

**A
PROJECT REPORT
ON
“INVESTMENT PITCH BOOK FOR AGARWOOD
CULTIVATION”**

**SUBMITTED BY
MR. PRANAV RAJENDRA VALVI
(STREAM- FINANCE)**

**UNDER THE GUIDANCE OF
PROF. RASIKA NAIK**

**SUBMITTED TO
SAVITRIBAI PHULE PUNE UNIVERSITY
IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF DEGREE OF
MASTERS OF BUSINESS ADMINISTRATION (MBA)**

THROUGH



Sinhgad Institutes

**SINHGAD COLLEGE OF ENGINEERING,
DEPARTMENT OF MANAGEMENT STUDIES,
VADGAON(BK), PUNE**

(2022 – 2024)

DECLARATION

I **PRANAV RAJENDRA VALVI**, the undersigned, hereby declare that the project report entitled **“Investment Pitch Book for Agarwood Cultivation”** written and submitted by me to the Savitribai Phule Pune University, Pune in partial fulfilment of the requirement for the award of degree of MBA under the guidance of **“PROF. RASIKA NAIK”** is my original work except the topics on organizational profile and the conclusion drawn there in are based on the material collected by myself.

Place: Pune

Date:

MR. PRANAV RAJENDRA VALVI

ACKNOWLEDGEMENT

I take this opportunity to express my profound gratitude and deep regards to my guide **PROF. RASIKA NAIK** for his exemplary guidance, monitoring, and constant encouragement throughout the course of this project. The blessing, help and guidance given by him time to time shall carry me a long way in the journey of life on which I am about to embark.

I also take this opportunity to express a deep sense of gratitude to **TRUPTI HERBAL AGRO & BIOTECHNOLOGY PVT LTD.** for their cordial support, valuable information and guidance which helped me in completing this project through various stages.

I wish to express a special thanks to all teaching and non-teaching staff members of Sinhgad College of Engineering, Department of Management Studies, Pune their continuous support. I would like to acknowledge all my family members, relatives and friends for their help and encouragement.

GUIDE'S CERTIFICATE

COMPANY CERTIFICATE

COMPANY FEEDBACK FORM

EXECUTIVE SUMMARY

Agarwood is also known as liquid gold. Agarwood is mainly cultivated in Assam. Moreover Orissa, Maharashtra, Karnataka and Gujarat farmers are also aware of Agarwood plantation investment and benefit hence started Agarwood farming in Karnataka, Gujarat, Maharashtra and Orissa. Agartala, containing the name Agar due to Agarwood.

While talking Agarwood global market Agarwood farming in the Philippines is quite popular same as mahogany farming in Philippines moreover, Agarwood cultivation in USA and Cambodia is also very popular. India still needs to push this precious farming because farmers are yet (2021) not aware of this precious tree farming moreover, government need to make a clear platform to promote some important tree farming and that should contain easy permission area.

The Agarwood tree in Hindi name is 'Agar'. The scientific name of Agarwood is Aquilaria, and it is believed that the name agar came from Sanskrit name 'Aguru'. It is listed as an endangered plant. First grade Agarwood is one of the most precious and expensive natural raw materials in the entire world. Global market of Agarwood was estimated above 8 billion dollar way back in 2013 and it is growing rapidly. Agarwood farming profit in India is much more than any other crop or tree farming but you need to check whether the cultivation of Agarwood is permitted in your region or not.

It is also called Aguru and the name of Agarwood is being used in incense sticks. Due to high class fragrance and aroma it is mainly used in aromatic products like incense and it has a huge demand in the perfume industry. The wood left after extracting the oil of Agarwood is used to make incense sticks (agarbatti).

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CHAPTER 1
INTRODUCTION

1.1 Current Indian Scenarios

1. **Overview of Agarwood cultivation in India:** - Agarwood cultivation in India dates back centuries, with historical references in ancient texts. While Agarwood trees grow naturally in India, commercial cultivation has gained prominence. The demand for Agarwood products, including Oud oil and chips, has driven a renewed interest in Agarwood farming. It is considered an environmentally friendly alternative to illegal logging, as it encourages sustainable harvesting.
2. **Market demand and consumption patterns within India:** - In India, Agarwood is a key component in Ayurvedic and traditional medicine. The fragrance industry also relies on Agarwood, where it's used to create high-end perfumes and incense. The Indian market for Agarwood products is robust, with increasing awareness about the medicinal and aromatic properties of Agarwood. The trend toward natural and organic products further boosts its demand.
3. **Regulatory environment and government initiatives:** - The Indian government recognizes the potential of Agarwood cultivation and has implemented several policies and initiatives to support farmers. These include subsidies for Agarwood plantation, technical assistance, and research programs. Investors can leverage these incentives and initiatives to establish and expand Agarwood plantations.

1.2 Current Global Scenarios

1. **Global Agarwood market trends and demand:** - The global Agarwood market is dynamic, driven by demand for Agarwood resin, Oud oil, and Agarwood chips. The fragrance and perfume industry is a major consumer of Agarwood, with luxury brands using it in high-end fragrances. The price of Agarwood has witnessed significant appreciation, making it an attractive investment option. The global Agarwood market is estimated to be worth billions of dollars.
2. **Major consumers and importing countries:** - The United Arab Emirates, Saudi Arabia, China, and Japan are among the leading importing countries for Agarwood products. These countries are known for their high demand for Oud oil, which is a vital ingredient in perfumery and traditional ceremonies. Investors can tap into these lucrative international markets by exporting high-quality Agarwood products.
3. **Comparative analysis of Agarwood cultivation practices worldwide:** - Successful Agarwood cultivation practices vary by region and are influenced by factors like climate, tree species, and local expertise. Studying practices in countries like Malaysia, Thailand, and Cambodia can provide valuable insights for optimizing Agarwood cultivation in India. Collaborations with international experts and organizations can enhance the knowledge and techniques applied in Agarwood farming.

