Adithya Trading Solutions Pvt.Ltd

CERTIFICATE

This is to certify that Mr. SAGAR.J USN 1AZ16MBA57 a student of MBA studying at ACHARYA INSTITUTE OF TECHNOLOGY, Bangalore has undergone the internship and has completed project titled as "Fundamental Analysis of Indian listed companies" at Adithya Trading Solutions Pvt Ltd (Bangalore Branch) From the period of 15th January 2018 to 24th March 2018 in our company under the guidance of Mr. DISHANTH GOWDA.

We wish to express our appreciation for his excellent work done and wish him all the success in his new endeavour.

Place: Bangalore

Date: 24-March-2018

External guide

DISHANTH GOWDA

(Relationship Manager)

ADITHYA TRADING SOLUTIONS
Bangalore

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ACHARYA INSTITUTE
OF TECHNOLOGY
(Affiliated to Visvesvaraya Technological University, Belagavi, Approved by AICTE, New Delhi and Accredited by NBA and NAAC)

Date: 19/05/2018

CERTIFICATE

This is to certify that **Mr. Sagar J** bearing USN **1AZ16MBA57** is a bonafide student of Master of Business Administration course of the Institute 2016-18 batch, affiliated to Visvesvaraya Technological University, Belgaum. Project report on "**Fundamental Analysis of Indian Listed Companies**" at **Aditya Trading Solutions Pvt. Ltd, Bangalore** is prepared by him under the guidance of **Dr. Ramanaiah G** in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belgaum, Karnataka.

Signature of Internal Guide

Signature of HOD

Head of the Department
Department of MBA
Acharya Institute of Technology
Soldevanahlli, Bangalore-560 1

29 May

Signature of Principal

PRINCIPAL
ACHARYA INSTITUTE OF TECHNOLOGY
Soldevanahalli Bangalore-560 107

DECLARATION

I, **Sagar J**, has undertaken project entitled as **"Fundamental Analysis of Indian listed companies"** with reference to **"Adithya Trading Solutions Pvt Ltd"** prepared by me under the guidance of Prof. Swarupa Ranjan panigrahi, faculty of M.B.A Department, Acharya Institute of Technology and external assistance by Mr. Dishanth Gowda , Relationship Manager of Adithya Trading Solutions Pvt Ltd.

I also declare that this Internship work is towards the partial fulfilment of the university regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum.

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

Place: Bangalore

Signature of the student

Date:

ACKNOWLEDGEMENT

I am truly grateful to my external guide Mr. Dishanth Gowda, Relationship Manager of Adithya Trading Solutions Pvt Ltd. and my internal research Guide, Dr. Ramanaiah G for their research guidance, encouragement, and opportunities provided.

I wish to thank all the respondents from the firms who spent their valuable time in discussing with me and giving valuable data.

I deem it a privilege to thank our Principal, Dr. Sharanabasava Pilli, Dr. Mahesh, Dean Academics and our HOD Dr. Nijaguna for having given me the opportunity to do the project, which has been a very valuable learning experience.

My sincere and heartfelt thanks to all my teachers at the Department of MBA, Acharya Institute of Technology for their valuable support and guidance.

Last, but not least, I want to express my deep appreciation to my parents for their unstinted support.

TABLE OF CONTENTS

EXECUTIVE SUMMARY

Internship project report on “Fundamental Analysis of Indian listed companies”. Before internship I had many questions in my mind and this helped me to clear all these questions and doubts.

The current study focuses on the financial analysis of the selected industries in the Indian automobile industry, which are companies that provide travel and commercial vehicles. This study examines finance for automotive engineers selected by India's Selected Industries Industry.

The analysis of the selected Indian industries is analyzed Analysis, Financial Analysis Analysis, Mobility Analysis and Skill analysis. This study is based on financial statements by companies Secondary data. The information is collected from the annual reports of the selected companies.

1.0 INTRODUCTION

1.1 INTRODUCTION TO INTERNSHIP

An Internship is an opportunity to gain practical knowledge in a specific field. Students understand the management concepts and apply them to corporate world.

An internship provides training to a student in a particular stream, how and organisation functions,how different departments are aligned to work correspondently and interconnected for quality performance.

An internship provides a student a practical exposure about how an organization functions, the operations of different departments to jointly function so that the company goals are accomplished in due time.

In general, an internship creates familiarity between the student and a business organization. Students can also utilize an internship to find out if they have an interest in a particular career and to build contacts. Internship helps in learning how a team collaborates and work for their mutual benefits in order to accomplish the company goals and also helps the student in future placement.

During internship the reason I choose 'Fundamental Analysis of 4 selected companies in different sectors' for my project is because, I found fundamentals play a major role in the potentiality and growth of a company. In case the fundamentals of a company is strong and if it does not have a good market capture, it can be assured that in future the company can achieve enormous growth and a satisfied market share.

Fundamental analysis is a method to attain at the 'absolute price' of the stock using three tier approach commonly called EIC approach. The EIC approach stands for Economic, Industry and Company analysis. Its goal is to classify the overpriced and underpriced securities in the market so that the Investment proposal, obtaining and proposing of financial securities can be initiated.

Fundamental analysis is a system of evaluating a security that contains an attempt to appraise its intrinsic/true value by scrutinizing interrelated economic, industrial, company and other qualitative and quantitative factors. GRAHAM &DODD defines intrinsic value as "that esteem which is supported by the realities, e.g. assets, dividends, earnings comprising the management factors" and it is the true economic worth of a financial asset.

The fundamental approach recommends that every stock has an intrinsic value which ought to be equivalent to the present value of the future stream of income from the stock discounted at a suitable hazard related rate of interest. Gauge of genuine worth of a stock is made by considering the gaining capability of the company which relies on investment environment and elements relating to specific industry, intensity, quality of management, operational proficiency, profitability, and capital structure and dividend policy.

1.2 INDUSTRY PROFILE

History of stock exchange in India:

The stock exchange offers a stage for stock brokers and investors where they can buy/sell stocks, shares, bond and securities. Stock exchange also assists in issuance and recovery of all kinds of money related instruments, and capital events such as payment of dividends and income. The securities traded on stock exchange incorporates the company stocks that are issued only by the registered companies, derivatives, investment products and bonds as well. Stock exchange operates as a floor of trade for the buyers and sellers as a 'continuous auction' market.

The first organized stock exchange started in India was incorporated in the year 1875 in Bombay which is also stated as the oldest stock exchange in Asia. In the year 1894 the Ahmadabad stock exchange was brought into force to ease transactions related to the shares of textile mills over there. As in the Calcutta stock exchange started in the year 1908, to assist a market place for the shares of estates and jute mills.

Currently 24 stock exchanges are running in India, among which 21 of them are said to be regional ones with assigned areas. All though two others exchanges step-in the era, they are the National Stock Exchange (NSE) and Over The Counter Exchange of India (OTCEI), they offer mandate to monitor the nation-wise trading.

The ministry of finance proposes the policies related to the direction and control of stock exchanges. They are in turn managed by their governing boards and their official boss. The Indian government constituted Securities and Exchange Board of India (SEBI) in April 1988 for accurate enhancement and direction of securities industry and the stock exchanges.

Bombay Stock Exchange (BSE-Sensex):

Bombay Stock Exchange, the oldest and the leading stock exchange in India established in the year 1877 by Mr. Premchand Roychand. He was the official organizer of the native share and stock brokers association in India which is now known as the BSE.

When it comes to its history, in 1855 five stockbrokers would gather under banyan tree opposite to Mumbai's town hall. In 1874 the gathering of these brokers certainly moved to Dalal Street which resulted into an officially structured organization known as "The Native Share & Stock Brokers Association" in 1875.

On 31st August 1957, under the securities contracts regulation act, BSE perceived to be the primary stock exchange by the Indian government. Since 1980 the trading activity moved to the phirozejeejeebhoy towers located at dalal street, fort,Mumbai - 400021. In the year 1986, BSE built up its SENSEX index for execution of the trade. BSE SENSEX is confined with 20 major companies. During 2000, BSE included derivatives (futures) market in its index. Followed by in 2001 and 2002, the BSE was advanced to SENSEX options beside with its equity derivatives.

In 2005. BSE was specified the status of a complete public limited company, with the name "Bombay Stock Exchange Limited". The BSE ha enhanced in its trading activity by introducing BOLT (Bombay Online Trading) which is said to be a computerized trading system henceforth march 1995. BSE in engaged in operating BOLT over 275 cities with five lakh traders a day. BSE claims to have a market capitalization of US $1.43 trillion as of march 2017.

National Stock Exchange:

The National Stock Exchange of India limited (NSE) formulated and incorporated in the year 1994, this is one of the foremost development in the Indian capital market. NSE has become the leading stock exchange in India in terms of technology, online trading systems and practices in the due course of time. As per the SEBI yearly reports, NSE is ranked to be the largest stock exchange in India for its daily turnover in equities ever since 1995.

1.3 COMPANY PROFILE

Aditya Trading Solutions (ATS) Pvt Ltd was incorporated in the year 2003 with an objective to assist its clients on money matters. It is an ethical organization and little conservative in their personal way. It is sponsored by support of a few a large number of clients who have had confidence in them by picking them as their financial partner. It helps its clients in settling on educated choices with regards to capital markets and other investment products. It is a member of NSE, BSE, CDSL, NCDEX and batch 1 Member of MCX. It has flawless track record in capital markets and commodities business. It has been one of the largest broking house and most preferred stock broking agency in south India. It is empowered with 300+ man power calling thousands of clients day in and out updating them on the realistic market updates.

ATS, name of god, sun, legendary businessman Aditya Vikram Birla. It began as an association between two individuals which later on got converted into a registered company and now group of companies. Despite the fact that it has held the name of Aditya Trading Solutions as it is for their own commodity business, abbreviated it to ATS and made it common across all their group companies' name.

It has a very humble beginning and always believed in staying firm on ground. Each of their logo color has a meaning, it has a fusion of color of soil and metals. Color of soil or ground signify the humility of team ATS and metallic colors symbolize the potentiality of team ATS.

ATS has a client base of over 10 lakh satisfied clients, enjoying the services from 800+ locations across India. ATS is backed up with 24*7 expert support and offers the lowermost brokerage charges in the market. ATS provides the best online trading and investment platforms to its client, which includes web and mobile.

1.3.2 PROMOTERS OF THE COMPANY ARE:

Vikas Jain and Sunish CV

1.3.3 VISION:

To help clients make effective financial decisions that support their current situation and prepare for a prosperous future

Having resolute and result arranged spotlight on speculator's administration

1.3.4 MISSION:

To provide cost effective trading, investment & risk management solutions to our ever increasing client base in a professional and ethical way.

1.3.5 QUALITY POLICY:

- Customer preference first, the company aims at having a major concern its clients
- Builds genuine relationship with its clients
- The company operates in Professionalism manner and greater integrity
- Efficiency and accuracy in operations
- Quality commitments in order to hike the client growth
- Maintain loyalty and transparency with clients

1.3.6 PRODUCTS AND SERVICES:

The various products offered by ATS are:

- Equities & Derivatives
- Commodities
- Depository
- Institutional Services
- NRI Services
- Investment Advisory
- Insurance
- Portfolio management service
- Systematic investment plan

The various services are:

- Capital and Commodity Market
- Store Services
- Research and Advisory
- NRI Services
- Riches Management Services
- Protection
- Shared Funds
- Individual Finance

1.3.7 AREAS OF OPERATION:

The company operates in the following areas

SL No.	City	State
1	Bengaluru (Head Ofice)	Karnataka
2	Jaipur	Rajasthan
3	Kalaburgi	Karnataka
4	Hyderabad	Andhra Pradesh
5	Vijaywada	Andhra Pradesh
6	Hubbali	Karnataka
7	Tumakuru	Karnataka
8	Mangaluru	Karnataka
9	Chennai	Tamil Nadu
10	Mysuru	Karnataka
11	Salem	Tamil Nadu
12	Erode	Tamil Nadu
13	Tirupur	Tamil Nadu
14	Coimbatore	Tamil Nadu
15	Tiruchirappalli	Tamil Nadu
16	Thrissur	Tamil Nadu
17	Kochi	Kerala
18	Madurai	Tamil Nadu
19	Karaikudi	Tamil Nadu
20	Tirunelveli	Tamil Nadu

1.3.8 INFRASTRUCTURE FACILITIES:

- Well interior furnished office
- Sufficient availability of computers to process the orders, along with wifi facilities to work accurately
- It has separate online and offline dealing systems with sufficient space to interact with their clients
- Skilled employees to assist the clients on queries and advisory services
- Research team to do analysis on stocks and commodities
- 12 terminals in home branch to assist clients in placing orders

1.3.9 COMPETITORS INFORMATION:

- India Infoline Securities Ltd
- JRG Securities Ltd
- KotakSecuruties Ltd
- Karvy Stock Broking Ltd
- Angel Broking
- Share Khan
- AnandRathi
- Fortune Equity Ltd

1.3.10 SWOT ANALYSIS:

SWOT as a tool for analysis is an organized technique to measure the strengths, weakness, opportunities and threats inherited in a business venture. It comprises representing the goal of the business venture and recognizes the internal and external factors that are favourable and unfavourable to accomplish the goal.

The strengths and the weaknesses of the company is an internal factor, whereas the opportunities and the threats of the company are external factors at which the organization has no control. The strength and the opportunities are points of interest to the organization whereas the weaknesses and the threats are burdens to the organization.

