

Business Management Higher Level

Internal Assessment

Research proposal

Research Question: -

Should Animesh Autocorp Pvt Ltd collaborate with Skoda India to increase its customer base?

Rationale

Presently Animesh Autocorp Pvt Ltd is working with Nissan India and selling its car in cities of Jharkhand like Dhanbad and other neighboring cities. Sales of the cars have been declining for the last two years consistently, now sales figures has been declined to 10 cars from 30 cars because Nissan motors has not done any product development and innovation and due to new competitors, which have entered the automobile market in Jharkhand.¹ Now they want to procure a higher market share of Jharkhand's automobile market by collaborating with Skoda India which might help to increase the customer base in Jharkhand as well as the profit of the company.

Although Animesh Autocorp Pvt Ltd can also consider Hyundai Motors India instead of Skoda India, it depends on whichever brand will help them to achieve their goal.

Methodology

Primary research:-

¹ Appendix 4

- Questionnaire will be filled by 50 local peoples which will help me to analyze the scenario of the market
- The interview will be held with Mr Dipak Kumar Sanwaria, an MD of Animesh Autocorp via telephone due to pandemic and restriction on movement. I will use the information to know about Animesh Autocorp Pvt Ltd.
- The interview will be held with Mr. Pradip Sahni, a general manager of Animesh Autocorp. The interview will help me to gather some more information about Animesh Autocorp.

Secondary research:-

- Analyze P&L account of Animesh Autocorp Pvt ltd which will help me to see the annual net profit of the company and also help me to see whether the company should partner with Hyundai or Skoda motor.

Theoretical framework

Chapter 1.3- organization objective

Chapter 1.6- growth and evolution

Chapter 3.8- investment appraisal

Chapter 4.4- market research

Tools to be used

- Force field analysis- This will allow to analyze profitable decision for Animesh Autocorp with help of possible driving and restraining forces between Skoda India and Hyundai Motors India . It will also talk about the limitations of Skoda and Hyundai

- Investment appraisal- it will allow to predict the payback period for a start-up cost of Skoda's dealership and Hyundai Motors India
- SWOT analysis- this is the acronym which will be used to identify the weaknesses, opportunity both internally and externally. This tool will help to know about the problems which Animesh Autocorp pvt Ltd will face after collaboration with Hyundai or Skoda Motors.
- Ansoff matrix- this analytics tool which will be used to identify the risk of growth for Animesh Autocorp Pvt ltd. This allow to measure the riskiness of Animesh Autocorp if they collaborate with Hyundai or Skoda Motors.

Predictable difficulties and solution

Predictable problems

- MD of Animesh Autocorp Pvt Ltd might not reveal accurate information about the company in the questionnaire.
- Analyzing the automobile market of Jharkhand by a survey which might provide inaccurate response.
- Insufficient response to the survey.

Solution to the problems

- Refer to secondary data like P&L account to know current status of Animesh Autocorp pvt ltd.
- Various tools will be used to make the report valuable for Animesh Autocorp pvt Ltd.
- Survey will be run in multiple online platforms to obtain maximum responses.

Plan of action

Date	Activity planned
5/5/20	Looking for the company
10/5/20	Finalise Animesh Autocorp for my IA
15/5/20	Decided my RQ
20/5/20	Started writing research proposal
10/6/20	Finished my research proposal
12/6/20	Started writing my main essay
20/6/20	start collecting the documents for my report
27/6/20	Collected all documents for my report
28/6/20	Started collecting surveys from local buyers
30/6/20	Called Animesh Autocorp for fixing appointment with MD
2/7/20	Got the appointment of 27th July and its going to be held via telephone due to Covid
3/7/20	Report got delayed due insufficient documents
10/7/20	Survey has been collected
12/7/20	Made the questionnaire for MD of Animesh Autocorp
27/7/20	Taken the interview of MD via telephone
28/7/20	Taken the appointment to interview General Maneger of Animesh Autocorp
1/8/20	Taken the interview of GM via telephone
3/7/20	Started working on my report
28/8/20	Finished my report

Word Count- 500

Business management higher level internal assessment

Title:- Should Animesh Autocorp Pvt Ltd collaborate with Skoda India to increase its customer base?

Date: MAY 2021

Candidate Code:- jgb275

Word count:1867

I confirm that this work is my own and that it is a final version. I have acknowledged every ideas of another person. whether written or oral.

Signed: *sparsh sanwaria*

Acknowledgement

I would like to thank my interviewee, Mr. Dipak Kumar Sanwaria (MD of Animesh Autocorp Pvt Ltd) for taking out the time from the busy schedule for the interview. I would also like to thank all customers who have filled my survey which help me to make my report reliable.

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Executive summary

Animesh Autocorp Pvt Ltd was considering to collaborate with Skoda India to increase its customer base in Jharkhand's automobile market, and they were also considering Hyundai Motors as their second option so the research question is Should Animesh Autocorp Pvt Ltd collaborate with Skoda India to

increase its customer base? . The report consisted of various qualitative and quantitative tools such as SWOT analysis, Ansoff Matrix, Investment Appraisal and Net profit margin and compare with Hyundai Motors and Skoda India. interview was conducted via telephone with MD of Animesh Autocorp and survey collected from local customers to know the status of Jharkhand's Automobile market. The business analysis tools helped me to analyze the possible constraints that may arise for Animesh Autocorp while collaborating with one of the companies and the tools also helped me to make my report a reliable source for Animesh Autocorp.

However, in conclusion, Animesh Autocorp considered collaborating with Skoda India as there were no dealers present in Jharkhand's automobile market which would help them to fulfil their goal to increase customer base in Jharkhand and would also help them to increase sales revenue. Although further information needs to be incorporated to investigate before collaborating.

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Word count- 199 words

Introduction

Animesh Autocorp Pvt Ltd is a private limited company formed in the year 2012 and is based in Dhanbad. The company's shares are owned by two people MR Sunil Sanwaria and Mr. Dipak Sanwaria but the majority of shares is owned by Mr. Dipak Kumar Sanwaria who is Managing director of the company². The company is currently working with Nissan motor India since august 2012 and they have sold 1800 cars in the market of Jharkhand till 2020 ³

The demand of Automobile is consistently increasing in Jharkhand from last 2 years but Animesh Autocorp is unable to achieve a higher customer base of Jharkhand's automobile market because Nissan motors has not done any product development from last 2 years because of which Animesh Autocorp is facing poor net profit as their sales declining constantly every year⁴. They are planning to collaborate with Skoda India because there is no dealership available in Jharkhand market so they might achieve higher customer base and profits, other than that they are also considering Hyundai motors which depends upon the subject to profitability.

Hence in the research, I will answer the question **should Animesh Autocorp Pvt Ltd collaborate with Skoda India to increase its customer base?**

² Appendix 4:- Transcript of interview with general manager

³ Appendix1:- Transcript of interview with Managing director

⁴ Appendix 3.1-3.3:- P&L account

Methodology

The investigation includes three primary and three secondary sources of data to provide a well-advised investigation. There are three primary research and one is in the form of questionnaire and other is in the form of transcript because of the ongoing pandemic. The transcript is based on answers given by the Managing director of the company where he has told us about the objective and performance of the company and why he wants to expand the customer base and how profitable Skoda is for him and why he has taken Hyundai motors as a second option. The second questionnaire has been filled by local customers of Jharkhand which has helped to analyze the market scenario of the state and so I able to present a well-analyzed report.

In the secondary source of data, P&L accounts of Animesh Autocorp from 2016 to 2019 is being referred, by the help of which Ratio analysis and profitability and reliability of the company can be analyzed. Various Analytical business tools is being used to make a good and appropriate conclusion.

