Chapter V
Case Studies

5.1 Introduction:

After knowing the importance of Indices in an equity market and deeply looking into the why, what, and how of the most volatile days of ten years from 1994 to 2004, the researcher wants to study and interpret the reactions caused due to high volatility in various sectors of our economy. The researcher has selected the companies which have a heavy weight in Indian stock market Indices and also its seen that these companies are all of different sectors.

The following five companies have been chosen for the purpose of case studies:

1. Reliance Industries - Oil & Gas
2. Tata Motors (earlier Telco) - Automobile Industry
3. Hindustan Lever Limited - FMCG company
4. Infosys. - Software Industry
5. State Bank of India - Banking sector.
5.2 Sector Information

Before we read about these companies let us first know about the sectors and their importance in our economy and their weight-age in Indian indices.

a) Automobile sector : (weight age: 6.13% of Nifty, 5.79% of Sensex)

The automobile industry is cyclical, technology and capital intensive in nature. It comprises cars, utility vehicles, commercial vehicles, tractors, 2-wheelers and 3-wheelers. Low penetration and rising income levels added to high economic activity drive growth for the sector in India. With 80% of the vehicles purchased through the financing route, movement of interest rates has a significant bearing on the fortunes of the sector. Automobile majors increase profitability by selling more units. As number of units sold increases, average cost of selling incremental unit comes down when demand recovers. This is because the industry has a high fixed cost component. This is the key why operating efficiency through increased localization of components and maximizing output per employee is of significance.

The government spending on infrastructure in roads and airports and higher GDP growth in the future could benefit the auto sector in general. This combined with a softer interest rate environment will play a vital role in providing a fillip to demand. We expect a slew of launches in the segment ‘B’ of passengers cars utility vehicle segment is expected to grow at around 6%-8% in the long term.

Leading companies: Tata Motors, Bajaj Auto, Maruti, M&M, Hero Honda.

b) Banking sector: (weight age 9.81% of Nifty, 14.8% of Sensex)

Banking sector in India is currently at an inflexion point, with financial inclusion being the prime focus. The sector can be divided into four distinct categories namely the public sector banks, new private banks (formed after liberation), old private sector
banks and foreign banks, interest, fee and treasury are the major sources of income for banks. New private sector and foreign banks have been early adopters of technology, which has given them edge over the PSU and old private banks in earning fee income and just relying on credit growth to drive earnings.

Major parameters to look at while understanding bank stocks can be divided into operational performance i.e. net interest margin, cost/income, fee income growth, fee/income/ total income, treasury income/ total income, gross NPA, net NPA. Business performance i.e. credit growth, deposit growth, CASA ratio (current account and savings account proportion), CASA growth and valuations i.e. return on equity (ROE), return on assets (ROA), price to book value, price to adjusted book value, PE (x) (mostly for private sector banks only)

Public sector banks trade at far lower multiple to their private counter parts. This is on account of two main reasons namely low ROE and lack of non-fund based income (fee income)

Leading companies: ICICI bank, HDFC bank, SBI, PNB, Orient bank.

c) Information Technology: (weight age : 19.19% of Nifty, 19.73 of Sensex)

The Indian IT sector (US$47.9bn), growing at about 30% pa, is segregated into hardware (US$8.2bn) and software and services (US$ 39.7 billion). Software and services can further segregated into IT services (US$ 23.7bn), BPO (US$9.5bn) and software products are mainly (>90%) exported while hardware manufactured here is sold in domestic market in majority. US constitutes 60-65% of India’s software and service exports. Listed large players in IT services and BPO have been growing above the industry growth rate. Key differentiators for industry players are scale, niche and diversification
Over the next 3-4 years the total global spending on IT is expected to grow at CAGR of 7%. The services spend (IT services and ITES-BPO) is expected to grow faster as compared to the other segments within the IT industry. In terms of geographies, major drivers will be Asia Pacific and Europe factors such as the need to remain cost competitive, streamline business processes, faster time to market and increased competition will drive IT budgets, going forward. In particular, the offshore outsourcing story is expected to continue to play out as firms look for quality work done at optimum cost.

Leading companies: Infosys, TCS, Satyam computers, HCL tech, Wipro.

d) Fast moving consumer goods sector (FMCG): (weight age : 2.26% of Nifty, 2.68 of Sensex)

The FMCG sector represents consumer goods required for daily or frequent use the key segment are personal care (oral care, hair care, soaps, cosmetics, toiletries), household care (fabric wash and household cleaners), branded and packaged foods beverages (health beverages, soft drinks, staples, cereals, diary products, chocolates, bakery products) and tobacco. MNCs from nearly half of the branded FMCG market in India therefore one should consider the parents product portfolio, support and commitment to its subsidiary. Continued economic growth, increasing share of rural market, rising income levels, emergence of modern retail, international growth aspirations (manufacturing/acquisition abroad) are the key growth drivers. On the flip side poor monsoons, high packaging/freight cost, rising raw material prices and high advertisement spend on account of stiff competition acts as a dampener.