Strengths	Weakness
• The company is backed up with a research team which keeps a track on market volatility and also provides a base to assist our clients on profitable investment decisions • Company provide personalized service to our clients on investment decision • Wide network, branches of ATS is spread over more than 40 locations in India.	• No branches in rural areas • Increased competition in the Market
Opportunity	**Threats**
• To increase the client base, which currently has a client base over 1lac plus clients • To grow the business in lines of wealth management, capital market, insurance, advisory and assent financing • The company can focus to be a leading capital market providing service firm over all in the coming	• Increased growth of the competent companies to match our services • Fluctuating market conditions affect the business • Regulatory changes in government policies • Rise in inflation figures which would lead to increase in interest rates

1.3.11 FUTURE GROWTH PROSPECTUS:

These are the elements on which the company focuses on and executes in coming years to the best advantage of the company

- The company aims at setting up branches across the country
- The company aims to extend the company services over seas and assist more NRI clients
- The company aims to increase the client base and personalized service to clients across the country
- The company aims to diversify the business and enter into newest financial products
- The company aims at attracting more insurance customers to have a good base in insurance business
- The company aims at coming up newest technology to provide better and accurate service to their clients

1.3.12 FINANCIAL STATEMENTS:

Financial statement is a collection of annual reports of a company's financial performance and status. Financial statement analysis is basically a study of relationship among several financial factors in a business entity, as disclosed by a single set of statement. Those financial statements are useful in the following:

1. To determine the potentiality and capability of the firm to clear its debts in due time
2. To derive financial ratios using the data provided by the company and arrive at the financial position of the company
3. To track the financial results on a trend line to spot any upcoming profitability issues

BALANCE SHEET OF ATS AS ON 2015-2017

Particulars	2017 [Rs In Cr]	2016 [Rs In Cr]	2015[Rs In Cr]
LIABILITIES			
1. Equities			
Share Capital	59.33	57.83	45.11
Reserves	145.78	184.79	142.27
Total Shareholder Fund	205.11	242.62	187.38
Long Term Borrowing	0	0	0
Secured Loan	0.05	0.12	0.48
Deferred Tax Liability	-6.01	-5.78	-2.42
Other Long Term Liability	8.75	8.75	8.75
Provisions	3.08	2.87	2.2
Total Non-Current Liability	5.87	5.96	9.01
2.Current Liability			
Trade Payable	0.58	0.35	0.42
Other Current Liability	75.12	78.52	87.65
Short Term Borrowing	475	428	197
Short Term Provisions	52.97	47.18	48.92
Total Current Liability	603.67	554.05	333.99
Total Liability	814.65	802.63	530.38
ASSETS			
1. Noncurrent Assets			
Gross Block	82.45	92.78	62.73
(-) Depreciation	78.27	87.31	58.69
Net Block	4.18	5.47	4.04
Noncurrent Investment	6.48	6.48	17.38
Long Term Loans And Advances	17.45	22.45	35.78
Other Noncurrent Assets	1.39	1.07	1.82
2. Current Asset Loans And Advances			
Investment	1.78	0.97	0.82
Inventories	0	0	0
Cash And Bank	702.78	654.82	297.54
Other Current Asset	5.19	6.24	5.71
Short Term Loan And Advances	75.4	105.13	167.29
Total Asset	814.65	802.63	530.38

INCOME STATEMENT OF ATS AS ON 2015-2017

Particulars	Mar-17	Mar-16	Mar-15
Operating Income	74.87	82.47	74.94
Net Sales	74.87	82.47	74.94
EXPENDITURE:			
Increase/Decrease in Stock	0	0	0
Purchase of Shares / Units	0	0	0
Employee Cost	21.47	20.98	19.57
Operating & Establishment Expenses	12.41	12.78	13.1
Administrations & Other Expenses	2.78	2.97	3.46
Provisions and Contingencies	0.98	1.87	4.42
Expenses Capitalized	0	0	0
Total Expenditure	37.64	38.6	40.55
PBIDT	37.23	43.87	34.39
Other Income	27.97	34.78	64.78
Depreciation	2.97	4.8	4.64
Interest	40.15	26.42	14.96
Profit Before Taxation & Exceptional Items	22.08	47.43	79.57
Exceptional Income / Expenses	0	0	0
Profit Before Tax	22.08	47.43	79.57
Provision for Tax	8.76	15.42	13.92
PAT	13.32	32.01	65.65
Extraordinary Items	0	0	0
Adjustments to Profit After Tax	0	0	0
No. of shares	15000000	20000000	25000000
Equity Dividend (%)	150	150	200
Earnings Per Share (in Rs)	8.88	16.005	26.26

1.3.13 RATIO ANALYSIS:

1. Current ratio:

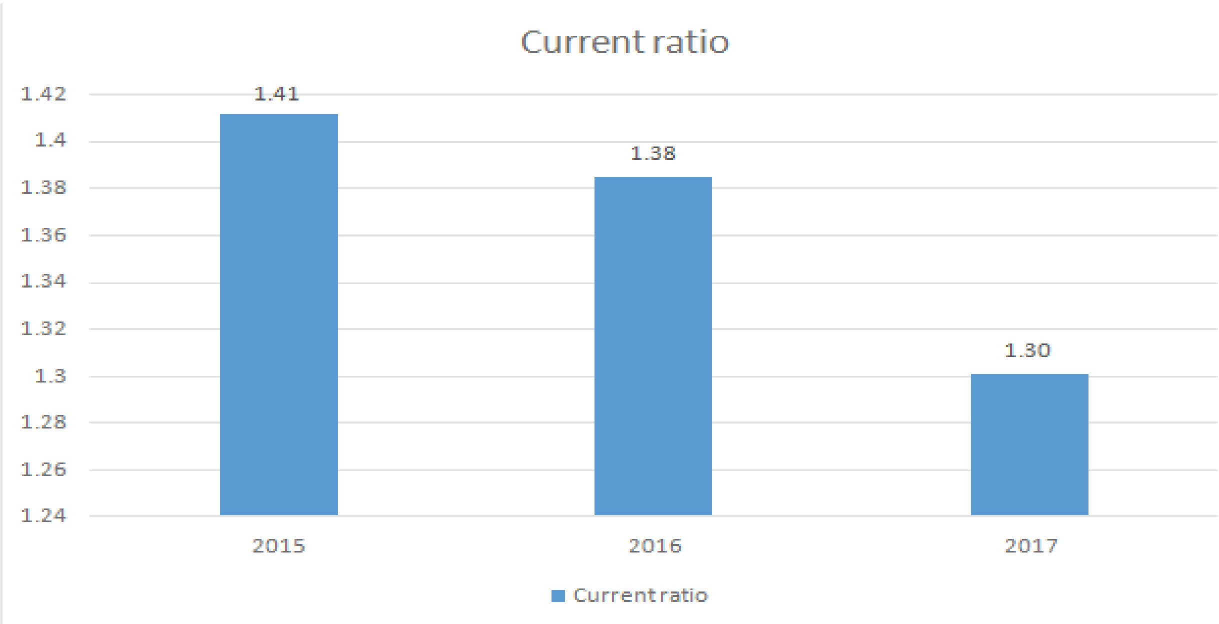
A reasonably high current ratio means that the firm is liquid and can clear its current obligations in time as and when they get to be distinctly due. On the other hand, comparatively low current ratio is a sign of less liquid and the firm may not be capable of paying its current liabilities in due time without facing any difficulties.. The ideal current ratio is 2: 1.

TABLE 1.1:

Calculation of current ratio:

Year	Current Asserts (Cr.)	Current liabilities (Cr.)	Current Ratio
2015	471.36	333.99	1.41
2016	767.16	554.05	1.38
2017	785.15	603.67	1.30

GRAPH 1.1:



Interpretation:

The ideal current ratio is 2:1, which says the total current assets of the company should be twice the total current liabilities. As per the above graph it is viewed that the company's current ratio does not exceed 2:1 i.e., in 2015, 2016 & 2017 the current ratio 1.14, 1.38 & 1.30 respectively. This shows that the firm is not efficient in managing its current obligations, hence the company solvency position is unsatisfactory.

2. Debt equity ratio:

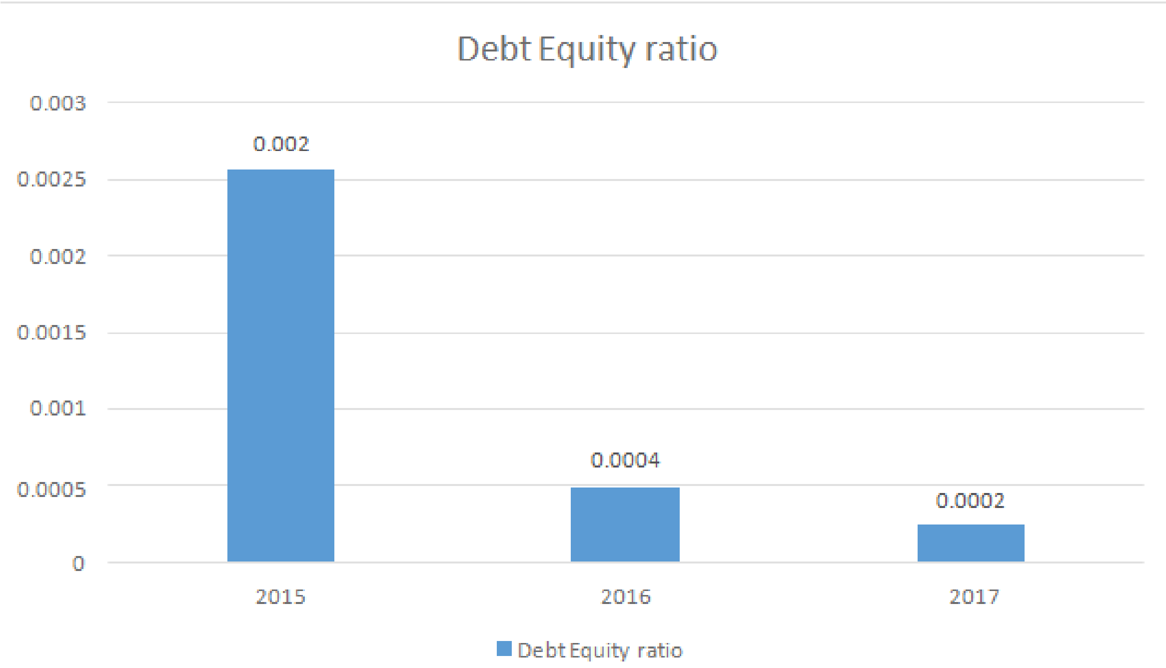
Debt equity ratio is calculated to gauge the proportional claims of outsiders and owners in contrast to firm's assets. This ratio shows the relationship between the external debt and the shareholders fund or internal equity.

TABLE 1.2:

Calculation of debt equity ratio:

Year	Debt (Cr.)	Equity (Cr.)	DER
2015	0.48	187.38	0.002
2016	0.12	242.62	0.0004
2017	0.05	205.11	0.0002

GRAPH 1.2:



Interpretation:

This ratio is calculated to assess the portion of debt financing used by the company to finance its money related operations. The debt equity ratio of the company for the year 2015, 2016 & 2017 is 0.0025, 0.00049 & 0.00024 respectively. Here as the debt equity ratio is declining year by year it is understood that the company is relaying on its equity capital and it is a positive sign for the company's health.

3. Interest coverage ratio:

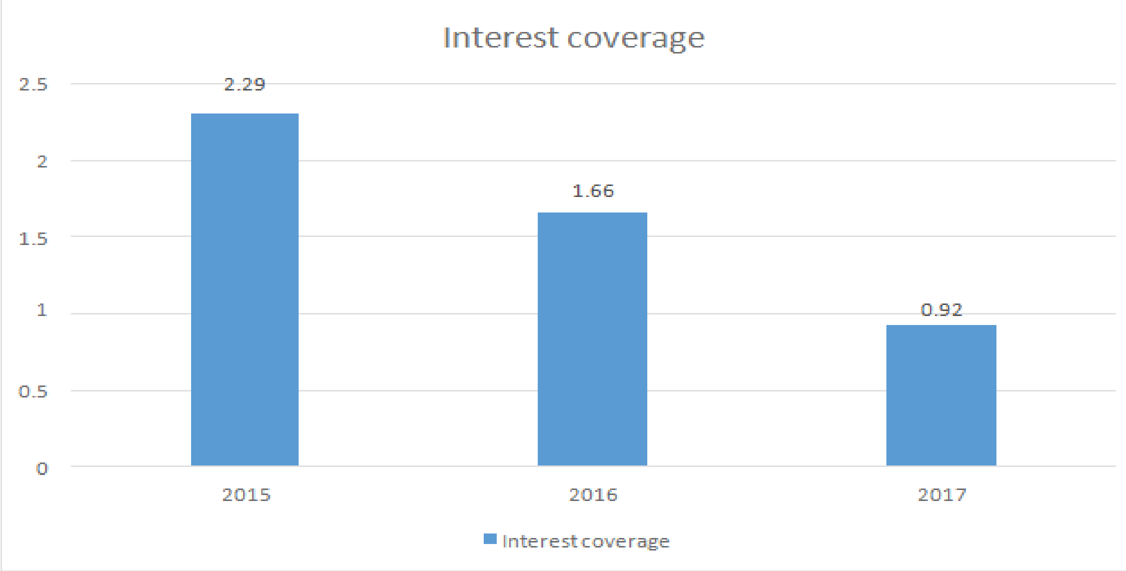
This ratio shows the capability of an entity to fulfil its interest obligations in the current year. This ratio is one of the most calculated ratio in any organization as it indicates how well the firm is able to pay interest to its debtors.

TABLE 1.3:

Calculation of Interest coverage ratio:

Year	EBIT	Interest	Interest coverage
2015	34.39	14.96	2.29
2016	43.87	26.42	1.66
2017	37.23	40.15	0.92

GRAPH 1.3:



Interpretation:

This ratio is calculated to assess how well a company can clear its interest expenses on its outstanding debt. The interest coverage ratio for the year *2015, 2016 & 2017 is 2.29, 1.66 & 0.922 respectively, this is decline in interest coverage ratio says that the company stood well in paying interests on its debts for the year 2014 and 2015 but in 2016 the company was not up to mark in making interest payments on its debts.

4. Return on investment:

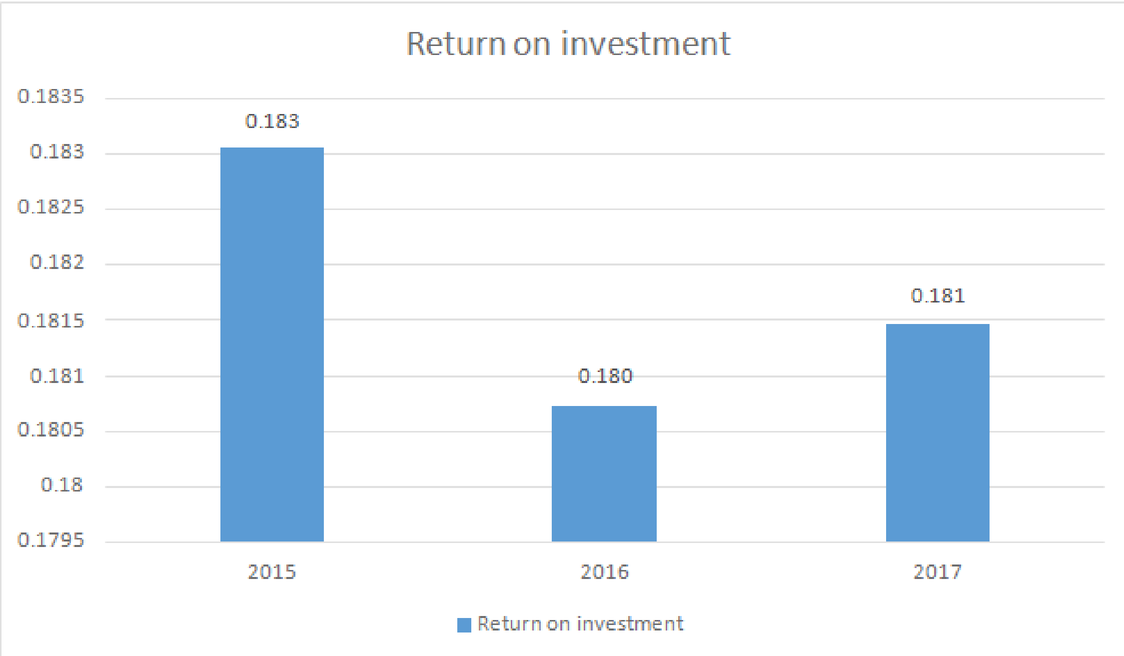
This ratio elucidates the overall profitability of the businesses out of the total amount of funds employed.