The main results and findings

1. The transcript which is based on the response given by General Manager of Animesh Autocorp has following things
 - Mr. Sahni has told us about the investment in the collaboration which is about Rs 6 cr ⁵and he has also told how much net cash flow would company receive every month.

⁵ Appendix 4:- Transcript of interview with general manager

- He has also told us about the possible reason behind the decline in the sales of Nissan, which has happened due to no updates in their product portfolio since last 2 years⁶.
- He has also told us about the background of Animesh Autocorp and the USP about Skoda cars⁷.

2. The transcript which is based on the response given by Managing director of Animesh Autocorp is attached as appendix 1 and the responses are attached as appendix 2 and includes the following things

- As per him, he employed around 50 full-time employees and as of now, they have three sales teams in the current dealership and sell 20 cars on average per month⁸.
- He is planning to open the dealership of Skoda in Dhanbad and gradually they will step up into other markets of Jharkhand and they will open all the outlets in ownership in order to make growth faster⁹.
- He also mentioned that “Hyundai is a well-known brand for Jharkhand’s customers and many dealerships of Hyundai already present in the market so there will be less risk¹⁰.”
- He also informed about the scenario of Jharkhand’s automobile market after lockdown as per him COVID 19 has impacted the sales of the automobile market to some extent in Dhanbad because of lockdown and so many customers don’t willing to visit the showroom during this pandemic because of which they have lost many customers.

⁶ Appendix 4:- Transcript of interview with general manager

⁷ Appendix 4:- Transcript of interview with general

⁸ Appendix 1:- Transcript of interview with Managing director

⁹ Appendix 1:- Transcript of interview with Managing director

¹⁰ Appendix 1:- Transcript of interview with Managing director

- He also informed about fall in the sales of Nissan because they didn't update the product portfolio from last 2 years ¹¹.
3. The questionnaire has been filled by the local consumer of Jharkhand which will be analyzed to check preference of them while they buy a car. The forms has been attached as appendix 2 and the form includes the following things:-
- As per my survey, 84% of the consumers want an SUV ¹²and the rest 16% want a sedan, it's strange that no one wants to buy Hatchback in Jharkhand.
 - Though 56% of consumers prefer to buy a petrol car only and 20% of consumers prefer diesel and the rest of the consumers doesn't have a particular preference for fuel but about 76% of the consumers of Jharkhand wants a fuel-efficient car and most of them have the budget between 15-20 lakhs
 - Majority of consumers rely on TV advertisement which 68% and advertisement in newspapers which is 32%.
 - People prefer to buy the car from the dealership which holds the proper inventory of various models, Good after-sales and ambience of the dealership, good exchange support of vehicle and finance support gives satisfaction to Jharkhand's potential customers of the automobile market.¹³

¹¹ Appendix 1:- Transcript of interview with Managing director

¹² Appendix 2:- Responses to the survey

¹³ Appendix 2:- Responses to the survey

Analysis and discussion

Calculating Payback period For Animesh Autocorp Pvt Ltd

The investment in the dealership is about Rs60000000 and predicted average net cash flow would be Rs800000 and for Hyundai motors investment will same as Skoda motors but the contribution per month will be less which 600000. ¹⁴

Payback period from Skoda India

Payback period= Initial investment/Contribution per month

60000000/800000

=75 months (approximately)

Payback period from Hyundai Motors

Payback period= Initial investment/Contribution per month

60000000/600000

=101 months (approximately)

SWOT analysis

<u>Strength</u>	<u>Weakness</u>
MD of the company has told me about the strength of the organization like they	Animesh Autocorp pvt ltd doesn't have good financial status from last 2 years

¹⁴ Appendix 4:- Transcript of interview with general manager

owned land in the highway where most of the dealership in Dhanbad is functioning so as per him it will give good viability to the dealership¹⁵ • The land of the dealership is purchased¹⁶so there will be no extra operational cost and investment will be lower. • Animesh Autocorp has good relationship with banks so it will be easier for them to increase the credit limit from Rs 2cr to 6cr.¹⁷ • They also have good reputation in Dhanbad Jharkhand which helps them to increase customer base faster. • Animesh Autocorp will achieve higher sales if the collaborate with Hyundai motor as they offer SUV under 15-20 lakhs which has higher demand in Dhanbad Jharkhand ¹⁸	because of lower sales¹⁹, so they need to use reserved fund so they have to take less amount of loan from bank. • Skoda doesn't offer an SUV at the range of 15-20 lacs unlike Hyundai which has SUV at this price range. So Animesh autocorp has to struggle a bit if they collaborate with Skoda as the local consumer wants SUV at the range of 15-20 lakh²⁰. • Payback period for Animesh Autocorp is very long and so they need to wait for longer time get their returns from the dealership
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¹⁵ Appendix 1:- Transcript of interview with managing director

¹⁶ Appendix 1:- Transcript of interview with managing director

¹⁷ Appendix 4:- Transcript of interview with general manager

¹⁸ Appendix 2:- Responses to the survey

¹⁹ Appendix 3:- P&L account

²⁰ Appendix 2:- Responses to the survey

<u>Opportunity</u>	<u>threat</u>
• The company has opportunities like, there is no dealer of Skoda in Jharkhand ²¹and it is a golden opportunity for them to achieve their goal of grabbing the highest customer base in Jharkhand. • Skoda also has number 1 automatic transmission in the Indian automobile market which is called (DSG) so it may attract the customer towards the brand although Hyundai has wider product portfolio and varieties of variants which will target customers of the different segment.²² • Dhanbad has many cars of both Hyundai and Skoda so they can receive exponential level of revenue from day one ²³	• There are many automobiles company already present in the Dhanbad market like Kia, Renault and MG and Kia sales about 100 cars a month and Renault and MG are selling 32-33 cars a month ²⁴so Animesh Autocorp has to face great amount competition so they need to spend great amount of money on marketing • Skoda's after sales service is not well reputed so Animesh Autocorp can't able to achieve good sales as per the survey customers of Dhanbad rely on good after sales.²⁵

