Feasibility and Profitability Analysis of a Company

An Internship Report for

Course Code and Course Title: MGA-652 Industry Internship

Credits: 16

Submitted in partial fulfilment of Master's degree

Master of Business Administration in Finance

By

SNEHAL SHARAD CHOPDEKAR

Roll Number: 22P0280066

ABC ID: 21622975508

PRN: 201909601

Under the Mentorship of

DR. SURAJ PAVTO VELIP

Goa University – Goa Business School

Department of Management Studies

GOA UNIVERSITY

DATE: MAY 2024

Examined by:

Goa Business School Goa University

Seal of the School

DECLARATION BY STUDENT

I hereby declare that the data presented in this Internship report entitled, **"Feasibility and Profitability Analysis of a Company"** is based on the results of investigations carried out by me in the Management Studies Discipline at the Goa Business School, Goa University, under the mentorship ofDr. Suraj Velip and the same has not been submitted elsewhere for the award of a degree or diploma by me. Further, I understand that Goa University or its authorities will be not be responsible for the correctness of observations / experimental or other findings given the internship report/work.

I hereby authorize the University authorities to upload this dissertation on the dissertation repository or anywhere else as the UGC regulations demand and make it available to any one as needed.

Seat number – 22P0280066

Snehal Chopdekar

Management Discipline
Goa Business School

Date:May 2024

Place: Goa University

COMPLETION CERTIFICATE

This is to certify that the internship report "**Feasibility and Profitability Analysis of a Company**" is a bonafide work carried out by **Ms. Snehal Sharad Chopdekar** under my mentorship in partial fulfilment of the requirements for the award of the degree of **Master of Business Administration** in the Disciplineof Management Studies at the Goa Business School, Goa University.

Dr. Suraj Pavto Velip

Project Guide

Date: 03/05/2024

Signature of Dean of School/HoD School Stamp

Goa Business School * Goa University *

Date: 3/5/2024

Place: Goa University

MANGAL ANALYTICS AND RESEARCH CONSULTING PRIVATE LIMITED

2nd Floor, CMM Building, Rua de Ourem,
Panjim, Goa - 403001
Ph.: +91-832-6631761/+91-9359628675

INTERNSHIP CERTIFICATE

This is to certify that Ms. **Snehal Sharad Chopdekar**, Student of the Goa Business School, undergoing Master of Business Administration (MBA) has successfully completed Internship between 15th January 2024 to 4th May 2024 at Mangal Analytics and Research Consulting Private Limited. She actively participated in executing research reports during the period of internship and learned the skills needed for Projects in Market Research.

We wish her the very best for all her future endeavors.

Yours truly,
For Mangal Analytics and Research Consulting Pvt. Ltd

Mr. Ashutosh
KharangateManaging
Director

Date: 4th May 2024
Place: Panaji, Goa

Seal

ACKNOWLEDGEMENT

I would like to express my deepest gratitude to all those who have supported me throughout my sixteen-week internship at Mangal Analytics and Research Consulting Pvt. Ltd. (MARC) at Panaji, Goa.

Firstly, I am particularly grateful to the Goa Business School faculty for including this vital final internship program in our curriculum. This internship has provided me with invaluable hands-on industry experience that will be essential for my future career.

A special word of thanks goes to my esteemed mentor Dr. Suraj Velip. His unwavering guidance throughout the internship, as well as during the preparation of my final internship report, has proven to be an immense source of support and direction.

I would also express my gratitude towards Dean of Goa Business School, Prof. Jyoti Pawar for providing us with an opportunity to embark on this internship experience.

Finally, I extend my heartfelt gratitude to the Managing Director, Mr. Ashutosh Kharangate, and the entire MARC staff. Their willingness to welcome me into their team and provide me with opportunities to learn and contribute has been a truly an enriching experience.

TABLE OF CONTENTS

EXECUTIVE SUMMARY

This internship at MARC Consulting focused on a comprehensive analysis of the burgeoning digital lending market in India, with a particular emphasis on its potential for Company ABC.

The research revealed a market characterized by significant growth potential, driven by a confluence of factors: supportive government policies promoting financial inclusion, a rapidly expanding economy, and the increasing adoption of digital technologies. However, the landscape is not without its challenges. Regulatory requirements, intense competition from established players, and the constant need for innovation necessitate strategic navigation. For companies like ABC to thrive in this environment, leveraging their core competencies in technology and streamlined loan processing is paramount. Building a good brand reputation, fostering trust through exceptional customer service, and forming strategic partnerships are crucial differentiators. Additionally, proactive regulatory compliance and potential specialization in niche markets can further solidify ABC's position. By possessing a deep understanding of the forces shaping the industry and implementing effective strategies, digital lending companies like ABC can contribute meaningfully to India's evolving narrative of financial inclusion.

Furthermore, the internship involved primary research aimed at understanding the factors influencing people's willingness to utilize digital loans. This analysis provided valuable insights for lenders to tailor their strategies and reach a wider audience. The findings revealed that factors such as reputation, convenience, security, and trust significantly influence loan usage, highlighting the importance of building a strong brand image and prioritizing a user-friendly application process.

A financial analysis of the company revealed an ambitious growth plan, with projected revenue reaching INR 395.5 million within the next five years. This growth is strategically supported by investments in workforce, operations, and marketing. While initial losses are anticipated due to these investments, profitability is expected to be achieved in the coming years. The analysis further highlighted a strong financial backing, with recent investor funding and rising current assets indicating a promising future for the company. Attractive financial metrics further paint a picture of a potentially lucrative investment opportunity.

My internship at MARC Consulting provided a valuable opportunity to work on diverse industry analyses and explore their potential growth trajectories. The projects undertaken encompassed a range of sectors, each offering unique insights and challenges. One project focused on the feasibility and profitability analysis of a loan service provider. This involved a comprehensive assessment of the market landscape, competitor analysis, financial projections, and presenting recommendations for optimal business strategies. In addition to specific client projects, I also contributed to the creation of in-depth industry overviews. One such report examined the Indian restaurant industry, detailing its market size, projected growth, key players, consumer preferences, and financial performance indicators. This provided a comprehensive understanding of the current landscape and potential opportunities within the sector.Another project analyzed the Electronics Manufacturing Services (EMS) industry in India. This involved gathering data on current production capacity, evaluating the impact of government initiatives aimed at boosting domestic capabilities, and identifying major players within the space. This analysis provided valuable insights into the current landscape and future prospects of the Indian EMS industry.

Furthermore, I investigated the impact of the Bengaluru water crisis on various sectors, focusing on key industries like IT, hospitality, and garments. This project aimed to understand potential disruptions to operations and employee needs due to water shortages, providing a clear picture of the challenges faced by each sector and potential mitigation strategies.

Finally, I explored the rapidly growing Ayush industry in India, encompassing Ayurveda, Yoga, Unani, Siddha, and Homeopathy. This research focused on understanding the current market size, projected growth trajectory, product categories within the sector, and any recent government initiatives aimed at promoting its growth. This provided a clear picture of the Ayush industry's current state and its future prospects in India. Through these diverse projects, I gained valuable experience in conducting market research, analyzing industry trends, and developing comprehensive reports. The insights generated from these projects equip MARC Consulting with valuable information to guide clients in strategic decision-making and capitalizing on promising market opportunities.

CHAPTER 1: ORGANISATION

1.1 Profile of Mangal Analytics and Research Consulting Pvt. Ltd (MARC)

MARC Consulting empowers businesses to achieve their strategic goals through a comprehensive suite of services. Backed by over a decade of experience, the company leverages its expertise in Mergers & Acquisitions (M&A) advisory, market research and analysis, internationalization support, and growth strategy development.

MARC

MARC's team boasts a wealth of knowledge accumulated through collaborations with Big 4 firms, reputable multinational corporations, and a diverse network of industry specialists. This experience allows the company to deliver customized, time-bound solutions to tackle even the most complex business challenges. MARC believes in the power of data-driven insights. By combining in-depth market research with cutting-edge data analytics, the company equips its partners to unlock hidden opportunities and make informed decisions that drive sustainable growth and successful expansion.

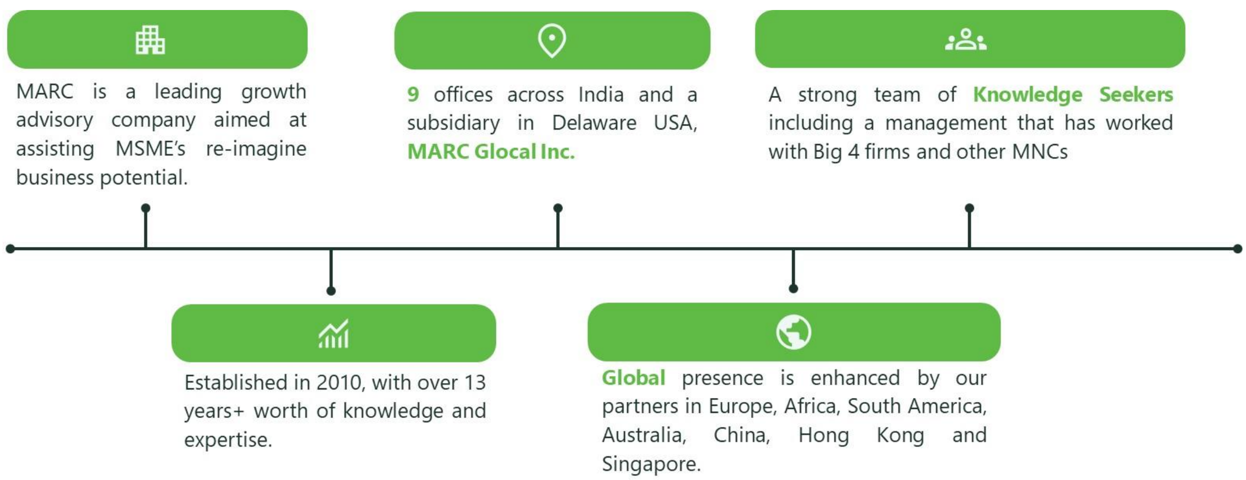
Vision - We aim to create an ecosystem of financial awareness and sound fundamental business management knowledge, the resultant effect of which shall be an improved economy.

Mission - To partner with our clients, at all stages of business, to deliver excellence by helping to start wisely, grow strappingly, and achieve unprecedented levels of profitability.

Core values

- Integrity
- Commitment to excellence
- Consumer focus
- Accountability
- Inclusiveness

Journey



Locations

With offices in key Indian cities like Kolkata, Mumbai, Kochi, Indore, Ahmedabad, Agartala, and Pune, MARC Consulting extends its expertise to businesses globally. Headquartered in the scenic state of Goa, MARC recently established MARC Glocal Inc. in the USA to support both Indian and US companies venturing into new markets. MARC Glocal Inc.

They partner with international consultants to help businesses expand across borders. Since 2014, they've teamed up with a powerful services company from Portugal, with a strong presence in Europe, Africa, and South America. This partnership makes it easier for companies to grow internationally. MARC also has a presence in the US, UK, Australia, and other exciting regions. While they help businesses of all sizes, MARC has a special focus on empowering small and medium-sized businesses (SMBs) by providing them with the research and analysis they need to thrive.

Presence across the world

Clients

MARC Consulting boasts a strong track record of success, having served over 300 Small and Medium Enterprises (SMEs) across India. Their expertise extends beyond domestic borders, with over 100 international consulting assignments completed. The company empowers SMEs with the research, financial analysis, and support they need to thrive, acting as a valuable guide for the dynamic SME sector. Additionally, MARC's services extend to larger firms, providing assistance with due diligence and feasibility studies on a global scale.

1.1.1 Services

MARC provides solutions across five major service verticals:

1. Market research solutions and Data Analytics
2. Growth Strategy
3. Mergers and Acquisitions
4. Internationalization
5. Global Business Analytics and Research

Strategic Advisory

- Key services include Financial Audit, Identifying Risk Areas, Finding Root Cause, Develop Action Plan.

Profitability Analysis

- Examine financial statements to optimize resources and increase profitability.

Financial Modelling & Project Reports

- Creating existing and prospective financials and making projections.

Management Information Services

- Monthly, quarterly or yearly analysis of financial statements, to provide key insights.

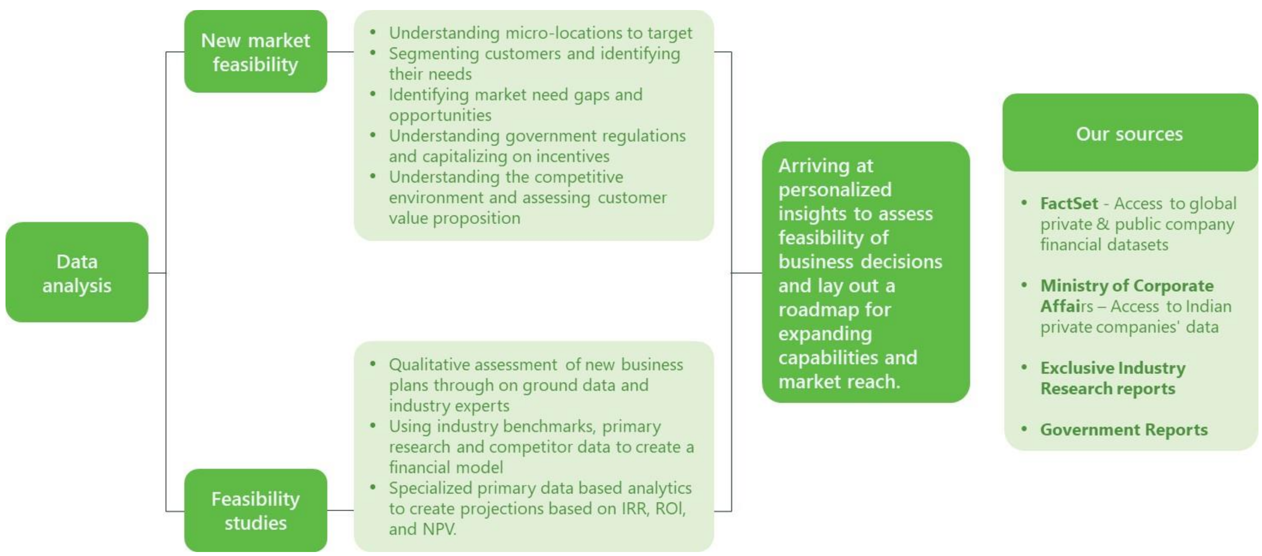
Standard Operating Procedures

- Review business needs, identify gaps and provide suggestions to formalize the process and related controls.

HR Advisory Services

- Assess and recruit candidates, manage change, payroll management compliance etc.

MARC Glocal Inc. offers market research, financial modeling, and partner identification to ensure a smooth market entry. Additionally, leveraging their experience in delivering high-quality, timely solutions for complex research and analytics tasks, MARC offers outsourcing services like due diligence, financial analysis, and research support to US-based consulting firms, VCs, PEs, IBs, and SMBs.



MARC Consulting tackles a wide range of business problems across industries and locations, using analytics and research. Whether the goal is crafting a compelling investment thesis for a fund, supplying robust market data for an investment memo or valuation report, conducting thorough due diligence, or even navigating market entry and expansion strategies, MARC has the expertise. The company's services extend to improving a firm's internal operations by maximizing productivity and bolstering financial health, ensuring long-term sustainability. By leveraging data and research, MARC empowers businesses to not only identify opportunities, but also to make informed decisions that achieve their specific objectives.

Deal Advisory

- Mitigating transaction risks and costs and ensuring it to be compliant from a regulatory perspective.

Due Diligence

- Investigation, audit, or review performed to confirm the facts of a matter under consideration.

Valuation

- Determine the economic and fair value of a whole company or unit.

Examples

1. Monginis – Helped to identify new outlets through research.
2. Planet Hollywood – Assisted with market research to do feasibility of a new resort in Mumbai.
3. Magsons – Conducted profitability analysis as well as MIS report.
4. Tito’s – Restructured standard operating procedures and conducted profitability analysis.
5. Dr. Batra’s – Conducted profitability analysis to get an in depth understanding of areas in which the company could operate more efficiently and improve their bottom line.
6. Kineco – Provided mergers and acquisition services and conducted a business valuation.

Global Competencies

Market Research

- Conducting Market Research studies focused on the geographic and demographic target market.

Market Entry – Financial Modelling

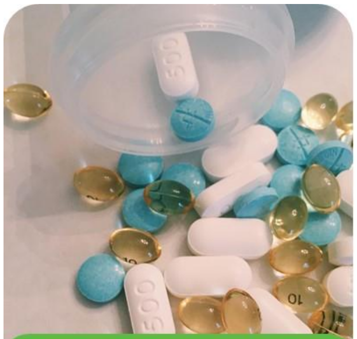
- Evaluate the right market entry model – eg. Exports, distributor, JV etc.

Partnerships

- Find and decide terms of partnership with the right partners.

Team is well placed to assist and handle all elements of Mergers and Acquisitions and have experience over a different transaction sizes, types and industries.

- Transaction Assistance/Advisory
- Due Diligence
- Quality Of Earnings
- Cash Proof Analysis



Indian Pharmaceutical Industry

- Contract manufacture in USA and export to 5 countries.

Sheet Metal Manufacturing

- Exploring African and certain European markets for exports

Investment & Banking

- Digital Bank bid in Malaysia

CEO MAGAZINE
INSPIRING THE BUSINESS WORLD

25 Fastest Growing BFSI Companies of India

THE CROWN AWARDS

CFO Excellence Award

BUSINESS GOA
Goa's Only Business Magazine

Best Business Consultancy

Consultants Review

Top 25 Most Promising Financial Consultants

NATION WIDE AWARDS

Best Emerging Company of the year 2019 – Business Advisory Category

MSME INDIA BUSINESS CONVENTION
CONFERENCE • AWARDS • EXHIBITION

Best Enterprise of the Year (Consultancy)

GOA MANAGEMENT ASSOCIATION

Manager of the Year

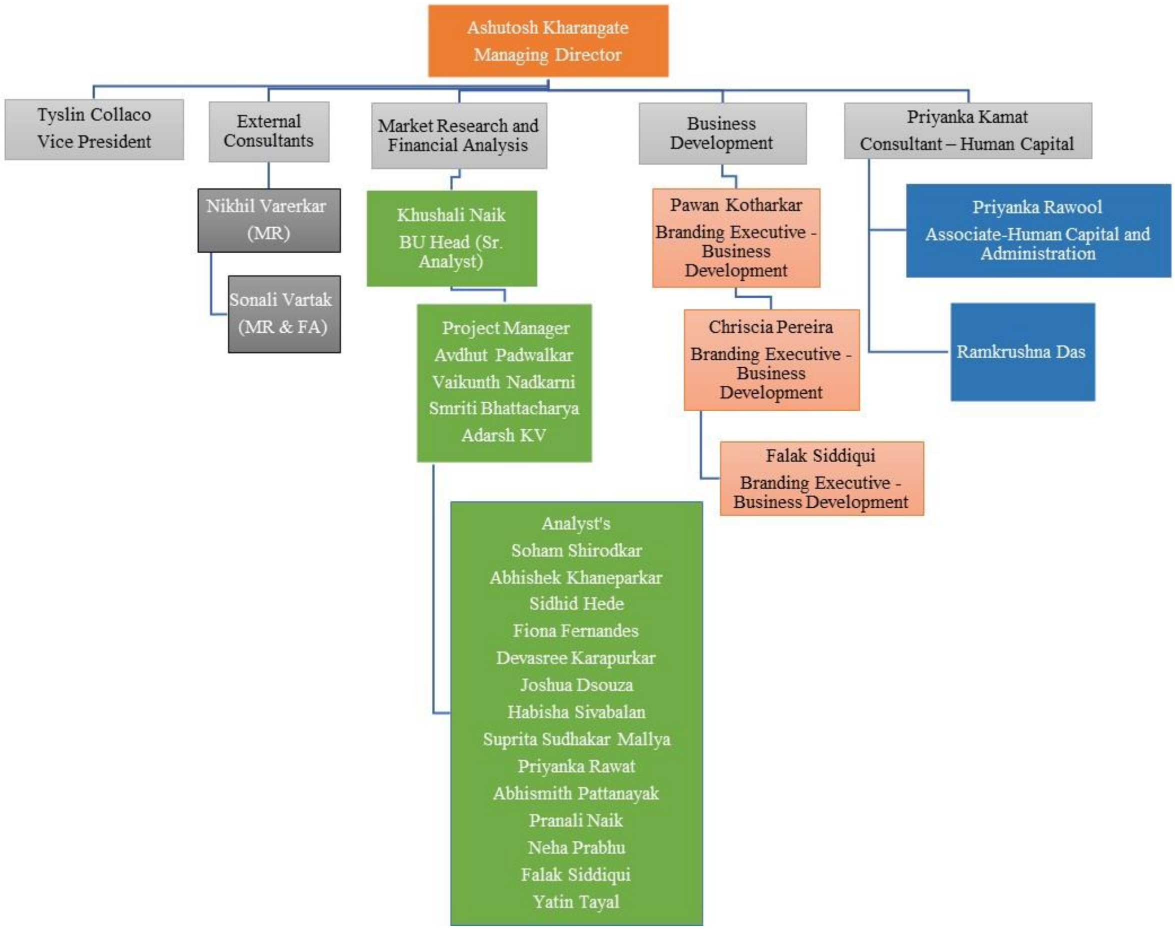
THE AEONIAN

Runner up in Financial Services Startup

GEMS Supporting Dreams.

Young Entrepreneur of the Year

1.1.2 Sections within the organization

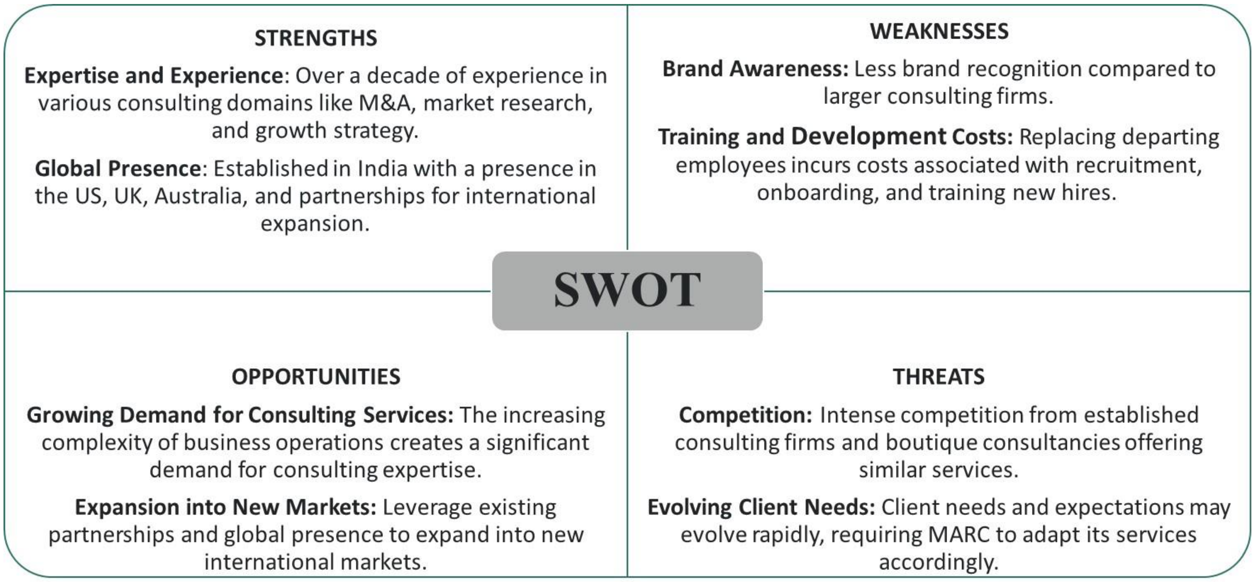


Market Research: MARC helps businesses understand their target markets, competitors, and industry trends. They conduct surveys, analyze customer data, or research market size and growth potential.