TABLE 1.4:

Calculation of Return on investment:

Year	EBIT	Equity + Debt	Return on investment
2015	34.39	187.86	0.183
2016	43.87	242.74	0.180
2017	37.23	205.16	0.181

GRAPH 1.4:



Interpretation:

The return on investment is calculated either to compare the different investments or to assess the amount of profit earned on a particular investment. Here in the above graph the company have earned a nominal profits out of its investments that is 0.18 in all the past three years.

5. Earnings per share:

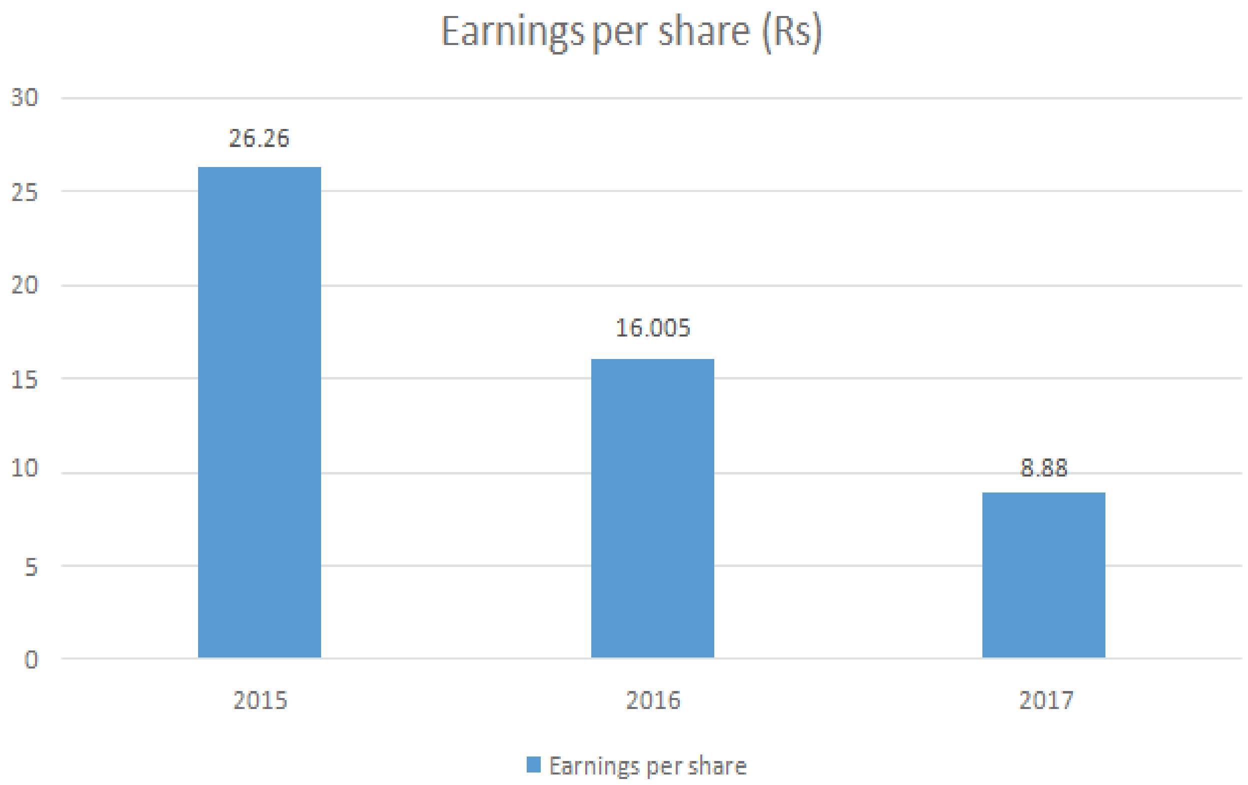
This is the profit distributed to each outstanding share of common stock and this also indicated the firm's profitability.

TABLE 1.5:

Calculation of Earnings per share:

Year	EAESH	No. of equity share	EPS (Rs)
2015	656500000	25000000	26.26
2016	320100000	20000000	16.005
2017	133200000	15000000	8.88

GRAPH 1.5:



Interpretation:

From the above graph the EPS of the company for the year 2015, 2016 & 2017 is 26.26, 16.005 & 8.88 respectively. There is a huge fluctuation in company EPS since the year 2015 - 2017, the EPS during 2017 has fallen to 8.88 from 26.26 during 2015. The company's return to its shareholder is in decreasing trend.

CHAPTER-2

LITERATURE REVIEW:

2.1 THEORETICAL BACKGROUND OF THE STUDY

Fundamental analysis is said to be the keystone for making an investment. Actually, some would say that an investor is not really investing unless he/she performs fundamental analysis. The chief part of fundamental analysis encompasses digging into the books of a company. Looking at the revenue, expenditure, assets & liabilities and all the other money related aspects of a company, which is otherwise known as a quantitative analysis. Fundamental analysts consider this information to gain technical knowhow about the organization's future performance.

When discussing stocks, fundamental analysis is a tool that tries to define a security's value by concentrating on underlying factors that influence a company's genuine business and its forthcoming prospectus. On a broader scope, fundamental analysis can be carried out on entire industries or the economy as whole.

Fundamental analysis aids to answer the below questions:

- Is the revenue of company increasing?
- Is a company essentially making profits?
- Is it in a potential position to defeat its competitors in the future?
- Is it capable to repay its debts?

Obviously the above questions are extremely involved questions. The only question that remains in the investor mind is the company stock a profitable investment? Here the fundamental analysis comes into picture as a tool kit to answer these questions.

Fundamentals: Quantitative and Qualitative

The fundamental factors can be expressed into two categories:

- Quantitative-The ability to be measured in numerical terms. The financial statements stands put to be the major source for the quantitative data. Through this assets, revenue, profit, and more can be measured with great accuracy.

- Qualitative - It is that something based on reputation and the quality of something but not the size or the quantity. Qualitative fundamentals are less substantial variables surrounding a business, for example, the quality of board members and key officials of a company, its brand-name gratitude and patents/proprietary expertise.

Criticisms of Fundamental Analysis:

The major criticism comes from 2 major groups, they are:

- Supporters of technical analysis and
- "efficient market hypothesis” believers

Fundamental analysis is intended in determining the intrinsic value of a particular company's stock. As qualitative factors represent the business aspects of a company, which are difficult to be measured, consolidating this information into a pricing evaluation can be difficult thus fundamental analysis does not ignore any tangible attributes of a company.

In the current study EIC approach has been followed .i.e., Economic Industry and Company approach tool for analysing the selected stocks more effectively.

2.2 LITERATURE REVIEW

1) Ahmed S Wafi, Hassan & Adel Mabrouk (October 2016)

”Wafi A.S et.al concentrated on which of the analysis is more creditable, fundamental analysis or technical analysis in forecasting the value (price and return). They conducted cross-sectional and time series analysis to achieve the objective of their study. They used sample size consisting of 37 non-financial companies listed in Egyptian financial market (The Egyptian Exchange EGX) which is the most active in EGX for the period (1998-2009) every year. They found that there is a significant difference between the values (price and return) in concern with both fundamental and technical analysis of the share in EGX in favor of technical analysis method that is the result of inefficiency of Egyptian market financially. They concluded that credibility of results created by the technical analysis method in estimating the future stock costs contrasted with the consequences of estimating utilizing the Fundamental Analysis technique.”[1]

2) Mr. Suresh A.S (May 2013)

“In his study Mr. Suresh A.S says that the investors prefer fundamental analysis as a tool to make irrational investment decisions in the capital market instruments. The presentation of securities of a company rely on the company performance itself and the fundamental factors relate to economy, industry and company. The economy and industry directly impact the investment decision as the firms are a part of industrial and commercial sectors. The investment criteria starts with fundamental analysis which examines the economic environment, industry performance and company results prior to making the decision to invest. He concludes venture is a budgetary action that includes chance. It is the dedication of assets for an arrival predicted that would be known later on. Speculations is done with resources which are money related or physical in nature. In some cases there is a possibility the return to shift from normal to real. That possibility is the hazard inherits in the Investment.”[2]

3) Ms. Apurva A Chauhan

“Ms. Apurva A Chauhan found out that investors face problem to manage the prediction of the stock prices either using technical or fundamental analysis. The fundamental analysis gives the economy, industry and company factors for analyzing the stocks. Her present study concentrates on knowing the choices of investors towards fundamental and technical analysis for making decisions. In her study she concludes that, portfolio managers chose to use technical analysis for making the decision by using trend lines, charts and supports as well as resistance level technical tools to make the decisions. Investors preferred technical analysis rather than fundamental analysis. The users of fundamental analysis were 24 percent, they were using RRR and CAPM for making decisions.”[3]

4) Venkatesh C. K, MadhuTyagi& Ganesh L (May/June 2012)

“Venkatesh C. K et.al researched about Fundamental Analysis and its usage in Indian capital markets, they used a questionnaire with the portfolio managers to make a survey on the usage of fundamental analysis to predict the share price movements in the Indian stock market. They found that there are 85 percent of the respondents who used both fundamental and technical analysis to forecast the future price movements of stocks at different time horizon. They covered Brokers, Fund managers, sub brokers, Portfolio managers as his sample size. They structured the questionnaire in such a way that all the economy, industry and company components were included to arrive at those factors which drive the market. At the bottom line their survey concluded that company and economy factors are most widely used components for fundamental analysis. To form the prediction views 98% of the respondents have desirable future event, the fact that company factors are important than the industry or the economy. With this it is reasoned that among economy, company and industry components, company particularly money related and non-financial data goes about as a significant affecting variable while settling on the development of the portfolios.”[4]

5) Mr. Nagesh & Prof. B Shivaraj (January 2015)

"Mr. Nagesh and Prof. B Shivaraj conducted a study on selected stocks in telecom industry using fundamental analysis, they say fundamental analysis is a sensible and efficient way to deal with estimation of future share price. It depends on the essential commence that share price is dictated by various principal variables identifying with the economy, industry and company. Each and every share has economic value based on its present and future earnings which is termed as intrinsic or fundamental value. The portfolio managers can tally the intrinsic and prevailing market price of the share to arrive at an investment decision. They concluded that, investor should buy the share if the intrinsic value obtained is higher than the market price as the price of those shares are expected to move up to meet the intrinsic value. The objective of their study is to provide a base for investors to buy, hold or sell the share by evaluating the selected securities based on fundamental analysis of selected companies"[5]

6) Shalu Kotwani (2017)

"Shalu Kotwani conducted A Study on the Impact of the Fundamental and Technical Analysis on the Decision of the Investors, In their study they found investors gain confidence and clarity to make investment as there is a great availability of variety of information sources such as, market data, industry and company performance, stock charts etc., which can be referred by the investors before making an investment. These sources assist the investors as making an investment decision is very critical. He used Z-test in his survey on 160 stock market investors based in Indore, Dewas, Bhopal, and Ujjain during 2013-2015. He considered the effect of statistic factors like sex, age, and occupation on the investment decision and the rationalities of the investors during various market variations. He concludes that the gender and the occupation influenced the impression of the investors towards the fundamental and technical analysis. Male investors perceive fundamental and technical analysis as more significant and critical than the female investors. In any case, there is no critical contrast in the view of the salaried and businessperson investors. The male salaried investors perceive fundamental and technical analysis as more critical and significant than the female salaried investors. The male businessman investors see principal and specialized examination as more serious than the female proprietary investors of stock market.

Whereas, the male salaried and the male proprietary investors see same towards fundamental and technical analyses. The view of the female salaried and female businessman investors of the share trading system towards technical and fundamental analyses is too same."[6]

7) Xuemin (Sterling) Yan & LinglingZheng (November 2016)

"Xuemin (Sterling) Yan and LinglingZheng say while evaluating data mining bias in stock return anomalies, the investor does not observe all the variables considered by the researchers. They found that numerous key signs are huge indicators of cross-sectional stock returns even after accounting for data mining. Their proof proposes that fundamental based inconsistencies are not a result of information mining, and they are best clarified by mispricing. Their approach is general and can be connected to different classes of peculiarity factors."[7]

8) KeertiGururaj Kulkarni & GururajAnand Kulkarni (2013)

"The paper investigates the systematic instruments in assessing sectorial stocks. Specifically center has been set to comprehend the fundamental and technical analysis in assessing the sectorial stocks. To learn this successfully, KeertiGururaj Kulkarni and GururajAnand Kulkarni carried out fundamental and technical analysis among stocks of selected sectors. Further, an exertion has been made to create "Stock Determination Criteria" for supplies of these areas. Likewise, the methodologies utilized by the financial specialists in assessing these sectorial stocks have been analyzed. Based on their research they concluded that fundamental analysis is most preferred analysis in choosing stocks to get greater returns. This is sustained by the way that investors know, and are more arranged towards the fundamental investigation as outlined from the examination and elucidation of the primary data."[8]

9) P. Hanumantha Rao & Subhendu Dutta (September 2013)

“They prepared this article in attempt to study the fundamentals of banking sector in India when there was a recession for investments in banking sector. Their article considered the factors like Net Profit Margin (NPM), Earnings Per Share (EPS), Net Operating Margin (OPM), Return On Equity (ROE), Dividend Payout Ratio (DPR), Dividends Per Share (DPS), Price Earnings Ratio (PER) for a time of 6 years from 2006-07 to 2011-12 for three foremost Indian banks, they are ICICI Bank, SBI and HDFC Bank, including the fundamentals of these banks.”[9]

10) Dr. SreemoyeeGuha Roy (2013)

“Dr. SreemoyeeGuha Roy in his paper selects the stocks of three IT companies Wipro, TCS and Infosys. He uses EPS and PE Ratio in his analysis. In reference with the output of his study he concludes that all the three company stocks i.e., Wipro, TCS and INFOSYS are fundamentally strong. Fundamental research emphasises on recognizing and studying the factors that drive security prices though technical analysis is merely concerned with analysing market performance, without anxiety for trying to explain it.”[10]

CHAPTER-3

RESERCH DESIGN

3.1 TITLE OF THE STUDY:

"Fundamental Analysis of Indian listed companies"

3.2 NEED FOR THE STUDY:

The investor is often under tremendous pressure as to how to select the good stocks and how much to invest. The investors intend to invest their funds in those domains where they can ensure that their funds are secured and can earn reasonable returns by minimizing the risks. Since volatility in stock prices is the major constraint for any investor, the investor searches for the tools through which the investor can better analyse the stocks. Fundamental analysis is one such tool which helps an investor to find out the intrinsic value of the stock. It focuses on three significant components to analyse the efficiency and creditability of stocks. The three components are economic analysis, industry analysis and company analysis.

Every investor should look at the fundamentals of the company. Even if the company fails in the market due to the influence of several factors, if the fundamentals of that company is good, in the long run the stocks of that company may fetch good returns for an investor. Hence fundamental analysis is a key tool for any investor to make rational investment decisions.

The main reason to set up NSE was to bring transparency in the Indian capital market. As per the directions of Indian government a group of financial institutions came together and formed NSE. NSE is broadened with shareholding involving both domestic and international investors.