²¹ Appendix 1:- Transcript of interview with managing director

²² Appendix 4:- Transcript of interview with General manager

²³ Appendix 4:- Transcript of interview with General manager

²⁴ Appendix 1:- Transcript of interview with managing director

²⁵ Appendix 2:- Responses to the survey

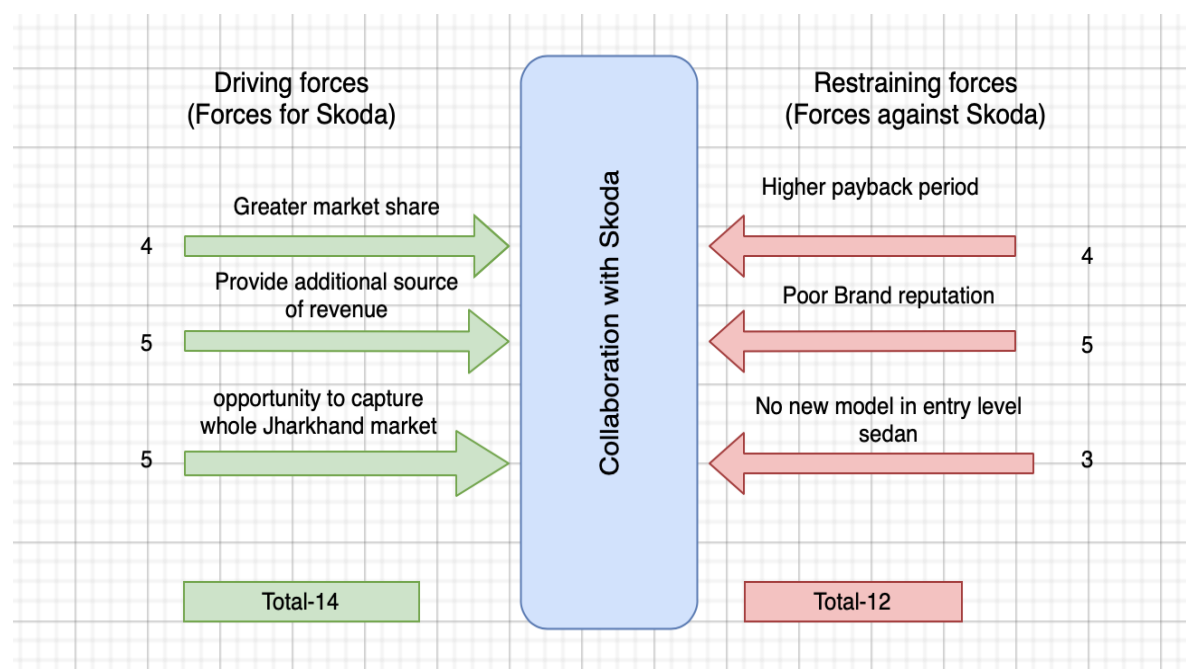
According to the SWOT analysis Animesh Autocorp should collaborate with Hyundai or Skoda in order to increase their customer base in Dhanbad market.

Limitations of the SWOT analysis

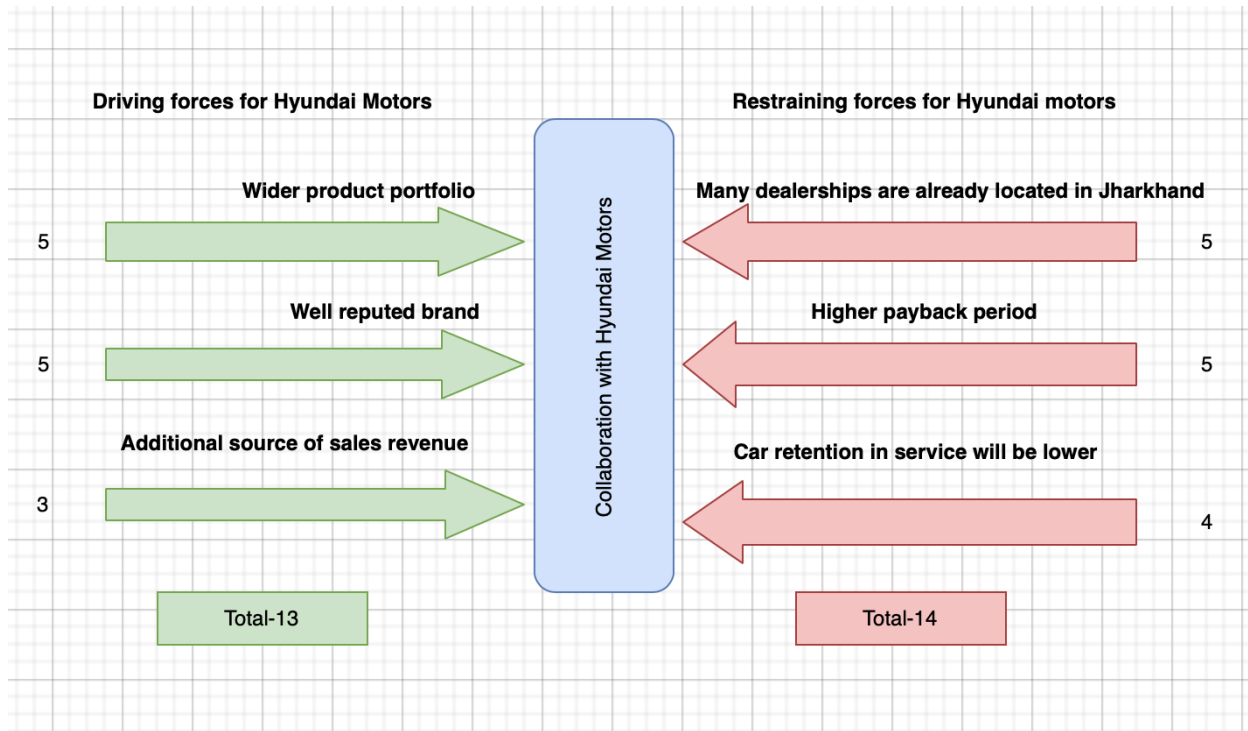
The tool does not account for economic factors like cyclical change in Jharkhand so their sales may vary in the future, it also does not clear the reader about which brand they should collaborate with, therefore I am using force field analysis.

Force field analysis

Skoda Motors



Hyundai motors



The weightage of each driving and restraining forces have been decided after discussion with MD of Animesh Autocorp Pvt ltd. the forces have been scaled from 1-5²⁶

The tool help the Animesh autocorp to see how much beneficial the collaboration is for them, as it helps them to see what are the restraining are and driving forces which can affect their progress of achieving higher market share in Jharkhand's market

²⁶ Appendix 1:- Transcript of interview with managing director

The above diagrams explain the driving and restraining forces for a collaboration of Animesh Autocorp Pvt Ltd for collaboration with Skoda India or Hyundai motors. As per the above diagrams, there is a strong force for Skoda India because it can provide them with an extra source of revenue as it can increase the sales turnover of the company apart from this, it can provide additional opportunity to expand its outlets in the whole Jharkhand's automobile market because there is no dealer of Skoda available in the state²⁷ and which help them achieve their goal faster to increase market share. Although Hyundai has a strong restraining force against collaboration as there are many dealers of Hyundai motors already present in Jharkhand's automobile market so they can't achieve a higher customer base and car retention in service can be lower than Skoda because of many dealers already present in the market²⁸.

Although, there are some restraining forces against Skoda like the payback period is very high so they have to keep patience to make a profit and if between the payback period new competitors enter the market which affects the sales revenue. Although Hyundai motor has a wider product portfolio than Skoda India so Animesh Autocorp can target customers of different segments which can give them higher sales revenue and last Hyundai is a much more reputed brand in India than Skoda.

The driving forces are equal for both brands but the restraining force for Skoda motors is much lower than Hyundai which is 12 so the company should make their decision in the subject to the profitability.

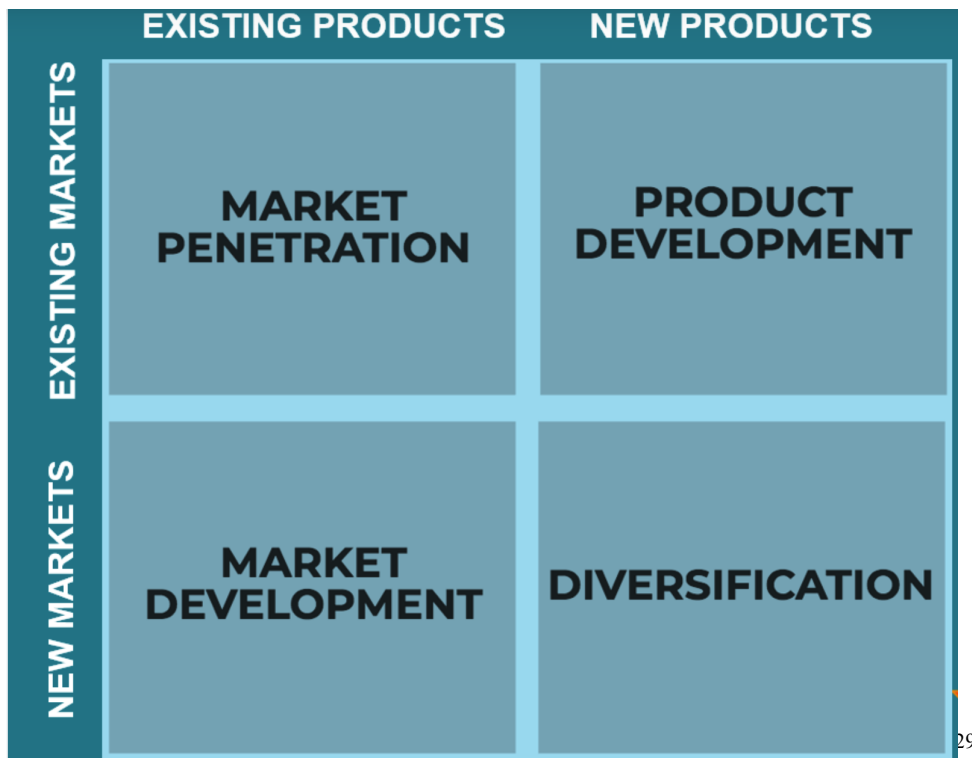
²⁷ Appendix 1:- Transcript of interview with managing director