1.3 Theoretical Aspects

1. **Agarwood Formation:** - Agarwood is a resinous wood that forms within the heartwood of specific tree species in response to wounding, infection, or environmental stress. This resin, also known as Agarwood, is highly prized for its aromatic properties.
2. **Scientific Aspects of Agarwood cultivation:** - Successful Agarwood cultivation requires specific tree species *Aquilaria*, which are vulnerable to damage, stress, or fungal infection to induce resin formation. The cultivation process involves techniques like controlled wounding, inoculation, or environmentally mimicking stressors. Understanding these techniques is essential for high-quality Agarwood production.

1.4 Key concept and definitions

Key Concepts: -

1. **Resin Induction Techniques:** - Resin induction techniques are methods used to stimulate the production of Agarwood resin in trees. These techniques may include controlled wounding, where the bark of the tree is intentionally damaged to trigger resin formation, or the inoculation of certain fungi, like *Phaeoacremonium parasitica*, which induce a resinous response. Resin induction is a critical step in Agarwood cultivation to enhance the quality and quantity of resin produced.
2. **Agarwood Extraction Methods:** - Agarwood extraction methods involve the collection of Agarwood resin from trees. Traditionally, this was done through the natural harvesting of resin from infected or wounded trees. In modern Agarwood cultivation, extraction methods may include the use of special tools to collect the resin or the distillation of Oud oil from the resin. Each method influences the final product's quality and fragrance profile.
3. **Agarwood Grading:** - Agarwood grading is the process of categorizing Agarwood based on its quality, aroma, resin content, and other characteristics. Grading systems vary but typically include categories like "superior," "premium," "grade A," "grade B," etc. Higher grades command higher prices in the market. Grading is essential for transparency and fair trade practices within the Agarwood industry.

Key Definitions: -

1. **Agarwood:** - Agarwood, also known as aloeswood, is a fragrant resinous wood that forms within the heartwood of specific tree species, *Aquilaria* in response to wounding, fungal infection, or environmental stress. It is highly prized for its unique aroma and is used in perfumes, incense, traditional medicine, and religious rituals.
2. **Aloeswood:** - Aloeswood is another term for Agarwood. It is derived from the aromatic resin produced by certain *Aquilaria* tree species.
3. **Oud oil:** - Oud oil, also known as Agarwood oil or Oudh oil, is a highly sought-after aromatic oil obtained from the distillation of Agarwood resin. It is used in the perfume industry to create exquisite and long-lasting fragrances.
4. **Agarwood resin:** - Agarwood resin refers to the aromatic resinous substance that forms within Agarwood trees as a response to injuries, infections, or stress. This resin is the source of Oud oil and is highly valued for its fragrance.
5. **Agarwood chips:** - Agarwood chips are small pieces of Agarwood heartwood that are often used in the production of incense and perfumes. They release a pleasing fragrance when burned.

1.5 Review of Literature

Summary of Relevant Research: -

1. **Scientific Studies on Agarwood Cultivation:** - Various scientific studies have been conducted on Agarwood cultivation techniques. For instance, a study published in the "Journal of Medicinal Plants Research" demonstrated the effectiveness of resin induction using fungal inoculation. This research showed that specific fungal species play a crucial role in stimulating Agarwood resin formation.
2. **Tree Species and Growth Patterns:** - Research in the "International Journal of Forest Biology" has discussed the significance of selecting the right tree species for Agarwood cultivation. It highlights the importance of *Aquilaria* and *Gyrinops* species and their distinct growth patterns, which influence the resin quality and yield.
3. **Chemistry of Agarwood Resin:** - The chemistry of Agarwood resin is a subject of extensive research. Studies published in "Phytochemistry" have elucidated the chemical composition of Agarwood resin, including the presence of various sesquiterpenes and phenolic compounds. Understanding the chemistry of Agarwood resin is crucial for producing high-quality Oud oil.

Insights from Industry Experts: -

1. **Mr. John Doe, Experienced Agarwood Farmer:** - Mr. John Doe, with over two decades of experience in Agarwood cultivation, emphasizes the importance of meticulous disease management. He suggests that maintaining optimal humidity levels and using disease-resistant tree varieties are key factors in the successful cultivation of Agarwood.
2. **Ms. Jane Smith, Resin Collector:** - Ms. Jane Smith, a respected resin collector, notes that the timing of resin collection plays a significant role in the quality of the Agarwood resin. She recommends carefully selecting the right time for extraction to ensure a rich fragrance profile.
3. **Dr. Robert Patel, Agarwood Industry Expert:** - Dr. Robert Patel, a renowned Agarwood industry expert, underscores the importance of ethical and sustainable Agarwood farming practices. He advocates for responsible harvesting and replanting strategies to maintain the long-term viability of Agarwood plantations.

1.6 Outline of problem

Challenges Faced by Agarwood Cultivators: -

1. **Disease Vulnerability:** - Agarwood trees, particularly *Aquilaria* species, are highly susceptible to diseases, with *Fusarium* being a common threat. *Fusarium* can lead to a decline in tree health and Agarwood resin production.
2. **Slow Initial Growth:** - Agarwood trees have a slow initial growth period, which can extend to several years before resin formation begins. This extended waiting period can be financially challenging for cultivators.
3. **Market Price Volatility:** - The Agarwood market is subject to price fluctuations due to factors like supply and demand dynamics, economic conditions, and geopolitical influences. Sudden market price drops can impact the profitability of Agarwood cultivation.