NSE drove electronic screen-based trading system in 1994, derivatives trading (in the form of index futures) and web trading in 2000.

NSE has structured its operations, the operations comprises of exchange schedules, trading services, clearing and settlement services, indices, market data feeds, technology solutions and monetary instruction. NSE equally administers compliance by trading and clearing members and registered companies by means of exchange rules and regulations.

NSE claim to have a market capitalization of above US $1.41 trillion, which makes it the world's twelth-largest stock exchange as of March 2017. The NIFTY 50, 51 stock index (50 companies with 51 securities inclusive of DVR), utilized by Indian investor and the investors across the globe as a pointer of Indian capital market.

3.3 OBJECTIVES OF THE STUDY:

- To understand Indian Stock Market
- To get in-depth knowledge about fundamental analysis
- To do fundamental analysis of Indian listed companies.
- To analyse the fundamental factors which influence the performance of stock.

3.4 SCOPE OF THE STUDY:

On the basis of market cap i have selected 4 companies in different sector.

The study involves usage of economic, industry and company analysis (EIC) as a basis for evaluating stocks of the selected sector company.

The study is confined to evaluating the stocks of 4 companies of 4 sectors namely

- Oil & Gas - ONGC (Oil and Natural Gas Corporation)
- Manufacturing - Binani Ind (Binani Industries)
- Pharmaceutical - Biocon
- Real Estate - Sobha

3.5 METHODOLOGY ADOPTED:

Type of study:

Analytical study: The current study is analytic in nature. Illustrations of subjects are acknowledged and info about the exposure status and consequence is gathered. In depth analytical study is a situation where subject groups are compared to assess the magnitude of relation amid exposures and results. The study is intended to analyse the stocks of the sample company stocks.

DATA COLLECTION SOURCES:

- Secondary data: Secondary data is the information that have already been collected and used. It is freely available from additional sources. Such data are least expensive and easily accessible than the primary data. Secondary data is available when the primary data cannot be collected.

  The data is collected through various research reports and websites of the selected company stocks for feasible and accurate data for my study.

3.6 SAMPLE DESIGN

Sample Size:

- Secondary data: 5 years of financial statements of each company

Sampling Technique:

There are two types of sampling techniques, namely

DATA COLLECTION TOOL:

- Secondary data: Various Websites like Investing.com, NSE, SEBI, IBEF, Wikipedia were used

3.7 LIMITATIONS OF THE STUDY:

- The time period of the study was restricted to only 10 weeks
- The data is confined to only oil & gas, manufacturing, pharmaceutical, real estate and automotive sectors, hence the findings drawn from the study may not be able to generalise to all the sectors
- For obtaining primary data, questionnaire was used. Investors may not be ready to clearly represent their reviews.

CHAPTER-4
ANALYSIS AND INTERPRETATION

4.1 INDUSTRY ANALYSIS:

Industry analysis is concerned with assisting a company in knowing its position with other companies who are engaged in producing the identical products. An effective strategic planning is formulated by understanding the major wok forces that drives an industry. It helps the entrepreneurs to locate their threats and opportunities that are involved in the business practices and to effectively utilize their resources to develop unique capabilities that could lead a competitive advantage.

- Oil and gas:

  The oil and gas sector is counted amongst the six core industries in India and plays a key role in persuading decision making for various vital segments of the economy. The economic growth of India is closely associated to energy demand, accordingly the requirement for oil and gas is anticipated to develop all the more, thus providing the sector pretty favourable for investment.

  The GOI has encompassed a few policies to satisfy the growing demand. The government has permitted 100 percent FDI in numerous segments of the sector, including refineries, petroleum products and natural gas.

- Pharmaceutical:

  The Indian pharmaceuticals market is declared as the third largest in terms of volume and thirteenth largest in terms of value. India stands out to be the largest supplier of generic drugs internationally, 20% of which is accounted to be the India produced generic drugs.

  India holds a significant position in the worldwide pharmaceuticals sector. India additionally has a vast pool of engineers and scientists who can possibly direct the business ahead to an even advanced level. Right now over 80 percent of the antiretroviral drugs utilized worldwide to battle AIDS are provided by the Indian pharmaceutical companies.

 Real Estate:

The real estate sector stand out to be the most universally recognized sectors. The real estate sector in India is the second leading employer after agriculture. It is scheduled to develop at 30 percent in the coming decade.

The real estate sector incorporates 4 sub sectors - commercial, housing, retail, and hospitality. The development of this sector is very much supplemented by the growth in the corporate atmosphere and the petition for office space and in addition urban and semi-urban housing.

The construction industry is among the 14 major sectors in relation to direct and indirect impacts in all sectors of the Indian economy.

 Manufacturing:

Manufacturing has appeared to be one of the high growth sectors in India. Indian Prime Minister, Mr. Narendra Modi, had propelled the ‘Make in India’ concept to place India as a manufacturing hub on the global scenario and give Indian economy a global recognition.

India is ranked among the globe’s 10 largest manufacturing countries in 2016.

4.4 COMPANY ANALYSIS:

To study the company approach Ratio Analysis is used as a tool.

4.5 Ratio Analysis:

Ratio refers to 1 variable expressed in terms of another variable. It generally explains the inter-relation between extreme variables. The significance of the tool ratio analysis depends on the fact that it presents the fact on comparative basis and enable to draw a conclusion regulating the financial performance and stability of the firm.

2 important ratios are used in each of the following classifications.

1. Liquidity ratios
   a. Current ratio
   b. Quick Ratio

2. Capital structure ratios
   a. Debt equity ratio

3. Profitability ratios
   a. Gross profit ratio
   b. Net profit ratio

4. Turnover ratios
   a. Debtors turnover ratio
   b. Working capital turnover ratio

5. Overall return ratios
   a. Earnings per share
   b. PE ratio

DATA ANALYSIS:

Analysis of data is a procedure of systematically applying statistical and logical techniques to describe, illustrate and evaluate the data. Data analysis is done with a basic objective to do findings, draw conclusions and make necessary suggestions.

Data analysis is a process of collecting, coding, analysing and interpreting the data. For my study the data was collected from both the sources Primary and secondary, as well as SPSS software is used to test the hypothesis.

4.6 PRIMARY DATA ANALYSIS:

A survey has been conducted to know the opinion of investors towards "Fundamental analysis a tool for analysing stocks". The survey is conducted using a questionnaire where all the questions related to fundamental analysis are included. The questionnaire is in a MCQ format. The questionnaire was circulated among the ATS clients and employees who are into stock trading. Totally 50 responses were obtained from the investors.
If an investor wants to invest his funds for a long term then he is highly recommended to look into company fundamentals, because fundamentals of a company gives a clear cut picture about the company growth prospects and its hike in future but if an investor wants to invest for short term then technical analysis is the best.

4.6.1 ECONOMIC ANALYSIS:

The economic analysis includes to study the economy as a whole. Wherein under my study I have undertaken three main factors that influence the economic changes, which in turn affect the market are:-

a) Gross Domestic Product (GDP)

b) Inflation Rate

c) Interest Rate

4.6.1.1 GROSS DOMESTIC PRODUCT (GDP):

GDP is used as an indicator to assess the nation's health and wealth in respect to its economic growth and stability. It represents the sum value of goods and services produced by the overall country in a set period of time.

The GDP figures are represented quarterly as per FY in INR (Billion).

Q1- April - June

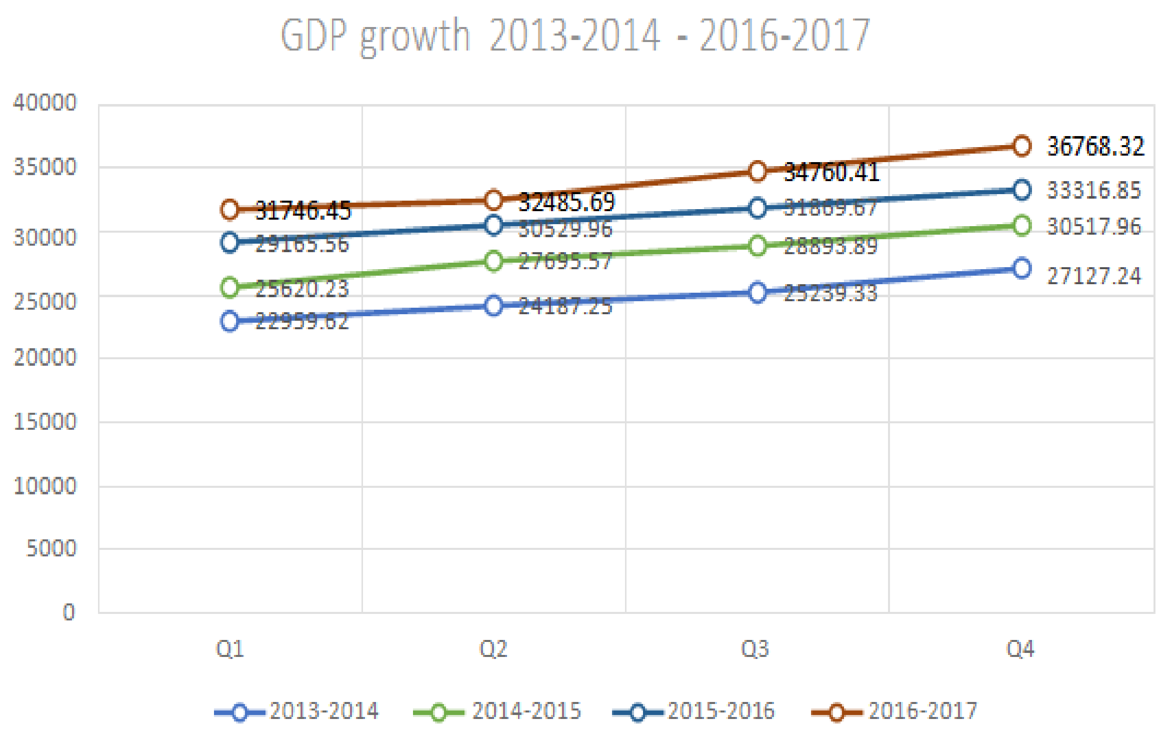
Q2- July - September

Q3- October - December

Q4- January - March

GRAPH 4.1:

The below graph shows the GDP figures in India for previous 5 years:



Interpretation:

As GDP factor is one of the most accurate indicator of a nation health. If the GDP is constantly growing it is a positive sign for an investor to invest his funds. As per the above graph it can be concluded that the nation's GDP is constantly growing year by year, the country is very healthy and the country stands as a platform for major investments.

As per sectors included in my study sales through oil and gas sector have majorly boosted the GDP of the country, as the sales of ONGC have been satisfactory. Then next comes the manufacturing sector, after the launch of 'make in India' concept the manufacturing sector has rapidly grown to a good extent which has majorly impacted the rise in GDP of the country. The real estate and pharmaceutical sector has also impacted the GDP of the country is a positive manner as the sales out of those sectors have increased consistently since 2013.

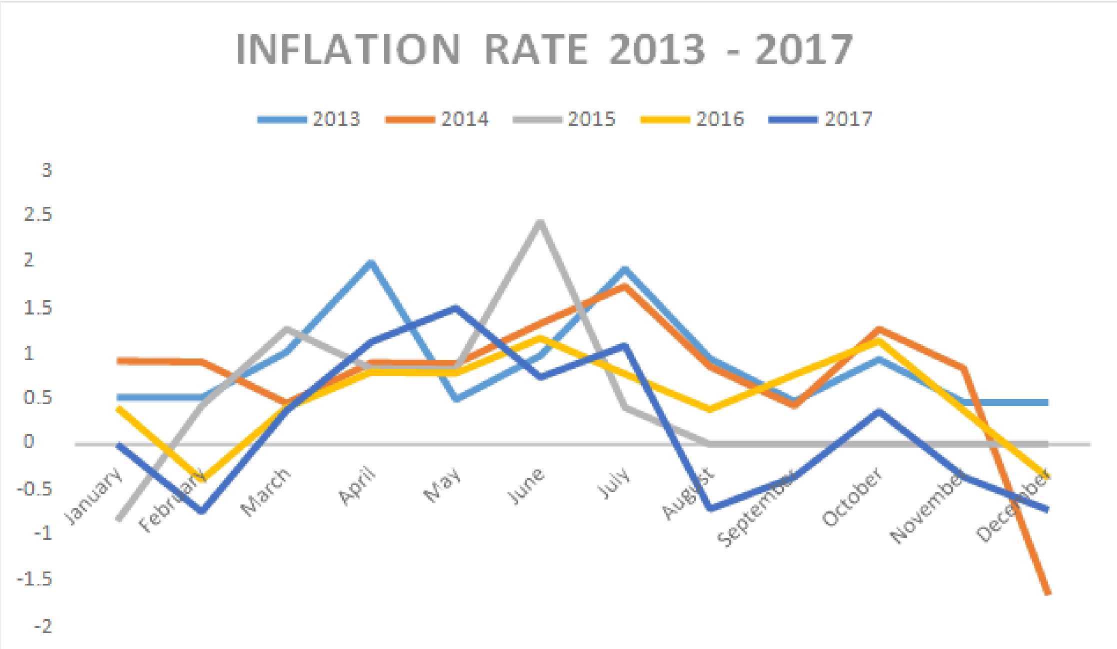
4.6.1.2 INFLATION RATE:

It is a sustained increase in the price level of goods and services over a span of time, which in turn results in decrease in the value of currency. CPI inflation rates are collected and displayed in the below graph.

In the below graph the Inflation rate is represented as monthly figures in percentage

GRAPH 4.2:

The below graph shows the Inflation (CPI) rates in India for previous 5 years:



Interpretation:

On the basis of above graph, it can be concluded that the inflation rate has been declining in past 5 years (2013-2017). This represents that in 2017 currency value of INR has got much stronger than it was in 2013. The country stands as an ideal platform for investment in various sectors which can guarantee satisfied returns.

