay its short-term obligations using its current assets. A ratio of less than 1 indicates that the company may have difficulty meeting its short-term obligations, while a ratio greater than 1 suggests that the company has sufficient current assets to cover its short-term liabilities. The current ratios indicate that Sandhar Technologies Limited had a current ratio of above 1 in the years 2020, 2021, and had a ratio of below 1 in the years 2018 and 2022. In 2019, the company had a current ratio of 0.85, which was close to the threshold of 1. The overall trend of the current ratios shows that the company's ability to pay its short-term obligations has been fluctuating over the past five years.

Quick ratio:

Year	2022	2021	2020	2019	2018
Quick ratio	1.24	0.98	0.84	1.01	0.89



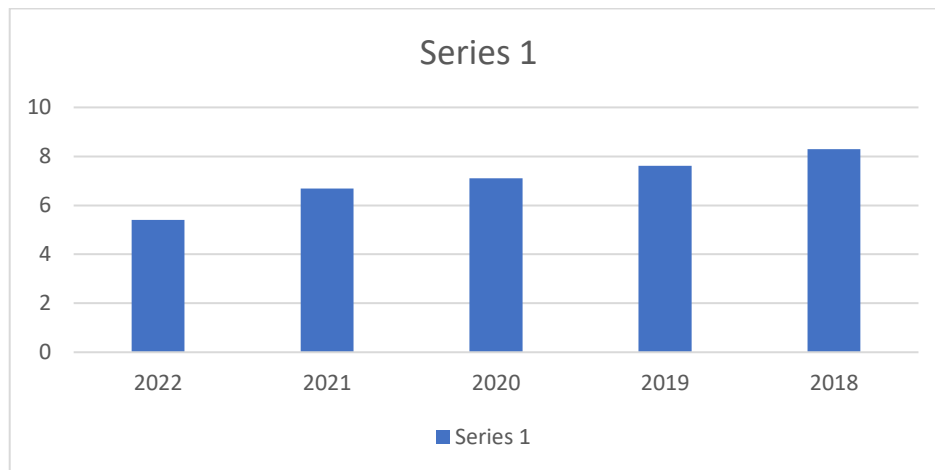
INTERPRETATION:

The quick ratio, also known as the acid test ratio, is a financial metric that measures a company's ability to pay its short-term obligations using its most liquid assets. It is considered a more stringent test of liquidity than the current ratio because it excludes inventory, which may be difficult to sell quickly, from current assets.

The quick ratios indicate that Sandhar Technologies Limited had a quick ratio of above 1 in the years 2019 and 2022, which suggests that the company has sufficient liquid assets to cover its short-term obligations. In the years 2018, 2020, and 2021, the company's quick ratio was below 1, indicating that the company may have difficulty covering its short-term obligations with its most liquid assets. The overall trend of the quick ratios shows that the company's liquidity position has been fluctuating over the past five years.

Debtors' turnover ratio:

Year	2018	2019	2020	2021	2022
Debtors turnover ratio	5.4	6.69	7.11	7.61	8.29



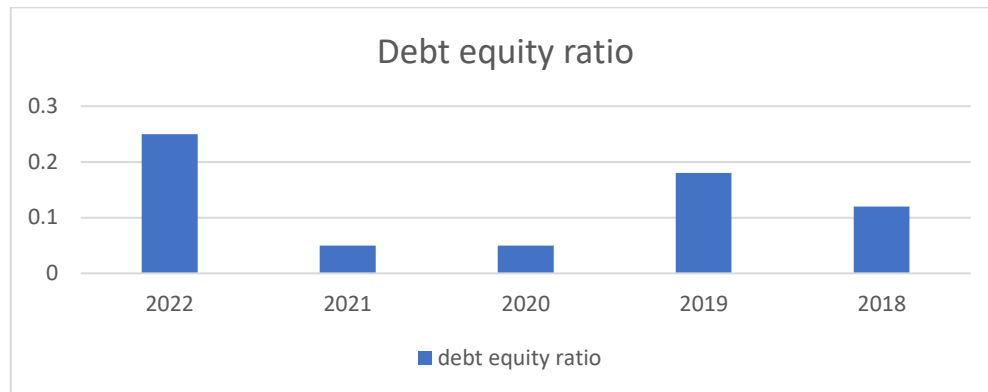
Interpretation:

The debtor's turnover ratio is a financial metric that measures the efficiency of a company's credit sales. It shows how quickly a company collects payment from its credit customers. The higher the ratio, the faster the company is able to collect its credit sales.