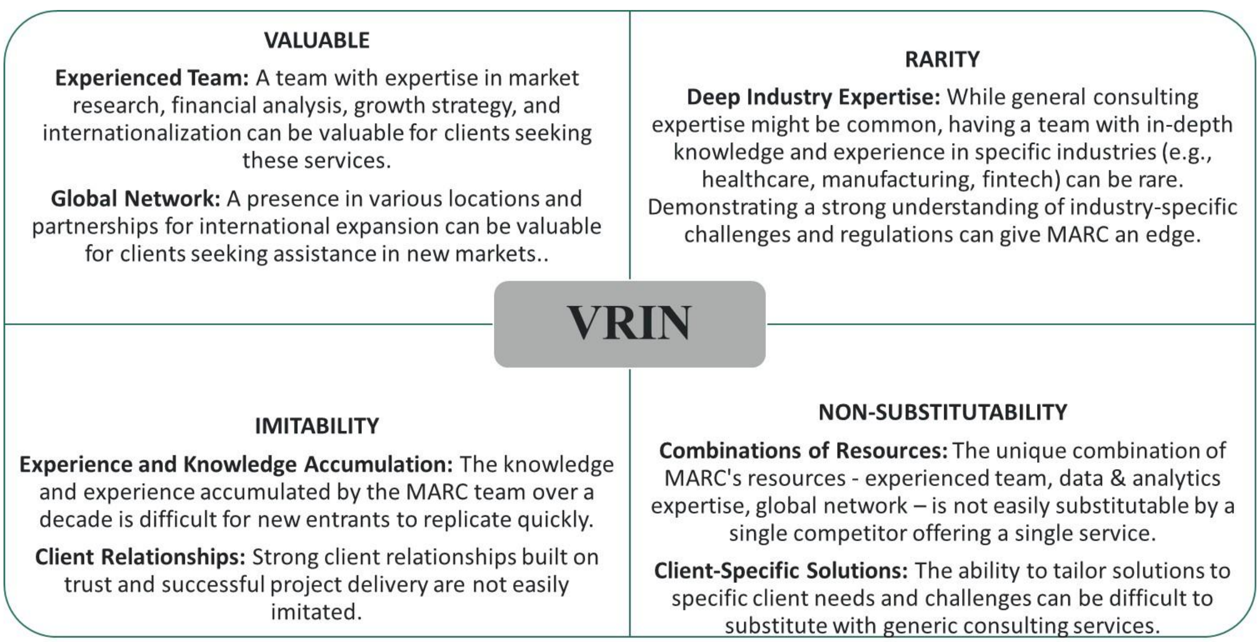
Financial Analysis: MARC assesses a company's financial health by analyzing its financial statements, identifying financial risks and opportunities, and creating financial models for future planning.

Brand Development: MARC assists businesses in creating and strengthening their brand identity. This involves developing a brand strategy, designing a logo and marketing materials and crafting messaging that resonates with the target audience.

SWOT analysis



VRIN analysis



PESTLE Analysis

Political:

Supportive policies for small and medium businesses (SMBs) in Goa benefit MARC, as they cater heavily to this segment (e.g., tax breaks, skill development initiatives).

Policies promoting the development of Goa as a business hub attract new potential clients for MARC, especially in areas like tourism or technology.

Economic Growth:

A strong national and Goan economy with growing businesses creates a higher demand for consulting services, benefiting MARC (e.g., infrastructure development projects, growth in tourism).

An economic downturn can lead to decreased client spending on consulting services, impacting MARC's

Social:

Growing awareness of data privacy can create an opportunity for MARC to emphasize their data security practices and build trust with clients. Increasing demand for sustainable practices can present an opportunity for MARC to develop consulting services in areas like eco-tourism or green business operations.

Technological

Emerging technologies like big data and artificial intelligence can enhance MARC's data analysis capabilities and service offerings, allowing them to cater to the growing needs of the tourism industry (e.g., targeted marketing campaigns, personalized customer experiences).

Legal:

Strict data privacy regulations like India's Data Protection Act can ensure responsible data handling practices by MARC, building client trust, where customer data is crucial.

Complex data privacy regulations can increase compliance costs for MARC, requiring investment in legal expertise and data security measures.

Environmental:

Businesses in Goa, are increasingly focusing on sustainability. MARC can develop consulting services to help clients achieve their sustainability goals (e.g., waste management, eco-friendly operations).

Porters 5 Forces

Threat of New Entrants:

Moderate Threat: The consulting industry has a relatively low barrier to entry, especially for niche players focusing on specific sectors. However, establishing a strong reputation, building a network of clients, and acquiring experienced consultants can take time and resources.

Bargaining Power of Suppliers:

Low Threat: Consulting firms like MARC rely on several suppliers, including data providers, research agencies, and software vendors. However, the dependence on any single supplier is likely to be low.

Bargaining Power of Buyers (Clients):

Moderate to High Threat: The bargaining power of clients can be significant, especially for smaller consulting firms like MARC. Clients can negotiate fees, compare proposals from multiple firms, and potentially switch consultants if dissatisfied.

Threat of Substitutes:

Moderate Threat: Online resources and tools: The availability of online data, analytics tools can be a substitute for basic consulting services.

Freelance consultants: Clients might choose to hire freelance consultants with specific expertise for lower costs compared to a full-service consulting firm.

Competitive Rivalry:

High Threat: The consulting industry in Goa and surrounding areas are competitive, with numerous firms offering similar services.

Examples – Globus management & Samyojak Consultancy services

1.1.3 The Road ahead

MARC Consulting's future success depends on a two-pronged approach: maximizing their existing strengths and opportunities while mitigating potential weaknesses and threats. Their team's experience, data analysis expertise, and global network with local partners create a strong foundation. This positions them perfectly to serve a burgeoning market, especially the growing segment of Small and Medium Enterprises (SMEs).

However, MARC Consulting must also address some key challenges to ensure sustainable growth. Limited brand awareness, particularly outside of Goa, can hinder their ability to attract new clients, especially when competing with established national consulting firms. Additionally, intense competition from both established and boutique consultancies requires them to find ways to differentiate themselves. Employee turnover can also pose a threat, leading to knowledge loss and impacting project continuity.

To navigate these challenges, MARC Consulting can implement several growth strategies. Developing a strong online presence through a user-friendly website, showcasing their expertise and client success stories, and engaging in social media marketing will significantly boost brand awareness. Specializing in industries relevant to Goa, such as tourism, technology, or healthcare, allows them to cater to specific client needs and carve out a niche in the market. Prioritizing client retention through exceptional service, strong relationships, and ongoing support will not only secure repeat business but also generate valuable referrals.

By focusing on these strategies and addressing their weaknesses, MARC Consulting can leverage their strengths and opportunities to flourish in the years to come. Their ability to adapt to the evolving consulting landscape, embrace innovation, and prioritize both client needs and employee satisfaction will be key determinants of their long-term success in Goa and beyond.

CHAPTER 2: RESEARCH

2.1 Research topic - Feasibility and Profitability Analysis of a Loan Service Provider

2.2 Introduction

MARC has a client - Company ABC which is a loan service provider that gives loans against securities such as mutual funds, shares and insurance policies to individual investors. The company approached MARC to conduct a feasibility & profitability analysis of the company in order to raise funds from investors.

(Unleashing Potential The next Phase of Digital Lending in India, 2023) Technology innovation is flourishing across the digital lending value chain. The use of artificial intelligence (AI) can further reorient processes and encourage good lending practices. However, funding inflows are decelerating, and investors are becoming increasingly cautious of the cash-burning business models of LendTechs. Reassessing existing business models with a focus on increasing scale and profitability is the need of the hour. Despite the continuous growth in demand for credit over the years, the unmet credit needs from untapped segments continue to be huge in the country due to various factors such as the high-risk profile of borrowers, insufficient traditional data for risk assessments, lack of collateral, and high costs of service, particularly for those in rural areas who require smaller value loans for personal consumption. The gap is further widening due to the rising credit needs of Gen-Z and millennials and transforming consumer behavior patterns – for example – increasing use of e-commerce and growing traction towards pay-later schemes. Households and MSMEs in India still have relatively low formal credit penetration compared to global averages.

The Loans Against Securities (LAS) product faces several hurdles inhibiting its widespread acceptance and market growth. Firstly, there's a notable lack of awareness and understanding among investors regarding the benefits of LAS, leading to low penetration levels. Additionally, many banks and non-banking financial companies (NBFCs) haven't prioritized the LAS product within their portfolios, resulting in limited marketing efforts and ineffective communication of its value proposition to potential borrowers.

Another significant challenge stems from the conservative approach adopted by banks and NBFCs in setting low Loan-to-Value (LTV) ratios for LAS transactions. While this approach may be driven by risk aversion, it deters potential borrowers seeking higher loan amounts against their securities, thereby limiting the attractiveness of LAS. Furthermore, the high distribution costs associated with traditional banks and large NBFCs pose a barrier to offering competitive terms in LAS. The extensive physical infrastructure, including branches and personnel, contributes to these costs, making it challenging to adopt a streamlined and cost-effective lending approach.

In the digital age, the poor digital lending infrastructure of banks and some NBFCs presents another obstacle. The lack of robust digital lending platforms hinders the seamless execution and accessibility of LAS products, particularly as digital transactions become increasingly preferred. Addressing these challenges requires a strategic shift in focus for banks and NBFCs. This involves implementing targeted investor education campaigns to enhance awareness and understanding of LAS benefits, revisiting LTV ratios to improve competitiveness, and investing in digital infrastructure to streamline processes. By overcoming these barriers, financial institutions can unlock the immense potential of the Loans Against Securities business and offer more inclusive and accessible financial solutions to a broader spectrum of investors, potentially through partnerships with fintech companies.

This research identifies challenges hindering the widespread adoption of Loans Against Securities (LAS) in India's financial landscape. Understanding these challenges is pivotal for assessing the feasibility of establishing a Loan Service Provider (MARC’s Client – Company ABC) in the market. By identifying key obstacles such as low investor penetration, limited focus on the LAS product, conservative LTV ratios, high distribution costs, and poor digital lending infrastructure, potential providers can craft strategic approaches to overcome these hurdles. This would also help in developing and forecasting a revenue model of the firm based on the current market scenario.

2.3 Literature review

(Kumar Jhariya et al., n.d.) FinTech companies are changing how banking works, especially with lending. They use digital platforms to connect lenders and borrowers, and this FinTech lending has grown quickly in recent years. A study showed a 51% increase in new loan accounts and a 42% rise in the amount of money loaned out by FinTech companies between 2019 and 2021. However, FinTech lending is still much smaller than traditional banks, and it has a higher delinquency rate. It will likely take time and government support for FinTech to compete fully with banks.

(Njenga & Kavindah, n.d.) The apps often provide unsecured loans with high interest rates and aggressive collection practices, leading to calls for regulation. If this continues, it could harm both borrowers, who end up on credit blacklists, and lenders, who may lose their investments as people struggle to repay. This situation threatens the sustainability of this innovative financial tool that offers greater access to credit compared to traditional institutions.

(Sarungu & Sarungu, n.d.) This research examines the recent surge of technology in financial services. Factors like affordable internet, mobile access, and advancements in Fintech and AI have drastically reshaped how financial products are created, delivered, and utilized worldwide.

(Mbawuni & Nimako, 2014) This research investigates what makes loan clients in developing countries recommend their financial service providers. They built a model based on existing research and tested it with loan clients in Ghana. The study found that client satisfaction, trust in the provider, and the quality of information about the loan all influence whether clients recommend the provider to others. Interestingly, satisfaction and clear loan information also helped build trust in the provider. While limited to Ghana, this research suggests ways financial institutions in developing countries can encourage client recommendations.

(Al-Shakrchy & Alnassar, n.d.) This study examines how financial inclusion and development impact the growth of marketplace lending, a key type of fintech credit. They analyzed data from 143 countries over five years. Their findings suggest that marketplace lending thrives in countries with lower traditional financial access (financial depth). This indicates fintech fills a credit gap left by traditional lenders. The study also confirms that promoting financial inclusion (both traditional and digital forms), financial stability, and overall financial development can significantly boost marketplace lending activity. In simpler terms, government policies that improve access to financial services and strengthen the financial system as a whole can encourage the growth of fintech credit.

(Chappell et al., n.d.) Traditional bank loan approvals for businesses are painfully slow, taking weeks or months. Digital lending offers a revolutionary alternative with approvals in minutes and funding within a day. This benefits both banks (increased revenue, lower costs) and customers (faster access to capital).

(Francis et al., 2017) Limited access to financial services hinders development in low-income countries. Signs of this include difficulty managing income shocks, high returns on investment, and increased investment in durable goods when credit becomes available. However, despite these signs, microfinance programs haven't had a significant impact. The paper proposes that the problem might lie with the loan products themselves, suggesting they may be too expensive, have restrictive terms, or limit how the money can be used.

(Chou, 2020) While Fintech lending helps many Americans access credit they wouldn't otherwise qualify for, it raises privacy concerns due to the vast amount of data collected. This paper argues that the benefits of financial inclusion outweigh these privacy risks. Even though Fintech lending can be invasive and lack transparency, increased explanation of how loan decisions are made can address these concerns while still promoting financial inclusion.

(Yadav & Shanmugam, 2022) While FinTech lending offers easier access to credit, it also presents hurdles. Financial institutions fear rising bad loans and increased risk, while customers express concerns about privacy and a lack of trust. Regulations need to be developed to manage these risks and ensure a smooth digital lending experience for all.

(Bhatt et al., 2022) This study explores how technology has transformed financial services in recent years. The widespread use of mobile phones, internet, and affordable data, along with innovations like Fintech, digitalization, and AI, have rapidly changed how financial services are designed, delivered, and used globally. The COVID-19 pandemic further accelerated this digital shift.

(NIEWINSKA, 2023) This paper examines research trends in Fintech using data from nearly 900 publications between 2015 and 2022. The analysis reveals that blockchain (especially cryptocurrencies), artificial intelligence, and financial inclusion were the most popular topics among researchers in 2020-2021. The study also suggests that future Fintech research will likely focus on sustainable development and the social and economic impacts of this technology.

However, it acknowledges limitations due to its reliance on a single database (Scopus) and specific academic fields.

(Agarwal et al., 2023) The author argues that a robust financial system is crucial for India's future. It analyzes how recent crises, like the 2019 financial crisis and the pandemic, tested India's financial resilience. The passage explores how India's financial system responded and how ongoing reforms can significantly impact the country's economic trajectory. In conclusion, the author emphasizes that India's future economic growth, potentially ranging from a moderate 5.5% to a robust 7.5%, hinges on the progress of these financial reforms.

(Modi & Kesarani, 2023) Digital technology has revolutionized lending in India, making it faster and easier for more people to access credit. However, the rapid growth of this industry, estimated at $270 billion in 2022, has outpaced existing regulations. This lack of regulation is a concern for both lenders and borrowers.

2.4 Research gap

The digital lending reports suggests that the low credit penetration in digital Loans in India stems from the insufficient emphasis of NBFCs and banks, coupled with high distribution costs, limited awareness, and a lack of understanding about the risk management aspects associated with LAS. This scenario hampers the potential growth of the LAS market, restricting access to a valuable financial tool for borrowers and hindering the overall development of the sector. Addressing these challenges is crucial to unlocking the full potential of digital loans and expanding its reach within the financial landscape so that Company ABC can penetrate the market.

2.5 Research questions

Feasibility:

Market Demand:

1. What is the current market size for Loans Against Securities (LAS) in India?
2. What are the factors hindering the widespread adoption of LAS?
3. Is there a sufficient demand for Company ABC's LAS services in the Indian market?

Competitive Landscape:

1. Who are the key players in the LAS market in India (traditional banks, NBFCs, FinTech companies)?
2. What are the existing LAS products and services offered by competitors?
3. What are the strengths and weaknesses of Company ABC compared to its competitors?

Regulatory Environment:

- What are the current regulations governing LAS in India?
- Are there any anticipated regulatory changes that could impact Company ABC's business model?

Profitability:

1. What are the potential revenue streams for Company ABC (interest on loans, processing fees)?
2. What are the operating costs associated with running Company ABC's LAS business (loan processing, marketing, technology)?
3. Can Company ABC generate a positive return on investment (ROI) and achieve profitability within a reasonable timeframe?

2.6 Research objectives

1. Assess the current market size and growth potential for Loans Against Securities (LAS) in India.
2. Identify the factors hindering widespread adoption and understand borrower needs.
3. Identify differentiating factors for Company ABC to establish a competitive advantage and attract customers.
4. Develop a revenue model outlining potential income streams (interest on loans, processing fees, etc.)
5. Identify areas for cost optimization and develop strategies to minimize operational expenses while maintaining quality service.
6. Create financial projections to assess Company ABC's potential return on investment (ROI) and profitability.

2.7 Research Methodology

Secondary Research:

Industry Analysis: Research the Indian financial services industry, focusing on:

- Growth trends in digital lending
- Market size and segmentation for LAS products
- Performance of mutual funds, insurance, and stock markets (relevant to collateral for LAS)
- Regulatory landscape for digital lending and LAS

PESTLE Analysis: Identify and analyze these factors impacting the digital lending market:

- Political: Government policies on financial inclusion, digital lending regulations
- Economic: Economic growth, inflation, interest rates
- Social: Financial literacy, risk appetite of borrowers, demographics
- Technological: Digital infrastructure penetration, online security concerns
- Legal: Regulatory framework for data privacy, consumer protection laws
- Environmental: Sustainability considerations in financial services

SWOT Analysis: Analyze the Strengths, Weaknesses, Opportunities, and Threats for Company ABC:

- Strengths: Technology platform, loan processing efficiency, competitive rates
- Weaknesses: Limited brand awareness, new entrant in the market
- Opportunities: Growing demand for LAS, partnerships with FinTech companies
- Threats: Competition from established players, regulatory changes

Porter's Five Forces Analysis: Evaluate the competitive landscape using Porter's Five Forces framework:

- Threat of New Entrants: Barriers to entry (regulatory requirements, capital)
- Bargaining Power of Buyers: Customer awareness, ability to switch lenders
- Bargaining Power of Suppliers: LAS product providers (banks, NBFCs)
- Threat of Substitutes: Alternative credit options (personal loans, credit cards)
- Competitive Rivalry: Market share distribution, pricing strategies of competitors

Primary Research:

Market Research: Conduct a survey using stratified sampling to ensure representation across different demographics (age, gender, education & income level).

Sample size - 100.

Survey will assess:

- Awareness of LAS products
- Factors for not using LAS
- Factors influencing loan provider selection
- Willingness to avail digital loan – LAS

Variables –

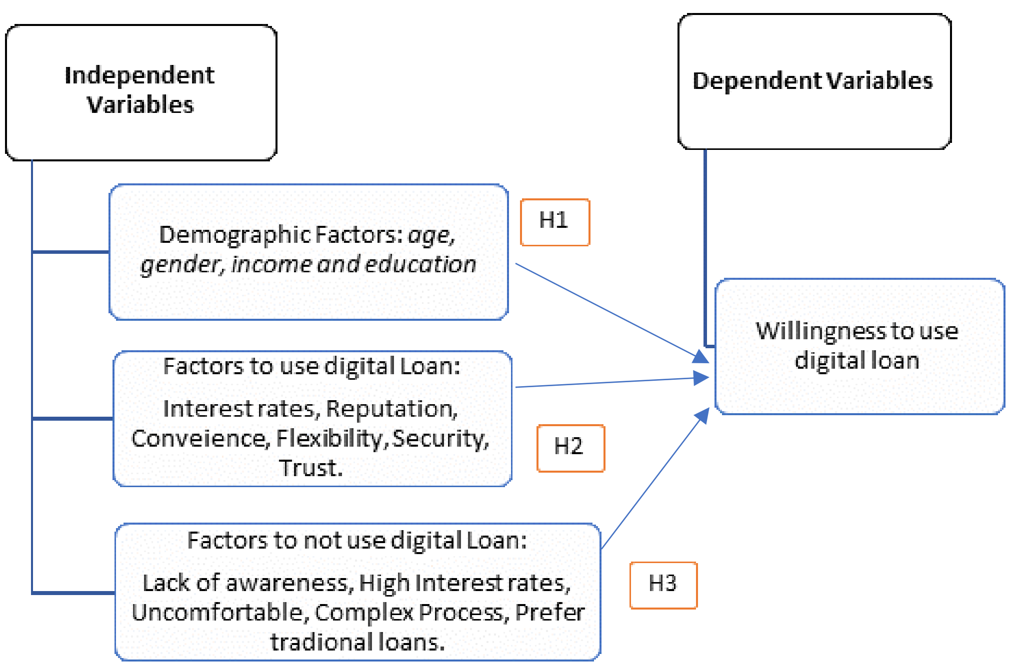
Independent Variables:

Demographics: Age, Income, Education, Occupation, Location.

Factors for Not Using LAS: Not Aware of LAS Products, Uncomfortable Using Securities as Collateral, Believe Interest Rates are High, Complex Application Process & Prefer Traditional Loan Options (e.g., bank loans).

Factors Influencing Loan Provider Selection: Competitive Interest Rates, Reputation of the Lender, Convenience, Brand Trust/Familiarity, Security Measures and Data Privacy Practices.

Dependent Variable: Willingness to Avail Digital Loan - LAS (Likert Scale)



Competitor Analysis: Analyze competitor websites to understand:

- Loan products and features offered
- Pricing strategies and fees

Financial Analysis:

- Revenue Forecast: Develop a financial model to forecast future revenues based on:
- Market size and penetration strategy (estimated market share for Company ABC)
- Estimate operational costs associated with:
- Marketing and customer acquisition
- Technology infrastructure and maintenance
- Administrative expenses
- Analyze potential funding options (equity from investors, debt financing) and create a capital budgeting plan considering:
- Initial investment needs
- Projected cash flow
- Evaluate the financial viability of Company ABC by calculating:
- Return on Investment (ROI): Profitability measure based on investment

Data Analysis: For the demographic analysis, the study used ANOVA (Analysis of Variance) to compare awareness levels across different demographic groups. Regression analysis is used to identify factors influencing LAS product preference and loan provider selection.