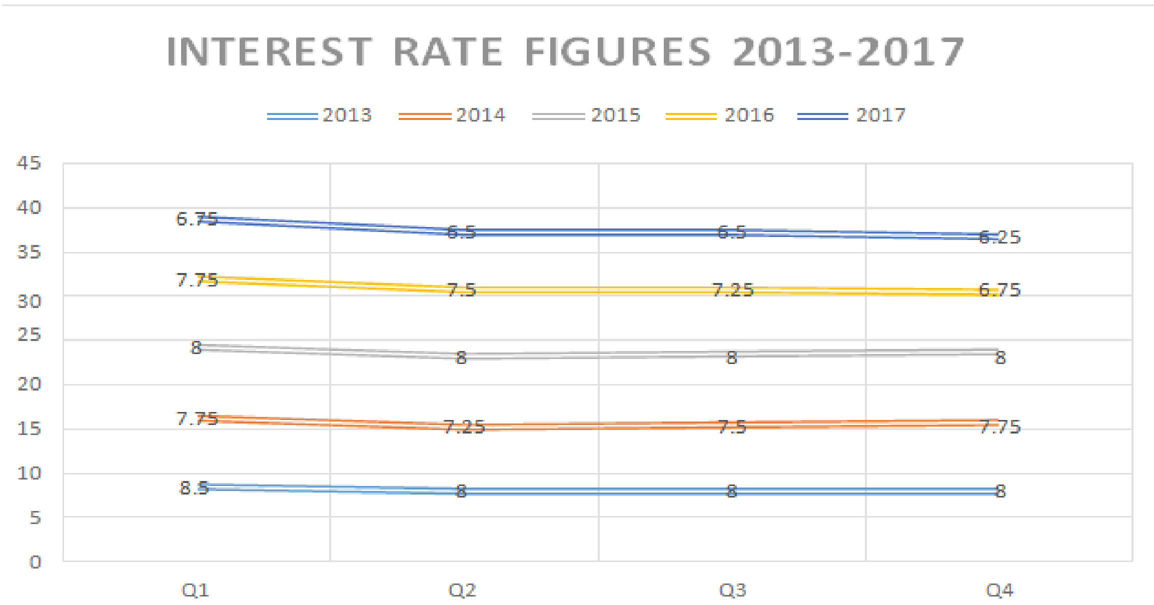
4.6.1.3 INTEREST RATE:

Interest is the amount that is paid on the funds borrowed from an institution as loan. Interest rate is a certain percentage that has to be paid to the lender every month on the amount borrowed.

In the below graph the Interest rate is represented as quarterly figures (REPO) in percentage

GRAPH 4.3:

The below graph shows the Interest (REPO) rates in India for previous 5 years:



Interpretation:

There is no huge fluctuation the interest rates for the last 5 years which results in active and regular rotation of money within the country.

After the official launch of 'make in India' concept the manufacturing sector stood first to raise funds from financial institutions as the REPO rate was brought down to 6.25 at the end of the year 2017 from 8.5 at the beginning of the year 2013.

4.6.2 INDUSTRY ANALYSIS

Industry analysis studies the various internal and external factors that impact the growth and decay of a company. To study the industry, various external factors have been organized, analysed and interpreted.

The industry analysis for all the 4 industries is done below

4.6.2.1 OIL & GAS:

During 2014 India was propelled to be the 14^{th} largest energy consumer (oil and gas) in the world, India represented 37% of the energy consumption in the world economy. The consumption of Oil is mounting at 3.85 Million Barrels Per Day (MBPD) and LPG at 50.6 Billion Cubic Meters (BCM). It is anticipated that the LPG consumption is going to reach 119.05 BCM and Oil at 4.0 MPBD henceforth 2017.

India remains to be the major importer of energy though it has an oil and gas reserves of 5.7 billion barrels and 1.4 trillion cubic meters respectively, as it is not provided with sufficient production base. LPG imports is formulated to be one-fourth of the total gas demand. As the India's gas demand is anticipated to get doubled in the following years, to meet this increasing demand, the nation is planning to generate the import capacity to 50 Million Tonnes (MT) hereafter.

By 2040, India's oil petition is likely to progress at a 3.6% CAGR (Compound Annual Growth Rate) to 458 MTOE (Million Tonnes of Oil Equivalent). **Minister of Petroleum and Natural Gas, Mr. Dharmendra Pradhan** states that the demand for energy will increase as the economic condition of the country will increase to 5 times of now by 2040.

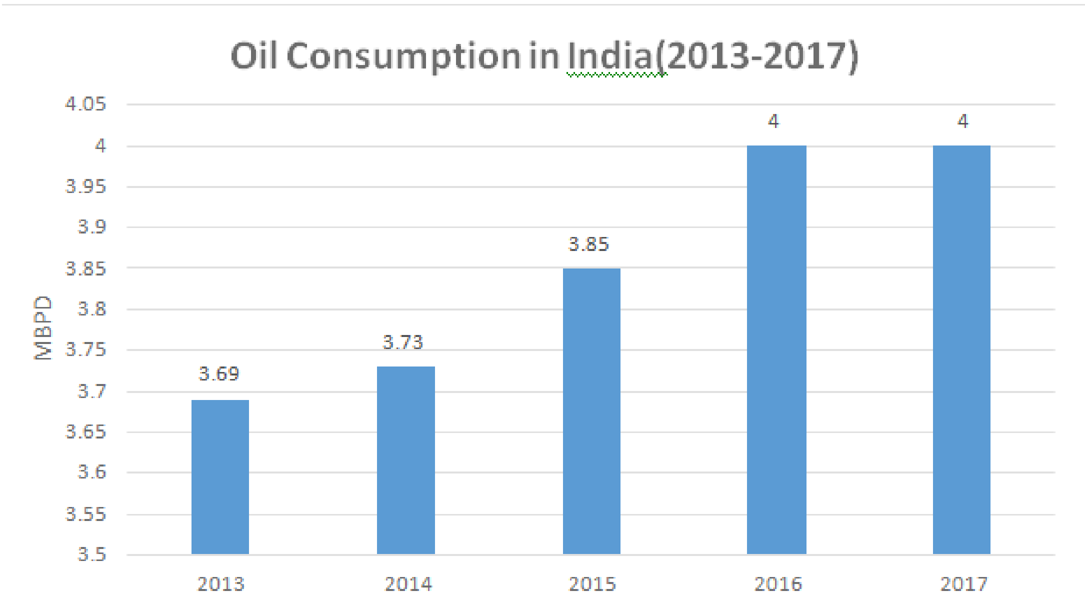
By 2040 90 BCM generation of gas is anticipated, in respect with adjustments to the existing formula that evaluates the price paid to local producers, although necessity for natural gas will drive at a 4.6% CAGR to reach 149 MTOE.

Supply of Oil and its demand in India:

- Oil consumption is assessed to grow at 3.7% CAGR during 2012 to range 4.0% MBPD by 2016.
- India is going to relay more on oil imports, as it expected that there is potential growth in oil demand.
- The outputs are getting better due to dramatic economic growth, which is leading to increase of oil demand for production.
- Demand for automobile is estimated to increase due to rise in income levels

GRAPH 4.4:

The below graph shows the annual oil consumption in India for last 5 years:



4.6.2.2 MANUFACTURING SECTOR:

The 'Make in India' initiative released by the honorable prime minister of India in Mumbai, between 13th and 18th February 2016. This initiative received a surprising reaction from the investors. The fare was closed at INR 15.2 trillion in investment obligations.

This Make in India has lead the India to revolve into super giant manufacturing hub such as HTC, Toshiba, GE, Boeing and Siemens, these are engaged in setting up their plant or have already set their plants in India, due to the growing purchasing power of billion consumers.

The electronic manufacturing in India has successfully achieved Rs 123,000 Cr as of September 2016, from Rs 11,000 Cr as of 2014 in respect to the policies of government of India and its Make in India edge.

The India government is looking forward to locally manufacture 181 products and more. This will help the infrastructural sectors of India, namely automobile manufacturing, power and oil & gas. These sectors require excess capital and retrieve Rs 185,000 Cr of Indian capital goods business

The Indian manufacturing segment is an eye catching hub for foreigners to make investments. Several companies have setup their plant of manufacturing automobile and mobile phones in the nation. The government has a passion of developing smart cities and diversified industrial corridors for country development. This will add up in helping to integrate, monitor and develop a favourable domain for growth of industry and promote latest manufacturing practices.

The GDP is projected to raise from 16% presently to 25% by 2025, due to the output contributed by manufacturing sector.

4.6.2.3 PHARMACEUTICAL SECTOR:

The Indian Pharma industry, which is projected to mature over 15% each year amid 2015 and 2020, obsessed by growing consumer expenditure, quick urban expansion, and hovering healthcare insurance. This will outpace the universal pharma industry, set to advance at a yearly rate of 5% amid the similar period. India is emerging to be the sixth huge pharmaceutical market in terms of volume internationally.

As per the information released by Ministry of Commerce and Industry, India has furthermore kept its lead over China in pharmaceutical exports with a yearly growth of 11.44% to US$ 12.91 billion in FY 2015-16. Imports of pharmaceutical products climbed marginally by 0.80% year-on-year to US$ 1,641.15 million.

Overall drug sanctions given by the US Food and Drug Administration (USFDA) to Indian companies have almost multiplied from 109 in FY 2014-15 to 201 in FY 2015-16. The country represents around 30% in terms of volume and almost 10% in terms of value in US$ 70-80 billion.

Going ahead, better growth in domestic sales would likewise rely on upon the capacity of companies to align their product portfolio in the direction for diseases such as anti-depressants, anti-diabetes and anti-cancers.

The Government of India found a way to cut down the costs and expenses related to healthcare. The focus is on bringing in the generic drugs to help the pharmaceutical company operating in India. Moreover, preventive vaccines and health programmes also leads to good outcome for the pharmaceutical companies.

About 2.4% of value is represented by Indian pharma market in the world economy and 10% of volume. It is projected to expand at a CAGR of 15.92% from US$ 20 billion in 2015 to US$ 55 billion by 2020.

India is ranked 3rd position in global generic Active Pharmaceutical Ingredient according to reports of 2016. India stands out to be the global leader in Drug Master Files and it stands 2nd in Abbreviated New Drug Applications.

Indian drugs are exported to 200 countries and more around the planet and US is the key market. 20% of the exports consists of Generic drugs in volume and making India the largest producer and it is accounted to grow more in upcoming years.

Indian government plans to enrich its drug discovery by introducing a venture capital of US$ 640 million. The pharma department plans to make India a leader in drug discovery by its vision “Pharma Vision 2020”.

4.6.2.4 REAL ESTATE SECTOR:

The real estate market in India is estimated to grow from US$ 93.8 billion to US$ 180million by 2020. There is a quick raise in household income and urbanisation and these play a vital role in the growth of real estate, residential, commercial and retail.

In the year 2016 from jan - sep the investment in real estate sector was recorded up to US$ 4.24 billion and there is an increase of 22% when compared to previous year. There is a mere growth in investments in residential sector of 9% in the 3rd quarter of 2016. The investments in private equity was deterioration up to 30% every year and is about US$ 2.5 billion in 48 projects. In 2016 April- June the India’s office space grew about 46% and about 10.2 million sqft in Bangalore and Delhi national capital region which took about 50% of total space. 7 million sqft was added for new office space during April June 2016 and it was controlled by Mumbai and Hyderabad which is over 65% of total over all space in prominent cites in the quarter.

Due to Globalization and well informed consumer base the real estate developers in India have changed gears and recognised the new difficulties involved. The most unique change is that the move to professionally managed ones from family owned business. The developers in real estate have started multiple projects and also started tot hair experts in engineering, architecture and project management.

There is more transparency in growing stream of FDI in real estate and developers to increase the funding have started to makeover the management and the accounting standards.

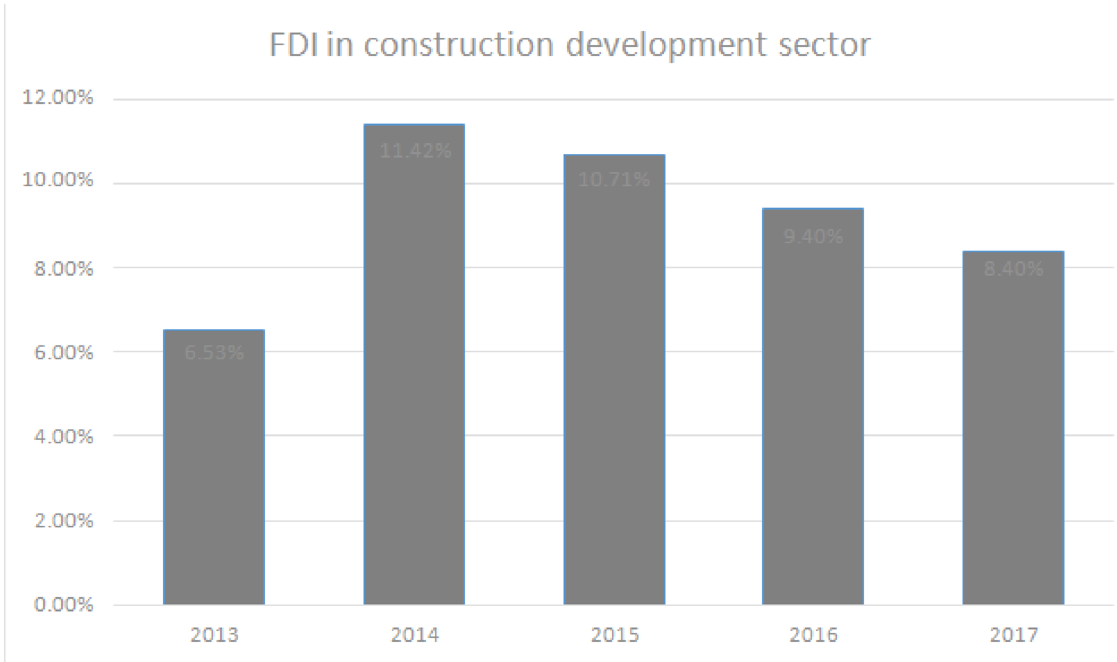
There is about 5-6% contribution from the housing sector in the overall GDP. In 2008-2020 the market size of real estate in expected to grow up to a CACG of 11.2%. Hospitality, retail and real estate has developed significantly, facilitating needed infrastructural development in India.

The housing sector single-handedly contributes 5-6% to the country's GDP. In the period FY 2008-2020, the market size of this real estate sector is expected to raise at a CAGR of 11.2%. Retail, hospitality and commercial real estate are likewise developing significantly, providing necessary infrastructure to India's developing needs.

A project to develop 100 smart cities was passed by the union cabinet in August 2015. 100% FDI is allowed for development of towns, likewise Special Economic Zone are also provided with 100% FDI for real estate projects. As per the union budget 2015-16, US$ 3.72 billion was released by the government for housing development.

GRAPH 4.5:

The below graph shows the flow of FDI in Constructions in India in last 5 years:



4.7 COMPANY ANALYSIS:

Fundamental analysis of a company indicates the future performance in long run. The company fundamentals are analyzed using various ratios.

The analysis is shown in the following tables and charts.