The growth in FMCG sector is primarily driven by rising disposable income in the rural or urban market and the aggressive marketing activities undertaken by various companies. The growth driver indicators in FMCG are continued economic growth (GDP) momentum. Rural driven growth, rising income levels, emergence of modern
retail, international aspiration (manufacturing/acquisition abroad) Leading companies: HLL

e) Petroleum / Oil & Gas Sector: (weight age : 2.22% of Nifty, 2.25 of Sensex)
India meets approximately 75 per cent of its crude oil demand through imports. The domestic production of crude oil has been in the range of 32-34 MMT over the past few years. About 60 per cent of its crude imports are from the Middle East.

India is the fifth largest energy consumer in the world with primary commercial energy consumption in 2004 of 375.8 Million Metric Tonnes of Equivalent (MMTOE) In 2004, the consumption of oil and gas formed a major percentage in the world energy consumption basket. In India, however, coal dominated the consumption basket.

**World Energy Vs. India Energy Consumption Basket 2004**

<table>
<thead>
<tr>
<th></th>
<th>World</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil</td>
<td>37%</td>
<td>32%</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>24%</td>
<td>8%</td>
</tr>
<tr>
<td>Coal</td>
<td>6%</td>
<td>54%</td>
</tr>
<tr>
<td>Nuclear Energy</td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td>Hydro electric</td>
<td>27%</td>
<td>5%</td>
</tr>
</tbody>
</table>
The significance of the Indian Oil & Gas Sector can be gauged from the following facts:

• Largest contributor to the national exchequer in 2004-05 with taxes amounting to US$ 27 billion.
• Oil & Gas constituted 40 per cent of primary energy source in 2004.
• India is sixth largest crude oil consumer in the world with consumption at 119.3 MMT in 2004.
• Petroleum, Oil Lubricants (PoL) imports is 28 per cent (Source : PwC Analysis) of the total imports of India and PoL exports is 8 per cent of total exports for 2004-05.
• All five Indian companies appearing on the Fortune 500 list operate in the Oil & Gas sector.
• India is Ninth largest crude oil importer in the world.
• India ranks sixth in refining capacity in the world with capacity at 2.5 million barrels of oil per day in 2004 which is 3 per cent of the world’s refining capacity.
• Reliance Industries Ltd (RIL) in India is the third largest refinery in the world with a capacity of 33 MMTPA.

Leading companies RIL, ONGC, Shell, HPCL, Indian Oil
5.3 Company Case Study

5.3 a) Company Name: Reliance Industries Ltd.

Sector: Petroleum Sector
Bombay Stock Exchange Scrip Code: '500325'
National Stock Exchange Trading Symbol: 'RELIANCE EQ'

Introduction:

Dhirubhai Ambani founded Reliance as a textile company and led its evolution as a global leader in the materials and energy value chain businesses. He is credited to have brought about the equity cult in India in the late seventies and is regarded as an icon for enterprise in India. He epitomized the spirit 'dare to dream and learn to excel'.

Company History:
The Reliance Group, founded by Dhirubhai H. Ambani (1932-2002), is India's largest business house with total revenues of over Rs 99,000 crore (US$ 22.6 billion). The Group's activities span exploration and production (E&P) of oil and gas, refining and marketing, petrochemicals, textiles, financial services and insurance, power, telecom and infocom initiatives. The Group exports its products to more than 100 countries the world over. Reliance emerged as India's Most Admired Business House, for the fourth successive year in a TNS Mode survey for 2004.

Reliance Industries Limited (RIL) is the first and only private sector Company from India to feature in the 2004 Fortune Global 500 list of 'World's Largest Corporations' and ranks amongst the world's Top 200 companies in terms of profits. RIL emerged amongst the world's Top 50 companies that create the most value for their shareholders in a global survey and research conducted by PricewaterhouseCoopers and Financial Times in 2004.
Reliance Industries Limited operates world-class manufacturing facilities at Naroda, Patalganga, Hazira and Jamnagar, all in western India. The Naroda facility, near Ahmedabad, houses a textile plant on a 150-acre site. The Patalganga complex, near Mumbai, has polyester, fibre intermediates and linear alkyl benzene manufacturing plants and is spread over 200 acres of land. The Hazira complex, near Surat, has a naphtha cracker feeding downstream fibre intermediates, plastics and polyester plants and is spread over 700 acres of land. The Jamnagar complex has a petroleum refinery and associated petrochemical plants making plastics and fibre intermediates. It is spread over 7,400 acres of land. Each of these complexes has integrated utilities. Captive power generation capacities across all manufacturing sites add up to 775 MW. Reliance's Jamnagar complex represents the largest industrial project ever implemented by the Indian corporate sector. It is the world’s largest green field petroleum refinery-cum-petrochemicals complex. A captive port terminal has the capacity to handle 50 million tones per year of liquid products.