²⁸ Appendix 1:- Transcript of interview with managing director

Limitation

The tool does not measure the riskiness in collaboration and financial capability of Animesh Autocorp which are very important.

Ansoff matrix



Ansoff matrix helps me to measure riskiness between Hyundai and Skoda and make the report a most reliable and beneficial recommendation to Animesh Autocorp Pvt ltd.

Skoda is the market development ³⁰for Jharkhand's automobile market if Animesh Autocorp considers to collaborate with them so Animesh Autocorp has to do extensive ATL marketing in Jharkhand like putting billboards in posh areas of Jharkhand and which might take time to increase customer base in

²⁹ "Ansoff Matrix - Overview, Strategies and Practical Examples." 06 July 2020. Web. 14 Sept. 2020.

³⁰ Appendix 1:- Transcript of interview with managing director

Jharkhand's automobile market. Although if they collaborate with Hyundai Motors they don't have to do much marketing in the Jharkhand's market as there are already many dealers present in the market³¹ which might save their expanse of marketing but they have to give a good benefit in order to attract customers from other Hyundai dealers in the state.

Animesh Autocorp have to spend a lot of money for marketing whereas in Hyundai they don't have to spend too much but with Hyundai they need to maintain proper inventory and offer good benefits so that the customers can attract them from existing dealers of Hyundai.

However, there is more risk with Skoda than Hyundai but they will achieve higher market share if they collaborate with Skoda.

Limitation

The tool doesn't account cyclical factors of Jharkhand and also does not accounts financial factors

Analyzing the financial data of Animesh Autocorp

The P & L account of the company has been attached in appendix 3.1, appendix 3.2 and appendix 3.3. I will use the P&L account of the last 4 years which 2016, 2017, 2018 and 2019 which I am using to analyze the net profit margin of the company over the period of time. The P&L account of Animesh Autocorp help me to analyze whether the company should collaborate with other brand or they should continue with Nissan motors and it also help me to analyze the financial state of Animesh Autocorp pvt ltd

³¹ Appendix 1:- Transcript of interview with managing director

Net profit margin = net profit before interest and tax/sales revenue*100

Net profit margin of 2016= $394032/182570477^{32} \times 100 = 0.216\%$

Net profit margin of 2017= $195088/153662558^{33} \times 100 = 0.216\%$

net profit margin of 2018= $587698/117614609^{34} \times 100 = 0.5\%$

net profit margin of 2019= $(4699001)/76039494^{35} \times 100 = (6.2\%) \text{ loss}$

Net profit margin of Animesh Autocorp Pvt Ltd (2016-2019)

year	Net profit margin
2016	0.22%
2017	0.22%
2018	0.50%
2019	-6.20%

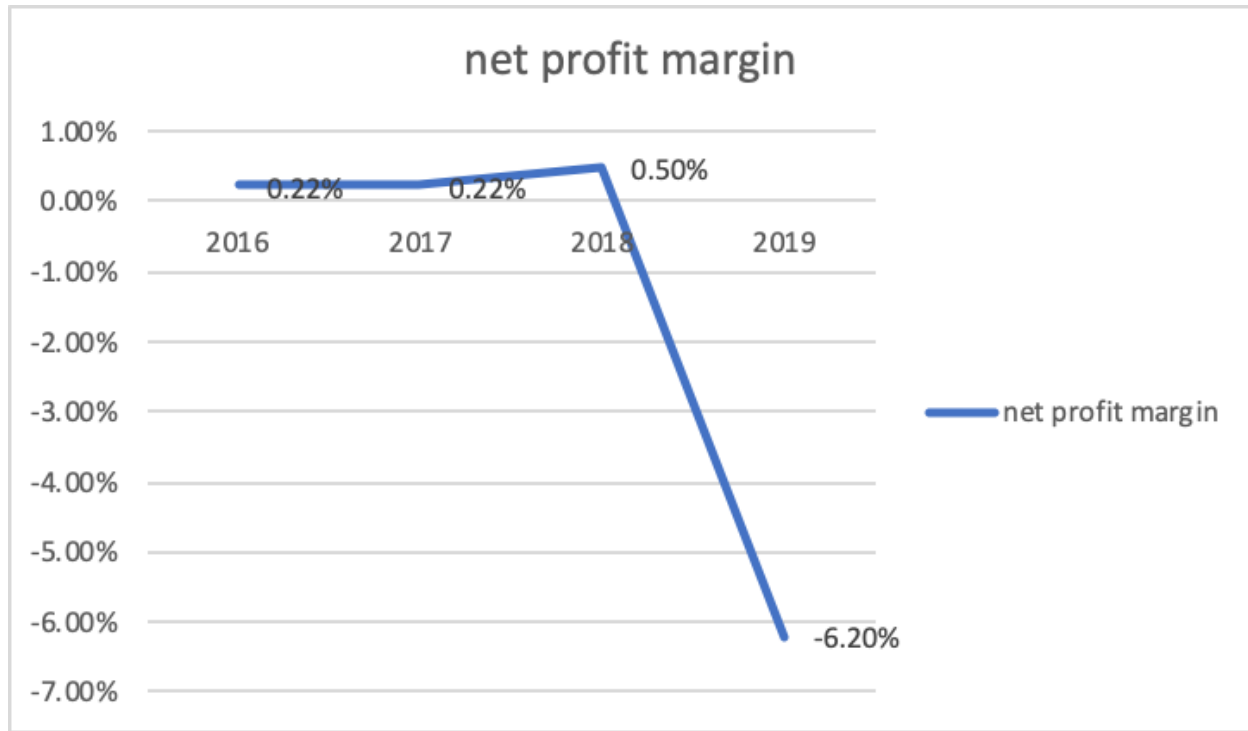
³² Appendix 3.1:- P&L account of year 2016

³³ Appendix 3.2:- P&L account of year 2017

³⁴ Appendix 3.3:- P&L account of year 2018

³⁵ Appendix 3.3:- P&L account of year 2019

Net profit margin graph



As per above diagram and graph, we can see that net profit margin of Animesh Autocorp is significantly low but in the year of 2019 they bare a loss of 6.20% and there could be many factors behind the loss of the

- Nissan has not launched any new product since 2014 so the sales of Animesh Autocorp have gone down due to new rival come in a town like KIA, MG and Renault
- There might be the too much expense in the company which has not been managed by the director of the company

The graph and the calculation of net profit margin shows that they should collaborate with other brand like Skoda or Hyundai in order to grab higher customer base and revenue.