Financial Modeling: Utilizing financial modeling spreadsheets to project future revenues, costs, and profitability. Incorporating sensitivity analysis to assess how changes in key assumptions (e.g., interest rates, market penetration) impact financial performance.

2.8 Managerial Implications of the Feasibility and Profitability Analysis of Company ABC (Loan Service Provider)

This research has valuable implications for Company ABC's management team as they decide whether to enter the Loans Against Securities (LAS) market and how to position themselves for success. Here's a breakdown of key managerial takeaways:

Market Demand and Feasibility: The study will reveal the current market size and growth potential for LAS in India. This information will help determine if there's sufficient demand to support Company ABC's business model. Identifying factors hindering LAS adoption will allow Company ABC to develop strategies to address them. This could involve targeted marketing campaigns to raise awareness, educational initiatives to improve borrower understanding, or product innovations to address concerns about collateral or security.

Competitive Landscape: Understanding the competitive landscape, including key players, existing LAS products, and competitor strengths/weaknesses, is crucial for differentiation. Company ABC can leverage its unique selling points (technology, pricing, etc.) to attract customers. Analyzing regulatory trends will help Company ABC ensure their operations comply with current and anticipated regulations for LAS and digital lending.

Financial Viability: The financial projections will assess Company ABC's potential profitability. This includes revenue streams (interest, fees), operating costs (loan processing, marketing, technology), and return on investment (ROI) within a reasonable timeframe. Based on the cost analysis, management can identify areas for optimization, potentially streamlining loan processing, exploring cost-effective marketing strategies, or utilizing efficient technology solutions.

Overall, this research will provide Company ABC with a data-driven roadmap for making informed decisions regarding market entry, product development, resource allocation, and overall business strategy. By effectively utilizing the insights from this research, Company ABC can increase its chances of success in the LAS market and contribute to financial inclusion by offering a valuable credit solution to investors.

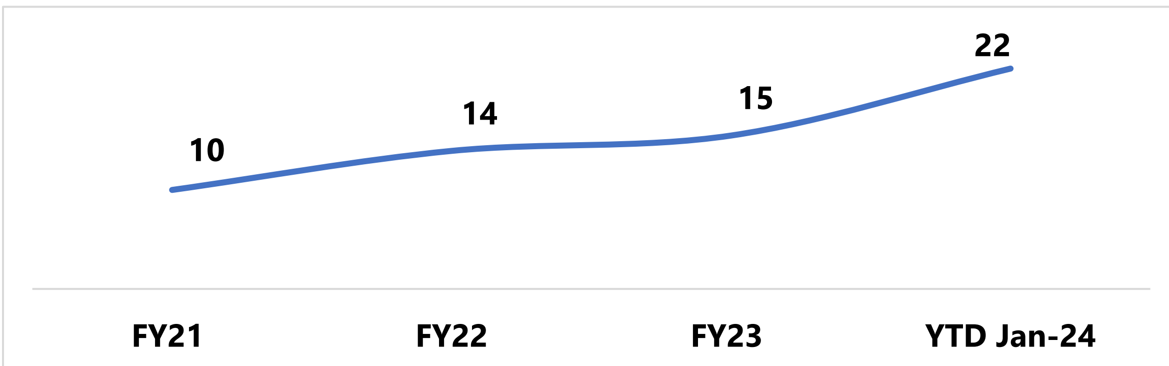
CHAPTER 3 RESEARCH ANALYSIS

3.1 Secondary Research

Industry Analysis

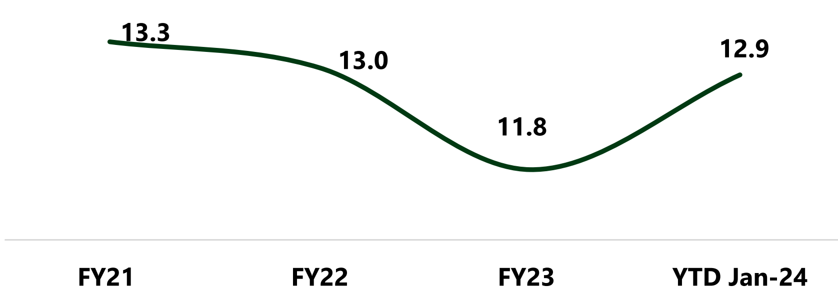
Inflows into India's equity mutual funds rose to a nearly **two-year high** in January 2024, led by sustained interest in small-caps.

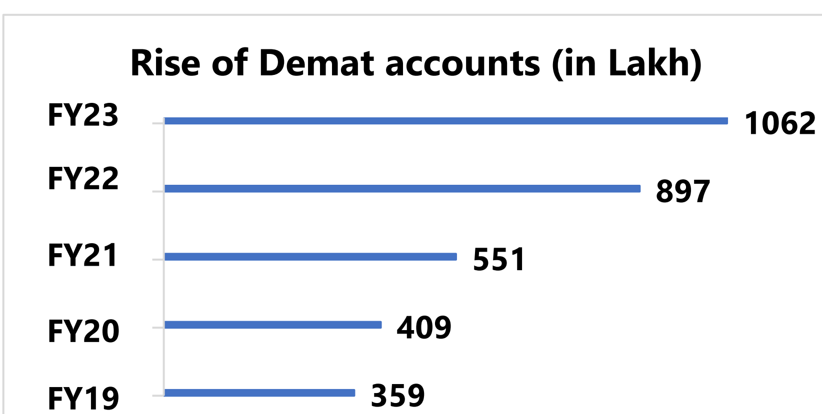
Equity Funds AUM (in INR trillion)



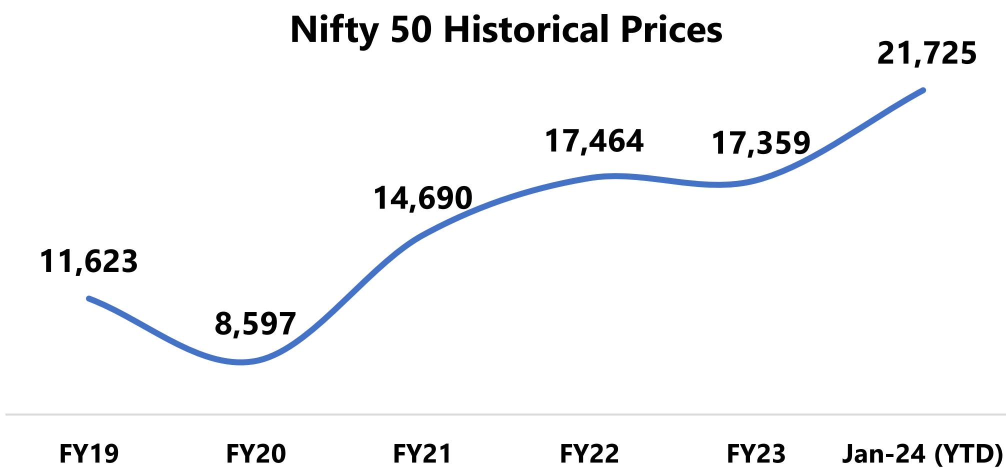
Inflows into India's debt mutual funds maintained an AUM of INR 12.9 trillion, sustained by highest growth in **liquid funds.**

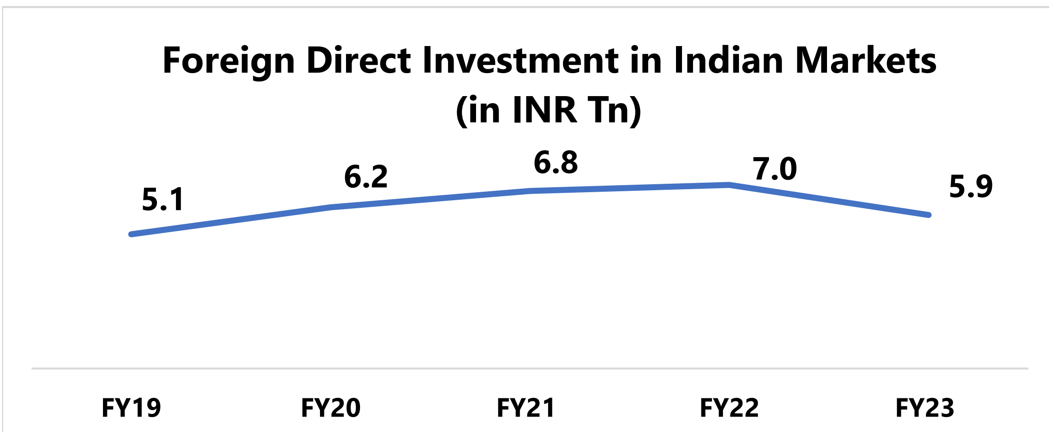
Debt Funds AUM (in INR trillion)

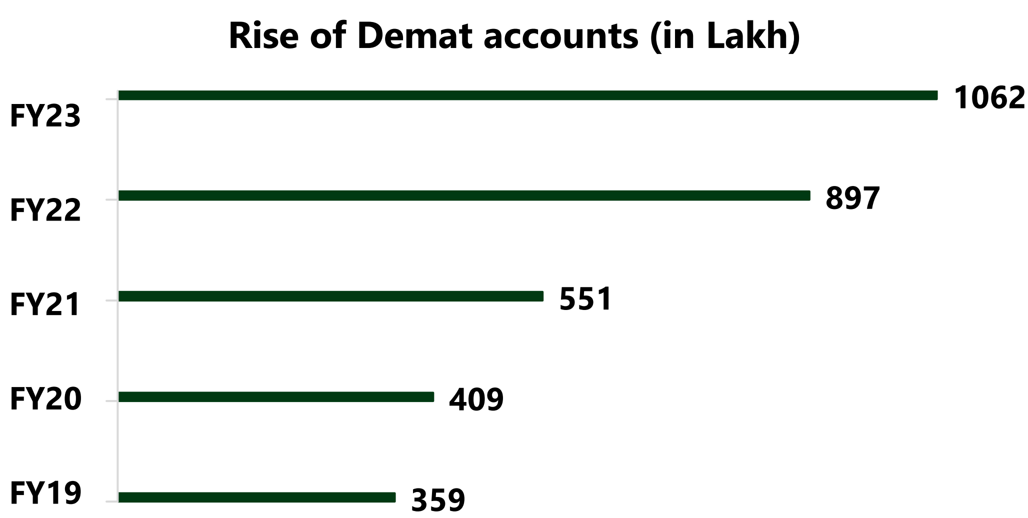




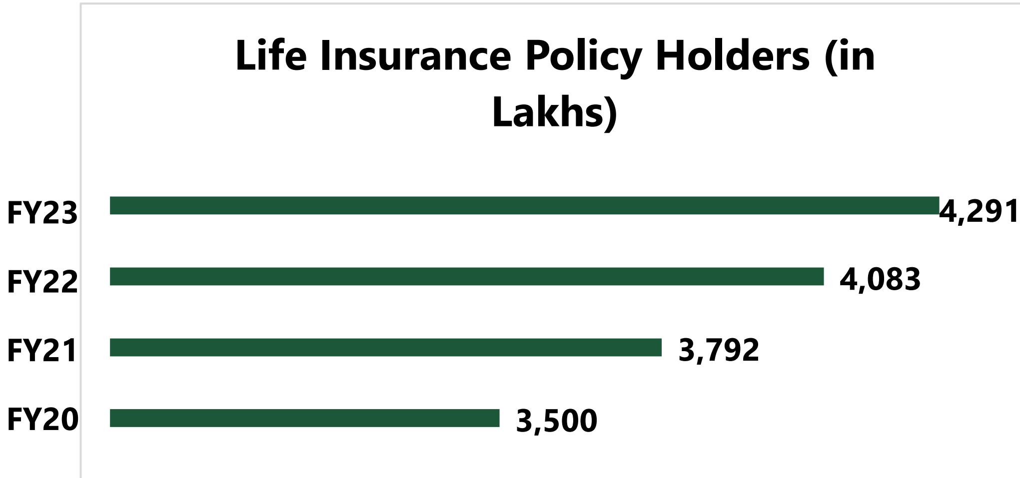
The Indian stock market surpassed the INR 395 trillion mark in January 2024, making it the fourth largest in the world. According to Morgan Stanley, India will have the 3rd largest stock market by 2030.

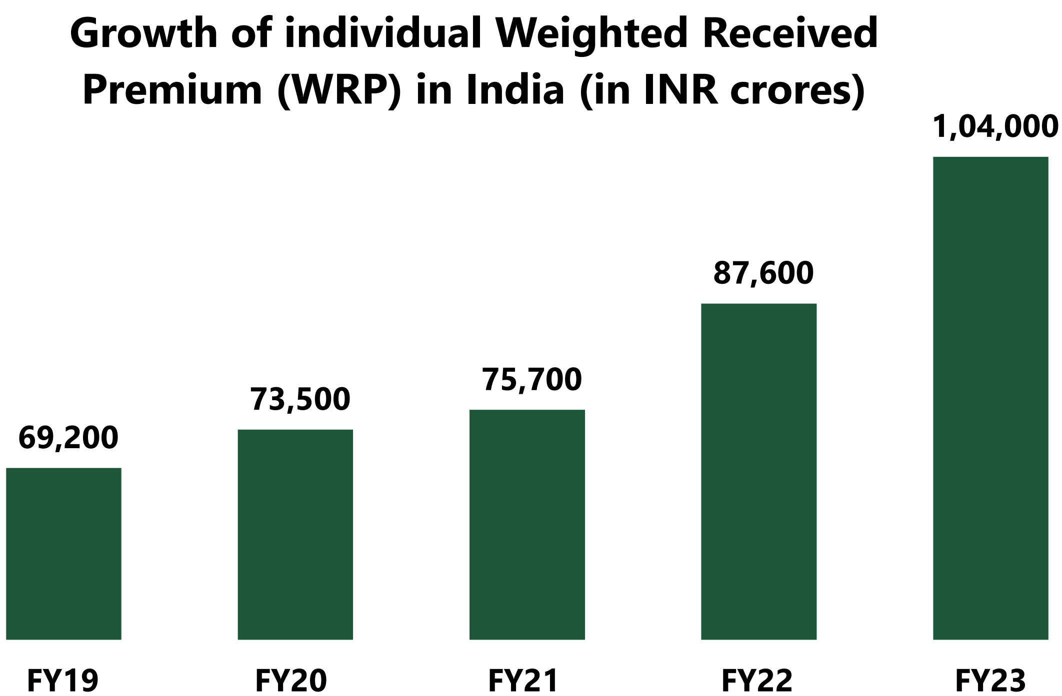






Life Insurance





India's sum assured of life insurance as a percentage of GDP, at **85%** in FY23, remains low compared to other developing countries. Sum assured is the fixed amount that an insurance company guarantees to a policyholder or their legal heirs on occurrence of the insured event. Rising disposable income and improving financial literacy are expected to increase penetration.

Personal loans

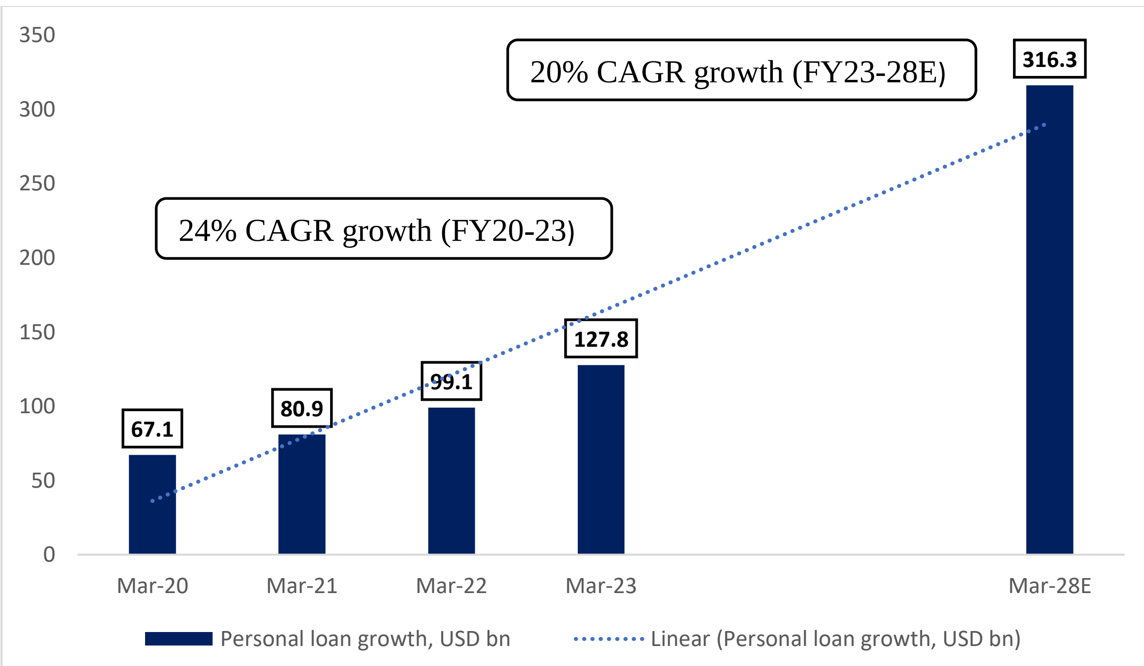
Gross bank credit offtake rose by a robust 15.5% year on year (y-o-y) in February 2023 due to strong growth across all the sectors, especially in the Non-Banking Financial Companies (NBFCs), and unsecured personal loans1 segments. o Personal loans growth accelerated to 20.4% y-o-y in February 2023 from 12.5% a year-ago period, driven by other personal loans, credit cards, housing and vehicle loan

Key trends

i) The growing acceptance among consumers to borrow for personal expenses, indicating a changing perspective on personal finance.

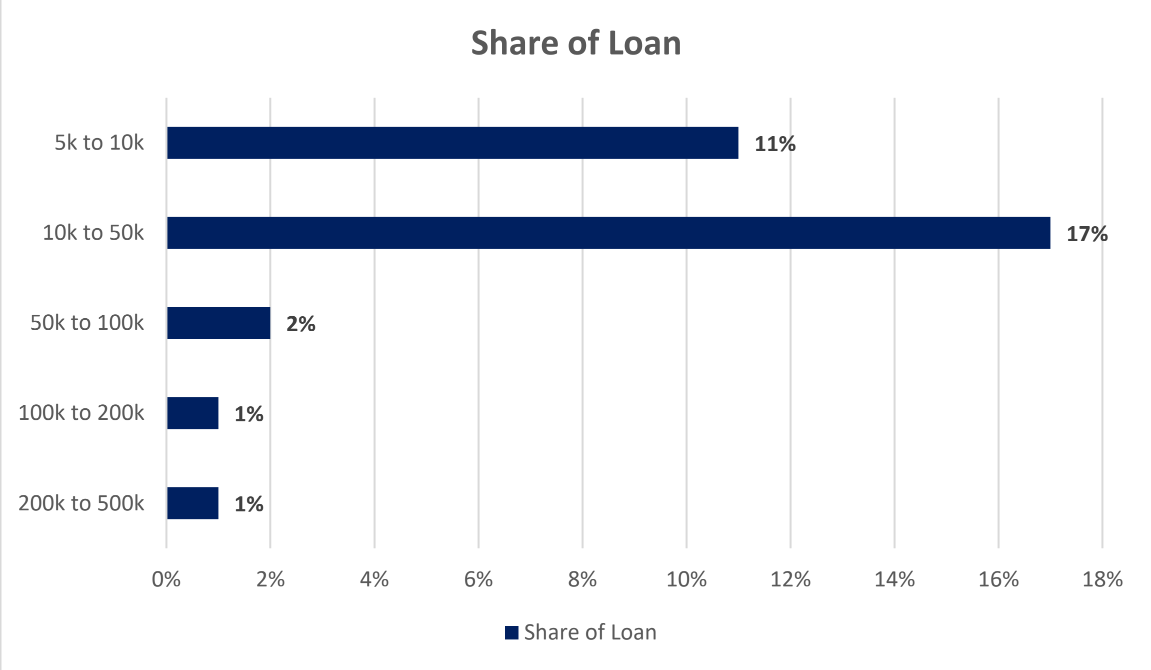
ii) The digitization of loan origination has made it easier for individuals to access small-value loans swiftly, fostering a culture of convenient borrowing and

iii) The utilization of alternative sources for credit assessment has enhanced the accessibility and manageability of personal loans for a broader spectrum of borrowers.



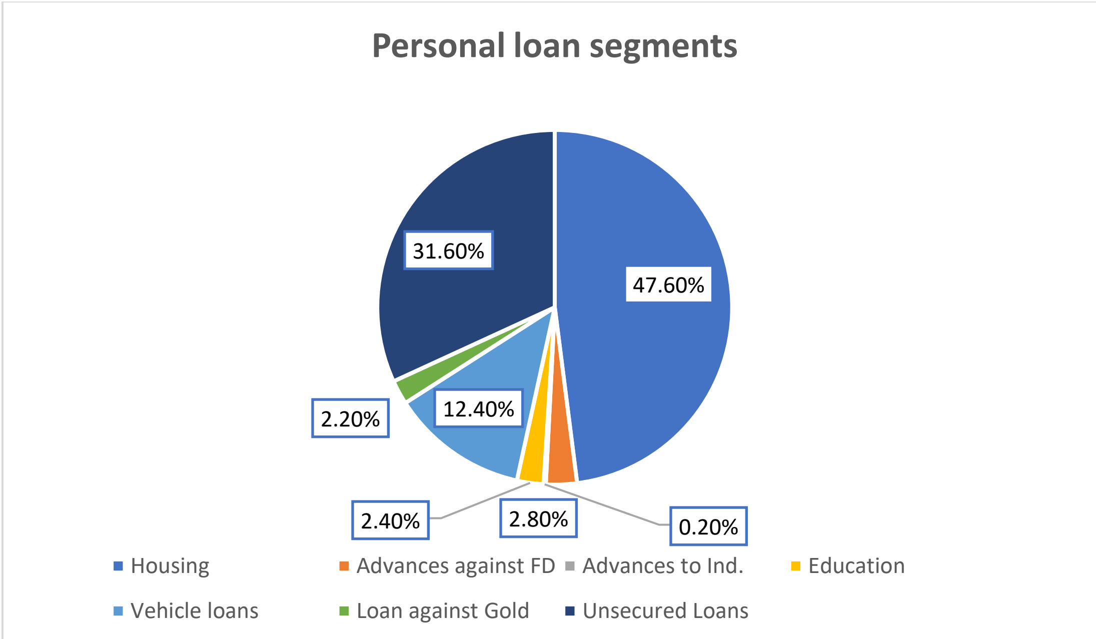
Particulars	O/s Credit	% growth in credit		% growth in Inc. credit	
	2023	2022 vs 2021	2023 vs 2022	2022 vs 2021	2023 vs 2022
Gross bank credit	134.5	9.1	15.5	7.3	13.1
Non-food credit	134.2	9.2	15.9	7.3	13.3
Agriculture	16.6	10.3	14.9	8.3	13.3
Industry	32.9	6.7	7	4.8	4.3
Services	35.2	6.2	20.7	5.4	17
Personal Loans	**40.1**	**12.5**	**20.4**	**10.8**	**18.5**

Distribution of fintech personal loan volume in India in Financial year 2023 by ticket size.