**Product Line of Reliance Industry are:**

Crude Oil and Natural Gas - Refining, power, fertilizers, petrochemicals and other Industries. The Refining line undertakes the following businesses:

- Propylene: Feedstock for polypropylene.
- Naphtha: Feedstock for petrochemicals such as ethylene, propylene & Fertilizers etc. and as fuel in power plants.
- Gasoline: Transport fuel
- Jet / Aviation Turbine Fuel: Aviation fuel
- Superior-Kerosene-Oil: Domestic fuel
- High Speed Diesel: Transport fuel
- Sulfur: Feedstock for fertilisers, pharmaceuticals
- Petroleum Coke: Fuel for power plants and cement plants
Polymers-

Repol-Polypropylene (PP) :-
Woven sacks for cement, food grains, sugar, fertilisers; leno bags for fruits & vegetables; TQ & BOPP films and containers for packaging textiles, processed food, FMCG; office stationary; components for automobile and consumer durables; moulded furniture & luggage; houseware; geotextiles; fibres for socks, sports wear; soft luggage

*Market Share is 71% in production & there is only one other player in this industry.*

*Technology Partner:*
*Dow-UCC, USA.*

Relene- High Density Polyethylene (HDPE)-
Woven sacks; raschel bags for fruits & vegetables; containers for packaging edible oil, processed food, FMCG, lubricants, detergents, chemicals, pesticides; industrial crates & containers; carrier bags; houseware; ropes & twines; pipes for water supply, irrigation; process industry & telecom

*Market Share is 63% in production & there are only 3 other players in this industry.*

*Technology Partner:*
*Novacor, Canada*

Reclair -Linear Low Density Polyethylene (LLDPE)
Woven sacks for cement, food grains, sugar, fertilisers; leno bags for fruits & vegetables; TQ & BOPP films and containers for packaging textiles, processed food, FMCG; office stationary; components for automobile and consumer durables; moulded furniture & luggage; houseware; geotextiles; fibres for socks, sports wear; soft luggage.

Technology Partner:
Novacor, Canada
Relpipe - Poly-Olefin (HDPE & PP) Pipes
Irrigation, water supply, drainage, industrial effluents, telecom cable ducts, gas distribution

Reon - Polyvinyl Chloride (PVC)
Pipes & fittings; door & window profiles; insulation & sheathing for wire & cables; rigid bottles & containers for packaging applications; footwear; flooring, partitions, roofing; I.V. fluid & blood bags

Technology Partner:
Geon Company, USA
Stock Performance of Reliance Industries Limited in last 10 years

Reliance Industries Limited

RIL-1994

RIL-1995

RIL-1996

RIL-1997

[Graphs showing stock value fluctuations from 01-Nov-94 to 31-Dec-97 for each year]
<table>
<thead>
<tr>
<th>Month</th>
<th>Stock Value</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Jan-98</td>
<td>50</td>
<td>0</td>
<td>250</td>
</tr>
<tr>
<td>02-Mar-98</td>
<td>100</td>
<td>0</td>
<td>300</td>
</tr>
<tr>
<td>01-May-98</td>
<td>150</td>
<td>0</td>
<td>350</td>
</tr>
<tr>
<td>30-Jun-98</td>
<td>200</td>
<td>0</td>
<td>400</td>
</tr>
<tr>
<td>29-Aug-98</td>
<td>250</td>
<td>0</td>
<td>450</td>
</tr>
<tr>
<td>28-Oct-98</td>
<td>300</td>
<td>0</td>
<td>500</td>
</tr>
<tr>
<td>27-Dec-98</td>
<td>250</td>
<td>0</td>
<td>350</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month</th>
<th>Stock Value</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Jan-99</td>
<td>100</td>
<td>0</td>
<td>250</td>
</tr>
<tr>
<td>02-Mar-99</td>
<td>150</td>
<td>0</td>
<td>300</td>
</tr>
<tr>
<td>01-May-99</td>
<td>200</td>
<td>0</td>
<td>350</td>
</tr>
<tr>
<td>30-Jun-99</td>
<td>250</td>
<td>0</td>
<td>400</td>
</tr>
<tr>
<td>29-Aug-99</td>
<td>300</td>
<td>0</td>
<td>450</td>
</tr>
<tr>
<td>28-Oct-99</td>
<td>350</td>
<td>0</td>
<td>500</td>
</tr>
<tr>
<td>27-Dec-99</td>
<td>300</td>
<td>0</td>
<td>350</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month</th>
<th>Stock Value</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Jan-00</td>
<td>150</td>
<td>0</td>
<td>250</td>
</tr>
<tr>
<td>01-Mar-00</td>
<td>200</td>
<td>0</td>
<td>300</td>
</tr>
<tr>
<td>01-May-00</td>
<td>250</td>
<td>0</td>
<td>350</td>
</tr>
<tr>
<td>30-Jun-00</td>
<td>300</td>
<td>0</td>
<td>400</td>
</tr>
<tr>
<td>29-Aug-00</td>
<td>350</td>
<td>0</td>
<td>450</td>
</tr>
<tr>
<td>28-Oct-00</td>
<td>400</td>
<td>0</td>
<td>500</td>
</tr>
<tr>
<td>27-Dec-00</td>
<td>350</td>
<td>0</td>
<td>450</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month</th>
<th>Stock Value</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Jan-01</td>
<td>150</td>
<td>0</td>
<td>250</td>
</tr>
<tr>
<td>02-Mar-01</td>
<td>200</td>
<td>0</td>
<td>300</td>
</tr>
<tr>
<td>01-May-01</td>
<td>250</td>
<td>0</td>
<td>350</td>
</tr>
<tr>
<td>30-Jun-01</td>
<td>300</td>
<td>0</td>
<td>400</td>
</tr>
<tr>
<td>29-Aug-01</td>
<td>350</td>
<td>0</td>
<td>450</td>
</tr>
<tr>
<td>28-Oct-01</td>
<td>400</td>
<td>0</td>
<td>500</td>
</tr>
<tr>
<td>27-Dec-01</td>
<td>450</td>
<td>0</td>
<td>550</td>
</tr>
</tbody>
</table>
5.3 b) Company Name: State Bank of India:

Sector: Banking Sector

Bombay Stock Exchange Scrip Code:

National Stock Exchange Trading Symbol: ‘SBIN’

Introduction:

Evolution of SBI: The origin of the State Bank of India goes back to the first decade of the nineteenth century with the establishment of the Bank of Calcutta in Calcutta on 2 June 1806. Three years later the bank received its charter and was re-designed as the Bank of Bengal (2 January 1809). A unique institution, it was the first joint-stock bank of British India sponsored by the Government of Bengal. The Bank of Bombay (15 April 1840) and the Bank of Madras (1 July 1843) followed the Bank of Bengal. These three banks remained at the apex of modern banking in India till their amalgamation as the Imperial Bank of India on 27 January 1921.

Primarily Anglo-Indian creations, the three presidency banks came into existence either as a result of the compulsions of imperial finance or by the felt needs of local European commerce and were not imposed from outside in an arbitrary manner to modernise India's economy. Their evolution was, however, shaped by ideas culled from similar developments in Europe and England, and was influenced by changes occurring in the structure of both the local trading environment and those in the relations of the Indian economy to the economy of Europe and the global economic framework.

State Bank of India, the country’s largest commercial Bank in terms of profits, assets, deposits, branches and employees, welcomes you to its ‘Investors Relations’ Section. SBI, with its heritage dating back to the year 1806, strives to continuously provide latest and up-to-date information on its financial performance. It follows transparency and allows complete access to all the stakeholders enabling total awareness about the Bank. The Bank communicates with the stakeholders through a variety of channels,
such as through e-mail, website, conference call, one-on-one meeting, analysts’ meet and attendance at Investor Conference throughout the world.

SBI has always been fundamentally strong in its core business which is mirrored in its results – year after year. State Bank of India has been playing a vital role in the development of small scale industries since 1956. The Bank has financed over 8 lakhs SSI units in the country. It has 55 specialised SSI branches, 99 branches in industrial estates and more than 400 branches with SIB divisions.

**Government Business:**

State Bank of India's linkage with Government business are widespread. No wonder that out of 9315 branches in India, about 7000 branches are conducting Government Business. The large network of our branches provides easy access to the common man to deposit the following Government dues and pension payments

**Services:**

Listed on the left are Services, SBI offers to its customers.

- DOMESTIC TREASURY
- SBI VISHWA YATRA FOREIGN TRAVEL CARD
- BROKING SERVICES
- REVISED SERVICE CHARGES
- ATM SERVICES
- INTERNET BANKING
- E-PAY
- E-RAIL
- RBIEFT
- SAFE DEPOSIT LOCKER
- GIFT CHEQUES
- MICR CODES
- FOREIGN INWARD REMITTANCES
Stock Performance of State Bank of India in last 10 years

State Bank of India

![Graphs showing stock performance of State Bank of India from 1994 to 1997.](attachment:graphs.png)
5.3 c) Company Name: Tata Motors

Introduction: Tata Motors Limited is India's largest automobile company, with revenues of Rs. 32,426 crores (USD 7.2 billion) in 2006-07. It is the leader by far in commercial vehicles in each segment, and the second largest in the passenger vehicles market with winning products in the compact, midsize car and utility vehicle segments. The company is the world's fifth largest medium and heavy commercial vehicle manufacturer, and the world's second largest medium and heavy bus manufacturer.

The company's 22,000 employees are guided by the vision to be "best in the manner in which we operate, best in the products we deliver, and best in our value system and ethics." Tata Motors helps its employees realise their potential through innovative HR practices. The company's goal is to empower and provide employees with dynamic career paths in congruence with corporate objectives. All-round potential development and performance improvement is ensured by regular in-house and external training. The company has won several awards recognising its training programmes.

Established in 1945, Tata Motors' presence indeed cuts across the length and breadth of India. Over 4 million Tata vehicles ply on Indian roads, since the first rolled out in 1954. The company's manufacturing base is spread across India - Jamshedpur (Jharkhand) in the east, Pune (Maharashtra) in the west, and in the north in Lucknow (Uttar Pradesh) and Pantnagar (Uttarakhand). A new plant is being set up in Singur (close to Kolkata in West Bengal) to manufacture the company's small car. The nation-wide dealership, sales, services and spare parts network comprises over 2,000 touch points. The company also has a strong auto finance operation, TML Financial Services Limited, supporting customers to purchase Tata Motors vehicles.
Achievements: Tata Motors, the first company from India's engineering sector to be listed in the New York Stock Exchange (September 2004), has also emerged as an international automobile company. In 2004, it acquired the Daewoo Commercial Vehicles Company, Korea's second largest truck maker. The rechristened Tata Daewoo Commercial Vehicles Company has launched several new products in the Korean market, while also exporting these products to several international markets. Today two-thirds of heavy commercial vehicle exports out of South Korea are from Tata Daewoo. In 2005, Tata Motors acquired a 21% stake in Hispano Carrocera, a reputed Spanish bus and coach manufacturer, with an option to acquire the remaining stake as well. Hispano's presence is being expanded in other markets. In 2006, it formed a joint venture with the Brazil-based Marcopolo, a global leader in body-building for buses and coaches to manufacture fully-built buses and coaches for India and select international markets. Tata Motors also entered into a joint venture in 2006 with Thonburi Automotive Assembly Plant Company of Thailand to manufacture and market the company's pickup vehicles in Thailand. In 2006, Tata Motors and Fiat Auto formed an industrial joint venture at Ranjangaon (near Pune in Maharashtra, India) to produce both Fiat and Tata cars and Fiat powertrains for the Indian and overseas markets; Tata Motors already distributes and markets Fiat branded cars in India. In 2007, Tata Motors and Fiat Auto entered into an agreement for a Tata license to build a pick-up vehicle bearing the Fiat nameplate at Fiat Group Automobiles' Plant at Córdoba, Argentina. The pick-up will be sold in South and Central America and select European markets.