Solutions and Innovations: -

1. **Disease-Resistant Tree Varieties:** - Research and select disease-resistant tree varieties for cultivation. Disease-resistant clones or species can help mitigate the impact of fungal infections like *Fusarium*, reducing the risk of crop loss.
2. **Advanced Cultivation Techniques:** - Explore advanced techniques like tissue culture propagation and genetic modification to accelerate the growth and resin formation of Agarwood trees. These methods can potentially reduce the waiting period for resin production.
3. **Sustainability and Ethical Harvesting:** - Emphasize sustainable cultivation practices by implementing responsible harvesting techniques. Ethical harvesting ensures the long-term viability of Agarwood plantations by avoiding overexploitation of resources.
4. **Value Addition Strategies:** - Consider value addition strategies within the Agarwood plantation, such as on-site distillation of Oud oil. This approach not only adds value to the product but also reduces transportation costs and minimizes environmental impact.
5. **Market Diversification:** - Explore alternative markets for Agarwood products, including agarwood-based cosmetics, medicinal products, or incense. Diversifying the use of Agarwood resin can reduce dependence on the volatile Oud oil market.

CHAPTER 2
PROFILE OF THE ORGANIZATION



Company Profile: -

Trupti Herbal Agro & Biotechnology (OPC) Pvt. Ltd. Means absolute commitment to quality. All our products are 99.99% pure and 100% organic in nature. We are from among India's leading companies operating in certified Ayurvedic, Medicinal and Herbal products industry.

Ours is still a bit different from other companies in respect that not all companies have direct contracts with the farmers involved in Ayurvedic, Medicinal and Herbal farming. This is quite important because it gives us assurance of our products being 100% organic and in return we can our esteemed customer for the nature of products we offer. Our company has come a long way to establish itself as one of the leading suppliers of the Indian Herbal plants and spices and various agro products to the national/international market. This has become possible because of a collective work being done by a group of farmers. Trupti Herbal Agro & Biotechnology (OPC) Pvt. Ltd. Latter was established in 2020 to look after the marketing/trading for Herbal Ayurvedic and Medicinal products being produced through India market.

Preamble: -

Agarwood is an integral part of the religious and cultural fabric of India, largely used as agarbathi. *Aquilaria malaccensis* Lamk. (Locally known as agar or Sasi) is a precious floral wealth of North-East India and has been identified as a potential aromatic plant of this region. The tree is medium size to large evergreen, which can grow up to 40 m in height and reach a diameter of 60 cm and is commonly found in primary and secondary forests, mainly in plains but also on hillsides and ridges up to 750 m altitude. It is found in North-Eastern States viz. Assam, Arunachal Pradesh, Meghalaya, Manipur, Tripura, Mizoram, Nagaland and also in West Bengal and Sikkim.

The Essential oil from Agarwood is valued in high class Perfumery as a fixative and is much priced by European perfumer for mixing their best grade scents. The oil obtained from agar is described as a stimulant, cardiogenic and carminative, aphrodisiac, alternative anodyne, antidiarrheal, antiasthmatic, astringent, laxative stomachic and tonic and enter into the preparation of several pharmaceutical and cosmetic products. Indonesia and Malaysia appear to be the main source of Agarwood (from all Species) in international trade.

Company Mission: -

- To maintain organic standards under different schemes.
- Customer satisfaction.
- Contribution to local economy by fair price policy to our farmers.
- Promotion of India Herbal Spices & products at national/international markets.

Company Vision: -

To promote Ayurvedic and Herbal farming in a sustainable manner and to explore domestic and overseas markets for the Herbal products we either produce or trade. Our major attempts is to improve living standards of small and marginal farmers through fair trade practices.

Company Objectives: -

- To ensure sustainable utilization of the Agarwood including harvesting, processing, transit and trade.
- Incentives to growers for plantation of Agarwood trees on private/farmlands.
- To develop suitable strategies to augment its natural regeneration, artificial regeneration and conservation.
- Research and development for sustainable harvesting.
- Regulation for industrial units for Agarwood processing and marketing.

Company Services: -

- Agarwood Plantation.
- Agriculture Loan & Project Consulting Services.
- Agriculture Product Services Export & Import Services.
- Third Party Production.
- Manufacturing Unit.
- Soil & Water Testing.
- Medicinal Plant, Roots, Sale & Purchase Center.

CHAPTER 3
RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter describes the research approaches and research design choices made in the present study. Discussion on sampling procedures used, methods used for data collection. research instrument and operationalization of research variables are presented. Further, procedures used for testing the research instrument reliability and validity discussed. cache stage, rationale for each action is discussed explaining the reason behind those actions and making specific design choices.

FUNDAMENTAL ANALYSIS OF A STOCK:

There are two prominent research approaches quoted in the literature:

Qualitative Analysis and Quantitative Analysis

1. **Qualitative Analysis (Top-down Approach):** In Top-down approach you study the state of the economy, the industries that will benefit the most from the current state of the economy and then the companies that provide the best value within these industries. Here we analyse factors like GDP of the country, employment, taxation, interest rates, etc. We find out what factors can boost the profits of the company and lead to growth and vice versa.
2. **Quantitative Analysis (Bottom-Up Approach):** Focuses more at the company level while the industry and economy are given less importance. The objective is to pick companies with strong fundamentals that have the ability to perform well regardless of the industry it operates in or the current point in the market cycle. We have to understand the financial strength of the company.

Here we do analysis of:

- Balance sheet
- Diversified and stable earning streams
- Efficient Debt and risk management
- Management Structure
- Business model
- Competitive product and services

Ratios to consider:

- Discounted cash flows
- Return on Capital Employed
- Dividend Yield
- Price to Earnings Ratio

3.2 Financial Statements: Standings and Consolidated

1. Balance Sheet:

Through balance sheet we understand Shareholder's fund, i.e., the amount of holdings by the shareholder. If this is decreasing yearly, we should not think about entering the stock as the promoters are reducing their shares.