Banks vs. Fintech:

- Banks prioritize loans for existing customers, while fintechs, often in collaboration with smaller NBFCs, target smaller ticket loans for new-to-credit consumers (PL disbursement accounts for 70% of fintech disbursements).
- Personal loans have gained popularity among the mass market, with fintechs holding a 49% market share by value.
- Banks have witnessed significant growth (22% CAGR over last 3 years) in personal loans, primarily driven by loan volume rather than ticket size inflation.
- Large banks leverage their robust customer base, enhanced by advanced digital capabilities, AI/ML applications, and deep insights into customer cashflows. They are also self-sustained through deposit balances and boast well-established recovery mechanisms.
- In contrast, fintech’s' recovery mechanisms remain untested. The overall delinquency rate has also remained in line for the unsecured loans compared to secured loans for larger banks, providing comfort on the asset quality



Outlook

- A recent Bank Lending Survey by the RBI for Q1 of FY24 suggest that, loan demand has been optimistic. This is despite the elevated cost of finance owing to tightening monetary policy measures to contain inflation during this period, as noted under the Industrial Outlook Survey (August 2023).
- With easing loan terms and conditions, the loan demand is also expected to increase in Q2 of FY24. Similar conditions are expected to prevail over the remaining quarters of the FY24 for major borrower sectors like manufacturing, services, retail, and agriculture.
- Cost of credit and the ease with which such credit is available figure among the important factors determining credit growth. The RBI's recent initiative to develop a "Public Tech Platform for Frictionless Credit" is a step towards enriching the digital public infrastructure in the economy as it encourages the financial institutions to create and provide innovative solutions in the area of credit, payments, and other financial activities.
- In a similar way, the Indian banking sector and the economy have been reaping the benefits from the continuous efforts of the RBI in harnessing technology and introducing innovations in the financial architecture.

PESTEL Analysis of Digital Lending Market in India

Political:

- **Positive:**
  - Government's push for financial inclusion through schemes and digital infrastructure development benefits digital lenders by expanding the potential borrower base.
  - Supportive regulations for digital lending can create a stable and trustworthy environment.
- **Negative:**
  - Stringent regulations on loan terms, interest rates, or data collection can limit the flexibility and profitability of digital lenders.
  - Political instability can impact economic growth and borrower risk.

Economic:

- **Positive:**
  - Strong economic growth leads to higher loan demand and repayment capabilities.
  - Low inflation allows for consistent interest rates and predictable loan performance.
- **Negative:**
  - Economic slowdown can lead to increased defaults and loan losses for digital lenders.
  - Rising interest rates can make borrowing more expensive and reduce demand.

Social:

- **Positive:**
  - Increasing financial literacy empowers borrowers to make informed decisions and improves overall credit health.
  - Growing risk appetite, especially among the young population, can drive loan demand for new ventures or personal needs.
  - Favourable demographics with a large working-age population create a strong potential borrower base.
- **Negative:**
  - Low financial literacy can lead to over-indebtedness and defaults.
  - Societal stigma around borrowing can limit loan uptake.

Technological:

- **Positive:**
  - Improved digital infrastructure penetration like internet and mobile connectivity allows wider reach for digital lenders, especially in rural areas.
  - Technological advancements like AI and big data analytics enable better credit assessment and risk management.

- **Negative:**
    - Concerns about online security and data breaches can deter potential borrowers and investors.
    - The digital divide can leave a significant portion of the population unbanked and inaccessible to digital lending services.

Legal:

- **Positive:**
    - A robust legal framework for data privacy protects borrower information and builds trust in the system.
    - Strong consumer protection laws ensure fair lending practices and prevent exploitation.
- **Negative:**
    - Uncertain or ambiguous regulations can create confusion for lenders and borrowers.
    - Lack of clear guidelines around data ownership and usage can raise privacy concerns.

Environmental (**Limited Impact**):

While sustainability is a growing concern, its direct impact on the digital lending industry in India is limited. However, there could be a potential for lenders to consider ESG (Environmental, Social, and Governance) factors while evaluating borrowers in the future, promoting responsible lending practices.

Overall, the PESTEL analysis reveals a promising environment for the digital lending market in India. Supportive government policies, a growing economy, and increasing technological adoption create significant opportunities. However, addressing social factors like financial literacy and ensuring a robust legal framework will be crucial for sustainable growth

SWOT Analysis of Company ABC (Digital Lending)

Strengths:

- **Technology Platform:** A robust and efficient platform allows for faster loan processing, improved user experience, and potentially lower operational costs.
- **Loan Processing Efficiency:** Streamlined loan application and approval processes can attract customers seeking quick and easy access to credit.
- **Competitive Rates:** Offering attractive interest rates can be a significant advantage in a competitive market where borrowers are price-sensitive.

Weaknesses:

- **Limited Brand Awareness:** As a new entrant, Company ABC might lack the brand recognition and reputation of established players.
- **New Entrant in the Market:** Building a customer base and establishing trust takes time, which could hinder initial growth.

Opportunities:

- **Growing Demand for Lending-as-a-Service (LaaS):** Partnering with businesses to offer embedded financial services like loans within their ecosystem can be a lucrative way to expand reach.
- **Partnerships with FinTech Companies:** Collaborating with FinTech companies can leverage their expertise in specific market segments or customer demographics.

Threats:

- **Competition from Established Players:** Well-known brands with a loyal customer base and deep resources can pose a significant challenge.
- **Regulatory Changes:** Evolving regulations on data privacy, lending practices, or capital requirements could increase compliance costs or limit operational flexibility.

Recommendations based on the SWOT Analysis:

- **Leverage Technology:** Develop innovative marketing campaigns using digital channels and social media to build brand awareness and target specific customer segments.
- **Focus on Customer Experience:** Provide exceptional customer service and build trust through transparent communication and user-friendly platforms.

- **Strategic Partnerships:** Explore partnerships with established businesses or FinTech companies to gain access to new customer segments and resources.
- **Stay Ahead of Regulations:** Proactively monitor regulatory changes and ensure compliance to avoid potential disruptions.
- **Specialization:** Consider specializing in a particular niche market or loan type to differentiate from broader competitors.

By capitalizing on its strengths and addressing its weaknesses, Company ABC can leverage the opportunities in the growing digital lending market while mitigating potential threats.

Porter's Five Forces Analysis of Digital Lending Market in India

Threat of New Entrants: Moderate

- **Barriers to Entry:** Regulatory requirements like licensing, data security protocols, and capital adequacy norms create hurdles for new entrants.
- **Technology Investment:** Building a robust lending platform and acquiring customer base requires significant investments.
- **Brand Recognition:** Established players have an advantage in terms of brand awareness and customer trust.

Overall, regulatory requirements and the need for capital and technology create a moderate threat of new entrants. However, the potential for high returns can still attract new players, especially FinTech startups.

Bargaining Power of Buyers: Moderate-High

- **Customer Awareness:** Growing financial literacy empowers borrowers to compare rates and choose lenders.
- **Switching Costs:** While switching lenders can be easy in the digital space, factors like existing loan relationships or loyalty programs can create some friction.
- **Standardization of Products:** With similar loan products offered by multiple lenders, price becomes a key decision factor for borrowers.

The increasing awareness and ease of switching lenders give borrowers moderate-to-high bargaining power. Digital lenders need to focus on competitive rates, excellent customer service, and differentiated product offerings.

Bargaining Power of Suppliers: Moderate

- **LAS Providers:** Banks and NBFCs act as loan providers for Lending-as-a-Service (LaaS) models. Their competition can keep interest rates for digital lenders competitive.
- **Alternative Funding Sources:** Some lenders may tap into capital markets or private equity, reducing dependence on traditional suppliers.

The presence of multiple LAS providers and alternative funding options creates a moderate bargaining power for suppliers.

Threat of Substitutes: Moderate

- **Traditional Credit Options:** Personal loans, credit cards, and pawnshops offer alternative sources of credit, especially for established borrowers.
- **Informal Lending:** In rural areas, informal lenders might still hold some influence.

While traditional and informal credit options exist, the convenience and potential for lower rates through digital lending make the threat of substitutes moderate.

Competitive Rivalry: High

- **Fragmented Market:** The digital lending market has numerous players, both established banks and new-age FinTech companies.
- **Aggressive Pricing:** Competition often leads to aggressive interest rates and marketing strategies to attract customers.
- **Product Innovation:** Constant innovation in loan products, features, and customer experience is crucial for differentiation.

The high number of players, focus on competitive pricing, and need for innovation create a highly competitive market in the digital lending industry.

Overall, the digital lending industry in India presents a moderately attractive landscape with opportunities for growth. However, intense competition and the evolving regulatory environment demand strategic planning and continuous improvement from players like Company ABC.

3.2 Primary Research Analysis

Data Analysis

Reliability Statistics	
Cronbach's Alpha	N of Items
.785	12

A Cronbach's Alpha of .785 suggests good internal consistency among the 9 items in reliability analysis. It indicates a reliable measurement tool, as higher values generally reflect stronger consistency.

H_1: There is difference between demographic factors and willingness to avail digital loan.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Age	Between Groups	91.472	3	30.491	146.571	.000
	Within Groups	23.923	115	.208		
	Total	115.395	118			
Gender	Between Groups	1.810	3	.603	2.463	.066
	Within Groups	28.173	115	.245		
	Total	29.983	118			
Education	Between Groups	12.124	3	4.041	6.815	.090
	Within Groups	68.196	115	.593		
	Total	80.319	118			
Income Level	Between Groups	36.918	3	12.306	15.245	.000
	Within Groups	92.830	115	.807		
	Total	129.748	118			

- **Age:**
  - p-value (0.000) < alpha (commonly 0.05): We **reject the null hypothesis**. This signifies a strong **statistical significance**. There's very low probability of observing such a difference by chance, implying a true difference between age groups and willingness to use digital loans.
- **Gender:**
  - p-value (0.066) > alpha (commonly 0.05): We **fail to reject the null hypothesis**. This indicates a lack of **statistical significance**. The observed difference between genders could be due to random chance. We cannot conclude a definitive link between gender and using digital loans based on this data.
- **Education:**
  - p-value (0.090) is close to alpha (commonly 0.05): This is an **inconclusive** zone. The difference between education levels might be present, but the evidence is weak. Further studies with a larger sample size or stricter alpha might be needed for a clearer picture.
- **Income Level:**
  - p-value (0.000) < alpha (commonly 0.05): Similar to age, we **reject the null hypothesis**. This signifies a strong **statistical significance**. There's very low probability of observing such a difference by chance, implying a true difference between income levels and using digital loans.

Application Significance:

- **Age and Income:** Since these have statistically significant differences, lenders can tailor their marketing strategies towards specific age groups and income brackets for better loan product targeting.
- **Gender and Education:** The lack of significance for gender and education suggests lenders might not need to focus marketing efforts on this demographic factor alone.
- Understanding these statistical relationships, lender can make more informed decisions about their target audience and develop strategies to reach potential customers more effectively.

Regression Analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.788[a]	.620	.600	.572
a. Predictors: (Constant), Interest rates, Reputation, Convenience, Flexibility, Security, Trust				

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.983	.616		6.470	.000
	Interest rates	2.026	.297	1.113	6.811	.071
	Reputation	-1.304	.159	-.746	-8.184	.000
	Convenience	1.119	.148	1.033	7.555	.000
	Flexibility	.038	.086	.060	.441	.660
	Security	-.389	.089	-.391	-4.350	.000
	Trust	-1.517	.211	-.841	-7.195	.000
a. Dependent Variable: Willingness to use Digital Loan						

- **Interest Rates:** The positive coefficient (2.026) and marginally significant p-value (0.071) suggest a possible positive relationship between interest rates and willingness to use digital loans. This might be counterintuitive, but it could be because people are more likely to consider digital loans if they perceive traditional loans to have even higher interest rates.

- **Reputation:** The negative coefficient (-1.304) and significant p-value (0.000) indicate a negative relationship between reputation and willingness to use digital loans. This means that people are more likely to use digital loans if the lender has a good reputation.
- **Convenience:** The positive coefficient (1.119) and significant p-value (0.000) indicate a positive relationship between convenience and willingness to use digital loans. This suggests that people are more likely to use digital loans if they find the process convenient.
- **Flexibility:** The coefficient (0.038) is not statistically significant (p-value = 0.660), meaning we cannot conclude a relationship between flexibility and willingness to use digital loans based on this data.
- **Security:** The negative coefficient (-0.389) and significant p-value (0.000) indicate a negative relationship between security concerns and willingness to use digital loans. This means that people are more likely to use digital loans if they feel secure about the process.
- **Trust:** The negative coefficient (-1.517) and significant p-value (0.000) indicate a negative relationship between trust and willingness to use digital loans. This seems counterintuitive, but it could be because people with lower trust in traditional financial institutions are more likely to be open to using digital loans.

Hypothesis Testing –

H_2- There is significant relationship between identified factors of digital loan usage and willingness to use digital loan.

Based on the p-values, we reject the null hypothesis for reputation, convenience, security, and trust. We fail to reject the null hypothesis for flexibility. This suggests that reputation, convenience, security, and trust have a statistically significant relationship with the willingness to use digital loans, while flexibility does not.

Application of the Results

The results of this regression analysis can be used by lender to develop strategies to increase the adoption of digital loans.

- **Highlight Reputation:** Since reputation is a significant factor, lender should emphasize their positive reputation and trustworthiness in their marketing materials.
- **Focus on Convenience:** The importance of convenience suggests that lender should make the digital loan process as easy and streamlined as possible. This could involve offering a user-friendly online application process and fast loan approvals.
- **Address Security Concerns:** The negative relationship between security concerns and willingness to use digital loans indicates that lenders need to address security concerns effectively. This could involve implementing strong security measures and clearly communicating these measures to potential borrowers.
- **Build Trust:** While trust in traditional institutions might negatively impact the use of digital loans, lender can build trust by establishing a strong brand reputation and providing excellent customer service.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.561[a]	.315	.259	1.107
a. Predictors: (Constant), Lack of awareness, High Interest rates, Uncomfortable, Complex process, prefer traditional loans.				

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.147	.700		3.069	.003
	Lack of Awareness	-.229	.338	-.150	-.678	.499
	High Interest rates	-.069	.181	-.047	-.381	.704
	Uncomfortable	.793	.168	.874	4.712	.000
	Complex Process	.148	.098	.280	1.509	.134
	Prefer Traditional Loans	-.369	.102	-.442	-3.629	.000
a. Dependent Variable: Willingness to use Digital Loan						

H_3- There is significant relationship between identified factors of not using digital loan and willingness to use digital loan.

Coefficients and Hypothesis Testing:

- **Lack of Awareness:** The negative coefficient (-0.229) and non-significant p-value (0.499) suggest no clear relationship between lack of awareness and willingness to use digital loans based on this data.

- **High Interest Rates:** The negative coefficient (-0.069) and non-significant p-value (0.704) imply no statistically significant relationship between perceived high interest rates and willingness to use digital loans.
- **Uncomfortable:** The positive coefficient (0.793) and significant p-value (0.000) indicate a positive relationship. People who feel uncomfortable with digital loans are less likely to be willing to use them.
- **Complex Process:** The positive coefficient (0.148) and marginally significant p-value (0.134) suggest a possible positive relationship, but it's not entirely conclusive. People who perceive the process as complex might be less willing to use digital loans.
- **Prefer Traditional Loans:** The negative coefficient (-0.369) and significant p-value (0.000) indicate a negative relationship. People who prefer traditional loans are less likely to be willing to use digital loans.

Based on significant p-values, we can reject the null hypothesis (no relationship) for Uncomfortable and Prefer Traditional Loans. We fail to reject the null hypothesis for Lack of Awareness and High Interest Rates.

Interpretation:

This model suggests that feeling uncomfortable with digital loans and a preference for traditional loans are significant deterrents to using digital loans. The results for lack of awareness and high interest rates are inconclusive.

Application:

- **Address User Comfort:** Lenders can focus on making the digital loan process user-friendly and provide educational resources to address potential anxieties.
- **Simplify the Process:** Streamlining the application process and emphasizing its ease can help overcome perceptions of complexity.
- **Highlight Advantages over Traditional Loans:** Marketing materials can showcase the benefits of digital loans, such as speed and convenience, compared to traditional options.

Limitations:

- The model explains a moderate portion of the variance, suggesting other factors might influence willingness to use digital loans.

Competitor Analysis

Competitors (Loans against securities)	**Interest**	**Tenure**	**Amount**	**LTV**	**Processing time taken**
1. Volt money Loan against mutual funds Loan against shares https://voltmoney.in/	9% to 11% (If an amount is withdrawn, used, and repaid within 10 days, you will only be charged interest for the 10 days of utilization)	Short term	25,000 to Rs. 1 crore	Maximum LTV ratio for loans approved by NBFCs must be less than 50%	Credit line up to Rs.1 crore digitally in 5 minutes.
2. 50 Fin Loan against mutual funds. Loan against shares https://www.50fin.in/	11% per annum	Short term.	25000 to 5 crores	50%-80%	4 working hour Disbursal.
3. Bajaj Finserv Loan against mutual funds. Loan against shares Loan against bonds Loan against Insurance. https://www.bajajfinserv.in/loan-against-shares	20% per annum	36 months	LAS: Up to 5 crores Insurance: 25 crores	50% of share value.	Not mentioned on website
4. Mirae asset financial services Loan against shares Loan against mutual funds. https://www.miraeassetfin.com/loan-against-shares.html	9% per annum	12 months and can be renewed.	10,000 to 1 crore	45% of share value	Same day (Within 4 hours)
5. TATA Capital Loan against shares Loan against mutual funds. https://www.tatacapital.com/loan-against-securities.html	Competitive interest rates (not mentioned on website)	12 months tenor with renewal	₹ 75,000 to ₹40 crores	50% to 70% of the market value	Couple of days. (As mentioned on the website)
6. Piramal Loan against mutual funds. https://www.piramal.com/businesses/piramal-enterprises/loan-against-mutual-funds/	Interest is calculated based on daily	1 Year Renew Loan facility 2	50,000 to 2 Crores.	50% or higher of the market value	Account activation within 15 minutes.

	outstanding balance and debited in LAMF Loan account on the last working day of the month.	times for 1 year each.			Loan processing time not mentioned.
7. Zerodha Capital Loan against shares Loan against mutual funds. https://zerodhacapital.com/	11.5% per annum	Short term	25000 to 1 crore.	45% of the market value of the securities.	KYC- 72 hours 1 working day
Company ABC Loan against mutual funds. Loan against shares Loan against Insurance. https://www.larkfinserv.com/	10% (flat) per annum	12 months with renewal facility	10,000 to 10,00,000	20-70% of market value	30 minutes: mutual funds 4 hours: shares

Company ABC stands out with a competitive interest rate (10% flat) and a wider range for loan-to-value ratio (20-70%). Their processing time shines for mutual funds (30 minutes) but lags behind for shares (4 hours) compared to some competitors. While the loan amount offered is decent, it falls short of companies like Bajaj Fiserv and Tata Capital. They add some value by including loans against insurance, a service not offered by all.

3.3 Financial analysis

Revenue calculation growth rates –

Mutual Fund		
Net Assets Under Management of Open ended Schemes		
Debt Oriented schemes	1,29,09,850	
Growth rate	*10%*	
Equity Oriented schemes	2,17,94,241	
Growth rate	*31%*	
Hybrid schemes	66,14,260	
Growth rate	*26%*	
Mutual Fund Serviceable Market	4,13,18,350	
Shares		
Market Capitalization of Large cap and Midcap stocks	3,10,39,39,758	
Growth rate	*9%*	
Total number of demat accounts in India	*146*	
Growth rate	*27%*	
Unique Investor count	102	
Life Insurance		
Total Sum Assured	6,36,23,466	
Growth rate	*27%*	
Population of India	1,442	
Growth rate	*0.92%*	
Population aged between 25-54 as a % to total Population		45%
Population aged between 25-54	649	
Population aged between 25-54 with Life Insurance(%)		25%
Population aged between 25-54 with Life Insurance	162	
Total Serviceable Market	**3,20,88,81,574**	

Working Capital

INR in Millions	Mar-24 (E)	Mar-25 (E)	Mar-26 (E)	Mar-27 (E)	Mar-28 (E)	Mar-29 (E)
Trade Receivables	0.0	1.6	3.5	5.2	7.7	10.8
Other Current Assets	0.3	5.2	10.8	16.0	23.5	32.8
Current Assets	**0.3**	**6.8**	**14.2**	**21.3**	**31.2**	**43.6**
Other Current Liabilities	0.3	7.3	10.6	12.6	14.5	17.2
Short Term Provisions	0.1	0.8	1.3	1.5	1.7	2.1
Current Liabilities	**0.3**	**8.1**	**11.9**	**14.1**	**16.3**	**19.4**
Working Capital	**0.0**	**-1.3**	**2.3**	**7.2**	**15.0**	**24.3**
(Increase)/Decrease in Working Capital	**-0.2**	**1.3**	**-3.6**	**-4.9**	**-7.8**	**-9.3**
Working Capital Days	**3 Days**	**(8) Days**	**7 Days**	**14 Days**	**19 Days**	**22 Days**

Trade receivables	**10 Days**	**10 Days**	**10 Days**	**10 Days**	**10 Days**	**10 Days**
Other Current Assets	**30 Days**	**30 Days**	**30 Days**	**30 Days**	**30 Days**	**30 Days**
Other current liabilities	**30 Days**	**30 Days**	**30 Days**	**30 Days**	**30 Days**	**30 Days**
Short Term Provisions	**10 Days**	**10 Days**	**10 Days**	**10 Days**	**10 Days**	**10 Days**

Profit & Loss Statement					
INR in Millions	**FY25 (E)**	**FY26 (E)**	**FY27 (E)**	**FY28 (E)**	**FY29 (E)**
Revenue					
Revenue from Operations	59.2	127.2	191.5	282.3	395.5
Total Revenue from operations	**59.2**	**127.2**	**191.5**	**282.3**	**395.5**
Employee Benefit Expenses	30.2	48.3	56.1	63.9	78.1
Director Remuneration	8.4	9.4	10.5	11.8	13.2
Administrative Expenses	20.8	22.7	26.7	29.5	36.3
Marketing Expenses	29.1	48.7	59.6	71.5	82.1
Total Expenses	**88.5**	**129.2**	**153.0**	**176.6**	**209.7**
EBITDA	**-29.2**	**-2.0**	**38.5**	**105.7**	**185.8**
Depreciation & Amortization Expense	1.1	2.5	2.9	2.7	3.2
EBIT	**-30.3**	**-4.5**	**35.7**	**102.9**	**182.6**
Finance Cost	0.6	1.3	1.9	2.8	4.0
EBT	**-30.9**	**-5.8**	**33.7**	**100.1**	**178.6**
Current tax	-	-	8.4	25.0	44.7
PAT	**-30.9**	**-5.8**	**25.3**	**75.1**	**134.0**