These linkages will further extend Tata Motors' international footprint, established through exports since 1961. While currently about 18% of its revenues are from international business, the company's objective is to expand its international business, both through organic and inorganic growth routes. The company's commercial and passenger vehicles are already being marketed in several countries in Europe, Africa, the Middle East, Australia, South East Asia and South Asia. It has assembly operations in Malaysia, Kenya, Bangladesh, Ukraine, Russia and Senegal.
The foundation of the company’s growth is a deep understanding of economic stimuli and customer needs, and the ability to translate them into customer-desired offerings through leading edge R&D. The R&D establishment includes a team of 1400 scientists and engineers. The company's Engineering Research Centre was established in 1966, and has facilities in Pune, Jamshedpur and Lucknow. The ERC has enabled pioneering technologies and products. It was Tata Motors, which developed the first indigenously developed Light Commercial Vehicle, India's first Sports Utility Vehicle and, in 1998, the Tata Indica, India's first fully indigenous passenger car. Within two years of launch, Tata Indica became India's largest selling car in its segment. The ERC in Pune, among whose facilities are India's only certified crash-test facility and hemi-anechoic chamber for testing of noise and vibration, has received several awards from the Government of India. Some of the more prominent amongst them are the National Award for Research and Development Efforts in Industry in the Mechanical Engineering Industries sector in 1999, the National Award for Successful Commercialisation of Indigenous Technology by an Industrial Concern in 2000, and the CSIR Diamond Jubilee Technology Award in 2004.

The company set up the Tata Motors European Technical Centre (TMETC) in 2005 in the UK. TMETC is engaged in design engineering and development of products, supporting Tata Motors' skill sets. Tata Daewoo Commercial Vehicle Company and Hispano Carrocera also have R&D establishments at Gunsan in South Korea and Zaragoza in Spain.

The pace of new product development has quickened through an organisation-wide structured New Product Introduction (NPI) process. The process with its formal structure for introducing new vehicles in the market, brings in greater discipline in project execution. The NPI process helped Tata Motors create a new segment, in 2005, by launching the Tata Ace, India’s first indigenously developed mini-truck. The years to come will see the introduction of several other innovative vehicles, all rooted in emerging customer needs. Besides product development, R&D is also focussing on environment-friendly technologies in emissions and alternative fuels.
Through its subsidiaries, the company is engaged in engineering and automotive solutions, construction equipment manufacturing, automotive vehicle components manufacturing and supply chain activities, machine tools and factory automation solutions, high-precision tooling and plastic and electronic components for automotive and computer applications, and automotive retailing and service operations.

True to the tradition of the Tata Group, Tata Motors is committed in letter and spirit to Corporate Social Responsibility. It is a signatory to the United Nations Global Compact, and is engaged in community and social initiatives on labour and environment standards in compliance with the principles of the Global Compact. In accordance with this, it plays an active role in community development, serving rural communities adjacent to its manufacturing locations.

With the foundation of its rich heritage, Tata Motors today is etching a refulgent future.
Stock performance of Tata Motors Limited in past few years:

Tata Motors Limited
5.3 d) Company Name: Infosys Technologies Ltd.
Sector: Information Technology
Bombay Stock Exchange Scrip Code: INFY.BO
National Stock Exchange Trading Symbol: INFY.NS
NASDAQ(USA): INFY:

Introduction

Infosys Technologies Ltd. (NASDAQ: INFY) provides consulting and IT services to clients globally - as partners to conceptualize and realize technology driven business transformation initiatives. With over 75,000 employees worldwide, it uses a low-risk Global Delivery Model (GDM) to accelerate schedules with a high degree of time and cost predictability.

As one of the pioneers in strategic offshore outsourcing of software services, Infosys has leveraged the global trend of offshore outsourcing. Even as many software outsourcing companies were blamed for diverting global jobs to cheaper offshore outsourcing destinations like India and China, Infosys was recently applauded by Wired magazine for its unique offshore outsourcing strategy — it singled out Infosys for turning the outsourcing myth around and bringing jobs back to the US.