Conclusion

Animesh Autocorp Pvt Ltd should collaborate with Skoda India because as per my research there is no dealer of Skoda in Jharkhand which is a good opportunity to them as they can open various 3s (sales and service) outlets which other than Dhanbad in the cities like Jamshedpur, Deogarh and Bokaro which help them to grab higher market share and also could achieve higher turnover and profits because Skoda offer expensive cars than Hyundai and also give good profit margin to dealers.

However, the company has to do promotion rigorously to promote their brand in Jharkhand for that they need to keep good relationship with the company so that they can give marketing budget according to their need.

Recommendations

- Animesh autocorp should open the dealership of Skoda as it can help them get return faster than Hyundai and they can also have market dominance in Skoda motor.
- Animesh Autocorp can also consider Hyundai motor instead of Skoda if they doesn't want to spend lot of money in marketing because of negative growth of the company
- Animesh Autocorp can stay with Nissan motor and wait for new product to launch which might increase their market share.

Limitation to the research

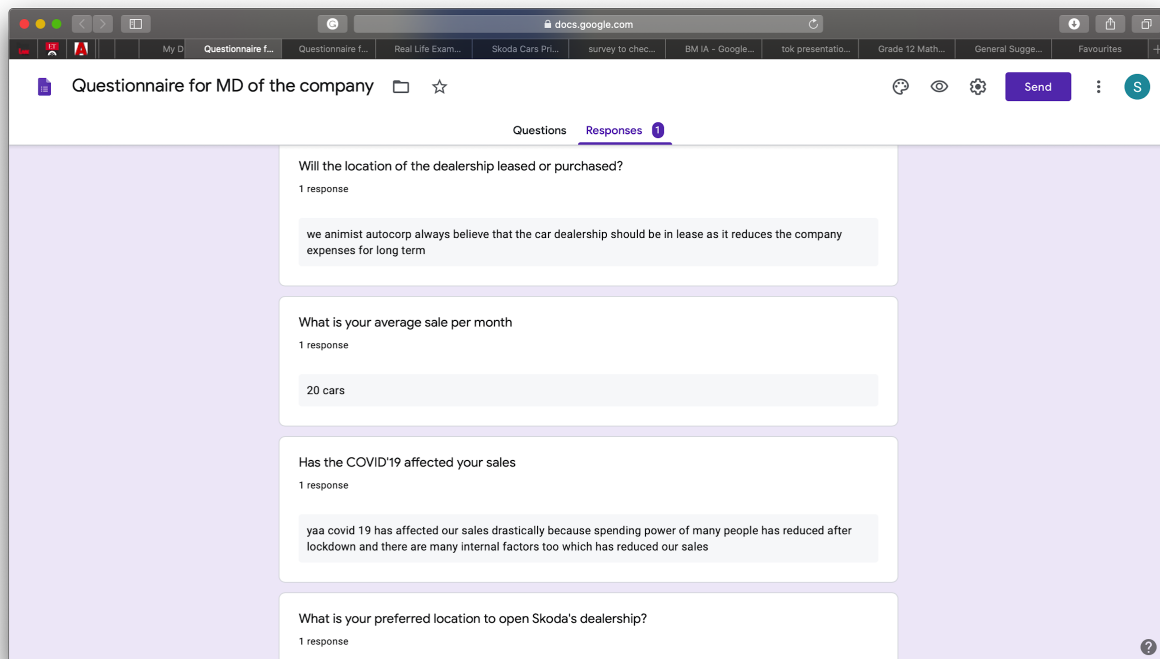
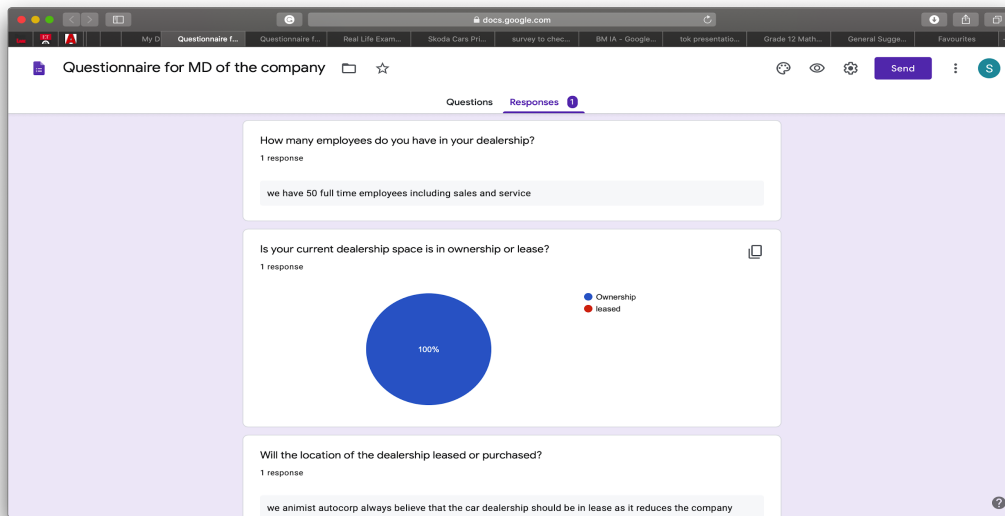
Due to the limitation of the words, the research couldn't incorporate actual past retail figures of Automobile companies in Jharkhand, which could create my report more reliable for Animesh

Autocorp. Secondly, due to Pandemic, I couldn't be able to take the face-to-face interview of the Managing Director of Animesh Autocorp.

Bibliography

- Ansoff Matrix - Overview, Strategies and Practical Examples." 06 July 2020. Web. 14 Sept. 2020
- Hoang, Paul. Business Management. IBID Press, 2014

Appendix 1 :- Transcript of interview with Managing director of Animesh Autocorp



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Questionnaire for MD of the company

Questions Responses 1

What is your preferred location to open Skoda's dealership?

1 response

my preferred location to open the dealership is the highway of dhanbad as many dealerships are already located in the area so it will provide good viability because of which will affect the Daileys walk-in

What type of car does Dhanbad market customer prefer?

1 response

Dhanbad market preferred SUVs because it is colliery area and most of the people have business of coal so they prefer to buy SUVs which can go in any road conditions and secondly most of the people often do road travelling there fore they prefer suv

Has COVID'19 affected employment in Jharkhand?

1 response

yess around 200 people has got unemployed in Dhanbad this has downside as well as good side. downside because It has unemployed many people who are depend upon jobs because which they lost their income. now there are ample of trained employees are available in dhanbad at low salary which will increase the businesses in dhanbad

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Questionnaire for MD of the company

Questions Responses 1

1 response

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1 response

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To what extent the Skoda dealership will be beneficial to your company?

1 response

it will increase my market share as well as profit because there is no dealership of skoda available in the Jharkhand market which is the good opportunity for me

lockdown and there are many internal factors too which has reduced our sales

What is your preferred location to open Skoda's dealership?

my preferred location to open the dealership is the highway of dhanbad as many dealerships are already located in the area so it will provide good viability because of which will affect the Daily walk-in

Are u considering any other option other than Skoda India to achieve your goal

Yes, I am also looking forward for Hyundai motors as Hyundai is a well-known brand for Jharkhand's customers and many dealerships of Hyundai already present in the market so there will be less risk of failure and also there will less expanse in marketing

What type of car does Dhanbad market customer prefer?

Dhanbad market preferred SUVs because it is colliery area and most of the people have business of coal so they prefer to buy SUVs which can go in any road conditions and secondly most of the people often do road travelling

To what extent the Skoda dealership will be beneficial to your company?