Balance Sheet						
INR in Millions	**Mar-24 (E)**	**Mar-25 (E)**	**Mar-26 (E)**	**Mar-27 (E)**	**Mar-28 (E)**	**Mar-29 (E)**
EQUITY AND LIABILITIES Shareholders' Funds						
a) Shareholders fund	5	5	5	5	5	5
b) Reserves & Surplus	(3)	(34)	(40)	(14)	61	195
Investor funding	-	110	110	110	110	110
Current Liabilities						
a) Other Current Liabilities	0	7	11	13	15	17
b) Short Term Provisions	0	1	1	2	2	2
Total Equity & Liabilities	**2**	**89**	**87**	**114**	**192**	**329**
ASSETS						
Non Current Assets						
a) Fixed Assets	-	17	40	40	39	42
Current Assets						
a) Trade Receivables	0	2	3	5	8	11
b) Cash & Cash Equivalents	2	65	33	53	121	243
c) Other Current Assets	0	5	11	16	24	33
TOTAL	**2**	**89**	**87**	**114**	**192**	**329**

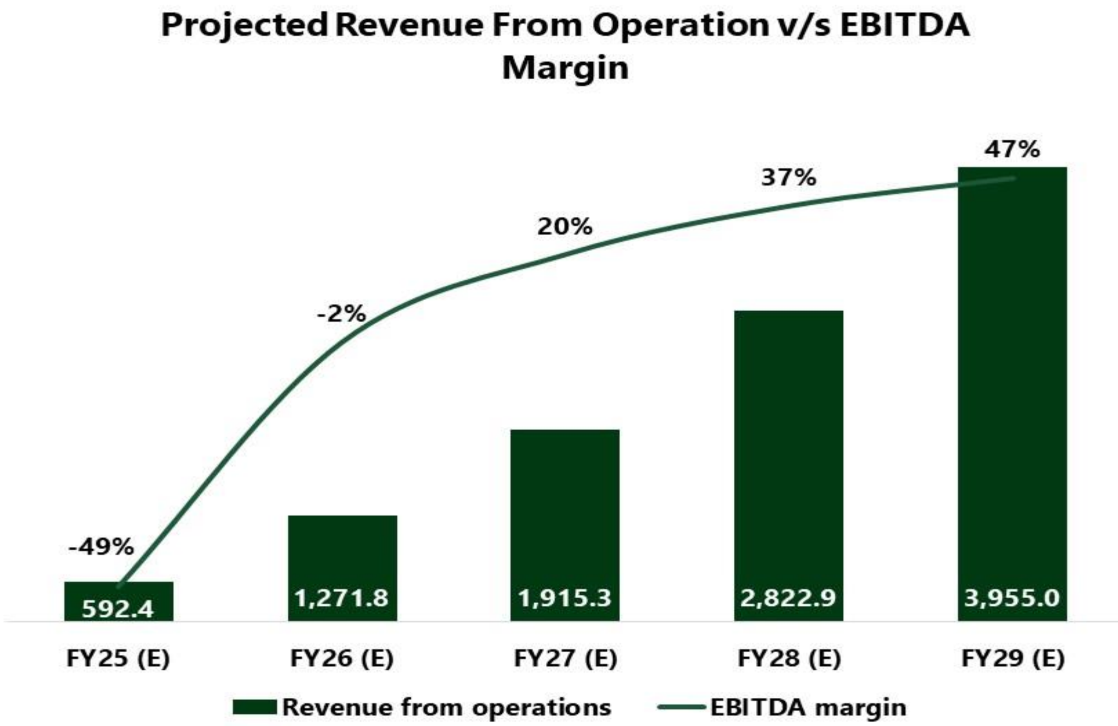
Weighted Average Cost of Capital

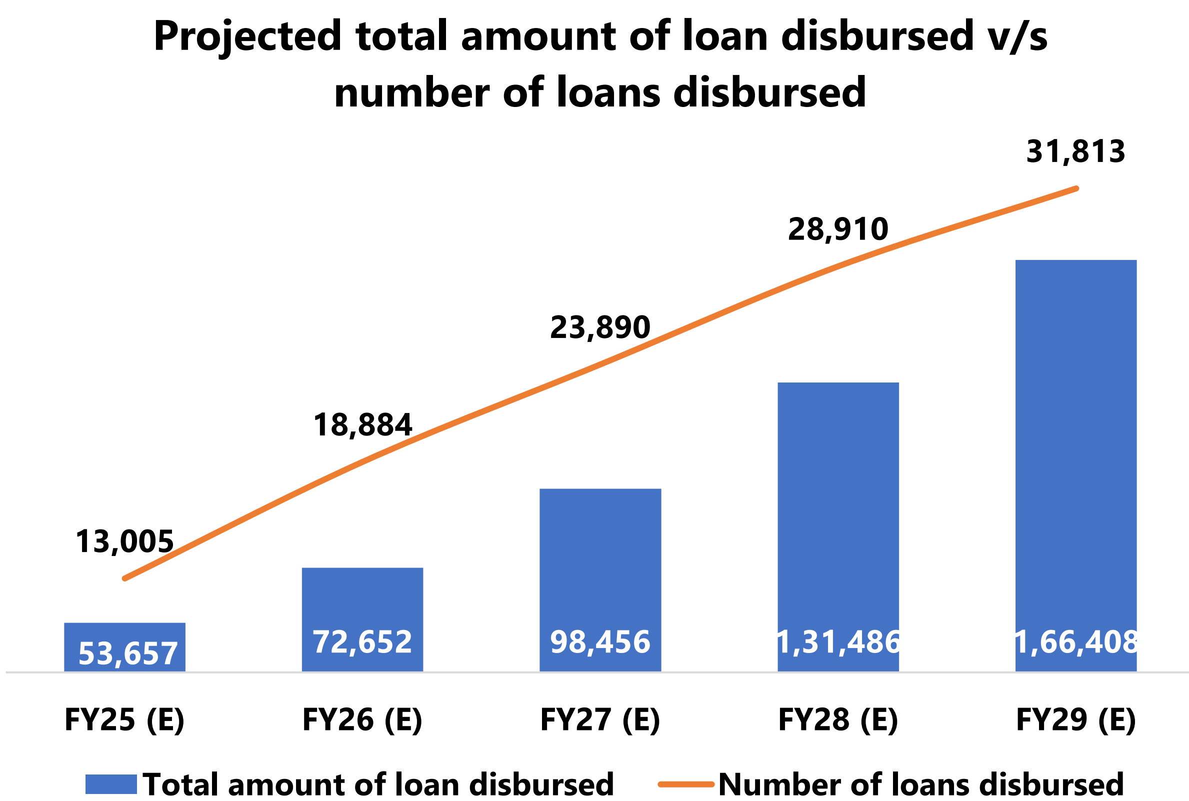
Particulars	Amount	Weight	COE/COD	WACC
Equity	112	100%	13%	13.3%
Debt	-	0%	5%	0.0%
Total	**112**	**100%**		**13.3%**

Discounted Cash Flow Approach (DCF)

Particulars	FY25 (E)	FY26 (E)	FY27 (E)	FY28 (E)	FY29 (E)	Perpetuity
Discount Rate	13%					
Terminal growth rate	5%					
Cash Flow Timing Accrual Factor	**1**	**2**	**3**	**4**	**5**	**5**
Free Cash Flow						
EBITDA	(292)	(20)	385	1,057	1,858	
Less: Depreciation	(11)	(25)	(29)	(27)	(32)	
EBIT	(303)	(45)	357	1,029	1,826	
Less: Taxes	-	-	(84)	(250)	(447)	
EBIT (Post Taxes)	**(303)**	**(45)**	**272**	**779**	**1,379**	
Add: Depreciation	11	25	29	27	32	
Less: Capex	(186)	(250)	(30)	(20)	(60)	
(Increase)/Decrease in Working Capital	13	(36)	(49)	(78)	(93)	
FCFF	**(465)**	**(306)**	**222**	**708**	**1,258**	**15,929**
Cumulative Cash Flow	**(1,560)**	**(1,866)**	**(1,644)**	**(936)**	**322**	
Discount Factor	**0.88**	**0.78**	**0.69**	**0.61**	**0.54**	**0.54**
Present Value	**(410)**	**(238)**	**153**	**430**	**674**	**8,533**

Intrinsic Value	
Enterprise Value	9,142
Less: Net Debt	
Add: Cash	21
Equity Value	**9,162**
Expected Equity Investment	**1,096**


Projected Revenue From Operation v/s EBITDA Margin
-49%
-2%
20%
37%
47%
592.4
1,271.8
1,915.3
2,822.9
3,955.0
FY25 (E)
FY26 (E)
FY27 (E)
FY28 (E)
FY29 (E)
Revenue from operations
EBITDA margin


Projected total amount of loan disbursed v/s number of loans disbursed
13,005
18,884
23,890
28,910
31,813
53,657
72,652
98,456
1,31,486
1,66,408
FY25 (E)
FY26 (E)
FY27 (E)
FY28 (E)
FY29 (E)
Total amount of loan disbursed
Number of loans disbursed

Key Financial highlights - Analysis

The company is projecting significant revenue growth over the next five years. Revenue from operations is expected to grow from INR 59.2 million to INR 395.5 million, representing a 566% increase.
The company's employee benefit expenses, director remuneration, administrative expenses, and marketing expenses are also projected to grow over the same period. This suggests the company is planning to invest in its workforce and operations to support its revenue growth.

Despite the revenue growth, the company is projecting losses in the first three years (FY25-FY27). This is due to the initial investments required to grow the business. They are projecting to become profitable in FY28 with an expected net income of INR 134.0 million.

Equity and Liabilities: The company's total equity and liabilities have increased significantly from Mar-24 to Mar-29. This increase is primarily due to an increase in investor funding (from INR 110 million to INR 110 million) and current liabilities (from INR 17 million to INR 30 million).

Shareholders' funds have remained relatively flat at INR 5 million throughout the period. This suggests that the company has not issued any new equity or retained earnings in the last six days.

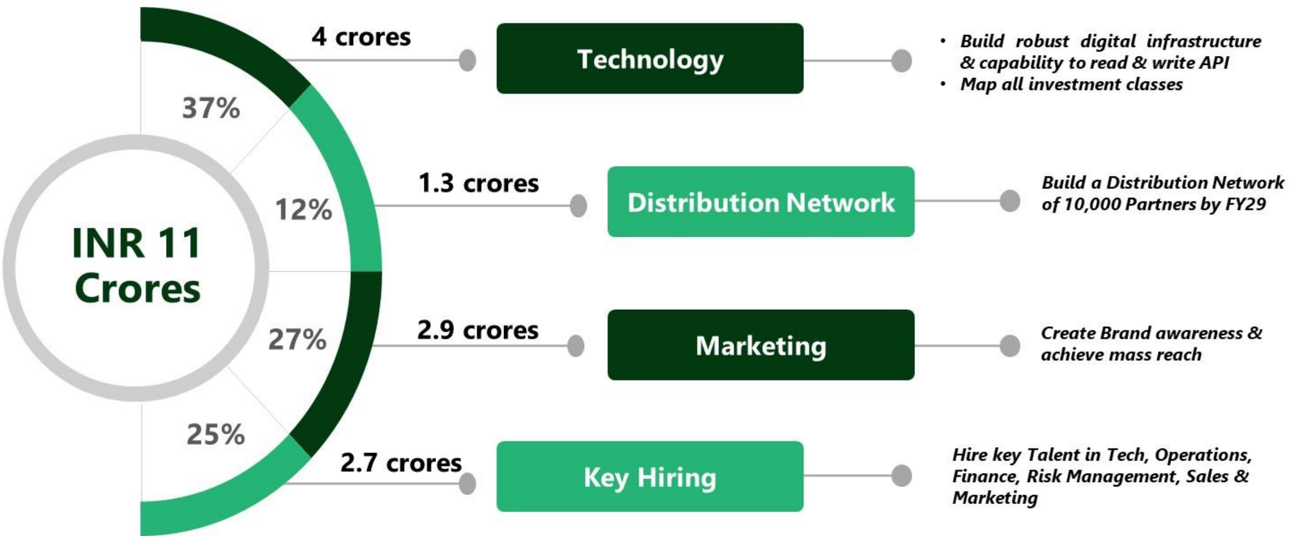
Reserves and Surplus: Reserves and surplus have increased significantly from INR (34) million to INR 61 million. This is due to profits earned by the company during this period or revaluation of assets.

Current Assets: Total current assets have increased from INR 69 million to INR 168 million. This increase is primarily driven by a rise in cash and cash equivalents (from INR 65 million to INR 121 million) and other current assets (from INR 0 million to INR 33 million).

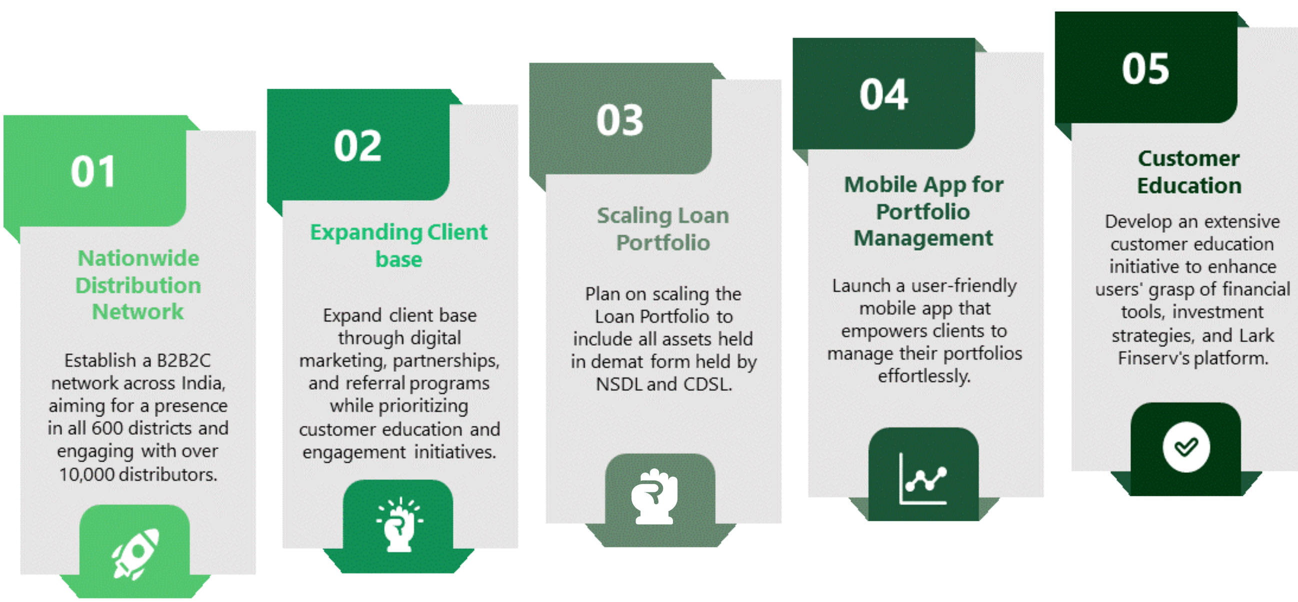
Non-Current Assets: Non-current assets have also increased slightly, from INR 17 million to INR 42 million. This increase is due to additions of property, plant, and equipment (PPE) and intangible assets.

Key KPI	
IRR	41%
Revenue Multiple	4.34
EBITDA Multiple	15.33
Avg Revenue Growth	63%
Avg EBITDA Margin	35%
Avg Net Profit Margin	25%

Fund Requirement



Growth strategy



3.4 Overall Conclusion

- **Secondary research**
- India's financial landscape is experiencing a digital revolution, with both incumbent financial institutions and nascent FinTech firms vying for market share. The digital lending market, in particular, presents a compelling growth opportunity driven by supportive government policies promoting financial inclusion, a burgeoning economy, and expanding technological adoption.
- A comprehensive analysis of the industry unveils both potential challenges and opportunities. Regulatory rigor, intense competition from established players, and the constant need for innovation can present obstacles. However, factors such as rising demand for credit, increasing customer awareness, and the growing adoption of Lending-as-a-Service (LaaS) models create a fertile ground for expansion.
- For entities like Company ABC to flourish in this dynamic environment, leveraging their core competencies in technology and streamlined loan processing is paramount. Addressing vulnerabilities such as brand recognition and fostering trust through exceptional customer service will be critical. Strategic partnerships, proactive regulatory compliance, and the potential for niche market specialization can further differentiate ABC from its competitors.
- By possessing a deep understanding of the forces shaping the industry and implementing effective strategies, digital lending companies like ABC can navigate the competitive landscape and contribute meaningfully to India's evolving narrative of financial inclusion.

Primary Research

- primary research analysis investigated the factors influencing the willingness to use digital loans. The findings provide valuable insights for lenders to improve their strategies and reach a wider audience.
- The reliability analysis confirmed the internal consistency of the measurement tool, indicating a reliable data set for further exploration.
- The hypothesis testing for demographic factors revealed a statistically significant relationship between age and income level and the willingness to use digital loans. Lenders can leverage this knowledge to tailor their marketing efforts towards specific age groups and income brackets for better loan product targeting. Gender and education did not show a statistically significant connection, suggesting these demographics might not be the most critical factors for marketing purposes in this context.
- The regression analysis identified several key factors influencing the willingness to use digital loans. Reputation, convenience, security, and trust were found to have statistically significant positive relationships. This indicates that lenders should emphasize their positive reputation, prioritize a convenient application process, address security concerns effectively, and build trust through brand image and excellent customer service.
- On the other hand, factors like flexibility did not show a statistically significant relationship with the willingness to use digital loans. Additionally, the analysis of reasons for not using digital loans revealed that feeling uncomfortable with the process and a preference for traditional loans were significant deterrents.
- Based on these insights, lenders can develop strategies to improve user comfort through educational resources and a user-friendly application process. Highlighting the advantages of digital loans compared to traditional options can further address user concerns.
- It is important to acknowledge that the model explains a moderate portion of the variance, suggesting other factors beyond those explored in this study might influence the willingness to use digital loans. Future research could investigate these additional factors to provide an even more comprehensive understanding of this evolving digital lending landscape.

Financial Analysis

- The company is poised for significant growth over the next five years, with projected revenue to INR 395.5 million. This ambitious growth plan is backed by investments in workforce, operations, and marketing expenses, suggesting a strategic approach to scale the business.
- Despite the projected revenue surge, the company anticipates initial losses in the first three years due to growth-related investments. Profitability is expected to be achieved in FY28 with a projected net income of INR 134.0 million.
- The company's financial health appears to be improving. A recent influx of investor funding and a rise in current assets, particularly cash and cash equivalents, indicate strong financial backing for the growth strategy. Additionally, increasing reserves and surplus suggest potential past profitability or asset revaluation.
- Key financial metrics like IRR (41%), revenue multiple (4.34), and EBITDA multiple (15.33) paint a promising picture for investors. The company's projected growth trajectory, coupled with healthy profitability margins (average revenue growth of 63%, EBITDA margin of 35%, and net profit margin of 25%), suggests a potentially lucrative investment opportunity.

3.5 Managerial Implications

- **Market Strategy:**
  - Focus on a growth strategy targeting specific age groups and income brackets with high willingness to adopt digital loans (based on primary research).
  - Leverage technology and streamlined loan processing for a competitive advantage.
  - Consider niche market specialization to differentiate from established players.
- **Customer Acquisition and Retention:**
  - Build brand awareness and establish a positive reputation through effective marketing campaigns.
  - Prioritize a user-friendly and convenient loan application process.
  - Address security concerns and build trust through transparent communication and excellent customer service.
  - Develop educational resources to improve user comfort with digital lending.
- **Financial Management:**
  - The projected initial losses require careful expense management during the growth phase.
  - The strong investor funding and positive financial metrics suggest continued focus on securing investments to support the ambitious growth plan.
  - Monitor key performance indicators (KPIs) like IRR, revenue multiples, and profitability margins to track progress towards financial goals.
- **Product Development:**
  - Continuously innovate and develop loan products that cater to the evolving needs of the target market.
  - Consider incorporating Lending-as-a-Service (LaaS) models for potential expansion opportunities.
- **Compliance:**
  - Maintain strict adherence to regulatory guidelines to avoid penalties and ensure smooth operations.

By implementing these strategic actions, Company ABC can capitalize on the promising digital lending market in India and achieve its ambitious growth objectives.

CHAPTER 4 TASK HANDLED

1. Tasks handled at the organization

Project 1 – Feasibility & Profitability analysis of Loan Service Provider.

- A client approached MARC for Profitability and Feasibility analysis

Project 2 – Overview of the Restaurant Industry in India.
Project 3 – Overview of Electronics Manufacturing services in India.
Project 4 – Impact of Bengaluru water crisis on various sectors.
Project 5 – Overview of Online Travel Agencies in India.
Project 6 – Overview of Ayush Industry in India Industry in India.

Details

Restaurant Industry in India: A comprehensive report on the Indian restaurant industry has been compiled. It details the market size and its projected growth, identifies key players and their market share, and explores current trends and consumer preferences. Additionally, the report provides a financial analysis like ratio analysis and P&L snapshot. This information equips you with a solid understanding of the industry's current landscape and potential opportunities.

Electronics Manufacturing Services (EMS) in India: Gathered in-depth data on the current production capacity of the industry, along with analyzing the impact of recent government initiatives aimed at boosting domestic EMS capabilities. This will help us understand the potential for future growth in this sector. Additionally, identified the major players in the Indian EMS space, evaluating their strengths and areas of expertise. This comprehensive analysis will provide valuable insights into the current landscape and future prospects of the Indian EMS industry.

Impact of Bengaluru Water Crisis: The water crisis in Bengaluru is a critical, focusing on key industries like IT, hospitality, and garments, but also explored the broader effects on other sectors. For the IT sector, examined potential disruptions to operations and employee needs due to water shortages. This project aimed to provide a clear picture of the challenges faced by each sector and potential mitigation strategies.

Online Travel Agencies (OTAs) in India: The Indian travel market is experiencing a significant shift towards online booking, and OTAs are playing a major role in this transformation. The report is delving into the world of leading OTAs in India, exploring their unique business models and how they compete for market share. Also identified current market trends in online travel booking. This comprehensive report will provide valuable insights into the evolving landscape of online travel agencies in India.

Ayush Industry in India: The Ayush industry, encompassing Ayurveda, Yoga, Unani, Siddha, and Homeopathy, is witnessing rapid growth in India. The research is focusing on understanding the current market size of this industry and its projected growth trajectory. Also identifying the various product categories within the Ayush sector and explore any recent government initiatives aimed at promoting its growth. This project provides a clear picture of the Ayush industry's current state and its future prospects in India.