4.7.1 CURRENT RATIO:

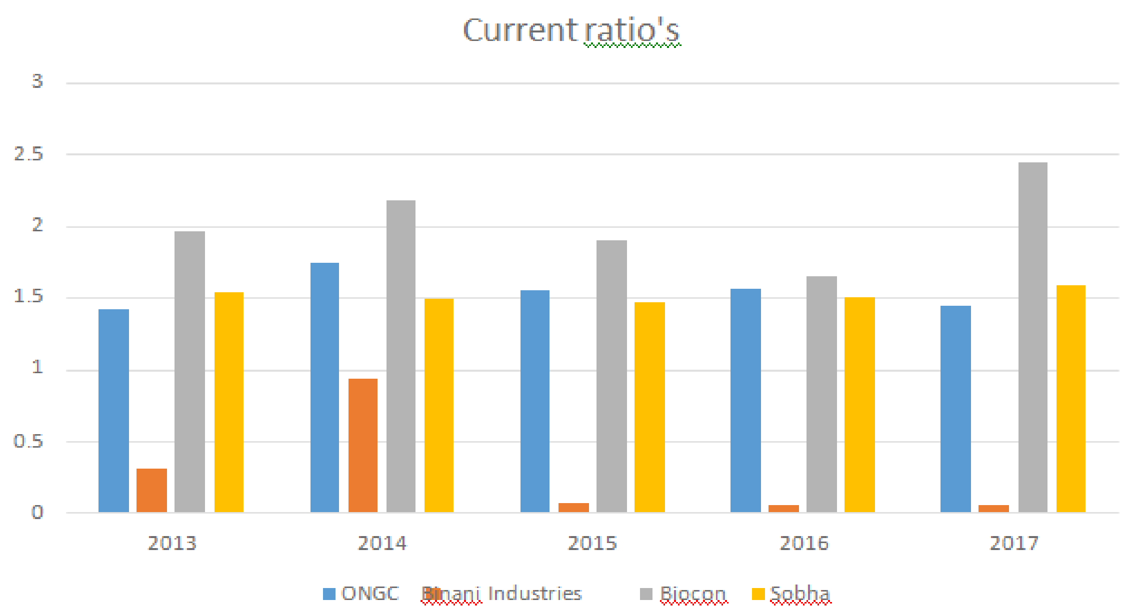
It may be defined as the relationship between current assets and current liabilities. In the below table Current ratio is calculated for all the 4 companies for past 5 years using the formula:

TABLE 4.1:

Calculation of Current ratio for all the 4 companies:

		Company names			
		ONGC	**Binani Industries**	**Biocon**	**Sobha**
		(in millions)	**(in lakh)**	**(in millions)**	**(in millions)**
2013	**Current assets**	3,65,844.14	16,040.51	19,997	30,731.11
	Current liabilities	2,56,979.54	51,271.86	10,158	19,934.62
	Current Ratio	**1.42**	**0.31**	**1.96**	**1.54**
2014	**Current assets**	3,06,012.92	65,560.66	22,400	36,650.42
	Current liabilities	1,74,738.50	69,189.54	10,233	24,547.48
	Current Ratio	**1.75**	**0.94**	**2.19**	**1.49**
2015	**Current assets**	2,98,433.00	10,786.62	26,388	41,619.56
	Current liabilities	1,90,797.65	1,41,549.95	13,796	28,171.27
	Current Ratio	1.56	0.07	1.91	1.47
2016	**Current assets**	3,01,632.54	8,752.89	25,626	48,685.98
	Current liabilities	1,91,734.88	1,46,118.74	15,547	32,257.15
	Current Ratio	1.57	0.06	1.64	1.50
2017	**Current assets**	3,07,243.28	9,301.50	39,932	51,519.00
	Current liabilities	2,11,386.67	1,49,720.61	16,276	32,204.00
	Current Ratio	1.45	0.06	2.45	1.60

GRAPH 4.2:



Interpretation:

The standard current ratio is 2:1. This ratio is considered efficient only the current assets of the company are twice its current liabilities. If the ratio is above 2:1 it indicates that the company solvency position is in the satisfactory level.

ONGC: The current ratio of the firm for the year 2013, 2014, 2015, 2016 & 2017 is 1.42, 1.75, 1.56, 1.57 & 1.45 respectively which shows that the firm is not good in managing its current obligations as its current ratio is below the standard. The current ratio of the firm was raised from 1.42 in the year 2013 to 1.75 in the year 2014 but since then the current ratio of the firm kept declining year by year which shows the firm's current ratio is not satisfactory.

Binani Industries:The current ratio of the firm for the year 2013, 2014, 2015, 2016 & 2017 is 0.31, 0.94, 0.07, 0.05 & 0.06 respectively which shows that the firm is not good in managing its current obligations as its current ratio is below the standard.The current ratio of the firm was raised from 0.31 in the year 2013 to 0.94 in the year 2014 but since then the current ratio of the firm kept declining year by year which shows the firm's current ratio is not satisfactory.

Biocon:The current ratio of the firm for the year 2013, 2014, 2015, 2016 & 2017 is 1.96, 2.18, 1.91, 1.64 & 2.65 respectively which shows that there is huge fluctuation in the company current ratio. The current of the firm was raised from 1.96 in the year 2013 to 2.18 in the year 2.13 thereafter for next two years the current ratio kept falling down. But in the year 2017 the firm picked up its current ratio to 2.65 which shows that the current obligations in this year were very well managed by the firm and in this year the firm's solvency level is satisfactory.

Sobha: The current ratio of the firm for the year 2013, 2014, 2015, 2016 & 2017 is 1.54, 1.49, 1.47, 1.50 & 1.59 respectively. The current ratio of the firm is below the standards which indicates that the firm is not effective in managing its current obligations and the firm's solvency position is not in a satisfactory level.

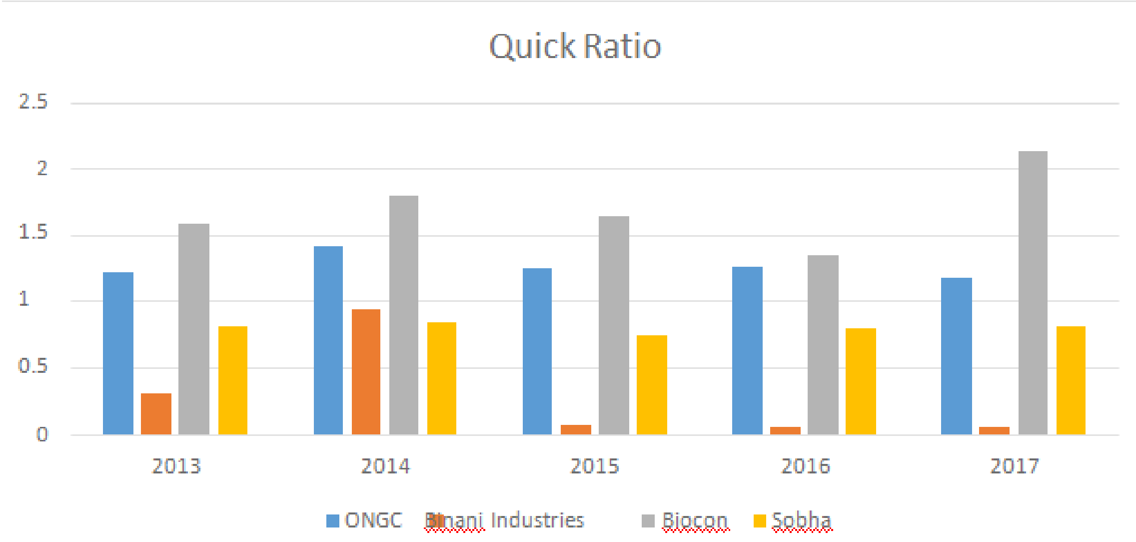
4.7.2 QUICK RATIO:

This ratio measures the firm ability to meet its immediate liabilities. In the below table quick ratio is calculated for all the 4 companies for past 5 years.

TABLE 4.2:
Calculation of Quick ratio for all the 4 companies:

		Company names			
		ONGC	Binani Industries	Biocon	Sobha
		(in millions)	(in lakh)	(in millions)	(in millions)
2013	**quick assets**	3,14,189.79	16,040.51	16,214	16,365.74
	quick liabilities	2,56,979.54	51,271.86	10,158	19,934.62
	Quick Ratio	1.22	0.31	1.59	0.82
2014	**quick assets**	2,48,968.98	65,560.66	18,416	20,770.86
	quick liabilities	1,74,738.50	69,189.54	10,233	24,547.48
	Quick Ratio	1.42	0.94	1.80	0.84
2015	**quick assets**	2,39,607.59	10,786.62	22,622	20,999.72
	quick liabilities	1,90,797.65	1,41,549.95	13,796	28,171.27
	Quick Ratio	1.25	0.07	1.63	0.74
2016	**quick assets**	2,41,997.27	8,752.89	21,099	25,851.83
	quick liabilities	1,91,734.88	1,46,118.74	15,547	32,257.15
	Quick Ratio	1.26	0.06	1.35	0.80
2017	**quick assets**	2,50,822.71	9,178.97	34,818	26,313.23
	quick liabilities	2,11,386.67	1,49,720.61	16,276	32,204.00
	Quick Ratio	1.18	0.06	2.14	0.81

GRAPH 4.7:



Interpretation:

The ideal quick ratio is 1:1. This ratio shows how quick a company can meet its short term obligations i.e. current liabilities. This ratio simply shows the liquidity position of a company.

ONGC: The quick ratio of the firm for the year 2013, 2014, 2015, 2016 & 2017 is 1.22, 1.42, 1.25, 1.26 & 1.18 respectively which shows that the firm's liquidity position is satisfactory except for the year 2017. However the graph display a fluctuating trend.

Binani Industries: The quick ratio of the firm for the year 2013, 2014, 2015, 2016 & 2017 is 0.31, 0.94, 0.07, 0.05 & 0.06 respectively which shows that the firm's liquidity position is below standards and the company stands out to be very poor in meeting its current liabilities.

Biocon: The quick ratio of the firm for the year 2013, 2014, 2015, 2016 & 2017 is 1.59, 1.79, 1.63, 1.35 & 2.13 respectively which shows that the firm's liquidity is position is highly satisfactory and the company is looking forward for more current investments.

Sobha: The quick ratio of the firm for the year 2013, 2014, 2015, 2016 & 2017 is 0.82, 0.84 0.74, 0.80 & 0.81 respectively which shows that the company is lacking in managing its short term obligations and is not able to meet its current liabilities in due time. The firm's financial position is dissatisfactory.

4.7.3 DEBT EQUITY RATIO:

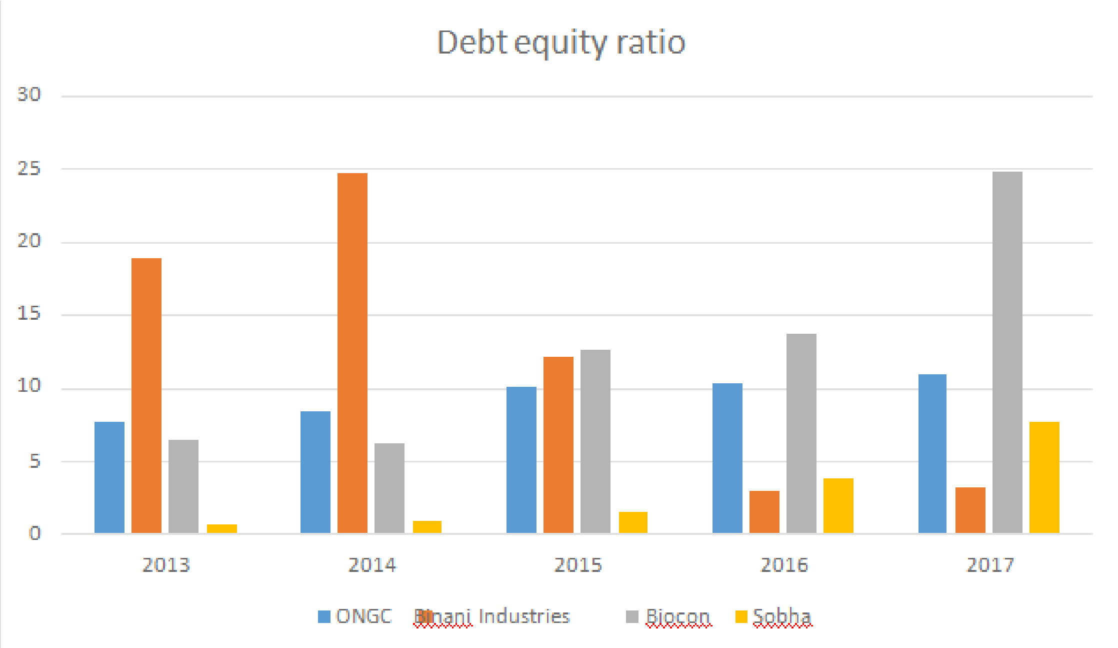
This ratio indicates the mere relationship between debt and equity. In the below table debt equity ratio is calculated for all the 4 companies for past 5 years using the formula:

TABLE 4.3:

Calculation of Debt equity ratio for all the 4 companies:

		Company names			
		ONGC	**Binani Industries**	**Biocon**	**Sobha**
		(in millions)	**(in lakh)**	**(in millions)**	**(in millions)**
2013	**Debt**	3,30,729.21	56,256.01	6,530	773.07
	Equity	42,777.60	2,961.52	1,000	980.64
	DER	7.73	18.99	6.53	0.78
2014	**Debt**	3,61,995.93	73,354.02	6,329	979.24
	Equity	42,777.60	2,961.52	1,000	980.64
	DER	8.46	24.76	6.32	0.99
2015	**Debt**	4,34,836.59	36,168.80	12,620	1,597.71
	Equity	42,777.60	2,961.52	1,000	980.64
	DER	10.16	12.21	12.62	1.62
2016	**Debt**	4,43,054.18	44,974.91	13,779	3,757.40
	Equity	42,777.60	14,961.52	1,000	980.64
	DER	10.35	3.00	13.77	3.83
2017	**Debt**	4,71,108.44	49,432.94	24,872	7,598.16
	Equity	42,777.60	14,961.52	1,000	980.64
	DER	11.01	3.30	24.87	7.74

GRAPH 4.8:



Interpretation:

Debt equity ratio is very helpful in assessing the long term financial position of a company. The ratio is tend to be ideal if it is 2:1 which means debt double the equity. The company debt equity ratio is satisfactory when it is below the ideal debt equity ratio.

ONGC: The debt equity ratio of the firm for the year 2013, 2014, 2015, 2016 & 2017 is 7.73, 8.46, 10.16, 10.35 & 11.01 respectively. The company debt equity ratio is above the standard hence the company is in negative sign and has more debt capital than equity capital which in turn results in huge interest payments.

Binani Industries: The debt equity ratio of the firm for the year 2013, 2014, 2015, 2016 & 2017 is 18.99, 24.76, 12.21, 3.00 & 3.30 respectively. The company debt equity ratio is above the standard hence the company is in negative sign and has more debt capital than equity capital which in turn results in huge interest payments.

Biocon: The debt equity ratio of the firm for the year 2013, 2014, 2015, 2016 & 2017 is 6.53, 6.32, 12.62, 13.77 & 24.87 respectively. The company debt equity ratio is above the standard hence the company is in negative sign and has more debt capital than equity capital which in turn results in huge interest payments.

Sobha: The debt equity ratio of the firm for the year 2013, 2014, 2015, 2016 & 2017 is 0.78, 0.99, 1.62, 3.83 & 7.74 respectively. The company debt equity ratio is above the standard hence the company is in negative sign and has more debt capital than equity capital which in turn results in huge interest payments except for the year 2013, 2014 & 2015 because debt equity ratio stands out to be below the standard.