The debtor's turnover ratios indicate that Sandhar Technologies Limited has been able to collect its credit sales more efficiently over the past five years. The ratios have been increasing from 5.4 in 2018 to 8.29 in 2022, suggesting that the company is collecting payments from its credit customers faster. A higher debtor's turnover ratio also indicates that the company is managing its accounts receivable effectively, reducing the risk of bad debt.

Debt Equity Ratio:

Year	2022	2021	2020	2019	2018
Debt Equity Ratio	0.25	0.05	0.05	0.18	0.12



Interpretation:

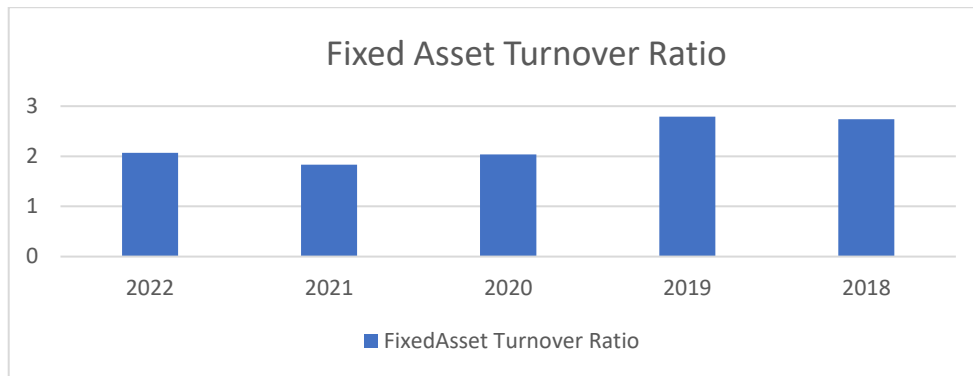
The debt-to-equity ratio is a financial metric that measures a company's financial leverage, i.e., the extent to which a company is using debt to finance its operations. It is calculated by dividing the total debt of a company by its total equity.

The debt-to-equity ratios indicate that Sandhar Technologies Limited has been financing its operations with a mix of debt and equity over the past five years. In the years 2018 and 2019, the company had a higher debt-to-equity ratio, suggesting that it was relying more on debt financing. In the years 2020, 2021, and 2022, the debt-to-equity ratio was relatively low, suggesting that the company was financing its operations more with equity.

A lower debt-to-equity ratio is generally considered to be less risky, as it indicates that a company has a stronger financial foundation and is less vulnerable to financial distress. A higher debt-to-equity ratio, on the other hand, may suggest that a company is taking on more risk by using debt financing, which may increase its financial burden and increase the risk of financial distress.

Fixed Asset Turnover Ratio:

Year	2022	2021	2020	2019	2018
Fixed Assets Turnover Ratio	2.07	1.83	2.04	2.79	2.74



Interpretation:

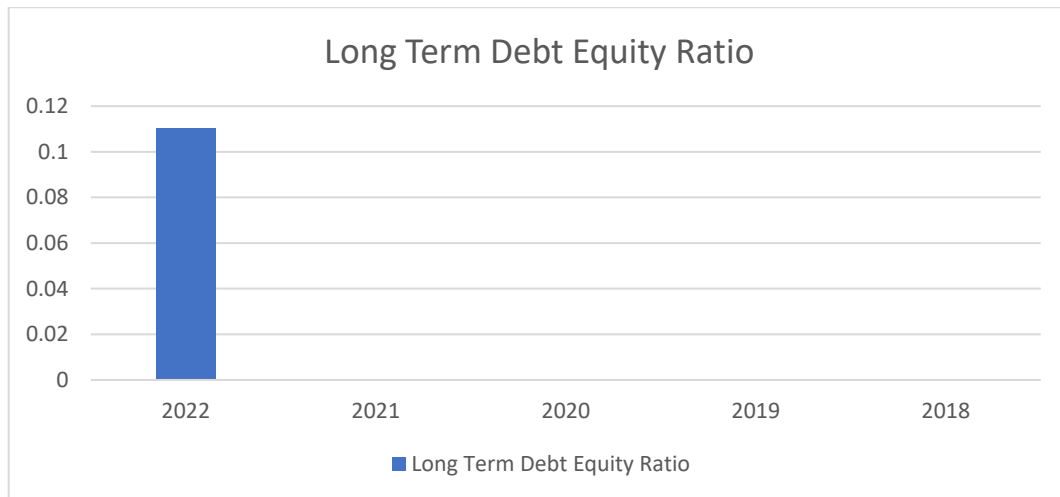
The fixed assets turnover ratio is a financial metric that measures a company's efficiency in using its fixed assets to generate sales. It is calculated by dividing a company's net sales by its total fixed assets.