TASKS HANDLED AT THE ORGANISATION		
	DATE	**TASK ACCOMPLISHED**
	15-01-2024	Went through industry reports made by the firm
	15-01-2024	Went through previous projects undertaken by the firm.
WEEK 1	17-01-2024	Studied the data sent by the firm to undertsand the business model.
	17-01-2024	Understanding the scope of work that the client expects
	18-01-2024	Meeting with the client.
	18-01-2024	Creating meeting notes.
	19-01-2024	Creating competitor analysis
	22-01-2024	Discussed doubts with the project head in the meeting
	22-01-2024	Worked on creating a questionnaire to send to the firm for clarrification.
	23-01-2024	Created additional questions to send to the firm for clarrification
WEEK 2	23-01-2024	Read industry reports to conduct PESTLE analysis
	24-01-2024	Created PESTLE analysis of the firm.
	24-01-2024	Reffered RBI guidelines on digital lending industry.
	25-01-2024	Made Industry report on Digital Lending
	29-01-2024	Updated Industry report on digital lending
	29-01-2024	Made statistical graphs on mutual funds, stocks and Insurance.
	30-01-2024	Attended meeting with project manager.
	30-01-2024	updated industry report and simplified the pitch deck document.
WEEK 3	31-01-2024	created pros and cons list of the process of availing loans
	31-01-2024	Found additional guidelines that affect the company.
	01-02-2024	Attended client call with project manager and team.
	01-02-2024	Created call notes of client meetinng
	02-02-2024	Gathered data on personal loans in India.
	05-02-2024	Created PPT slide on loan application Process.
	05-02-2024	Created PPT slide on products offereded.
	06-02-2024	Created PPT slide on target market.
	06-02-2024	Created PPT slide on investor profile.
WEEK 4	07-02-2024	Updated IM PPT with neccesary changes.
	07-02-2024	Addressed comments on PPT slide
	08-02-2024	Created Call notes of client and project manager
	08-02-2024	Updated slide on target audience

	12-02-2024	Created PPT slide on products.
	12-02-2024	Updated the chanages suggested by superior.
	13-02-2024	Created PPT slide on platform features.
	13-02-2024	Created PPT slide on growth strategies.
WEEK 5	14-02-2024	Updated PPT slide on IM.
	14-02-2024	Administration
	15-02-2024	Event planning
	15-02-2024	Event planning
	19-02-2024	Went through updates made on IM
	19-02-2024	Created PPT slide on Promoters and advisors
	20-02-2024	Worked on Restaurant industry formatting.
	20-02-2024	Worked on Identifying Top 10 companies in Restaurant Industry.
WEEK 6	21-02-2024	Worked on Restaurant industry top company P&L analysis
	21-02-2024	Identified KPIs of restaurant industry
	22-02-2024	Submitted the work in progress version of restauranrt industry report.
	22-02-2024	Updated the report with neccesary changes after the review
	26-02-2024	Added ratio analysis to the restaurant Industry report
	26-02-2024	Added Variance analysis to the restaurant Industry report.
	27-02-2024	Made neccesary changes to restaurant industry financial analysis
	27-02-2024	Updated Excel of restaurant Industry
WEEK 7	28-02-2024	Added additional KPIs for restaurant Industry
	28-02-2024	Created the final draft of restaurant Industry
	29-02-2024	Research on Top FDI sectors in India
	29-02-2024	Working on structure of EMS (Electronics manufacturing services) industry report
	04-03-2024	Worked on creating a structure for Online travel agents and API pharma.
	04-03-2024	Created PPT slides for EMS industry
	05-03-2024	Created PPT slide for Global and Indian EMS
	05-03-2024	Created PPT slide for Government Initiatives in EMS
WEEK 8	06-03-2024	Created PPT slide on Macro economic factors
	06-03-2024	Created PPT slide on PEST analysis
	07-03-2024	Created PPT slide on Trends in EMS
	07-04-2024	Created PPT slide on Notable investments
	08-04-2024	Gathered data on ESS
	08-04-2024	worked on the report

	11-03-2024	Worked on getting Linkedin data of the organisation.
	11-03-2024	Profiling of Key personnel of ESS
	12-03-2024	Profiling of Accelator division
WEEK 9	12-03-2024	Completed the final formatting of appraoch strategy.
	14-03-2024	Completed Correction of ESS file
	14-03-2024	Worked on EMS industry WIP report.
	18-03-2024	Worked on EMS industry - Import & Exports
	18-03-2024	Worked on EMS industry corrections
	19-03-2024	Worked on EMS industry sourcing data
	19-03-2024	Worked on EMS industry companies
WEEK 10	20-03-2024	Worked on corrections after review.
	21-03-2024	Worked on addressing comments of EMS Industry
	21-03-2024	Worked on final changes for EMS Industry.
	26-03-2024	Worked on structure of online travel agency
	26-03-2024	Worked on gathering information of online travel agency.
	27-03-2024	Added additional data for EMS report
	27-03-2024	Added additional data for Bengaluru water crisis report
WEEK 11	28-03-2024	Worked on drafting online travel agency report
	28-03-2024	Made neccsary changes to bengaluru water crisis report
	29-03-2024	Online travel agency report- Added data on India's Travel market.
	01-04-2024	Online travel agency report- Major players
	01-04-2024	Online travel agency - Government Initiatives
	02-04-2024	Worked on online travel Industry major players
	02-04-2024	Worked on online travel Industry KPI
WEEK 12	03-04-2024	Worked on corrections after review of online travel agency report
	03-04-2024	Worked on finding startups in online travel agency space
	04-04-2024	Worked gathering information on players in OTA Industry.
	04-04-2024	Worked on IG post of Bengaluru water crisis

	08-04-2024	Worked on gathering information of Ayush Industry in India.
	08-04-2024	Worked on creating a PPT slide for Ayush Industry Market.
WEEK 13	10-04-2024	Worked on AYUSH Industry Market size
	10-04-2024	Worked on AYUSH Industry Sub sectors
	11-04-2024	Worked financial analysis of major firms in AYUSH
	11-04-2024	Worked on Government led initiatives in AYUSH
	16-04-2024	Ayush Industry FDI
	16-04-2024	Ayush Industry Final Formatting
WEEK 14	17-04-2024	Ayush Industry added KPIs
	17-04-2024	Ayush Industry formatting after review
	18-04-2024	Worked on getting additional information for ayurveda Industry
	19-04-2024	Created Restaurant Industry Snapshot
	19-04-2024	Attended Training
	22-04-2024	Created PPT for MARC competencies - Market research
	22-04-2024	Collected data to add samples in the PPT
	23-04-2024	Marc Competencies - Information Memorandum
	23-04-2024	Marc Competencies - MIS
WEEK 15	24-04-2024	Marc Competencies - Brands
	24-04-2024	Marc Competencies - Customer testimonials
	25-04-2024	Marc Competencies - Made changes after Review
	25-04-2024	Marc Competencies - Final submission
	29-04-2024	MARC Competencies - Changes after discussion
	29-04-2024	Case study - Final submission
	30-04-2024	Worked on review after changes
Week 16	30-04-2024	Submitted the final work
	02-04-2024	Completed handover duties
	02-04-2024	Completed handover duties

4.1 Key Learnings

Industry Analysis & Market Research: Gained expertise in conducting industry analyses, including market sizing, competitor identification, and understanding regulatory frameworks. This is crucial for any business to assess feasibility and identify opportunities. (Projects: Loan Service Provider Analysis, Restaurant Industry in India, Electronics Manufacturing Services (EMS) in India, Online Travel Agencies (OTAs) in India, Ayush Industry in India)

Business Model Evaluation: Developed strong analytical skills to evaluate existing business models. This included assessing loan products, target markets, operational costs (Loan Service Provider Analysis), as well as understanding unique value propositions and competitive strategies (Restaurant Industry in India, Online Travel Agencies (OTAs) in India).

Financial Analysis & Forecasting: Learned to utilize financial tools like ratio analysis and profit and loss (P&L) statements to assess financial health (Restaurant Industry in India). Additionally, gained experience in profitability forecasting, a key skill for business decision-making (Loan Service Provider Analysis).

Impact Assessment: Developed the ability to assess the impact of external factors on businesses and industries. This included analysing the water crisis's impact on various sectors in Bengaluru and understanding government initiatives' influence on industry growth (Impact of Bengaluru Water Crisis, Electronics Manufacturing Services (EMS) in India, Ayush Industry in India).

Understanding Trends: Learned to identify and analyse current trends within industries. This encompassed understanding consumer preferences in the restaurant industry (Restaurant Industry in India), online booking trends in travel (Online Travel Agencies (OTAs) in India), and growth trends in the Ayush sector (Ayush Industry in India).

4.2 Major Challenges

Unfamiliar Concepts: Encountering entirely new and complex business concepts during research was a hurdle. This involved industry regulations thorough understanding.

Data Overload: Being bombarded with a vast amount of data and information can be overwhelming. Sifting through this information to identify key trends and draw meaningful conclusions requires strong analytical skills.

Reliable Data Sourcing: Finding credible and trustworthy data sources was a significant challenge. The abundance of information online makes it difficult to distinguish between high-quality research and biased marketing materials.

Limited Industry Expertise: As a student researcher, one might not have access to the same level of industry expertise as experienced professionals. This can make it difficult to gain deeper insights into industry practices and navigate complex topics.

Knowledge Gaps: Research projects sometimes delve into areas outside core business knowledge. This lack of specific industry knowledge can hinder the ability to fully grasp the nuances of the research topic.

MBA Concepts used in the Projects

1. **Market Analysis:** Understanding market size, growth potential, and key player identification were crucial across all projects (Loan Service Providers, Restaurant Industry, EMS, Online Travel Agencies, Ayush Industry). This aligns with core MBA concepts of market analysis, segmentation, and competitive positioning.
2. **Financial Analysis & Forecasting:** Evaluating financial data like profitability, costs, and ratios played a role in these projects. This showcases the application of MBA concepts in financial analysis, profitability forecasting, and financial modelling.
3. **Business Model Evaluation:** Each project involved analysing existing business models, including target markets, value propositions, and revenue streams. This demonstrates the use of MBA concepts in business model canvas analysis and understanding the core components of successful businesses.
4. **Impact Assessment (Impact of Bengaluru Water Crisis):** This project assessed the impact of an external factor (water crisis) on various industries. This highlights the application of MBA concepts in strategic management, understanding external environments, and conducting risk assessments.
5. **Industry Trends & Consumer Behaviour:** Identifying current trends and consumer preferences were important aspects of these projects. This showcases the use of MBA concepts in consumer behaviour analysis, understanding market trends, and staying up-to-date with industry dynamics.

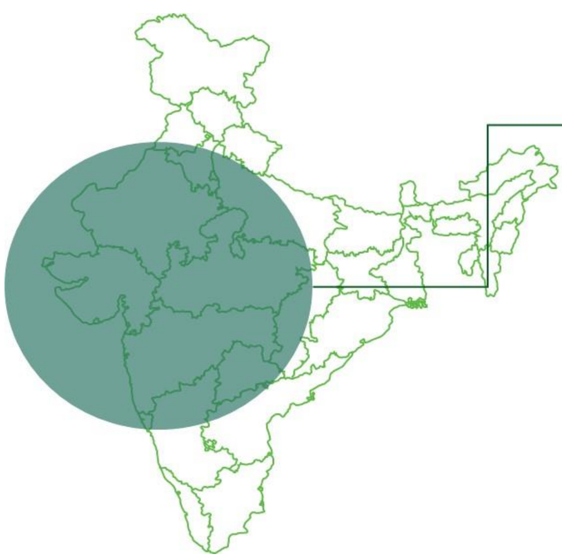
Appendix 1

Samples of work done
Sample of research project undertaken during Internship

Restaurant Industry

Growth Drivers

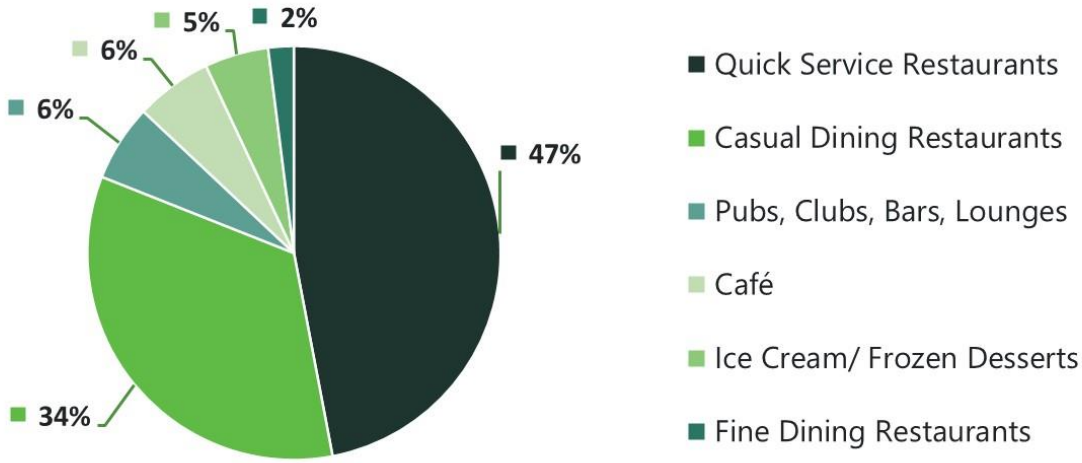
- **Changing demographics**: There is a liberal, progressive, and upwardly mobile middle class, and the number of nuclear families is rapidly rising.
- **Exposure:** Traveling outside of India has made Indians more knowledgeable about other cultures' cuisines. The popularity of television food and cooking shows like MasterChef has further increased public awareness of fine dining.
- **India as a travel destination**: Restaurants in the nation have every motivation to diversify their menus and provide higher-quality services in order to meet the demands of a growing international market as India projects itself as a key tourism destination to the rest of the world.
- **Digitalization and Infrastructure Development**: Restaurants benefit from digitalization and infrastructure development by being able to better manage expenses, reduce waste, maintain quality, etc.
- **Technological Advancement:** The advent of technology, especially the rise of food delivery platforms and online reservations, has made it easier for consumers to access a wide variety of food options.
- **Celebration of Food Culture:** The rise of food festivals and culinary events reflects a growing trend of celebrating food as both an experience and entertainment, showcasing the diverse creativity within the restaurant industry.



Among the regions, **West and Central India** currently dominates the market.

For the **fourth time** in a row, **Delhi** was named the **"Dining Capital of India"**, hosting **32% of all diners in India** as of 2023**.**

With **44%** of reservations made for **"Table for 2"**, **Udaipur is the new "City of Love"**, while Agra and Ludhiana had the most "Table for 4" bookings.



P&L Snapshot (Jubilant Foodworks)	Actuals			Common size			Variance	
In USD Million	FY21	FY22	FY23	FY21	FY22	FY23	FY22	FY23
Revenue from Operations	394	523	614	100%	100%	100%	33%	17%
Consumption	-81	-111	-139	-21%	-21%	-23%	37%	25%
Expenses	-222	-278	-337	-56%	-53%	-55%	25%	21%
Employee Benefits	-88	-91	-107	-22%	-17%	-17%	3%	18%
Rent	-9	-5	-9	-2%	-1%	-1%	-44%	80%
Power & Fuel	-17	-23	-32	-4%	-4%	-5%	35%	39%
Repair & Maintenance	-4	-6	-8	-1%	-1%	-1%	50%	33%
Other Expenses	-104	-153	-181	-26%	-29%	-29%	47%	18%
EBITDA	91	134	138	23%	26%	22%	47%	3%
Finance Cost	-19	-21	-23	-5%	-4%	-4%	11%	10%
Depreciation	-44	-46	-57	-11%	-9%	-9%	5%	24%
EBT	28	67	58	7%	13%	9%	139%	-13%

The company achieved YoY revenue growth from FY22 to FY23 of 17%. As a percentage of revenue, EBITDA decreased from 23% in FY21 to 22% in FY23 as there was a rise in consumption cost.

- The revenue from operations is further divided into sales for manufactured goods, traded goods and sub franchise income. For the review period up until the FY23, the revenue is seen to have a growing trend from USD 394 Mn to USD 614 Mn majorly contributed from manufactured goods.
- As a percentage to Revenue, FPL costs have also slightly increased from 4% to 5% FY21 to FY23.

Manufactured Goods

Manufactured Goods like Pizza refers to items produced in–house.
In FY19, manufactured goods contributed to 92% of the total revenue. However, In FY23 this category contributed to 95% of the total revenue.

2019
92% **of Total Revenue**

2023
95% **of Total Revenue**

Traded Goods - Beverages and desserts

Traded Goods like beverages and desserts refers to items sourced from suppliers.
In FY19, Traded goods contributed to 7% of the total revenue. However, In FY23 this category contributed to 4% of the total revenue.

2019
7% **of Total Revenue**

2023
4% **of Total Revenue**

Sub – Franchise

Refers to sub-franchising the brand.
In FY19, sub-franchise contributed to 1% of the total revenue. In FY23 this category contributed to 1% of the total revenue.

2019
1% **of Total Revenue**

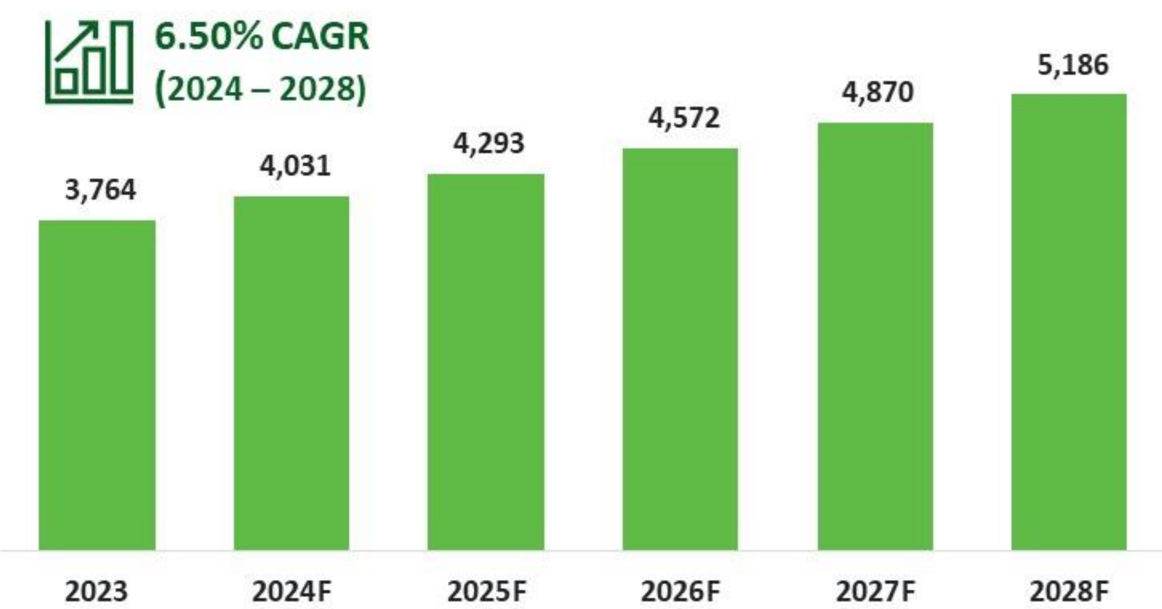
2023
1% **of Total Revenue**

Particulars	Jubilant	Devyani	Sapphire	Westlife	RBA
Revenue (USD in million)	614	312	237	73	43
Consumption (% to revenue)	23%	30%	31%	30%	34%
Employee Cost (% to revenue)	17%	12%	12%	13%	16%
Power & Fuel Cost (% to revenue)	5%	6%	7%	-	13%
Average Per Order (INR)	388	340	410	500	350
Number of Stores	1614	1243	743	357	852
Number of cities	393	240	135	52	123
App downloads (in million)	8.5	4.5	7.9	22	5
Monthly active users (in million)	1.3	1.2	1.4	2	3.2
Number of brands	5	5	3	1	3

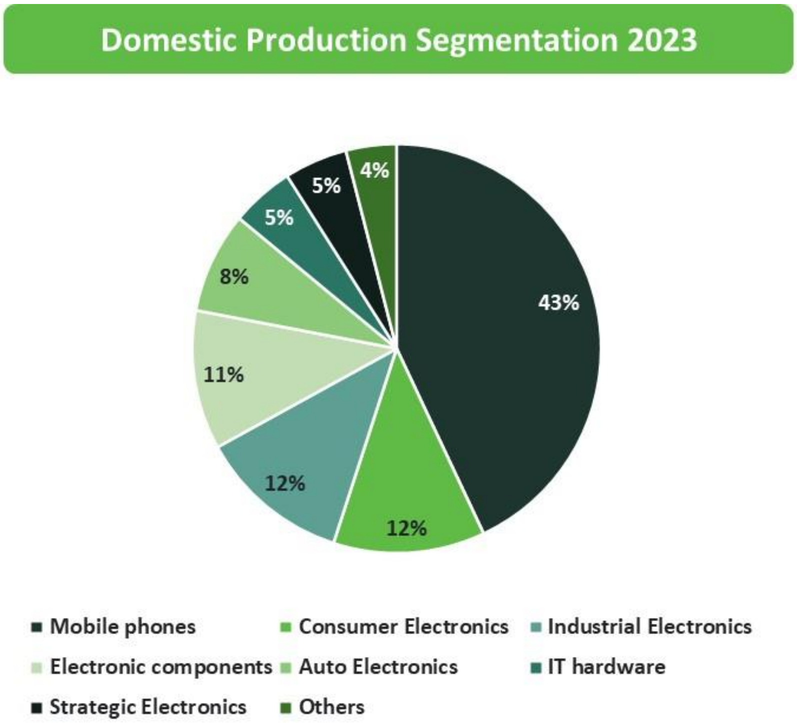
Electronics Manufacturing services

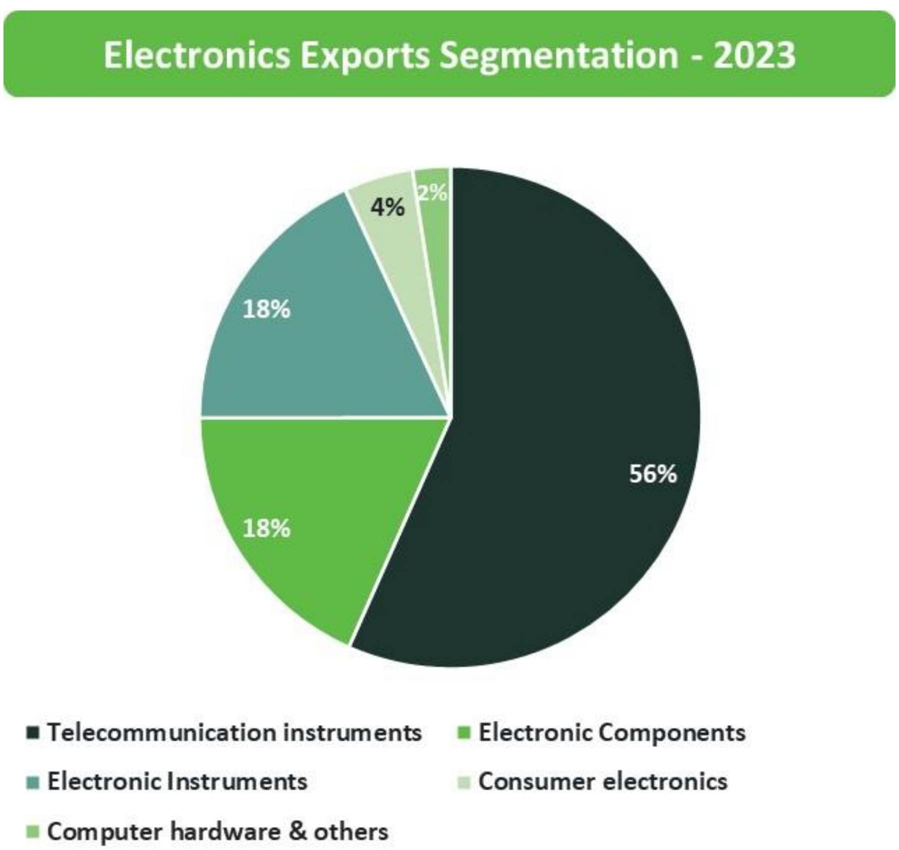
The Global Electronics market was valued at USD 3,764 billion in 2023 and is expected to reach USD 4,031 billion in 2024 at a CAGR of 7.10%. It will continue to grow at **CAGR of 6.50%** and is expected to reach USD 5,186 billion in 2028.