Infosys provides end-to-end business solutions that leverage technology. It provide solutions for a dynamic environment where business and technology strategies converge. Its approach focuses on new ways of business combining IT innovation and adoption while also leveraging an organization's current IT assets. Infosys work with large global corporations and new generation technology companies - to build new products or services and to implement prudent business and technology strategies in today's dynamic digital environment.
**Key milestones**

Year of Incorporation : 1981
Became a public limited company in India : 1992
ISO 9001/TickIT Certification : 1993
Attained SEI-CMM Level 4 : 1997
Listed on NASDAQ : 1999
Crossed $100 million in annual revenues : 1999
Attained SEI-CMM Level 5 : 1999
Crossed $400 million in revenues : 2001
Crossed $ half a billion in revenues : 2002
Crossed $ billion in revenues : 2004
Crossed $ 2 billion in revenues : 2006
Added to the NASDAQ-100 Index : 2006
Crossed $ 3 billion in revenues : 2007

1. **Services:**

   A. **Application Development and Maintenance**

   At Infosys, their Application development and Maintenance methodology, caters to the best of breed processes which helps in a successful on-time and above expected delivery. Stringent quality procedures clubbed with benchmarked practices and experienced delivery skills help clients get maximum return on their IT spending.

   B. **Corporate performance management**

   Most enterprises have deeply entrenched strategic planning processes; but strategy fails during execution. Executives spend ample time in making incremental improvements in processes viz. planning, budgeting and forecasting, but isolated and siloed implementations fail to create organization wide alignment and deliver required results.
Infosys’ CPM approach focuses on incorporating best principles of corporate performance management than a mere implementation of popular frameworks, and is based on their proprietary Performance Management cycle that helps an organization to execute upon its strategies effectively and efficiently.

C. Enterprise quality services

**Infosys Enterprise Quality Services** improve the quality of applications and increase the predictability of processes. They cover:

**Process Consulting.**
The quality of the process determines the quality of the application. Robust and flexible software processes can enable your organization to consistently deliver on quality, time and budget for greater predictability. Infosys Process Consulting services helps to improve process maturity and realize tangible business benefits.

**Independent Validation**
Software applications are the backbone of your business. Availability, reliability, performance and security of applications are the keys to your success. Infosys Independent Validation Services test every transaction from every angle, optimally. They ensure that the quality of their applications does not hurt their bottom line.

D. Infrastructure services
Infosys provides end-to-end services across all IT Infrastructure service domains, through a continuous life cycle of "Plan, Design, Implement/ Migrate and Manage". Infosys is able to deliver these services to clients in the most consistent, predictable and cost-effective manner, leveraging its Global Delivery Model.

E. Packaged application services
Package Implementation can prove quite daunting. However, Infosys IT infrastructure package implementation services can help you automate your value chain through off-the-shelf application packages to seamlessly achieve the desired benefits. Through Package Implementation, they help you harvest value through
package-centric solutions, which are innovative and configurable. Their unique accelerator tools and templates enable package evaluation, selection and implementation services over a wide range of domains to mitigate your risks, delivering faster returns and lowering Total Cost of Ownership (TCO).

Infosys' services and alliances cover packages for Customer Relationship Management, Enterprise Application Integration, Enterprise Resource Planning, Human Capital Management and Supply Chain Management. Their packaged applications footprint covers the full spectrum of your enterprise needs. Their services around packaged applications include:

- Strategy and IT Roadmap Consulting
- Business Process Reengineering services
- Package selection
- Package implementation and global rollouts
- Customization
- Version upgrades
- Sustenance Services (enhancements, maintenance and production support)

F. Product engineering

Infosys' Product Engineering Services offers you

- Enhanced Innovation:
- Reduced Time to Market:
- Reduced Total Cost of Ownership:
- Business De-risking:

G. System integration

Infosys’ S3 (Socialize, Sense & Shape) framework aims at narrowing the gap between IT and business requirements. It works toward improving user or consumer intimacy and consumer-centricity of organizations. The framework is based on:

✓ The principles of user participation and persuasion
✓ Continuous learning of the user or consumer
✓ Continuous adaptation of offerings and user experience

Bridging the business-IT gap
Infosys’ two-pronged approach focuses on research and practice and is aligned with their strong processes to enable them to support businesses better. Infosys helps to create an integrated, enterprise-wide IT platform to suit your business needs. This approach enables to execute large-scale turnkey projects, right from conceptualization to implementation.
Stock Performance of Infosys Technologies Limited in last 10 years.