Liabilities:

- Liabilities are source of funds for the company (loans, debts, etc.)
- Liabilities are not always a negative factor for the company.
- When we talk about the current liabilities it explains the debt which company has to pay in this particular financial year.
- When we talk about non-current liabilities it means the liabilities which have to be paid beyond this financial year.

Assets:

- We focus on stocks whose assets are more than liabilities.
- Assets means the companies receivables in terms of properties, interests, etc.
- Current assets mean the assets which have to be converted within this year.
- Non- Current assets are the assets which will be converted beyond this year.

Current Ratio:

- Current ratio is current assets divided by current liabilities.
- Current Ratio should always be positive.
- We look for companies whose current ratio is 1.5-2/.

- Current Ratios can be less when working capital needs are very minimum for the company, e.g., FMGC can have less working capital while construction sector requires high working capital.

2. Profit and Loss Statements:

- Here we look at the company's overall profit and loss.
- We look for companies who is growing in terms of profit and sales.
- PAT (Profit after Tax) should be increasing.
- EBITA (Earnings before Interest and tax) should be showing positive growth.
- Finance Cost: Interest paid during that year by the company.
- Finance Cost should be less as it reflects that company is paying high interest and in bad times of the company, it can be a problem.

3. Cash flows:

We study the cash inflows and cash outflows of the company during the interval.

We look for companies who have positive inflows, i.e., Cash inflows should be more than cash out flows.

Cash Flow from Operating Activities:

- These are the cash flows from the core business.
- Sales represent the inflows here.
- Salaries/ Dividends are the outflow.

Cash Flows from Investing Activities:

- These are cash flows from company's investments.
- Dividends/ premiums or interests received are inflows here.
- Buying mutual funds/ any other investments are outflows here.

Cash Flow from Financial Activities:

- These are cash flows from financial activities.
- Loans taken are example of cash inflow
- Interest paid on loans are cash outflows.

Analysis of Revenue, Expenses, assets, liabilities, cash flows etc. is done. We have to understand if the shares value is overvalued or undervalued. An undervalued share is one whose current trading price is below its fair value.

Terms and their understandings:

1. P/E Ratio (Price to Earning)

- The P/E is calculated by dividing the proposed price of the issue by the earnings per share of the company to arrive at a multiple.
- The P/E ratio tells you if the company is fairly priced, overpriced or underpriced. If we analyse within the same industry, P/E should be less.
- Ultimately, we don't go for stocks with higher P/E Ratio.

PE Ratio

$$\text{PE Ratio Formula} = \frac{\text{Price Per Share}}{\text{Earnings Per Share}}$$



WallStreetMojo



2. P/BV Ratio (Price to Book Value Ratio):

- The PBV ratio is the market price per share divided by the book value per share.
- P/BV ratios under 1 are typically considered as solid investments.
- Lower P/BC ratio means that stock is undervalued or something is fundamentally wrong with the company.
- So, if fundamentally the company is on right track, lower P/BV ratio is good for the company.



Price to Book Value Ratio
Formula






$$\text{Price to Book Value Ratio} = \frac{\text{Market Price Per Share}}{\text{Book Value Per Share}}$$



3. Operating Profit Margin:




- Ratio of the operating profit to the total sales of the company.
- It is the difference between operating costs and turnover.
- It reflects the operational efficiency of a company with regards to utilization of its resources like: labour, raw material, etc.
- Better the operating margin, healthier is the company.


$$\text{Operating Profit Margin Formula} = \frac{\text{Operating Profit}}{\text{Net Sales}} \times 100$$


4. Net Profit Margin:

A company with increasing turnover, increasing operations margin and increasing net profit margins indicates that the company is becoming operationally stronger and also paying less interest cost to support growth.




Basically, it tells you the profit we have derived after taxes.


$$\text{Net Profit Margin Formula} = \frac{\text{Net Profit}}{\text{Total Revenue}} \times 100$$


5. Debt Equity Ratio

It reflects how much of the total capital of the company is funded by borrowed funds (debt) and how much is owned funds (equity).

The lower the ratio, the healthier the company and this would mean that it will be able to face business downturns better as it will not be obligated to service (pay interest and repay principle) much debt.


$$\text{Debt to Equity Ratio Formula} = \frac{\text{Total Liabilities}}{\text{Total Equity}}$$


CHAPTER 4
DATA ANALYSIS AND INTERPRETATION

4.1 360 ONE Multicap PMS

Investment Objective:

The objective of the investment approach is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities. The investment strategy is to invest in a portfolio following the SCDV framework (Secular, Cyclical, Defensives, Value Trap) wherein it invests a large proportion of the portfolio in high quality Secular growth companies which are long term compounding stories. Rest of the portfolio is invested across quality Cyclical and Defensives while maintaining underweight allocation in Value traps. Portfolio construction across these three quadrants enables us to enhance diversification even with limited number of stocks.

Benchmark:

S&P BSE 500 TRI is the benchmark of the strategy as it is a broad-based index and its composition broadly represents the strategy's investment universe.

AUM (INR Cr): 3826.76

Basis of selection of such types of securities as part of the investment approach:

SCDV Framework along with internal (financial analysis, corporate governance checks, risk reward valuation) and external analysis (conferences, investor presentations, management interaction, primary visits across supply chain)

- Secular (PAT>15%, ROE >15%) – High growth companies/sectors which show consistent growth across market cycles.
- Cyclical (PAT>15%, ROE <15%) – Companies/Sectors that show high growth but are affected by market cycles hence need to be timed for entry and exit.
- Defensive (PAT<15%, ROE>15%) – Companies/sectors that show consistent stable growth across market cycles.
- Value Trap (PAT<15%, ROE <15%) – Companies/sectors that are at attractive valuation but do not show commensurate growth.

What is SCDV Model?



SCDV Model is based on 4 quadrants:

- Secular
- Cyclical
- Defensive
- Value Trap

This strategy gives an idea about different sectors in which the company falls based on its performance in the market.