Global Electrical & Electronics Market Size



The Global Electronics Manufacturing Services market is expected to reach USD 856 billion in 2030 at a **CAGR of 7%.**

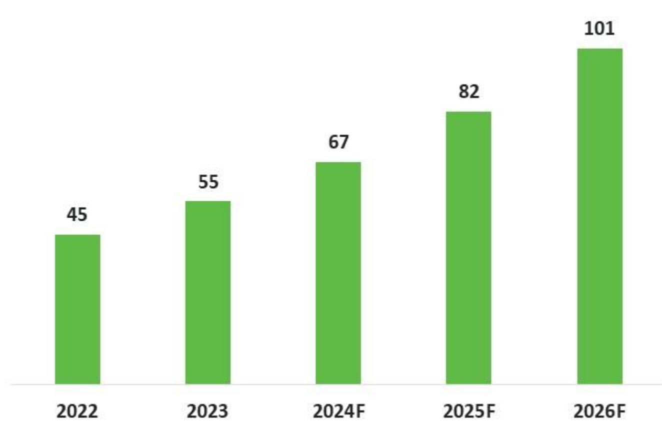

Domestic Production Segmentation 2023
43%
12%
12%
11%
8%
5%
5%
4%
Mobile phones
Consumer Electronics
Industrial Electronics
Electronic components
Auto Electronics
IT hardware
Strategic Electronics
Others

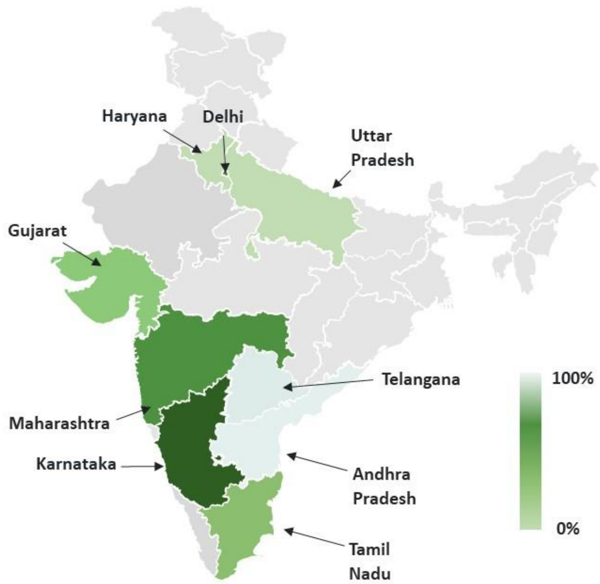

Electronics Exports Segmentation - 2023
56%
18%
18%
4%
2%
Telecommunication instruments
Electronic Components
Electronic Instruments
Consumer electronics
Computer hardware & others

Indian EMS Market Share

Year	2023		2026 (F)	
	Value in Bn	(%)	Value in Bn	(%)
India	55	10.3%	101	15.4%
Rest of the World	535	89.7%	655	84.6%

Indian EMS Market Size





State	Percentage Breakdown Of EMS Companies
Karnataka	22%
Maharashtra	15%
Delhi	15%
Tamil Nadu	11%
Gujarat	8%
Uttar Pradesh	7%
Haryana	5%
Telangana	5%
Andhra Pradesh	3%
Others	9%

EMS Industry Companies

Global Companies
Companies with Global Headquarters

- Bharat FIH
- Flex
- Wistron
- Pegatron
- Sanmina – SCI Technology
- Jabil Circuit
- Cyient DLM

Large Indian Companies
Revenue > USD 6 million

- Dixon technologies
- Amber Enterprises
- Kaynes Technologies
- SFO Technologies
- Syrma SGS Technologies
- Avalon Technologies
- Elin Electronics
- Centum Electronics

Mid/Small Indian Companies
Revenue < USD 6 million

- VVDN Technologies
- Rangsons Electronics
- PG Electroplast

PEST Analysis

Political

- Transparency in the government process and ever improving ease of doing business in India.
- Government policies are formulated to encourage the growth of production.

Economic

- Indian GDP growth rate is at 6.5% and is expected to grow at 7% in FY24 which creates ample production opportunities.
- Emergence of Special Economic Zones (SEZs).

Social

- Customer-centric approach.
- Addressing the end-users' needs.
- Creation of employment opportunities.
- Usage of ESGs employing social and ethical values

Technological

- The boom in research and development.
- Improved creativity in technologically advanced methods.

Production Linked Incentive Scheme (PLI)

PLI offers incentive to boost domestic manufacturing and attract investments.

Incentives:

- 4-6% on incremental sales of the goods manufactured in India.
- Incentives up to US$ 5 billion will be awarded over a period of five years

Scheme for Promotion of Manufacturing of Electronic Components & Semiconductors (SPECs)

Aims to offset disabilities in the domestic manufacturing of electronic components.

Incentives:

- 25% on capital expenditure pertaining to plant, machinery, equipment, associated utilities, and technology.
- Includes R&D on a reimbursement basis; up to US$ 500 million over a period of eight years.

Modified Electronics Manufacturing Clusters Scheme (EMC 2.0)

Addresses disabilities, by providing support to create infrastructure.

Incentives:

- 50% of project costs, subject to a ceiling of US$ 10 million for every 100 acres of land.

Source: IBEF Report

Year	Company	Place	Investment value	Purpose
2021	Tata Electronics Pvt Ltd	Tamil Nadu	USD 790 million	Construct a phone component manufacturing facility.
2021	Jabil Electronics Pvt Ltd	Pune	USD 275 million	Venture into smartphones, home appliances and mobile parts.
2021	Dixon Technologies Public Ltd	India	USD 80 million	Build a new capacity to serve domestic and global markets.
2022	Sanmina Corporation Public Ltd	India	USD 200 million	Create a Joint Venture with Reliance Strategic Business Ventures Limited, a subsidiary of Reliance Industries
2023	Foxconn Public Ltd	Bangalore	USD 96,000 million	Build a mobile manufacturing plant.

PE firm I Squared Capital & Gram Power - 2023

Global private equity firm I Squared Capital invested **USD 100 million** in smart metering firm Gram Power (India) Pvt. Ltd, picking **a controlling stake** in the Jaipur-based firm. In view of this acquisition, the former will be rebranded as Polaris.

Reliance subsidiary - RSBVL & Sanmina - 2022

RSBVL will hold **50.1% stake** in the joint venture entity with Sanmina owning the remaining 49.9%. RSBVL will achieve this ownership primarily through an investment of up to **USD 200 million** in new shares in Sanmina's existing Indian entity.

Reliance Retail & Addverb - 2022

Reliance Retail has invested **USD 132 million** in the company and will hold around **54% stake** in the robotics start-up. The strategic partnership with Reliance Retail will help Addverb Technologies leverage 5G, battery technology through new energy initiatives.

Tech Mahindra & Thirdware - 2022

Tech Mahindra announced that it will be acquiring **100% stake** in Mumbai-based Thirdware Solutions in an all-cash deal for a total consideration of up to **USD 42 million** including earnouts.

Source: Live Mint, The Economic Times, Business Standard, The Economic Times

Bengaluru water crisis

Introduction

History

Many Hundred years ago, the Bengaluru plateau was semi-arid, with sparse rainfall. As new settlers moved in, they created keres & irrigation tanks.

The settlers transformed the area. Large open wells surrounded lakes, providing a plentiful supply of water. Lakes were connected across a topographical gradient.

When Kempegowda came to power in the 16^{th} century and started building Bengaluru, he built over 100 lakes, continuing the work of those before him.

How we got here?

Bengaluru's water problems are closely linked to a broader issue: The **Kaveri water dispute** involving **Karnataka** (the state where Bengaluru is located) and **Tamil Nadu.**

- Water-sharing agreements were established in the late 1800s. During water shortages, both claim they don't get enough water.
- Karnataka argues that it needs water for its growing population, while Tamil Nadu stresses its reliance on the Kaveri river for existing agriculture.
- This issue has been debated for many years, with the Supreme Court stepping in to allocate water based on rainfall patterns.

Bengaluru population Is **13.6** million in 2023.

It is expected to reach **21.15** million by 2030

Currently Bengaluru needs **2,600** MLD water.

Out of this, It has a shortage of about **500** MLD water.

A BBC report highlighted **Bengaluru** as one of the cities likely to run out of drinking water, second only to Sao Paulo, Brazil, by 2031

Impact of Urbanization on water scarcity

Increased concrete surfaces reduce groundwater recharge. 1973 to 2022, the city's built-up area expanded by **51.8%** & green spaces shrank by **26.2%.**

Bengaluru will lose an additional **14.3 sq km** of greenery by 2038, with the built-up area growing by 1,536 sq km.

The central areas of Bengaluru with more dense population led to exploitation of groundwater, exceeding the natural recharge rate.

The rapid industrialization & Relaxed building regulations have accelerated urban growth, resulting in an **88%** reduction in vegetation.

Reduced Rainfall

Karnataka received a **38% deficit** in north-east Monsoon showers from October to December. The State received a **25% deficit** in southwest monsoon rain from June to September.

Empty Water Reservoirs

Water levels in Cauvery Basin reservoirs like Harangi, Hemavathi, and Kabini are at **39% of their total capacity** as of 2024.

Depletion of Groundwater

Residents rely on borewells to supplement the water supply. However, with falling rain and excessive extraction, groundwater levels are rapidly declining, causing many borewells to dry up.

Climate Change

Changing weather patterns, including erratic rainfall and prolonged droughts, attributed to climate change, have reduced the availability of water in reservoirs.

Inadequate Infrastructure

The city's infrastructure, including water supply systems and sewage networks, has not kept pace with its rapid growth.

Pollution of Water Bodies

Bengaluru's water bodies are polluted by industrial effluents, sewage, and solid waste dumping.

285
Lakes in 1970

194
Lakes in 2017

Out of 194 Lakes, 80 lakes are severely polluted (41%)

The Karnataka Urban Water Supply & Drainage Board estimates that in 1970, when the city's population was just 1.62 million, nearly **15%** water supply was dependent on lakes.

The Karnataka State Pollution Control Board (KSPCB) report of 2016 stated that water from **90%** of city's lakes is unfit for consumption, making Bengaluru dependent on ground water & supply from the river Kaveri.

IT sector
Prominent IT companies like Infosys and Wipro are witnessing the impact of the water crisis with employees opting to work from home due to the lack of water in office which has disrupted operations.

Hosiery or Garment sector
The sector needs water for processing. Government is saying it will source recycled water for the industry. But for that there is a tendering process and at this rate the sector will not get water this season.

Healthcare sector
Apollo & Athreya Hospital and Healthcare institution in Bagalagunte grapples with multiple water sources running dry, the hospital's operations hinge solely on tanker water, exacerbating logistical challenges and financial burdens.

Education sector
Due to the worsening shortage, many schools have resorted to using drums filled with water instead of relying on running tap water. The situation is particularly worrying for private schools located in outlying areas.

Hospitality sector
Many hotels like Nisarg Grand & Aloft have been paying increasingly high rates for private water tankers. They have to make a separate budget for water. And even then, the quality that is supplied of water is low.

Restaurant sector
From serving water in smaller glasses to reducing cutlery items in buffets, restaurants across Bengaluru are doing their bit to conserve water, amidst the ongoing crisis in the city.

Paper manufacturing sector
Industrialists say that the increased cost of procuring water is driving up production costs. The industry depends heavily on water. If the situation continues, they might temporarily shut as they cannot afford to keep buying water at such high rates.

Construction sector
The board issued an order banning the use of potable water for non-essential purposes, including for construction. The board has said that they can provide up to 1,300 MLD water daily. The order has not gone down well with builders.

The Cauvery Stage V project

The project aims to provide 110 liters of water daily to 12 lakh people.

Involves Construction of a Water Treatment Plant (WTP) with a capacity of 775 MLD and is scheduled for completion by 2024.

Drilling borewells

The government plans to drill borewells at 313 locations and reviving 1,200 inactive borewells.

The chief minister has instructed to utilize private tankers to provide water to slums, villages, and borewell-dependent regions.

Task Forces

Increase the number of task forces to promptly address complaints and to prohibit the use of drinking water in parks.

Replenish dried-up lakes in Bengaluru with treated water, similar to initiatives undertaken in the KC valley.

Solutions

Water Future Hub

The water board envisaged that the hub would connect local companies with national and international experts to share knowledge and capabilities.

Karnataka Water Policy

The policy suggested strategies like re-cycling, re-use of treated waste water, rain water harvesting, industrial water use planning and other such measures.

Reclaimed water

If families reuse the 150 liters of toilet water they use each day, they could save 4500 liters per household in a month, using it for outdoor chores and gardening.

Bangalore Water Supply and Sewerage Board *(*BWSSB)

To control water prices, all private water tankers and borewells are instructed to register with BWSSB to avoid facing seizures.

Water Centre

The BWSSB also proposed establishing a Water Centre to promote concepts like water conservation, rainwater harvesting and water reuse among people.

Water sustainable management

Solar desalination and smart irrigation systems are examples of clean technology for water efficiency and control.

Online Travel Agencies

The India Travel and Tourism Market size is estimated at USD 78 billion in 2023. During the forecast period between 2024 and 2030, Market size is estimated to expand at a **CAGR of 7.77%** reaching a value of USD 131.7 billion by 2030.

6.43 Mn

Foreign Tourist Arrival in India – Till September 2023

243 Mn

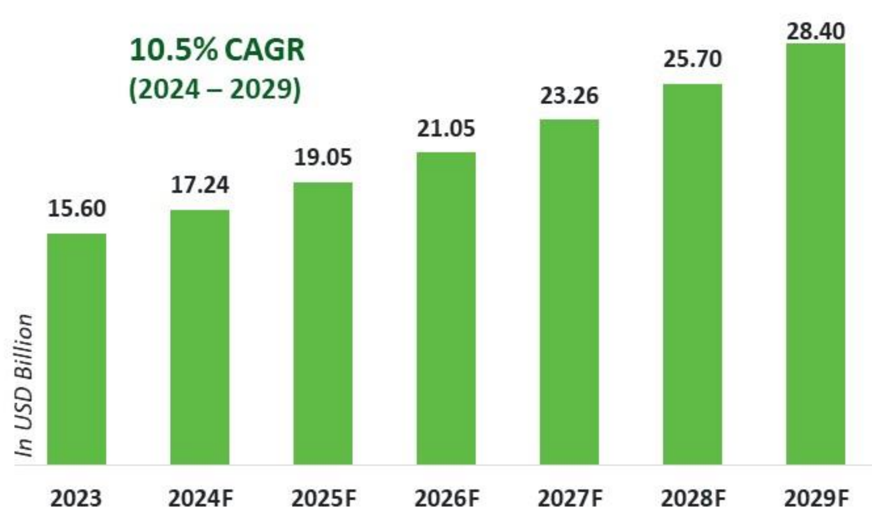
Annual domestic passenger traffic at top 30 airports in India - 2023

Major Travel Trends 2024

- Global collaboration in the travel industry
- Expansion of India's Middle class
- A shift towards experiential travel, eco-tourism, and offbeat destinations
- Digital revolution in travel planning and experiences
- Flexible payment options, such as 'travel now, pay later' schemes

India Online Travel market is expected to reach USD 28.40 billion in 2029 at a **CAGR of 10.5%.**

India Online Travel Market



	make my trip	ixigo	EaseMyTrip.com	yatra	cleartrip
Operating Revenue (In USD million)	583.56	60.12	53.88	45.60	5.92
Profit/Loss (USD in million)	(10.99)	2.81	16.08	0.92	(82.8)
Growth in Scale FY23	95%	32%	91%	92%	(10%)
Gross Booking Value (In USD billion)	7.22	0.93	1.00	0.81	1.05
Business Tenure	23 Years	16 Years	15 Years	17 Years	18 Years

Air Travel Gross Booking Value
USD 7.26 billion

Make My Trip	56.9%	Ease My Trip	13.4%
Clear Trip	13.7%	Yatra	9.4%

Rail Gross Booking Value
USD 1.25 billion

Make My Trip	10.2%	Ease My Trip	<1%
Ixigo	47.7%	Yatra	<1%

Hotel Gross Booking Value
USD 2.76 billion

Make My Trip	56.6%	Ease My Trip	<1%
Clear Trip	1.9%	Yatra	3.6%

Intercity Bus Gross Booking Value
USD 1.13 billion

Make My Trip	75.2%	Ease My Trip	<1%
Ixigo	11.4%	Yatra	<1%

Yatra - 2023

Yatra Online Ltd had raised **USD 41.85 million** from anchor investors. Foreign Investors who participated in the anchor are Morgan Stanley Asia (Singapore) Pte, Goldman Sachs (Singapore) Pte, and Domestic Institutions.

Ease My Trip - 2022

Nomura Singapore Ltd. has picked up a stake in Easy Trip Planners Ltd, investing **USD 5.51 million** as per bulk deal, NSE: EASEMYTRIP, by purchasing 11,50,000 shares of Easy Trip Planners Ltd.

Ixigo - 2021

Online travel app Ixigo has raised **USD 53 million** from investors led by Singapore sovereign wealth fund GIC, ahead of its proposed initial public offering.

Make My Trip - 2019

China's Ctrip will boost its ownership of MakeMyTrip, to 49% through an exchange deal that sees Naspers, swap its shares for 5.6 percent of Ctrip. On paper, each stake is worth around **USD 1.3 billion.**

Initiatives to Propel Growth in India's Tourism Sector – Budget FY 2023-2024

In the Budget for FY 2023-24, the Government of India allocated **USD 288 million** for the Ministry of Tourism to support various government initiatives.

It aims to develop at least **50 destinations** as a complete package of tourism, which can then be promoted globally.

A **mobile app** is also proposed in the Budget which will host information about tourist destinations across India, such as connectivity, tourist guides, security, etc.

Indian Government Schemes

Global Tourism Investors Summit (GTIS)

Showcases opportunities for investment and trade while fostering tourism and development nationwide.

Swadesh Darshan 2.0

Aims for development of tourist destinations with an outlay of **USD 169.44 million** for FY 2023-24.

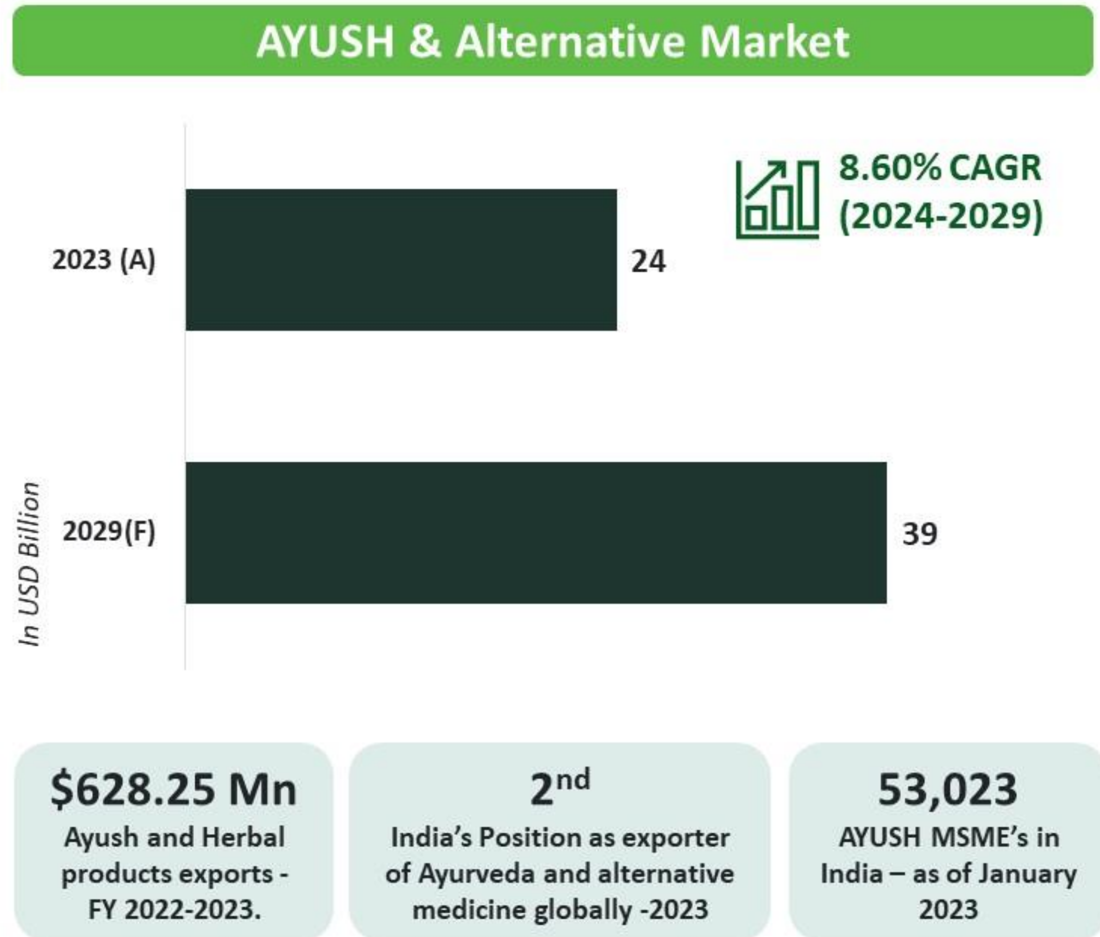
PRASHAD Scheme

Enhancing religious tourism by developing pilgrimage sites with an outlay of **USD 30 million** for FY 2023-24.