Infosys Technologies Limited

---

<table>
<thead>
<tr>
<th>Month</th>
<th>Stock Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Nov-94</td>
<td>390</td>
</tr>
<tr>
<td>01-Dec-94</td>
<td>420</td>
</tr>
<tr>
<td>31-Dec-94</td>
<td>450</td>
</tr>
<tr>
<td>01-Mar-95</td>
<td>480</td>
</tr>
<tr>
<td>01-May-95</td>
<td>510</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Month</th>
<th>Stock Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Jan-95</td>
<td>300</td>
</tr>
<tr>
<td>02-Mar-95</td>
<td>350</td>
</tr>
<tr>
<td>01-May-95</td>
<td>400</td>
</tr>
<tr>
<td>30-Jun-95</td>
<td>450</td>
</tr>
<tr>
<td>29-Aug-95</td>
<td>500</td>
</tr>
<tr>
<td>28-Oct-95</td>
<td>550</td>
</tr>
<tr>
<td>27-Dec-95</td>
<td>600</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Month</th>
<th>Stock Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Jan-96</td>
<td>350</td>
</tr>
<tr>
<td>01-Mar-96</td>
<td>450</td>
</tr>
<tr>
<td>30-Apr-96</td>
<td>550</td>
</tr>
<tr>
<td>29-Jun-96</td>
<td>650</td>
</tr>
<tr>
<td>28-Aug-96</td>
<td>750</td>
</tr>
<tr>
<td>27-Oct-96</td>
<td>850</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Month</th>
<th>Stock Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Jan-97</td>
<td>500</td>
</tr>
<tr>
<td>02-Mar-97</td>
<td>1000</td>
</tr>
<tr>
<td>01-May-97</td>
<td>1500</td>
</tr>
<tr>
<td>30-Jun-97</td>
<td>2000</td>
</tr>
<tr>
<td>29-Aug-97</td>
<td>2500</td>
</tr>
<tr>
<td>28-Oct-97</td>
<td>3000</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Month</th>
<th>Stock Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Jan-98</td>
<td>350</td>
</tr>
<tr>
<td>01-Mar-98</td>
<td>450</td>
</tr>
<tr>
<td>30-Apr-98</td>
<td>550</td>
</tr>
<tr>
<td>29-Jun-98</td>
<td>650</td>
</tr>
<tr>
<td>28-Aug-98</td>
<td>750</td>
</tr>
<tr>
<td>27-Oct-98</td>
<td>850</td>
</tr>
<tr>
<td>26-Dec-98</td>
<td>950</td>
</tr>
</tbody>
</table>

---
5.3e) Company Name: Hindustan Unilever Limited (HUL)

Sector : FMCG

Bombay Stock Exchange Scrip Code:
National Stock Exchange Trading Symbol

Introduction

Hindustan Unilever Limited (HUL) is India's largest fast moving consumer goods company with leadership in Home & Personal Care Products and Foods & Beverages. HUL's brands, spread across 20 distinct consumer categories, touch the lives of two out of three Indians.

If Hindustan Unilever straddles the Indian corporate world, it is because of being single-minded in identifying itself with Indian aspirations and needs in every walk of life.

Present Stature:

Hindustan Unilever Limited (HUL) is India's largest Fast Moving Consumer Goods company, touching the lives of two out of three Indians with over 20 distinct categories in Home & Personal Care Products and Foods & Beverages. They endow the company with a scale of combined volumes of about 4 million tonnes and sales of Rs.10,000 crores.

HUL is also one of the country's largest exporters; it has been recognised as a Golden Super Star Trading House by the Government of India.

The mission that inspires HUL's over 15,000 employees, including over 1,300 managers, is to "add vitality to life." HUL meets everyday needs for nutrition, hygiene, and personal care with brands that help people feel good, look good and get more out of life. It is a mission HUL shares with its parent company, Unilever, which
holds 51.55% of the equity. The rest of the shareholding is distributed among 380,000 individual shareholders and financial institutions.

HUL's brands - like Lifebuoy, Lux, Surf Excel, Rin, Wheel, Fair & Lovely, Pond's, Sunsilk, Clinic, Pepsodent, Close-up, Lakme, Brooke Bond, Kissan, Knorr-Annapurna, Kwality Wall's – are household names across the country and span many categories - soaps, detergents, personal products, tea, coffee, branded staples, ice cream and culinary products. They are manufactured over 40 factories across India. The operations involve over 2,000 suppliers and associates. HUL's distribution network, comprising about 4,000 redistribution stockists, covering 6.3 million retail outlets reaching the entire urban population, and about 250 million rural consumers.

HUL has traditionally been a company, which incorporates latest technology in all its operations. The Hindustan Unilever Research Centre (HLRC) was set up in 1958, and now has facilities in Mumbai and Bangalore. HLRC and the Global Technology Centres in India have over 200 highly qualified scientists and technologists, many with post-doctoral experience acquired in the US and Europe.

HUL believes that an organisation's worth is also in the service it renders to the community. HUL is focusing on health & hygiene education, women empowerment, and water management. It is also involved in education and rehabilitation of special or underprivileged children, care for the destitute and HIV-positive, and rural development. HUL has also responded in case of national calamities / adversities and contributes through various welfare measures, most recent being the village built by HUL in earthquake affected Gujarat, and relief & rehabilitation after the Tsunami caused devastation in South India.

In 2001, the company embarked on an ambitious programme, Shakti. Through Shakti, HUL is creating micro-enterprise opportunities for rural women, thereby improving their livelihood and the standard of living in rural communities. Shakti also includes health and hygiene education through the Shakti Vani Programme, and creating
access to relevant information through the iShakti community portal. The program now covers 15 states in India and has over 31,000 women entrepreneurs in its fold, reaching out to 100,000 villages and directly reaching to 150 million rural consumers. By the end of 2010, Shakti aims to have 100,000 Shakti entrepreneurs covering 500,000 villages, touching the lives of over 600 million people.

HUL is also running a rural health programme – Lifebuoy Swasthya Chetana. The programme endeavours to induce adoption of hygienic practices among rural Indians and aims to bring down the incidence of diarrhoea. It has already touched 70 million people in approximately 15000 villages of 8 states. The vision is to make a billion Indians feel safe and secure.

If Hindustan Unilever straddles the Indian corporate world, it is because of being single-minded in identifying itself with Indian aspirations and needs in every walk of life.

**Past Milestones:**

In the summer of 1888, visitors to the Kolkata harbour noticed crates full of Sunlight soap bars, embossed with the words "Made in England by Lever Brothers". With it, began an era of marketing branded Fast Moving Consumer Goods (FMCG).