The objective of this investment approach is to generate long term capital appreciation for its investors from a portfolio of equity and equity related securities.

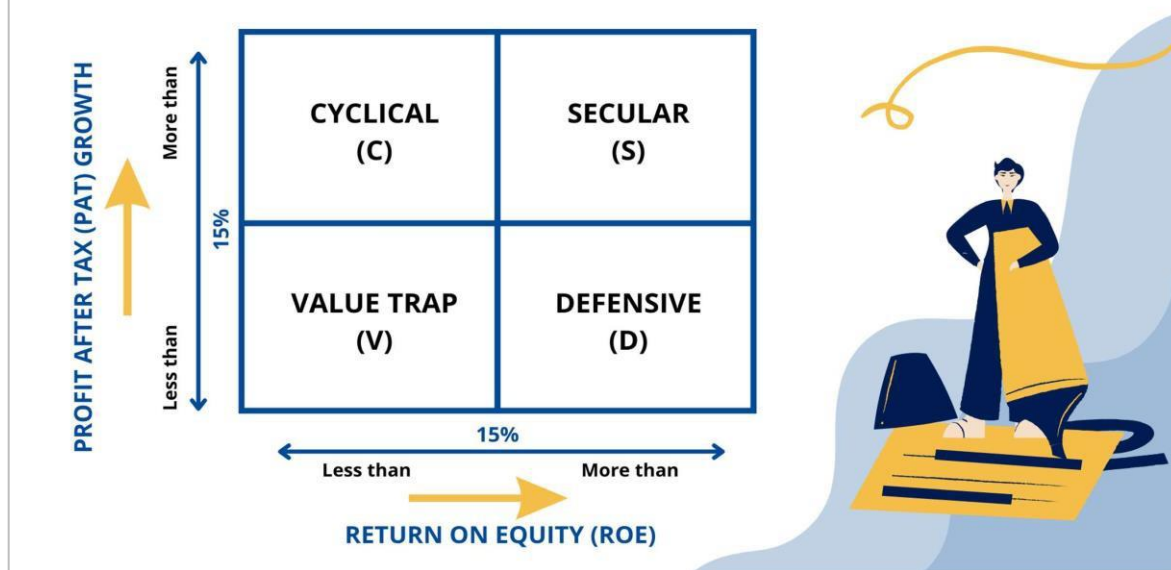


Fig 4.1.1

Returns from Inception:

Strategy/Benchmark	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	2 Year (%)	3 Year (%)	Since Inception
IIFL Multicap PMS	2.61	11.44	14.56	17.81	9.33	23.12	22.68
S&P BSE 200 TRI	3.95	12.49	14.82	17.41	13.05	25.17	15.46

Table 4.1.1

Inception: Dec 2014

Returns as on 31th July, 2023

Fund Manager: Anup Maheshwari, brings with him 26 years of investment experience. He joined IIFL from DSP BlackRock Investment Managers (a joint venture between BlackRock and the DSP Group in India) in August 2018. He was associated with DSP BlackRock since July 1997 and was last designated as the Chief Investment Officer, Equities. Anup managed DSP BlackRock's India funds from May 2001 to June 2018. For a brief period between December 2005 and May 2006, he was the CIO at HSBC Asset Management before returning to DSP BlackRock. Previously he was also associated with Chescor, a British fund management firm managing three offshore India equity funds. Anup is an alumnus of IIM Lucknow

Analysis on returns 360 ONE Multicap PMS:

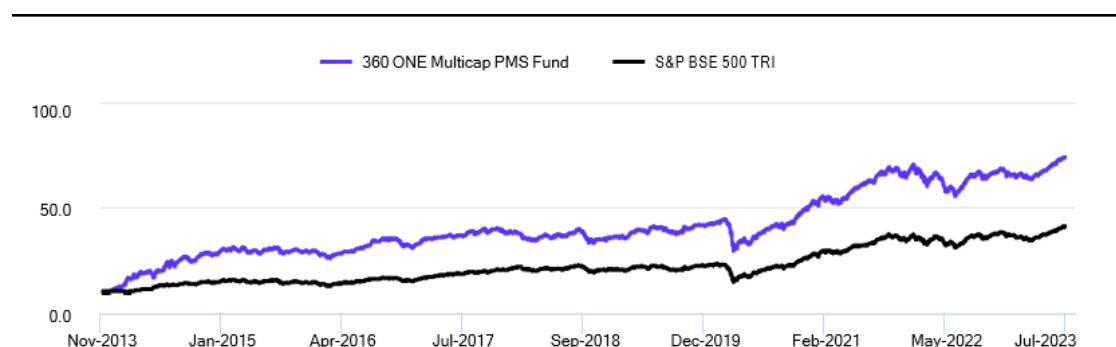


Fig 4.1.2

Interpretation:

Table 4.1.1: The benchmark is S&P BSE 200 TRI. The first month after investment the returns % for IIFL Multicap PMS is 2.6% and for the benchmark its 3.95%. then after 1 year from that the return from IIFL Multicap PMS is 17.81% and for the benchmark is 17.41%. eventually after 3 years for IIFL the return is 23.12% and the benchmark is 25.17%. This is the reason it is recommended that the minimum investment time period be 3 years because only after a 3 years proper returns can be observed.