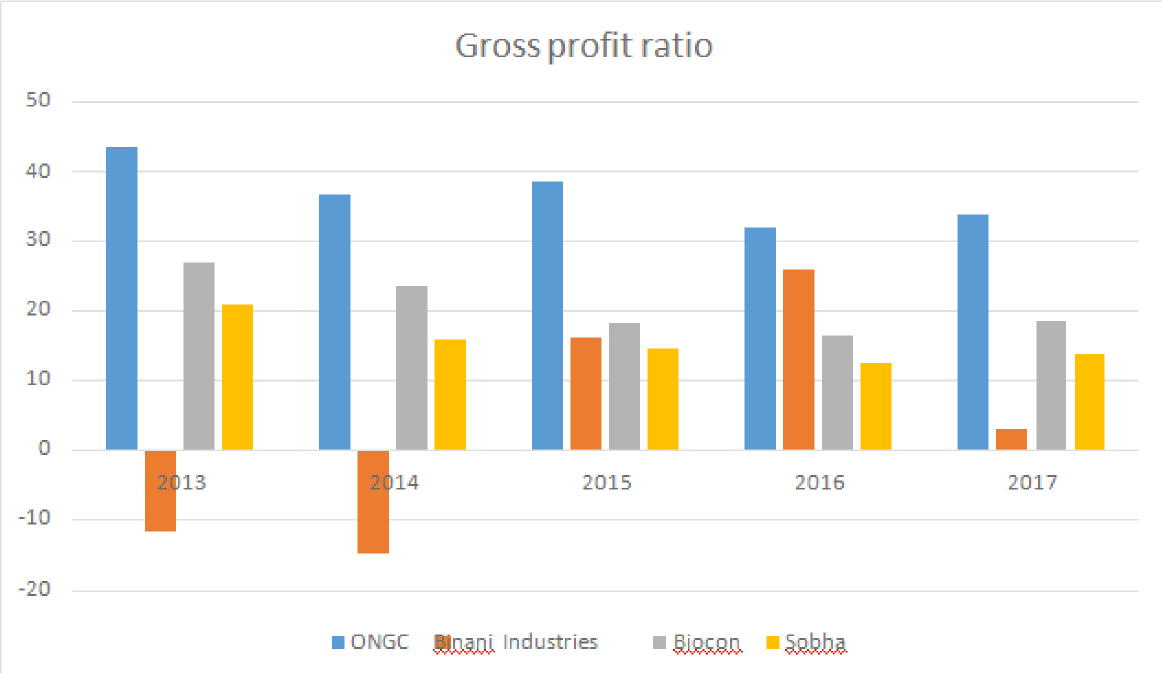
4.7.4 GROSS PROFIT RATIO:

The gross profit ratio display the portion of profit generated through sale of products or services, post selling and administration expenses.

TABLE 4.4:
Calculation of Gross profit ratio for all the 4 companies:

		Company names			
		ONGC	Binani Industries	Biocon	Sobha
		(in millions)	(in lakh)	(in millions)	(in millions)
2013	Gross profit	3,35,020.20	-1,624.10	5,791	2,952.36
	Net sales	7,68,870.59	13,929.00	21,360	14,020.79
	GPR	43.57	-11.65	27.11	21.05
2014	Gross profit	3,05,443.33	-2,618.34	5,957	2,877.87
	Net sales	8,33,089.58	17,928.00	25,306	18,104.47
	GPR	36.66	-14.60	23.53	15.89
2015	Gross profit	3,24,319.32	1,960.24	5,377	3,136.63
	Net sales	8,42,027.80	12,066.00	29,141	21,241.63
	GPR	38.51	16.24	18.45	14.76
2016	Gross profit	2,65,552.35	1,204.79	5,190	2,993.82
	Net sales	8,30,934.67	4,660.00	31,224	23,941.33
	GPR	31.95	25.85	16.62	12.50
2017	Gross profit	2,65,325.35	1,647.68	6,520	2,515.11
	Net sales	7,85,651.87	52,176.00	35,189	18,166.99
	GPR	33.77	3.15	18.52	13.84

GRAPH 4.9:



Interpretation:

This ratio defines the sufficient profits earned after deducting all the expenses. There is no any such standard to interpret this ratio, the greater ratio is always better.

ONGC: The Gross profit ratio for the year 2013, 2014, 2015, 2016 & 2017 is 43.57, 36.66, 38.51, 31.95 & 33.77 respectively. The company profitability was at the peak in the year 2013 with 43.57% in the following year the GPR is fallen to 36.66%. Since then in the year 2014 the GPR was slightly raised to 38.51 thereafter it fell to 31.95 in the following year and in the last year the GPR picked up to be 33.77%. This means the company GPR is not stabilized is been fluctuating in the past 5 years.

Binani Industries: The Gross profit ratio for the year 2013, 2014, 2015, 2016 & 2017 is (11.65), (14.60), 16.24, 25.85 & 3.15 respectively. In the year 2013 and 2014 the firm faced a huge gross loss, in the year 2014 the GPR was raised to 16.24 and then in 2016 the company made an enormous profit with 25.85% which is the highest profitability of the firm in past 5 years. In the past year the GPR was at the bottom i.e., 3.15%. This means the company GPR is not stabilized is been fluctuating in the past 5 years.

Biocon: The Gross profit ratio for the year 2013, 2014, 2015, 2016 & 2017 is 27.11, 23.53, 18.45, 16.62 & 18.54 respectively. The GPR graph shows a falling trend in company profitability in the last 4 years i.e., from 2013 to 2016 with GPR from 27.11 to 16.62, thereafter in the year 2017 the company managed to hike its profits and the GPR stood at 18.54 . The company is trying to increase its profits.

Sobha: The Gross profit ratio for the year 2013, 2014, 2015, 2016 & 2017 is 21.05, 15.89, 14.76, 12.50 & 13.84 respectively. The GPR graph shows a falling trend in company profitability in the last 4 years i.e., from 2013 to 2016 with GPR from 21.05 to 12.50, thereafter in the year 2017 the company managed to hike its profits and the GPR stood at 13.84. The company is trying to increase its profits.

4.7.5 NET PROFIT RATIO:

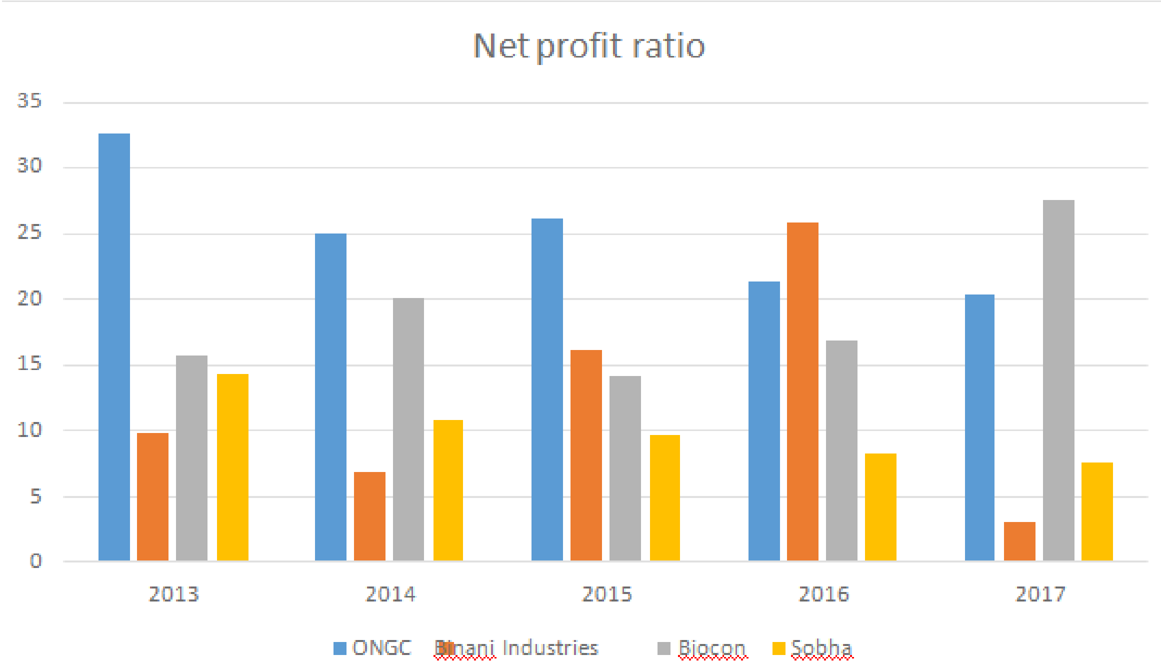
This ration reveals the profit remaining post all costs of production, administration and financing deducted out of total sales and total income.

TABLE 4.5:

Calculation of Net profit ratio for all the 4 companies:

		Company names			
		ONGC	**Binani Industries**	**Biocon**	**Sobha**
		(in millions)	**(in lakh)**	**(in millions)**	**(in millions)**
2013	**Net profit**	2,51,229.22	1,368.18	3,384	2,008.50
	Net sales	7,68,870.59	13,929.00	21,360	14,020.79
	NPR	32.67	9.82	15.84	14.32
2014	**Net profit**	2,09,256.96	1,238.33	5,089	1,965.73
	Net sales	8,33,089.58	17,928.00	25,306	18,104.47
	NPR	25.11	6.90	20.10	10.85
2015	**Net profit**	2,20,948.07	1,960.24	4,138	2,065.42
	Net sales	8,42,027.80	12,066.00	29,141	21,241.63
	NPR	26.23	16.24	14.19	9.72
2016	**Net profit**	1,77,329.54	1,204.79	5,284	1,990.85
	Net sales	8,30,934.67	4,660.00	31,224	23,941.33
	NPR	21.34	25.85	16.92	8.31
2017	**Net profit**	1,60,036.46	1,634.45	9,705	1,369.19
	Net sales	7,85,651.87	52,176.00	35,189	18,166.99
	NPR	20.36	3.13	27.57	7.53

GRAPH 4.10:



Interpretation:

This ratio measures the overall profitability of the firm and helps in assessing how well a company is managing its business affairs. There is no any such standard to interpret this ratio, the greater ratio is always better.

ONGC: The Net profit ratio for the year 2013, 2014, 2015, 2016 & 2017 is 32.67, 25.11, 26.23, 21.34 & 20.36 respectively. The NPR graph shows a falling trend in company profitability since 2013-2017 with NPR from 32.67- 20.36 respectively. In between the company stool well in controlling its falling trend in the year 2015 but in the following year the NPR again kept declining. The company is not well at managing its business affairs and profitability of the company is been falling.

Binani Industries: The Net profit ratio for the year 2013, 2014, 2015, 2016 & 2017 is 9.82, 6.90, 16.24, 25.85 & 3.13 respectively. In the NPR graph we can see that the company profitability was on the peak in the year 2016 with NPR of 25.85, raising from 9.82 in the year 2013. But in the year 2017 the company's profitability is fallen to 3.13. This shows the company did not stood well in keeping a increasing trend in its profitability.

Biocon: The Net profit ratio for the year 2013, 2014, 2015, 2016 & 2017 is 15.84, 20.10, 14.19, 16.92 & 27.57 respectively. The company has an increasing trend in its profitability in the past 5 years this shows the company is very good in managing its business affairs and earn reasonable profits and maintain growth in the company.

Sobha: The Net profit ratio for the year 2013, 2014, 2015, 2016 & 2017 is 14.32, 10.85, 9.72, 8.31 & 7.53 respectively. The NPR graph shows a diminishing trend in company profitability since 2013 - 2017 with NPR of 14.32 - 7.53. The company is not well at upholding its profitability.

4.7.6 RETURN ON ASSETS:

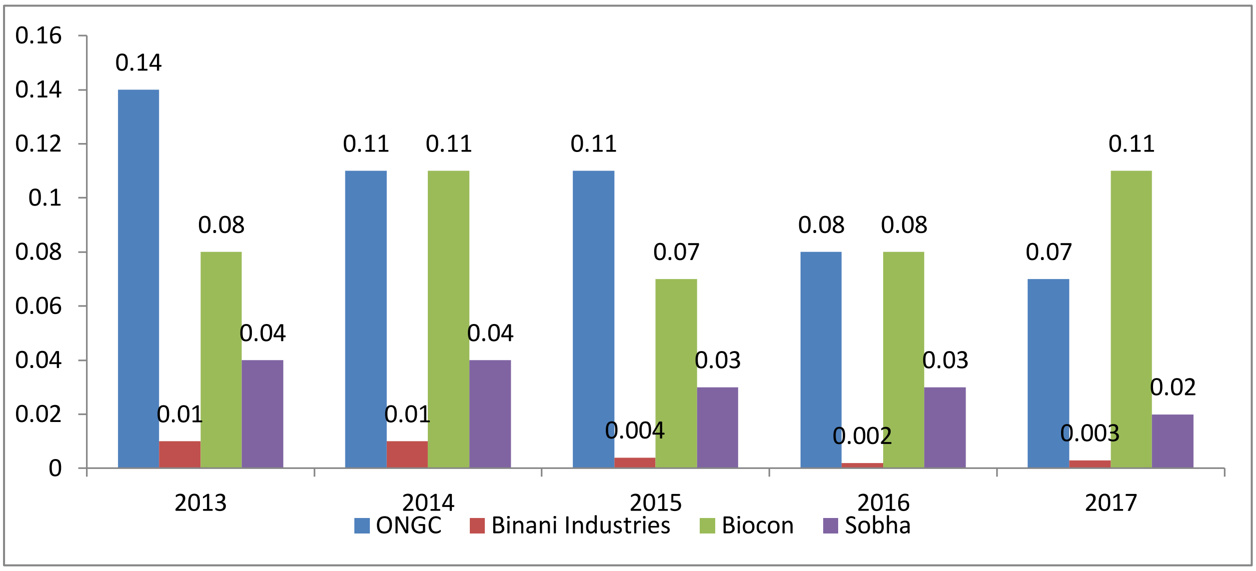
This ratio is a reference for a company to know how profitable it is based on its total assets. The company management gets an idea how effective it is in using its assets to generate returns.

TABLE 4.6:

Calculation of Return on assets for all the 4 companies:

		Company names			
		ONGC (in millions)	Binani Industries (in lakh)	Biocon (in millions)	Sobha (in millions)
2013	Net income	2,51,229.22	1,368.18	3,384	2,008.50
	Total assets	17,17,276.06	127,922.14	39,450	40,712.56
	ROA	0.14	0.01	0.08	0.04
2014	Net income	2,09,256.96	1,238.33	5,089	1,965.73
	Total assets	17,81,266.67	162,362.31	44,161	46,694.21
	ROA	0.11	0.01	0.11	0.04
2015	Net income	2,20,948.07	1,960.24	4,138	2,065.42
	Total assets	1,992,884.29	467,563.11	57,506	52,198.78
	ROA	0.11	0.004	0.07	0.03
2016	Net income	1,77,329.54	1,204.79	5,284	1,990.85
	Total assets	2,080,798.81	440,453.76	63,754	59,472.89
	ROA	0.08	0.002	0.08	0.03
2017	Net income	1,60,036.46	1,634.45	9,705	1,369.19
	Total assets	2,201,057.72	4,52,211.40	84,816	64,393.63
	ROA	0.07	0.003	0.11	0.02

GRAPH 4.11:



Interpretation:

This ratio shows how well a company make profits out of their funds used in purchasing assets. There is no any such ideal ratio to interpret year wise returns are compared and concluded.