Soon after followed Lifebuoy in 1895 and other famous brands like Pears, Lux and Vim. Vanaspati was launched in 1918 and the famous Dalda brand came to the market in 1937.

In 1931, Unilever set up its first Indian subsidiary, Hindustan Vanaspati Manufacturing Company, followed by Lever Brothers India Limited (1933) and United Traders Limited (1935). These three companies merged to form HUL in November 1956; HUL offered 10% of its equity to the Indian public, being the first among the foreign subsidiaries to do so. Unilever now holds 51.55% equity in the
company. The rest of the shareholding is distributed among about 380,000 individual shareholders and financial institutions.

The erstwhile Brooke Bond's presence in India dates back to 1900. By 1903, the company had launched Red Label tea in the country. In 1912, Brooke Bond & Co. India Limited was formed. Brooke Bond joined the Unilever fold in 1984 through an international acquisition. The erstwhile Lipton's links with India were forged in 1898. Unilever acquired Lipton in 1972, and in 1977 Lipton Tea (India) Limited was incorporated.

Pond's (India) Limited had been present in India since 1947. It joined the Unilever fold through an international acquisition of Chesebrough Pond's USA in 1986.

Since the very early years, HUL has vigorously responded to the stimulus of economic growth. The growth process has been accompanied by judicious diversification, always in line with Indian opinions and aspirations.

The liberalisation of the Indian economy, started in 1991, clearly marked an inflexion in HUL's and the Group's growth curve. Removal of the regulatory framework allowed the company to explore every single product and opportunity segment, without any constraints on production capacity.

Simultaneously, deregulation permitted alliances, acquisitions and mergers. In one of the most visible and talked about events of India's corporate history, the erstwhile Tata Oil Mills Company (TOMCO) merged with HUL, effective from April 1, 1993. In 1995, HUL and yet another Tata company, Lakme Limited, formed a 50:50 joint venture, Lakme Lever Limited, to market Lakme's market-leading cosmetics and other appropriate products of both the companies. Subsequently in 1998, Lakme Limited sold its brands to HUL and divested its 50% stake in the joint venture to the company.
HUL formed a 50:50 joint venture with the US-based Kimberly Clark Corporation in 1994, Kimberly-Clark Lever Ltd, which markets Huggies Diapers and Kotex Sanitary Pads. HUL has also set up a subsidiary in Nepal, Nepal Lever Limited (NLL), and its factory represents the largest manufacturing investment in the Himalayan kingdom. The NLL factory manufactures HUL's products like Soaps, Detergents and Personal Products both for the domestic market and exports to India.

The 1990s also witnessed a string of crucial mergers, acquisitions and alliances on the Foods and Beverages front. In 1992, the erstwhile Brooke Bond acquired Kothari General Foods, with significant interests in Instant Coffee. In 1993, it acquired the Kissan business from the UB Group and the Dollops Icecream business from Cadbury India.

As a measure of backward integration, Tea Estates and Doom Dooma, two plantation companies of Unilever, were merged with Brooke Bond. Then in July 1993, Brooke Bond India and Lipton India merged to form Brooke Bond Lipton India Limited (BBLIL), enabling greater focus and ensuring synergy in the traditional Beverages business. 1994 witnessed BBLIL launching the Wall's range of Frozen Desserts. By the end of the year, the company entered into a strategic alliance with the Kwality Icecream Group families and in 1995 the Milkfood 100% Icecream marketing and distribution rights too were acquired.

Finally, BBLIL merged with HUL, with effect from January 1, 1996. The internal restructuring culminated in the merger of Pond's (India) Limited (PIL) with HUL in 1998. The two companies had significant overlaps in Personal Products, Speciality Chemicals and Exports businesses, besides a common distribution system since 1993 for Personal Products. The two also had a common management pool and a technology base. The amalgamation was done to ensure for the Group, benefits from scale economies both in domestic and export markets and enable it to fund investments required for aggressively building new categories.
In January 2000, in a historic step, the government decided to award 74 per cent equity in Modern Foods to HUL, thereby beginning the divestment of government equity in public sector undertakings (PSU) to private sector partners. HUL's entry into Bread is a strategic extension of the company's wheat business. In 2002, HUL acquired the government's remaining stake in Modern Foods. In 2003, HUL acquired the Cooked Shrimp and Pasteurised Crabmeat business of the Amalgam Group of Companies, a leader in value added Marine Products exports.

**Businesses**

**Home & Personal Care**
- Personal Wash
- Fabric Wash
- Home Care
- Oral Care
- Skin Care
- Hair Care
- Deodorants & Talcs
- Colour Cosmetics

**Foods**
- Tea
- Coffee
- Branded Staples
- Culinary Products
- Ice Creams
- Modern Foods ranges

**New Ventures**
- Hindustan Unilever Network
- Ayush ayurvedic products & services
- Sangam
• Pureit water purifiers

**Exports**

• HPC
• Beverages
• Marine Products
• Rice
• Castor
Stock Performance of Hindustan Lever Limited (Hindustan Unilever Limited) in last 10 years:

**Hindustan Lever Limited (Hindustan Unilever Limited)**

![Graphs showing stock performance of HLL in years 1994 to 1997](image-url)