1 response

it will increase my market share as well as profit because there is no dealership of skoda available in the Jharkhand market which is the good opportunity for me

How much would be your approx contribution per month?

1 response

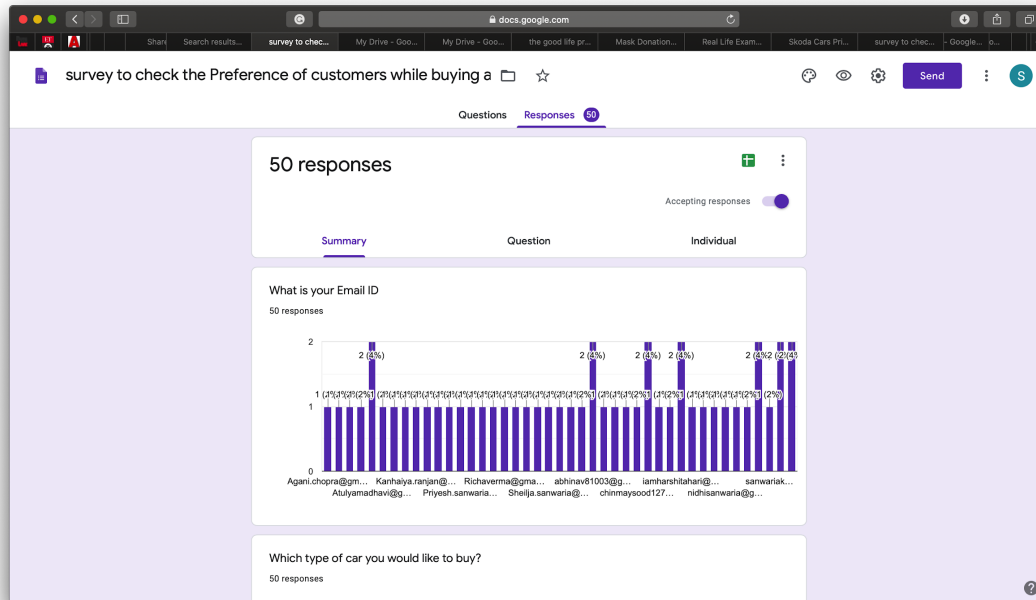
For skoda 800000 and for Hyundai 600000

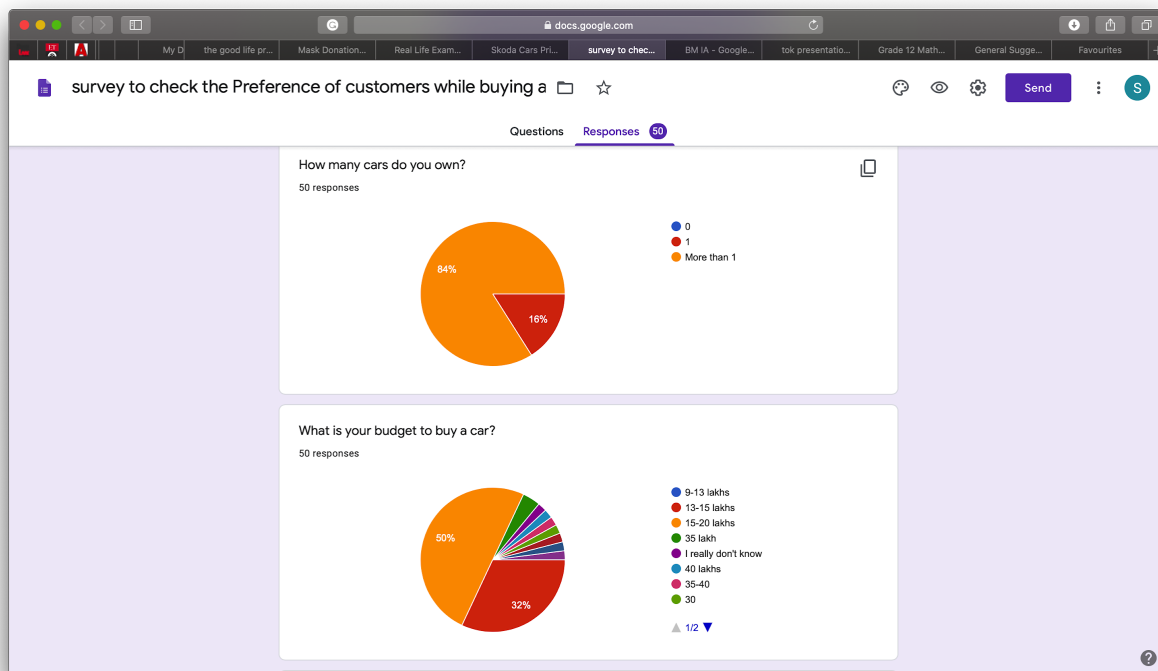
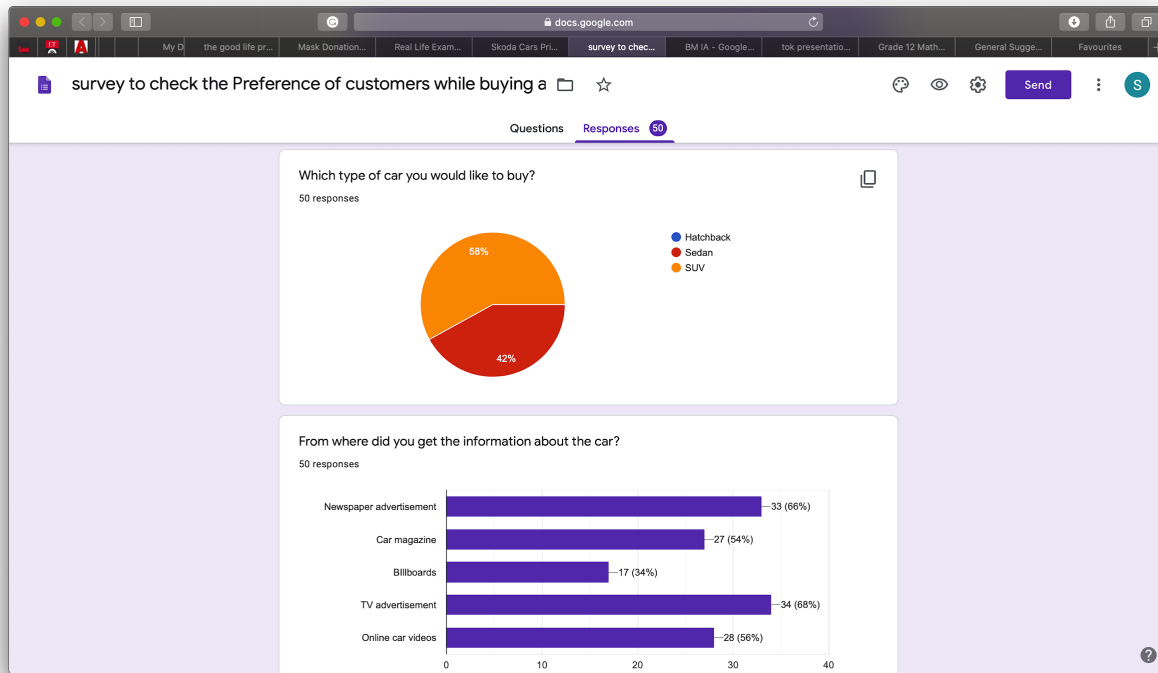
How much cars does your competitors sale