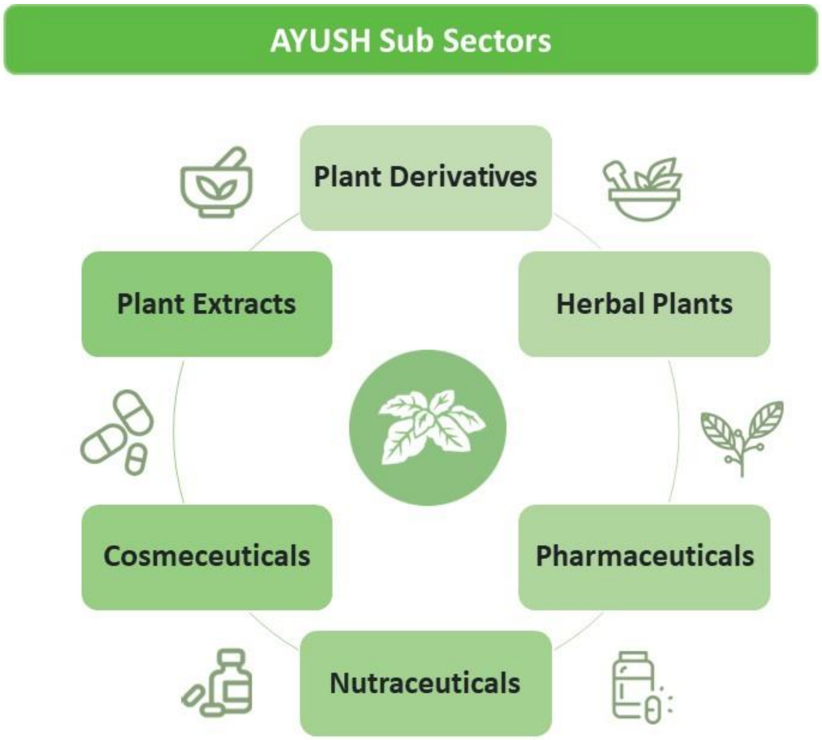
Vibrant Villages Programme

Tourism infrastructure and amenities will be developed to promote tourism in border villages.

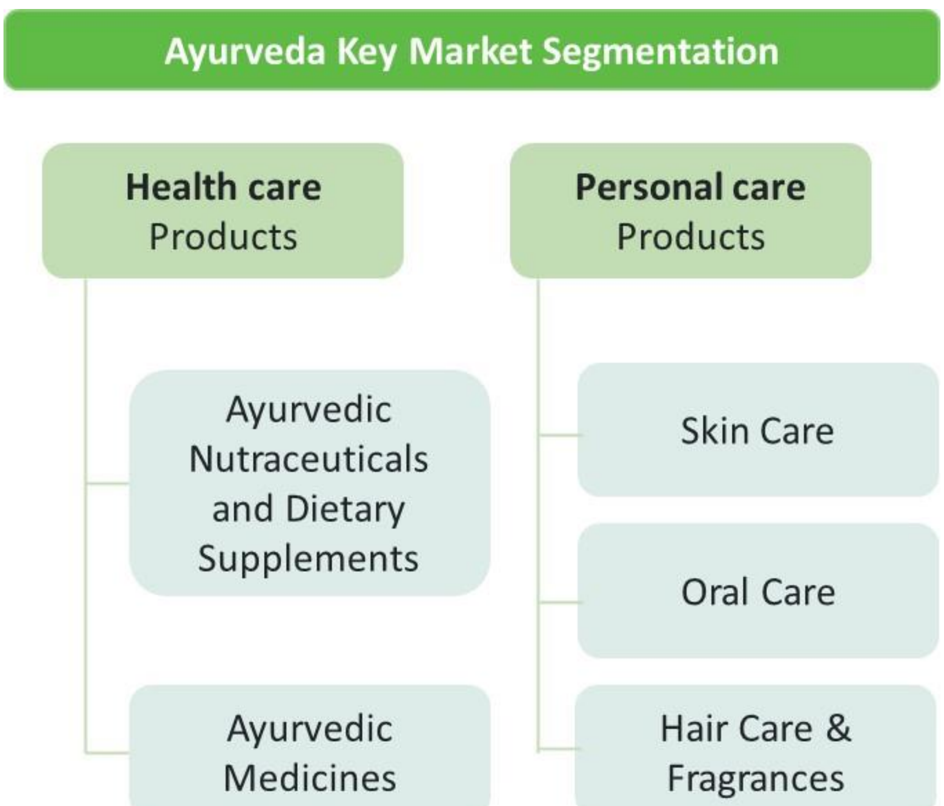
Ayush Sector in India



Source: Mordor Intelligence, Invest India, Decade AYUSH report, & AYUSH.gov

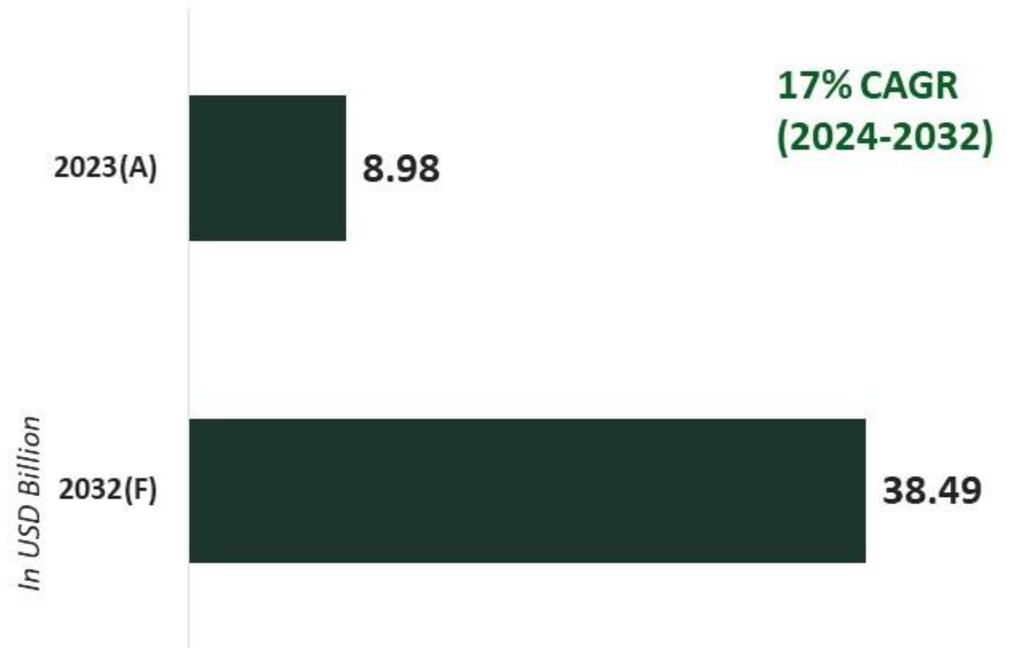


Source: Invest India & IMARC



The Indian Ayurvedic Products market size reached USD 8.98 Billion in 2023. The market is expected to reach USD 38.49 Billion by 2032, exhibiting a CAGR of **17%** during 2024-2032.

Ayurvedic Products Market

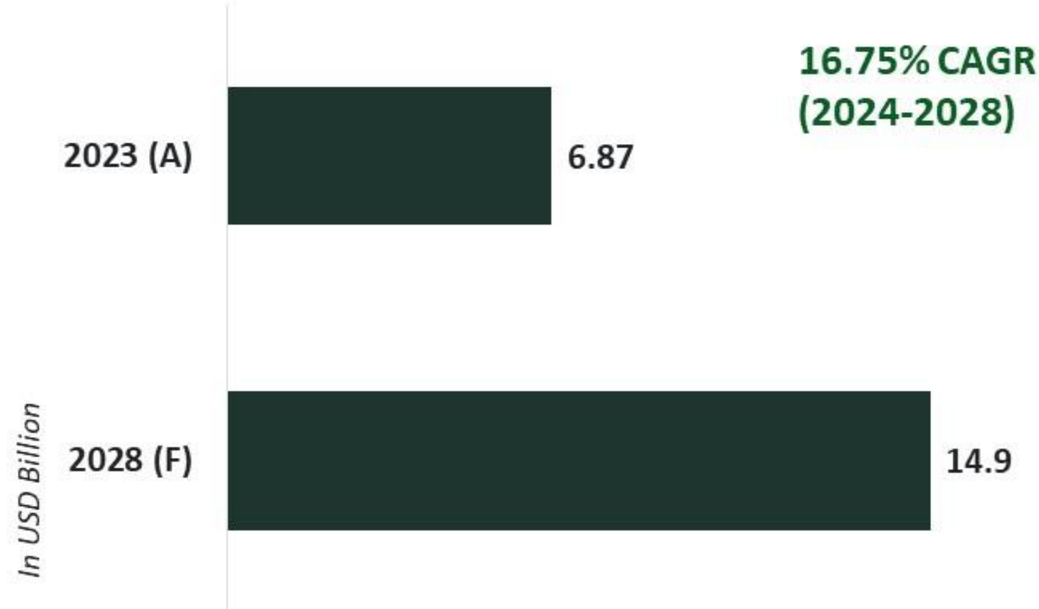


Key Trends in the Forecast Period

- Rising Health Concerns
- Increasing Popularity of Ayurveda
- Easy Availability
- Increasing Affordability
- Growing Awareness
- Improving Manufacturing Processes

India Herbal Products market is expected to grow at a CAGR of **16.75%,** owing to growing knowledge about the harmful effects of chemical formulations present in various beauty care products on skin.

Herbal Products Market



Key developments

Witnessing a shift towards 'safer' herbal products, domestic companies like Himalaya, Dabur, Lotus, and Patanjali launched their own herbal cosmetic products.

In response to rising demand, premium and luxury brands like Kama Ayurveda, Forest Essentials, etc have also introduced products in the herbal market.

Amway India strengthened its herbal skincare category with the launch of Attitude Herbals Insta Nourish Range & Vasu the Herbal Healthcare company launched Vasu Naturals.

L'Oréal partnered with Hotel Shilla and Anchor Equity Partners to launch a new luxury skincare brand "Shihyo"& Netsurf Network launched 6 variants of herbal green tea.

	PATANJALI	Dabur	Emami	Zydus Wellness	Amrutanjan
YoY Growth	30.23%	5.9%	6.85%	12%	- 6.45%
Retail Touchpoints	1.5 Mn	7.7 Mn	4.9 Mn	2.5 Mn	1.18 Mn
Operating Profit Margin	4.46%	18.8%	25.33%	14.72%	15.52%
Net Profit Margin	2.81%	14.8%	23.18%	13.76%	10.49%
Business Tenure (Years)	17	139	49	35	130

The Ayurveda Experience - 2024

The Ayurveda Experience (TAE), a direct-to-consumer company focused on Ayurvedic beauty and health products, raised **USD 27 million** in a funding round led by Singapore-based venture investment firm Jungle Ventures

Green Forest Wellness - 2022

At Global Ayush Investment and Innovation Summit 2022, Student Ayurvedic Startup, Green Forest Wellness has got a funding offer worth **USD 0.29 million** from a private company. Company manufactures Ayurvedic based cosmetic products.

Kama Ayurveda -2019

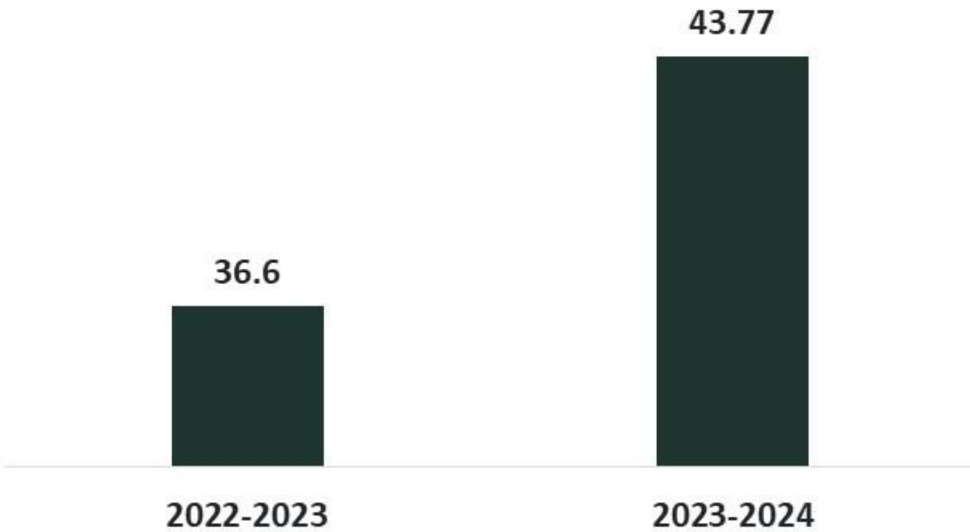
Spanish fashion and fragrance company Puig SL has marked its entry into India by picking a minority stake in private equity-backed Kama Ayurveda with **USD 14.4 million** as part of the transaction and will have the option to further increase its stake

Patanjali Ayurved - 2018

Patanjali Ayurved has confirmed it is considering investment of **USD 800 million** from French luxury group LVMH, foreign investment would mesh with its strategy of developing and selling products based on Hindu traditions such as Ayurvedic lines.

Source: Entrackr, PIB, Vccircle & Justfood

Budget Allocation



There has been a consistent trend of increased budget allocation reflecting growing recognition of the sector & commitment to bolstering its initiatives & programs.

National AYUSH Mission (NAM)
Expansion of the AYUSH sector to promote holistic health of Indians till 2026. Total cost – USD 55.23 million.

AYUSH Clinical Case Repository Program
Developed by the Ministry of Ayush as a platform to support both Ayush practitioners and the public.

AYUSH WELLNESS Centers
To provide informed choice to the public in need, by making the AYUSH services available.
Total Cost – USD 40.79 million.

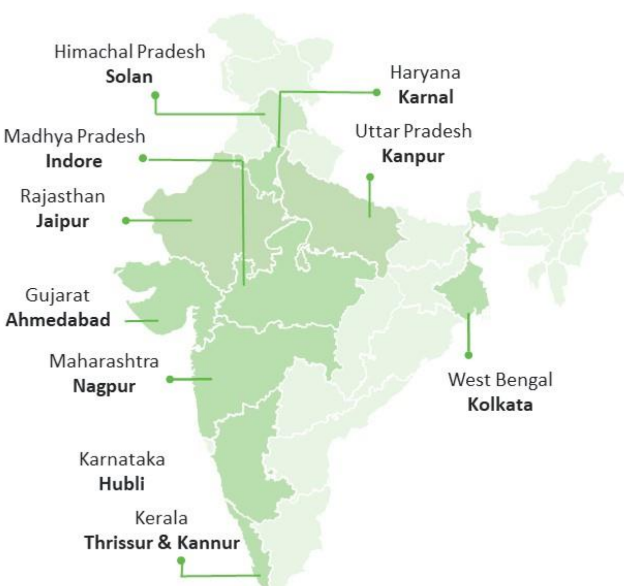
AYUSH Sanjivani App
Developed by MeitY, the App intends to generate data usage of AYUSH advocacies and measures among the population.
.

Schemes under Ministry of AYUSH & MSME

- Zero Defect Zero Effect/Lean
- Procurement & Marketing Support Scheme
- Advanced Training Insitutute (ATI)
- Entrepreneurship Skill Development Programme (ESDP)
- Credit Linked Credit Subsidy (CLCS)

The Raw materials of ayurveda are found in forest, rural areas, tribal areas & aspiration districts. There is a need for processing units & clusters there for job creation, enterprise development and self employment. The Plan includes roping **Ayush clusters** in the schemes of the Ministry of MSME.

Major AYUSH Clusters



Appendix 2

Note - Photos at work not permitted

Questionnaire

Loan Against Securities – Digital Loan (LAS) Survey

This survey explores Digital loan service Providers to understand consumer preferences, but the information gathered is strictly for research purposes only. Your participation is valuable and your responses will be kept confidential, it's important to understand that this survey does not constitute financial advice. It's always recommended to consult with a qualified financial professional before making any borrowing decisions. Your participation is entirely voluntary. It's also important to note that this survey is not an endorsement of any particular Digital Loan service provider.

Section 1 **Demographics**

1. Age:

    - 18-24
    - 25-30
    - 31-40
    - 41-50
    - Above 50

2. Gender

- Male
- Female
- Others

3. Income: (Monthly)

- Below ₹20,000
- ₹20,000 - ₹50,000
- ₹50,000 - ₹1,00,000
- Above ₹1,00,000

4. Education: (Please select the highest level of education you have completed)

- High Secondary School or Equivalent
- Undergraduate Degree
- Graduate Degree
- Professional Degree
- Other:

Section 2: Usage of LAS

I have used a Loan Against Securities (Stocks, Mutual Funds or Insurance Policies) in the past.

- No – Section 3
- Yes – Section 4

Section 3: Reasons for not using LAS

Please indicate how much each of the following reasons influences your decision not to use LAS (Strongly agree – strongly disagree)

1. I am not aware of Loan against Securities.
2. I am uncomfortable using securities (like stocks or mutual funds) as collateral for a loan.
3. I believe the interest rates offered by LAS are generally high.
4. I find the application process for LAS to be complex or time-consuming.
5. I prefer traditional loan options offered by banks.

Section 4: Loan Provider Selection

1. When considering a loan provider, how important are the following factors to you? Please rate them using the Likert Scale below:

- Not Important (1)
- Somewhat Important (2)
- Important (3)
- Very Important (4)
- Extremely Important (5)

1. Competitive interest rates offered by the lender.
2. Reputation and track record of the loan provider.
3. Ease and convenience of the loan application process.
4. Loan features such as flexible repayment terms and online account management.
5. Level of trust and familiarity with the brand.
6. Security measures and data privacy practices offered by the lender.

Part 5: Willingness to use LAS

Please indicate your level of agreement with the following statement using the Likert Scale below:

I would be willing to consider using a Loan Application Service (LAS) for my future borrowing needs.

- Strongly Disagree (1)
- Disagree (2)
- Neutral (3)
- Agree (4)
- Strongly Agree (5)

Content Validity

Sr. No.	Questionnaire Item		Experts Inputs						
		E.1	E.2	E.3	E.4	E.5	NOA	NO A/N OE	I-CVI
Reasons for not using LAS									
1	I am not aware of Loan Against Securities (LAS).	4	4	5	4	4	4	5/5	1
2	I am uncomfortable using securities (like stocks or mutual funds) as collateral for a loan.	3	2	4	3	5	4	4/5	0.80
3	I believe the interest rates offered by LAS are generally high.	4	4	4	4	3	5	5/5	1
4	I find the application process for LAS to be complex or time-consuming.	5	4	5	4	4	4	5/5	1
5	I prefer traditional loan options offered by banks.	4	4	4	4	4	5	5/5	1
6	I have security concerns about using online lending platforms.	4	4	5	4	4	5	5/5	1
Loan Provider Selection									
7	Competitive interest rates offered by the lender.	3	4	4	3	4	4	5/5	1
8	Reputation and track record of the loan provider.	4	4	2	4	3	4	4/5	0.80
9	Ease and convenience of the loan application process.	4	4	4	4	3	5	5/5	1
10	Loan features such as flexible repayment terms and online account management.	4	4	5	5	4	4	5/5	1
11	Level of trust and familiarity with the brand.	5	4	4	4	4	5	5/5	1
12	Security measures and data privacy practices offered by the lender.	4	4	4	3	4	5	4/5	1
	Total								11.6

I-CVI = No. of Agreement (per statement) above 3/No. of Experts
S-CVI = Total of I-CVI/ No. of items
Overall Scale Validity = 11.6/13
= 0.96
Thumb Rule - Three to Five experts - Acceptable **CVI value should be 1** (Polit et al. 2007)

3.References

Agarwal, R., School, H. K., Agarwal, V., Ahmed, F., Bhalla, S., Breuer, L., Dell'ariccia, G., Ebrahimy, E., Garg, P., Giglio, S., Gopinath, G., Jaravel, X., Kedia, S., Mazarei, A., Mohapatra, S., Moretti, M., Ogawa, S., Pradhan, M., Roy, S., … Wuensch, O. (2023). *M-RCBG Associate Working Paper Series | No. 212 The Past & Future of Indian Finance The Past & Future of Indian Finance*. www.hks.harvard.edu/mrcbg

Al-Shakrchy, E., & Alnassar, W. I. (n.d.). *THE IMPACT OF TRADITIONAL AND DIGITAL FINANCIAL INCLUSION ON MARKET LENDING: EVIDENCE FROM PANEL DATA ESTIMATION*. https://www.researchgate.net/publication/360932787

Bhatt, A., Joshipura, M., & Joshipura, N. (2022). Decoding the trinity of Fintech, digitalization and financial services: An integrated bibliometric analysis and thematic literature review approach. In *Cogent Economics and Finance* (Vol. 10, Issue 1). Cogent OA. https://doi.org/10.1080/23322039.2022.2114160

Chappell, G., Harreis, H., Havas, A., Nuzzo, A., Pepanides, T., & Rowshankish, K. (n.d.). *The lending revolution: How digital credit is changing banks from the inside*.

Chou, A. (2020). WHAT'S IN THE "BLACK BOX"? BALANCING FINANCIAL INCLUSION AND PRIVACY IN DIGITAL CONSUMER LENDING. In *J.D. expected*. https://www.treasury.gov/

Francis, E., Blumenstock, J., & Robinson, J. (2017). *Digital Credit: A Snapshot of the Current Landscape and Open Research Questions *.*

Kumar Jhariya, P., Gour Vishwavidyalaya, H., Neetu Kushwaha, M. P., & G L Puntambekar Professor, M. P. (n.d.). *Sachetas AN ANALYSIS OF CREDIT GROWTH THROUGH TRADITIONAL BANKS AND FINTECH COMPANIES IN INDIA*. www.sachetas.in

Mbawuni, J., & Nimako, S. G. (2014). Getting Loan Clients to Recommend Financial Service Providers: The Role of Satisfaction, Trust and Information Quality. *Accounting and Finance Research*, *4*(1). https://doi.org/10.5430/afr.v4n1p78

Modi, A., & Kesarani, V. (2023). Digital Lending Laws in India and Beyond: Scrutinizing the Regulatory Blind Spot. *Indian Journal of Economics and Finance*, *3*(1), 1–7. https://doi.org/10.54105/ijef.A2542.053123

NIEWINSKA, K. (2023). Fintech sector: a review of research trends for the period of 2015-2022. *Scientific Papers of Silesian University of Technology. Organization and Management Series*, *2023*(181), 387–412. https://doi.org/10.29119/1641-3466.2023.181.26

Njenga, M. W., & Kavindah, L. (n.d.). CREDIT MANAGEMENT STRATEGIES AND SUSTAINABILITY OF DIGITAL LENDING APPLICATIONS IN KENYA. *International Academic Journal of Economics and Finance*, *3*(6), 423–446. http://iajournals.org/articles/iajef_v3_i6_423_446.pdf

Sarungu, C., & Sarungu, C. M. (n.d.). *Digital Lending High Level System Architecture in Indonesia*. https://www.researchgate.net/publication/343851281

Unleashing potential The next phase of digital lending in India. (2023).

Yadav, M., & Shanmugam, S. (2022). *FINTECH LENDING IN INDIA: THE CHANGING PARADIGM OF BANKING*. https://www.researchgate.net/publication/363838787