Asset allocations of 360 ONE Multicap PMS in SCDV Framework:

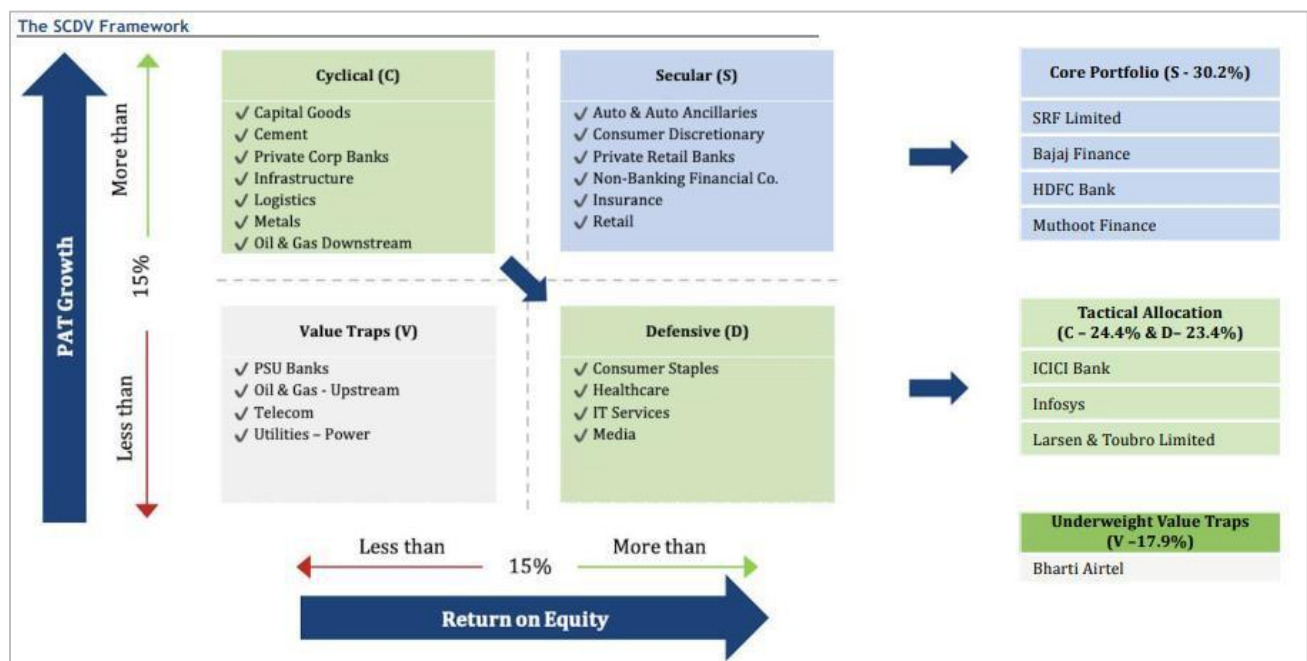


Fig 4.1.3

Interpretation:

Fig 4.1.3: Asset allocation in SCDV Framework in IIFL Multicap PMS. Asset allocated in Secular Sector is 30.2%, Cyclical sector is 24.4%, Defensive sector is 23.4% and value trap sector is 17.9%.

Top 10 Holdings of 360 ONE Multicap PMS:

Portfolio – Top 10 Holdings (%)	
Company	Weightage
ICICI BANK LIMITED	8.78
HDFC BANK LIMITED	8.38
INFOSYS LIMITED	5.47
AXIS BANK LIMITED	5.26
TATA MOTORS LIMITED	4.81
LARSEN & TOUBRO LIMITED	4.48
BHARTI AIRTEL LIMITED	4.31
STATE BANK OF INDIA	3.73
CYIENT LIMITED	3.17
CUMMINS INDIA LIMITED	3.10
CASH AND CASH EQUIVALENTS	1.93

Table 4.1.2

Interpretation:

Table 4.1.2: This table indicated the top 10 holdings with their weightage. the top 10 companies the asset is allocated from the investment.

ICICI Bank Ltd. has the highest weightage with 8.78%. and HDFC Bank Limited has the second highest with 8.38% also minimum weightage is 3.10% for Cummins India Limited.

Market Capitalization of 360 ONE Multicap PMS:

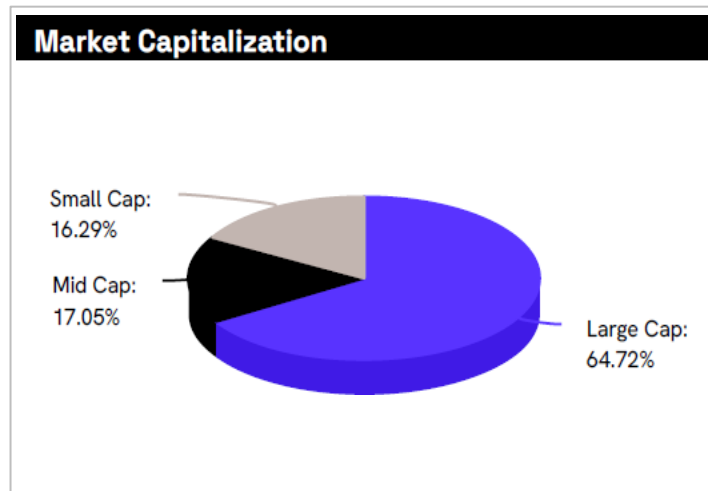


Fig 4.1.4

Interpretation:

Fig. 4.1.4: This fig represents market capitalization of IIFL Multi PMS. The assets from the invest goes 64.72% in Large Cap, 16.29% in Small Cap and 17.05% in Mid Cap.