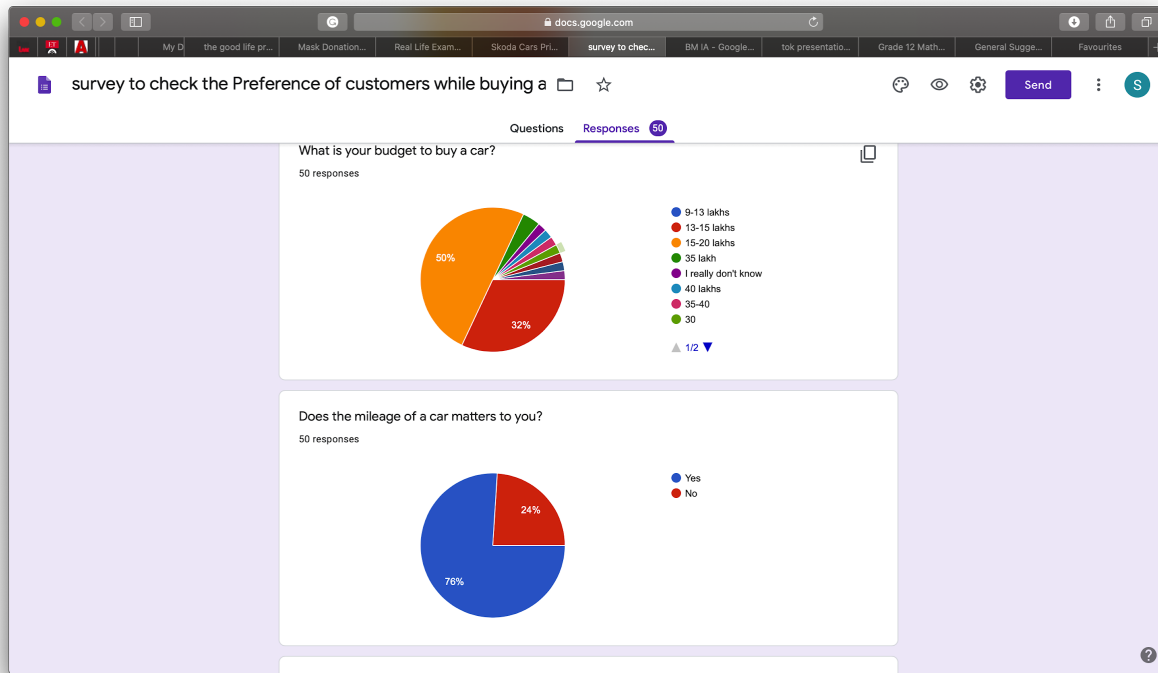
1 response

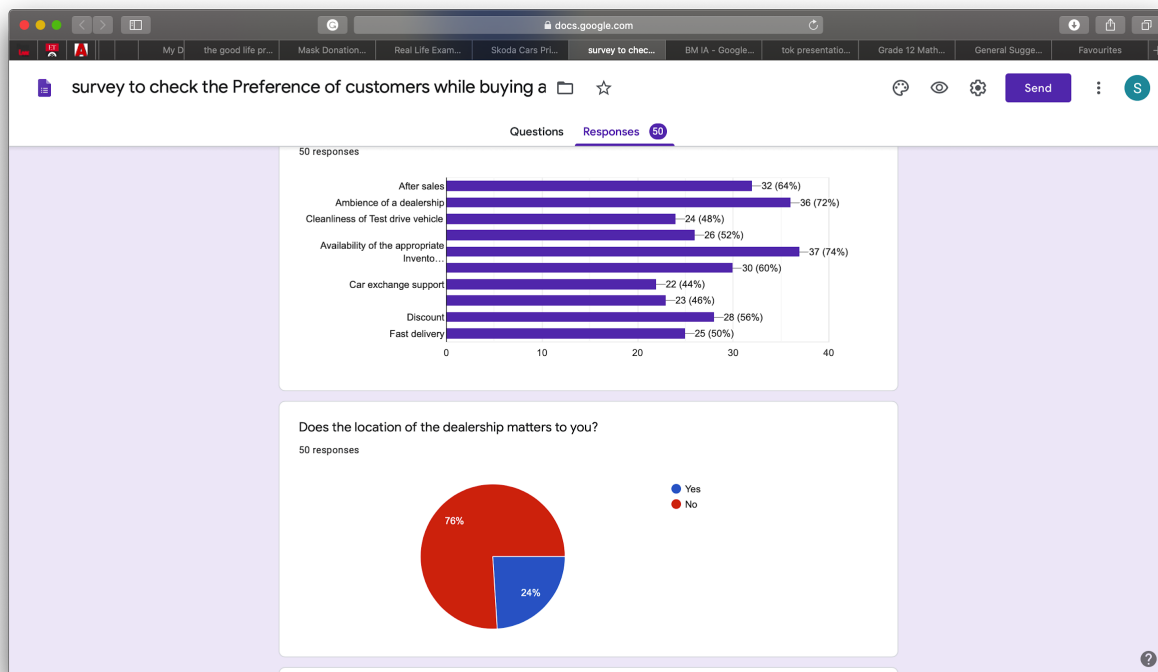
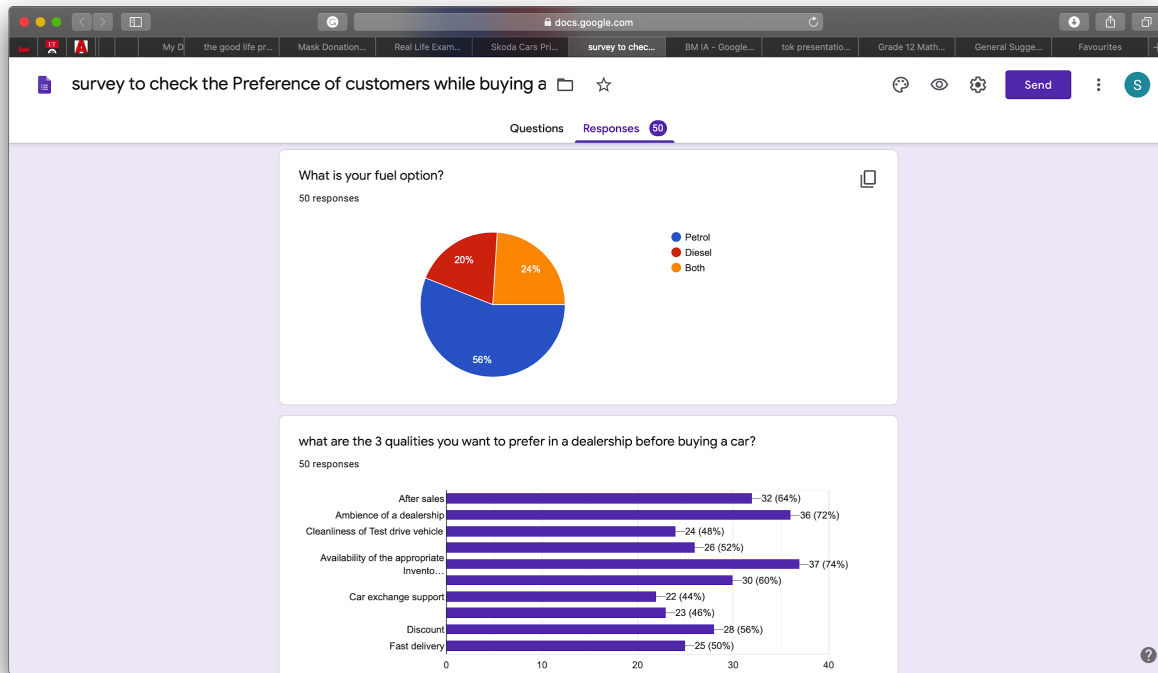
My direct competitors like Kia, Renault and MG and Kia sales about 100 cars a month and Renault and MG are selling 32-33 cars a month