The fixed assets turnover ratios indicate that Sandhar Technologies Limited has been able to generate sales efficiently using its fixed assets over the past five years. The ratios have been relatively stable, with a slight decrease from 2.79 in 2019 to 1.83 in 2021, followed by an increase to 2.07 in 2022. A higher fixed assets turnover ratio indicates that a company is using its fixed assets more efficiently to generate sales, which may indicate a higher level of operational efficiency.

It's important to note that the fixed assets turnover ratio should be interpreted in conjunction with other financial metrics and in the context of the company's industry and economic conditions to get a complete understanding of a company's financial performance.

Long term Debt equity Ratio:

Year	2022	2021	2020	2019	2018
Long Term Debt Equity Ratio	0.11	NIL	NIL	NIL	NIL



Interpretation:

The long-term debt-to-equity ratio is a financial metric that measures a company's financial leverage, specifically its reliance on long-term debt to finance its operations and growth. It is calculated by dividing a company's long-term debt by its total equity.

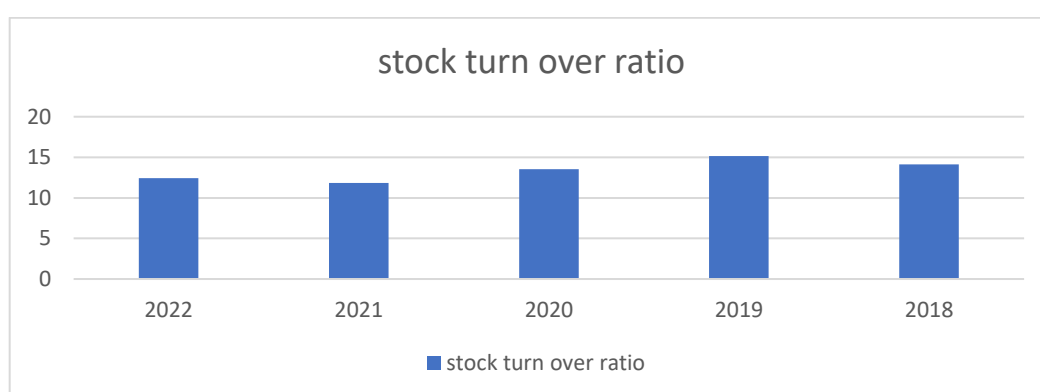
The ratios indicate that Sandhar Technologies Limited has not relied heavily on long-term debt financing to finance its operations and growth over the past five years, except for in 2022 where the ratio was 0.11. This suggests that the company has been financing its operations and growth mainly through equity financing, rather than borrowing long-term debt.

A lower long-term debt-to-equity ratio is generally considered to be less risky, as it indicates that a company has a stronger financial foundation and is less vulnerable to financial distress. However, it's important to note that a high reliance on equity financing can also carry risk, as it may dilute the ownership of existing shareholders.

It's important to interpret the long-term debt-to-equity ratio in conjunction with other financial metrics and in the context of the company's industry and economic conditions to get a complete understanding of a company's financial performance.

STOCK TRUN OVER RATIO

Year	2022	2021	2020	2019	2018
Stock turnover ratio	12.42	11.83	13.55	15.14	14.11



Interpretation:

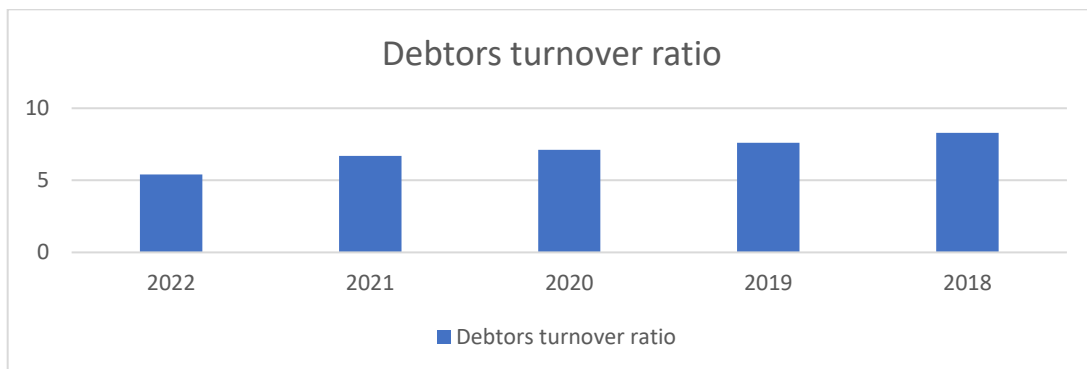
The stock turnover ratio is a financial metric that measures a company's efficiency in managing its inventory. It is calculated by dividing the cost of goods sold by the average inventory. The stock turnover ratios indicate that Sandhar Technologies Limited has been efficiently managing its inventory over the past five years. A higher stock turnover ratio generally indicates that a company is efficiently managing its inventory and reducing the amount of time that its products are sitting on the shelves unsold.

However, it's important to note that the stock turnover ratio should be interpreted in conjunction with other financial metrics and in the context of the company's industry and economic conditions to get a complete understanding of a company's financial performance. For example, a lower stock turnover ratio may indicate that the company is having difficulty selling its products, but it could also indicate that the company is

holding onto its inventory for strategic reasons, such as to meet expected demand in the future.

Debtors' turnover ratio:

Year	2022	2021	2020	2019	2018
Debtor's turnover ratio	5.4	6.69	7.11	7.61	8.29



Interpretation:

The debtor's turnover ratio is a financial metric that measures a company's ability to collect its accounts receivable (i.e., money owed to it by its customers). It is calculated by dividing the net credit sales by the average accounts receivable.

The debtor's turnover ratios indicate that Sandhar Technologies Limited's ability to collect its accounts receivable has decreased over the past five years, as the ratio has decreased from 8.29 in 2018 to 5.4 in 2022. A lower debtor's turnover ratio generally indicates that it is taking longer for the company to collect its accounts receivable, which could indicate that the company is facing difficulties in collecting its debts from its customers or that its credit policies are too lenient.

It's important to interpret the debtor's turnover ratio in conjunction with other financial metrics and in the context of the company's industry and economic conditions to get a complete understanding of a company's financial performance. A higher debtor's turnover ratio is generally considered to be more favorable, as it indicates that a company is efficiently collecting its debts and managing its accounts receivable.

CHAPTER: 6
Learning Experience

It was an enriching learning experience, which gave me a good understanding of the working of the Sandhar Company Limited. This report is a unique experience and gave me a good opportunity to learn and explore myself and also to understand various aspects of the company. The Sandhar Company Limited is a large organization and it has been into many divisions such as key set, fuel cap, mirror.

This Organization Study has allowed me to enlarge my knowledge, and gave me a platform to understand about the realistic industrial situation. The report had a purpose of gaining experience in the realistic world, to get detailed knowledge on the job responsibilities, to compare the real scenario with the lessons learnt in college, to fulfil the requirement of the MBA program.

The study has adopted both quantitative and qualitative methods like analysis of understanding the online marketing strategies. As I came to know that they are doing well in the market and in the near future they have greater scope for their expansion and growth. Through Organizational Study, I got to experience a lot of new things as in how an organization function works. I also learnt about the working conditions, different problems that occur and also how they tackle all the problems.

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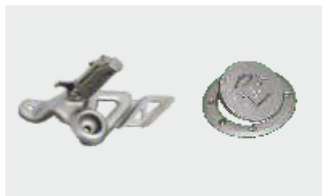
ANNEXURE:

PRODUCT RANGE



AUTOMOTIVE DIVISION

Through our technological competencies, we manufacture and supply various high-quality and reliable auto component parts for our customers across globe.



COMPONENTS DIVISION

As a part of strategy of being self dependent, through this division we meet the internal requirement of key materials and processes required for products manufactured at our automotive division.



AUTOMACH DIVISION

One of the top companies in the two-wheeler steel wheels market of India, with our state-of-the-art manufacturing technologies and process for wheel forming, tri-nickel chrome plating, and assembly machines.



CABINS AND FABRICATION DIVISION

For off-highway vehicle segment, we offer a diverse range of products that are high quality and cost effective consisting of precision steel metal components used in wheel loaders, cranes, tractors, hoe loaders, and excavators.