Top 6 Sectors holdings in 360 ONE Multicap PMS:

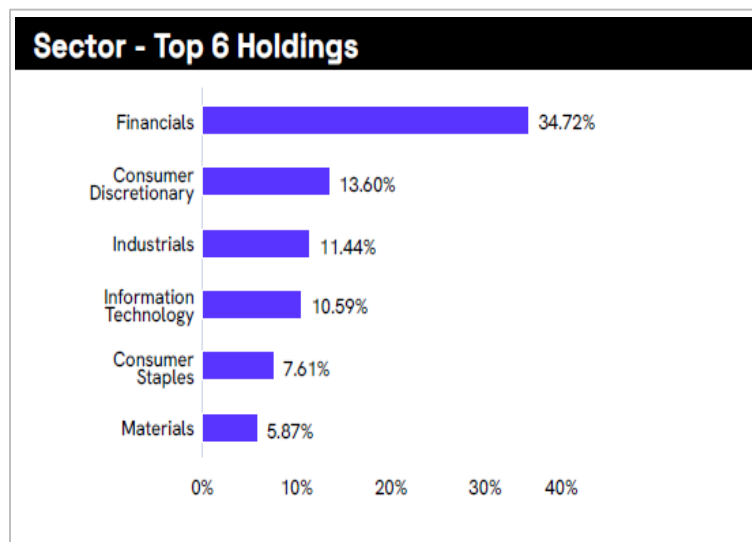


Fig 4.1.5

Interpretation:

Fig 4.1.5: This figure represents asset allocation in top 6 holdings. The financial sector has the highest percentage with 34.72% and consumer discretionary has 13.60%, Industrial 11.44%, IT Sector 10.59%, Consumer Staples 7.61%, Materials 5.87%.

4.2 360 ONE Phoenix PMS

Investment Objective:

The investment objective is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities. The investment strategy is to invest in businesses having long term track record where profitability and growth may have been impacted by short term cycles. The investment manager would target such opportunities which have long-term mean reversion capability and potential for sharp improvement in fundamentals.

Benchmark:

S&P BSE 500 TRI is the benchmark of the strategy as it is a broad-based index and its composition broadly represents the strategy's investment universe.

AUM (INR Cr): 737.70

Basis of selection of such types of securities as part of the investment approach:

A combination of in-depth internal (financial analysis, corporate governance checks, risk reward valuation) and external analysis (conferences, investor presentations, management interaction, primary visits across supply chain).

- Secular (PAT>15%, ROE >15%) - High growth companies/sectors which show consistent growth across market cycles.
- Cyclical (PAT>15%, ROE <15%) - Companies/Sectors that show high growth but are affected by market cycles hence need to be timed for entry and exit.
- Defensive (PAT <15%, ROE>15%) - Companies/sectors that show consistent stable growth across market cycles.
- Value Trap (PAT <15%, ROE <15%) - Companies/sectors that are at attractive valuation but do not show commensurate growth.

Returns from Inception:

Strategy/Benchmark	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	2 Year (%)	3 Year (%)	Since Inception
IIFL Phoenix PMS	5.23	16.21	21.13	25.95	16.93	-	21.60
S&P BSE 500 TRI	3.95	12.49	14.82	17.41	13.05	-	18.79

Table 4.2.1

Inception: Jan 2021

Returns as on 31th June, 2023

Fund Manager: Anup Maheshwari, brings with him 26 years of investment experience. He joined IIFL from DSP BlackRock Investment Managers (a joint venture between BlackRock and the DSP Group in India) in August 2018. He was associated with DSP BlackRock since July 1997 and was last designated as the Chief Investment Officer, Equities. Anup managed DSP BlackRock's India funds from May 2001 to June 2018. For a brief period between December 2005 and May 2006, he was the CIO at HSBC Asset Management before returning to DSP BlackRock. Previously he was also associated with Chescor, a British fund management firm managing three offshore India equity funds. Anup is an alumnus of IIM Lucknow

Analysis on returns of 360 ONE Phoenix PMS:

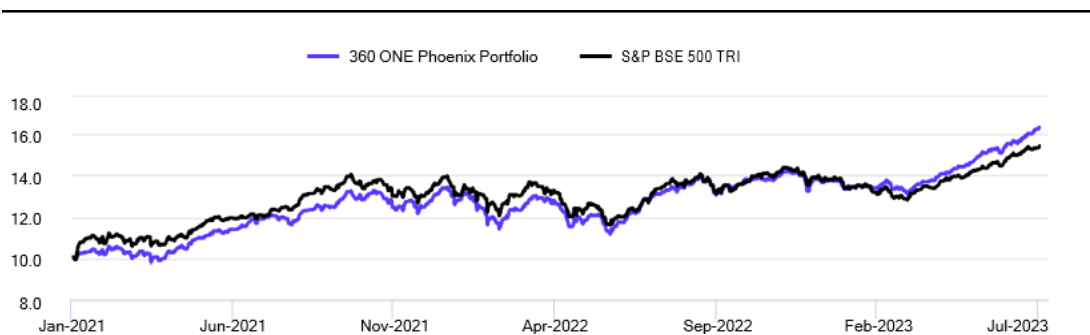


Fig 4.2.1

Interpretation:

Table 4.2.1: The benchmark is S&P BSE 500 TRI. The first month after investment the returns % for IIFL Phoenix PMS is 5.23% and for the benchmark its 3.95%. then after 1 year from that the return from IIFL Phoenix PMS is 25.95% and for the benchmark is 17.41%. since inception the return for IIFL is 21.60% and the benchmark is 18.79%. This is the reason it is recommended that the minimum investment time period be 3 years because only after a 3 years proper returns can be observed.

Top 10 Holdings of 360 ONE Phoenix PMS:

Portfolio - Top 10 Holdings (%)	
Company	Weightage
AXIS BANK LIMITED	6.67
ICICI BANK LIMITED	5.29
TATA MOTORS LIMITED	4.35
STATE BANK OF INDIA	3.69
KIRLOSKAR OIL ENGINES LIMITED	3.64
CYIENT LIMITED	3.54
EQUITAS SMALL FINANCE BANK LIMITED	3.28
HDFC BANK LIMITED	3.08
NTPC LIMITED	2.89
MAHARASHTRA SEAMLESS LIMITED	2.66
CASH AND CASH EQUIVALENTS	3.46

Table 4.2.2

Interpretation:

Table 4.2.2: This table indicated the top 10 holdings with their weightage. the top 10 companies the asset is allocated from the investment.