Appendix 2:- Responses to the survey









Appendix 3.1 P&L account of Animesh Autocorp (2016)

ANIMESH AUTOCORP PRIVATE LIMITED			
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017			
		(Amount in Rs.)	
	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
REVENUE -			
Revenue from Operations	14	15,36,62,558	18,25,70,477
Other Income	15		2,19,575
Total Revenue		15,36,62,558	18,27,90,052
EXPENSES -			
Purchases of Traded Goods	16	12,93,43,524	14,04,42,182
Changes in Inventories of Stock-in-trade	17	40,24,094	2,33,65,223
Employees Benefit Expenses	18	20,18,691	13,43,759
Finance Cost	18	33,18,637	40,16,118
Depreciation and amortization expenses	8	43,14,818	41,92,629
Other Expenses	19	1,04,47,706	90,36,109
Total Expenses		15,34,67,470	18,23,96,020
Profit before tax		1,95,088	3,94,032
Tax Expenses -			
Current Tax		4,19,800	3,75,000
Deferred Tax (Charge)		(3,63,049)	(2,72,177)
Profit for the year		1,38,337	2,91,209
Earnings per Equity Share - Basic & Diluted		0.31	0.65
As per the Financial statement	1		

As per our report of even date annexed

FOR S. K. Soni & Co.

Chartered Accountants

Firm Regn.No. - 307168F

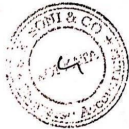
(S.K. Soni)

Proprietor

Membership No. : 012800.

Place: Kolkata

Date: 31st August 2017



FOR ANIMESH AUTOCORP PVT LTD
D. C. Sanyal
DIRECTOR

FOR ANIMESH AUTOCORP PVT LTD

S. K. Soni

DIRECTOR

DIRECTORS

Appendix 3.2 P&L account of Animesh Autocorp (2017)

ANIMESH AUTOCORP PRIVATE LIMITED			
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018			
		(Amount in Rs.)	
	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
REVENUE -			
Revenue from Operations	14	117,614,609	153,662,558
Other Income	15	3,576	-
Total Revenue		117,618,185	153,662,558
EXPENSES -			
Purchases of Traded Goods		102,271,978	129,343,524
Changes in Inventories of Stock-in-trade	16	(5,778,003)	4,024,094
Employees Benefit Expenses	17	2,393,710	2,018,691
Finance Cost	18	3,406,632	3,318,637
Depreciation and amortization expenses	8	3,757,221	4,314,818
Other Expenses	19	10,978,949	10,447,706
Total Expenses		117,030,487	153,467,470
Profit before tax		587,698	195,088
Tax Expenses -			
Current Tax		335,000	419,800
Deferred Tax (Charge)		(209,219)	(553,049)
Profit for the year		461,917	132,339
Earnings per Equity Share - Basic & Diluted		1.04	0.31
Notes to the Financial statement	1		

As per our report of even date annexed
 FOR S. K. Soni & Co.
 Chartered Accountants
 Firm Regn. No. - 307168E

(S.K. Soni)
 Proprietor
 Membership No. : 012800

Place: Kolkata
 Date: 31st August 2018



ANIMESH AUTOCORP PVT. LTD.

D. K. Sam.

DIRECTOR

DIRECTORS

Appendix 3.3 P&L account of Animesh Autocorp (2018)

ANIMESH AUTOCORP PRIVATE LIMITED			
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019			
		(Amount in Rs.)	
	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
REVENUE -			
Revenue from Operations	13	7,60,39,494	11,76,14,609
Other Income	14	-	3,576
Total Revenue		7,60,39,494	11,76,18,185
EXPENSES -			
Purchases of Traded Goods	15	5,61,05,443	10,22,71,978
Changes in Inventories of Stock-in-trade	16	68,14,168	(57,78,003)
Employees Benefit Expenses	16	20,62,048	23,93,710
Finance Cost	17	35,85,945	34,06,632
Depreciation and amortization expenses	8	37,94,178	37,57,221
Other Expenses	18	83,76,713	1,09,78,949
Total Expenses		8,07,38,495	11,70,30,487
Profit/(Loss) before tax		(46,99,001)	5,87,698
Tax Expenses -			
Current Tax		-	3,35,000
Deferred Tax (Charge)		2,46,568	2,09,219
Profit/(Loss) for the year		(44,52,433)	4,61,917
Earnings per Equity Share - Basic & Diluted			1.04
Notes to the Financial statement	1		

As per our report of even date annexed
FOR S. K. Soni & Co.
Chartered Accountants
Firm Regn.No.- 0307168E

(S.K. Soni)
Proprietor
Membership No. : 012800

Place: Kolkata
Date : 29th June, 2019



FOR ANIMESH AUTOCORP PVT LTD

DIRECTOR

DIRECTORS

Appendix 4:- Transcript of interview with genral manager of Animesh Autocorp

Interview with General Manager of Animesh Autocorp

Questions Responses 2

Can you please provide me the background of the company?

1 response

Animesh Autocorp Pvt Ltd is a private limited company formed in the year 2012 and is based in Dhanbad. The company's shares are owned by two people MR Sunil Sanwaria and Mr. Dipak Sanwaria but the majority of shares is owned by Mr. Dipak Kumar Sanwaria who is Managing director of the company. The company is currently working with Nissan motor India since august 2012 and they have sold 1800 cars in the market of Jharkhand till 2020.

Now sales have declined from 30 cars a month to 10 cars a month

Can you please state reason behind the decline in the sales of Nissan cars?

1 response

Sales of the cars have been declining for the last 2 years consistently because Nissan motors has not done any product development and innovation and due to new competitors, which have entered the automobile market in Jharkhand

What is your hope from the collaboration of Animesh Autocorp with the new brand?

1 response

Animesh Autocorp has good relationship with banks so it will be easier for them to increase the credit limit from 2cr to 6cr. They also have good reputation in Dhanbad Jharkhand which will help them to increase

Interview with General Manager of Animesh Autocorp

Questions Responses 2

What is your hope from the collaboration of Animesh Autocorp with the new brand?

1 response

Animesh Autocorp has good relationship with banks so it will be easier for them to increase the credit limit from 2cr to 6cr. They also have good reputation in Dhanbad Jharkhand which will help them to increase customer base faster. Also Skoda also has number 1 automatic transmission in the Indian automobile market which is called (DSG) so it may attract the customer towards the brand although Hyundai has wider product portfolio and verities of variants which will target customers of the different segment. benefit of collaboration is many cars of both Hyundai and Skoda so they will receive exponential level of revenue from day one

How much investment will you need for the collaboration and what will be the predicted cash inflows?

1 response

The investment in the dealership is about Rs60000000and predicted average net cash flow would be Rs800000 and for Hyundai motors investment will same as Skoda motors but the contribution per month will be less which 600000. Although I will provide you the P&L of Animesh Autocorp to get better understandings of financial health

Letter of authentication



ANIMESH NISSAN

(Animesh Autocorp Pvt. Ltd.)
G. T. Road, Barwadda
Dhanbad 826004, Jharkhand
Mobile : +91 8051238009
Email : animesh@animeshnissan.co.in

To whomsoever it may concern

This is to certify that the student Mr. Sparsh Sanwaria has conducted a research at Animesh Autocorp Pvt Ltd for academic purposes only.

All the data provided to him is authentic.

This is for your kind information.

For, Animesh Autocorp Pvt. Ltd.

ANIMESH AUTOCORP PVT. LTD

D. K. Sanwaria
DIRECTOR

(DIRECTOR)