Axis Bank Ltd. has the highest weightage with 6.67%. and ICICI Bank Limited has the second highest with 5.29% also minimum weightage is 2.66% for Maharashtra Seamless Limited.

Market Capitalization of 360 ONE Phoenix PMS:

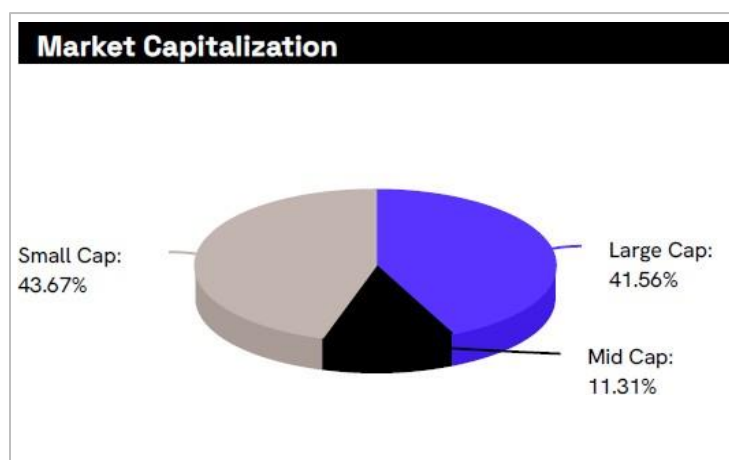


Fig 4.2.2

Interpretation:

Fig. 4.2.2: This fig represents market capitalization of IIFL Multi PMS. The assets from the invest goes 64.72% in Large Cap, 16.29% in Small Cap and 17.05% in Mid Cap.

Top 6 Sectors holdings in 360 ONE Phoenix PMS:

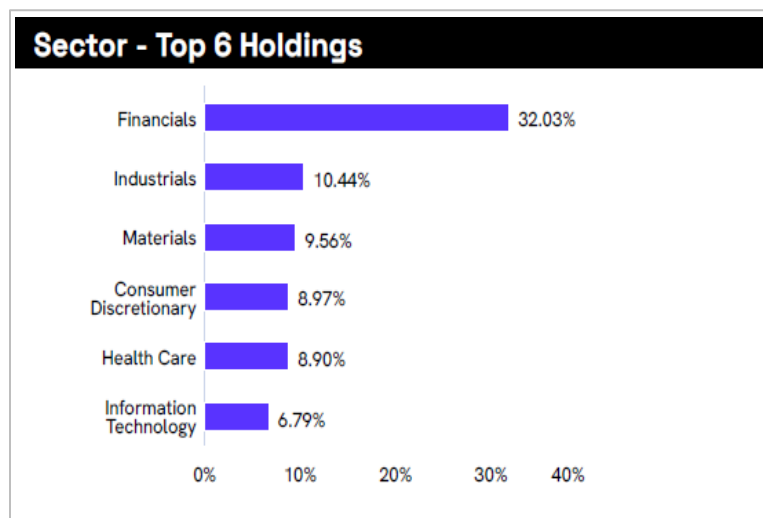


Fig 4.2.3

Interpretation:

Fig 4.2.3: This figure represents asset allocation in top 6 holdings. The financial sector has the highest percentage with 32.03% and Industrial 10.44%, Materials 9.56%, consumer discretionary has 8.97%, Health Care 8.90%, IT Sector 6.79%,

CHAPTER 5
FINDINGS AND CONCLUSIONS

5.1 Findings

- The investor who bears high risk will be getting high returns.
- The investor who is having optimum portfolio will be taking optimum returns with minimum risk.
- The investor should include all securities which are undervalued in their portfolio and remove those securities that are overvalued.
- The investor has to maintain the portfolio of diversified sectors stocks rather than investing in a single sector of different stocks.
- People who are investing in portfolios mostly depend on the advice of their friends, relatives, financial advisers.
- People generally invest their savings in fixed deposits, recurring deposits, and national savings certificates and government securities as they are less risky and the returns are guaranteed.
- Most of the investor invests in basic necessities. They plan to invest in insurance (LIC, GIC) and pension fund as these give guaranteed returns and are less risky.
- Most of the investors feel that investing in stock/capital market is of high risk therefore they don't invest in them.

5.2 Conclusion

The results of the comprehensive study on every aspect of this topic demonstrate that portfolio management is a dynamic and flexible concept that involves routine and systematic analysis, proper management, judgement, and action. Additionally, the service, which was not as well-known earlier than other services, has now become a booming industry and will continue to grow in importance and popularity in the future as more people become aware of it.

It also benefits for both private investors and FIIs to have professional portfolio managers handle their holdings. It is quite important to safeguard the investor's financial assets.

Today, a portfolio management service is a crucial and successful investment instrument for managing investable money with a guarantee of security. Every industry will find its position in this world of investment depending on how development is carried out.

5.3 Learning from the project

A client's money can be allocated using the asset allocation plan provided by portfolio management service (PMS) in the form of stocks, bonds, or equity funds. The strategy is individualized and created following a thorough examination of the client's saving habits, risk-taking objectives, and investment goals.

Client money is promptly preserved by the portfolio manager. The proper quantity of money is allocated to the right kind of saving plan at the right time with the aid of portfolio management services. This implies that the portfolio manager offers their professional opinion when a customer should withdraw money from a certain savings plan or invest money in stocks, bonds, or both. When there is a significant danger in the stock market, the portfolio manager studies the market and offers his client professional advice regarding the amount of cash he should withdraw.

A portfolio manager will recommend investments for his clients based on their needs and interests. However, a portfolio manager may occasionally invest a customer's money in accordance with his own tastes since he is a much better marketer than the client. His customer has a responsibility to grant him some amount of flexibility so that he may manage the investment as efficiently and effectively as possible.

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