ONGC: The return on assets for the year 2013, 2014, 2015, 2016 & 2017 is 0.14, 0.11, 0.11, 0.08 & 0.07 respectively. This shows the company return on assets is gradually falling in the past 5 years.

Binani Industries: The return on assets for the year 2013, 2014, 2015, 2016 & 2017 is .010, 0.007, 0.004, 0.002 & 0.003 respectively. The ROA graph shows the company return on assets is gradually falling in the past 5 years.

Biocon: The return on assets for the year 2013, 2014, 2015, 2016 & 2017 is 0.08, 0.11, 0.07, 0.08 & 0.11 respectively. There is fluctuation in company returns on their assets. In the year 2014 & 2017 the company made well profits out of their investment in assets with 11% return on assets.

Sobha: The return on assets for the year 2013, 2014, 2015, 2016 & 2017 is 0.049, 0.042, 0.039, 0.033 & 0.021 respectively.The ROA graph shows the company return on assets is gradually falling in the past 5 years.

4.7.6 DEBTORS TURNOVER RATIO:

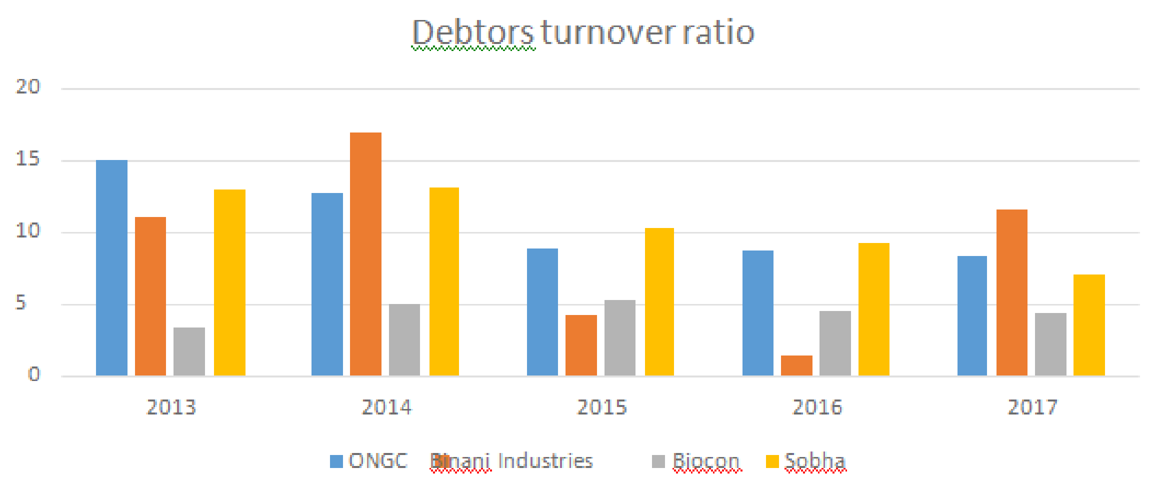
This ratio is an accounting measure used to analyse how effective a company is in extending credit as well as collecting their debts.

TABLE 4.6:

Calculation of Debtors turnover ratio for all the 4 companies:

		Company names			
		ONGC	**Binani Industries**	**Biocon**	**Sobha**
		(in millions)	**(in lakh)**	**(in millions)**	**(in millions)**
2013	**Credit sales**	7,68,870.59	13,929.00	21,360	14,020.79
	AAR	50,947.48	125.27	6,311.00	1,080.80
	DTR	15.09	111.19	3.38	12.97
2014	**CS**	8,33,089.58	17,928.00	25,306	18,104.47
	AAR	65,292.69	1,054.81	5,007.00	1,381.96
	DTR	12.75	16.99	5.05	13.10
2015	**CS**	8,42,027.80	12,066.00	29,141	21,241.63
	AAR	94,401.25	2,789.10	5,547.50	2,057.33
	DTR	8.91	4.32	5.25	10.32
2016	**CS**	8,30,934.67	4,660.00	31,224	23,941.33
	AAR	94,401.25	3,384.68	6,851.50	2,566.44
	DTR	8.80	1.37	4.55	9.32
2017	**CS**	7,85,651.87	52,176.00	35,189	18,166.99
	AAR	94,401.25	4,489.91	7,967.00	2,539.84
	DTR	8.32	11.62	4.41	7.15

GRAPH 4.12:



Interpretation:

This ratio measures the liquidity of accounts receivables, how quick a company can collect its debts. This ratio does not have any thumb rule to interpret. Generally a high ratio shows the receivables and liquid and are collected promptly.

ONGC: The Debtors turnover ratio for the year 2013, 2014, 2015, 2016 & 2017 is 15.09, 12.75, 8.91, 8.80 & 8.32 respectively. The firm's liquidity in collecting their debts is been declining in the past 5 years.

Binani Industries: The Debtors turnover ratio for the year 2013, 2014, 2015, 2016 & 2017 is 11.11, 16.99, 4.32, 1.37 & 11.62 respectively. There is a huge fluctuation in company debtor's turnover ratio. In the year 2014 the company's DTR is stood highest i.e., 16.99.

Biocon: The Debtors turnover ratio for the year 2013, 2014, 2015, 2016 & 2017 is 3.38, 5.05, 5.25, 4.55 & 4.41 respectively. The company is been successful in conserving its DTR within the range of 4-5 in past 5 years. This says that the company DTR is stabilized and the company is performing well.

Sobha: The Debtors turnover ratio for the year 2013, 2014, 2015, 2016 & 2017 is12.97, 13.10, 10.32, 9.32 & 7.15 respectively. The firm's liquidity in collecting their debts is been declining in the past 5 years.

4.7.7 WORKING CAPITAL TURNOVER RATIO:

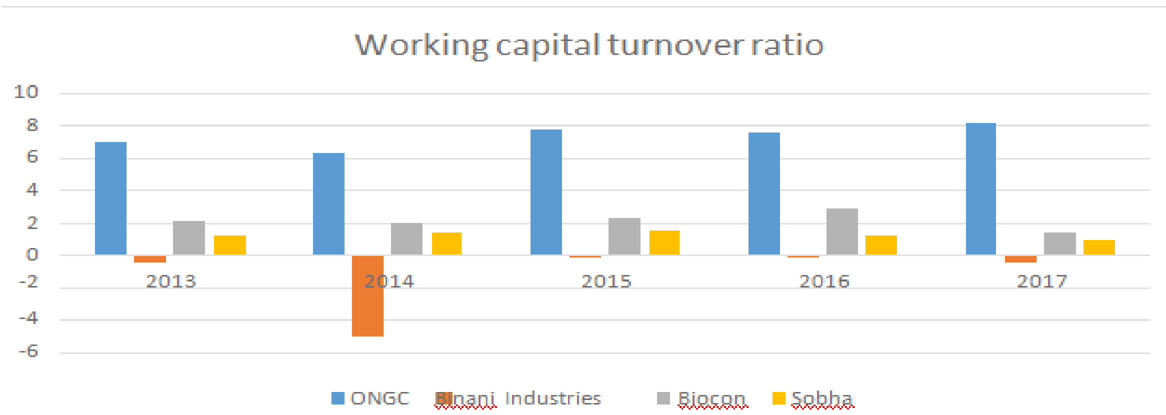
This ratio indicated the effectiveness of a company in using its working capital. It also establishes a relationship cost of sales and net working capital.

TABLE 4.7:

Calculation of Working capital ratio for all the 4 companies:

		Company names			
		ONGC	Binani Industries	Biocon	Sobha
		(in millions)	(in lakh)	(in millions)	(in millions)
2013	Net sales	7,68,870.59	13,929.00	21,360	14,020.79
	Working capital	1,08,864.60	-35,231.35	9,839.00	10,796.49
	WCTR	7.06	-0.39	2.17	1.29
2014	Net sales	8,33,089.58	17,928.00	25,306	18,104.47
	Working capital	1,31,274.42	-3,628.88	12,167.00	12,102.94
	WCTR	6.34	-4.94	2.07	1.49
2015	Net sales	8,42,027.80	12,066.00	29,141	21,241.63
	Working capital	1,07,635.35	-1,30,763.33	12,592.00	13,448.29
	WCTR	7.82	-0.09	2.31	1.57
2016	Net sales	8,42,027.80	12,066.00	29,141	21,241.63
	Working capital	1,09,897.66	-1,37,365.85	10,079.00	16,428.83
	WCTR	7.66	-0.08	2.89	1.29
2017	Net sales	7,85,651.87	52,176.00	35,189	18,166.99
	Working capital	95,856.61	-1,40,419.11	23,656.00	19,315.00
	WCTR	8.19	-0.37	1.48	0.94

GRAPH 4.13:



Interpretation: This ratio shows how well a company can generate revenue out of its sales by effectively managing its working capital. The higher the turnover ratio indicates the management to be extremely effective in using the firm's short term assets and liabilities to support the sales.

ONGC: The Working capital turnover ratio for the year 2013, 2014, 2015, 2016 & 2017 is 7.06, 6.34, 7.82, 7.66 & 8.19 respectively. The graph shows a upraising trend in WCTR, this results that company is very well utilizing its working capital to fuel the sales.

Binani Industries: The Working capital turnover ratio for the year 2013, 2014, 2015, 2016 & 2017 is (0.39), (4.94), (0.09), (0.08) & (0.37) respectively. This trend shows a very bad usage of working capital in boosting the sales. The ratio is highly dissatisfactory.

Biocon: The Working capital turnover ratio for the year 2013, 2014, 2015, 2016 & 2017 is 2.17, 2.07, 2.31, 2.89 & 1.48 respectively. The ratios show a least fluctuating trend. The company is not up to mark in using its working capital, yet the ratio is satisfactory.

Sobha: The Working capital turnover ratio for the year 2013, 2014, 2015, 2016 & 2017 is 1.29, 1.49, 1.57, 1.29 & 0.94 respectively. This trend in WCTR shows that the company is not efficient in utilizing its working capital, as the current liabilities are excess the current assets. The graph shows a declining trend line. The ratio is not satisfactory.

4.3.8 EARNINGS PER SHARE:

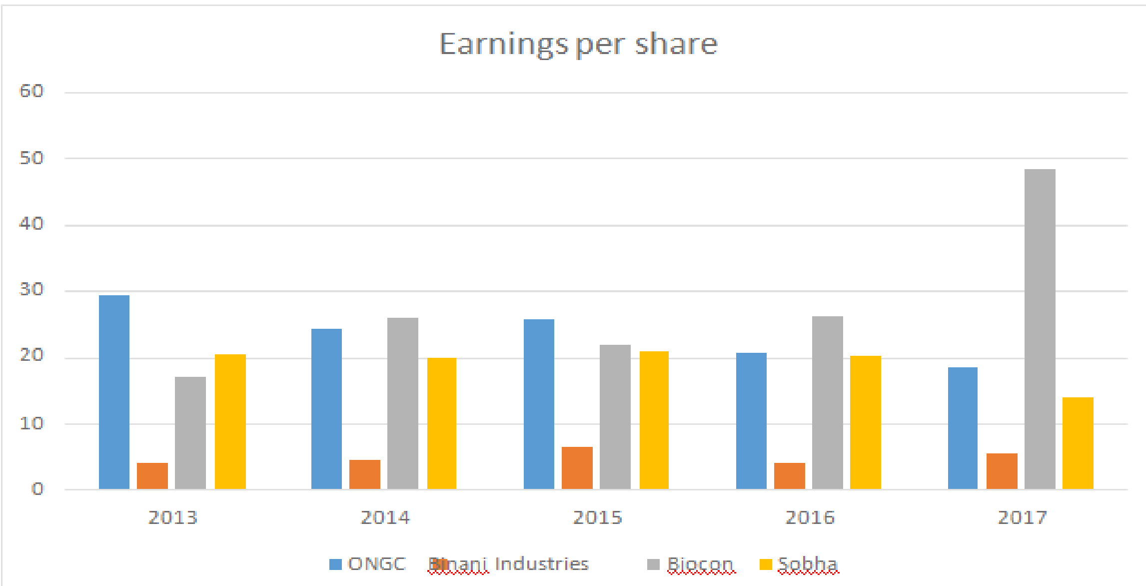
This is the profit distributed to each outstanding share of common stock and this also indicated the firm's profitability.

TABLE 4.8:

Calculation of Earnings per share for all the 4 companies:

		Company names			
		ONGC	**Binani Industries**	**Biocon**	**Sobha**
2013	**EAESH**	251229220000.00	123833000.00	3384000000.00	2,00,85,00,000.00
	No. of share	8555490120	2,95,96,425	19,59,08,279	9,80,64,000.00
	EPS	29.36	4.18	17.27	20.48
2014	**EAESH**	209256960000.00	136818000.00	5127000000.00	1,96,57,30,000.00
	No. of share	8555490120	2,95,96,425	19,58,21,461	9,80,64,000.00
	EPS	24.45	4.62	26.18	20.04
2015	**EAESH**	220948070000.00	196024000.00	4308000000.00	2,06,54,20,000.00
	No. of share	8555490120	2,95,96,425	19,62,32,977	9,80,64,000.00
	EPS	25.82	6.62	21.95	21.06
2016	**EAESH**	177329540000.00	120479000.00	5284000000.00	1,99,08,50,000.00
	No. of share	8555490120	2,95,96,425	20,00,00,000	9,80,64,000.00
	EPS	20.72	4.07	26.42	20.30
2017	**EAESH**	160036460000.00	163445000.00	9705000000.00	1,36,91,90,000.00
	No. of share	8555490120	2,95,96,425	20,00,00,000	9,80,64,000.00
	EPS	18.70	5.52	48.52	13.96

GRAPH 4.14:



Interpretation: This ratio specifies the company profitability and the earnings that will be shared among the company stake holders.

ONGC: The EPS for the year 2013, 2014, 2015, 2016 & 2017 is 29.36, 24.45, 25.82, 20.72 & 18.70 respectively. The graph shows a declining trend in EPS of the company. Therefore the earnings per share of the company is not satisfactory.

Binani Industries: The EPS for the year 2013, 2014, 2015, 2016 & 2017 is 4.18, 4.62, 6.62, 4.07 & 5.52 respectively. The graph shows a fluctuating trend in its EPS. However the company EPS in the year 2017 is 5.52, hence the EPS is satisfactory

Biocon: The EPS for the year 2013, 2014, 2015, 2016 & 2017 is 17.27, 26.18, 21.95, 26.42 & 48.52 respectively. The EPS graph shows an increasing trend and in the last year i.e., 2017 the EPS stands out to be 48.52 which is the highest. The company EPS is highly satisfactory.

Sobha: The EPS for the year 2013, 2014, 2015, 2016 & 2017 is 20.48, 20.04, 21.06, 20.30 & 13.96 respectively. The EPS of the company is in range of 20 to 21 from 2013-2016 respectively. In the year 2017 the EPS is fallen down to 13.96 which is a great fall in company profitability.

4.7.9 PE RATIO:

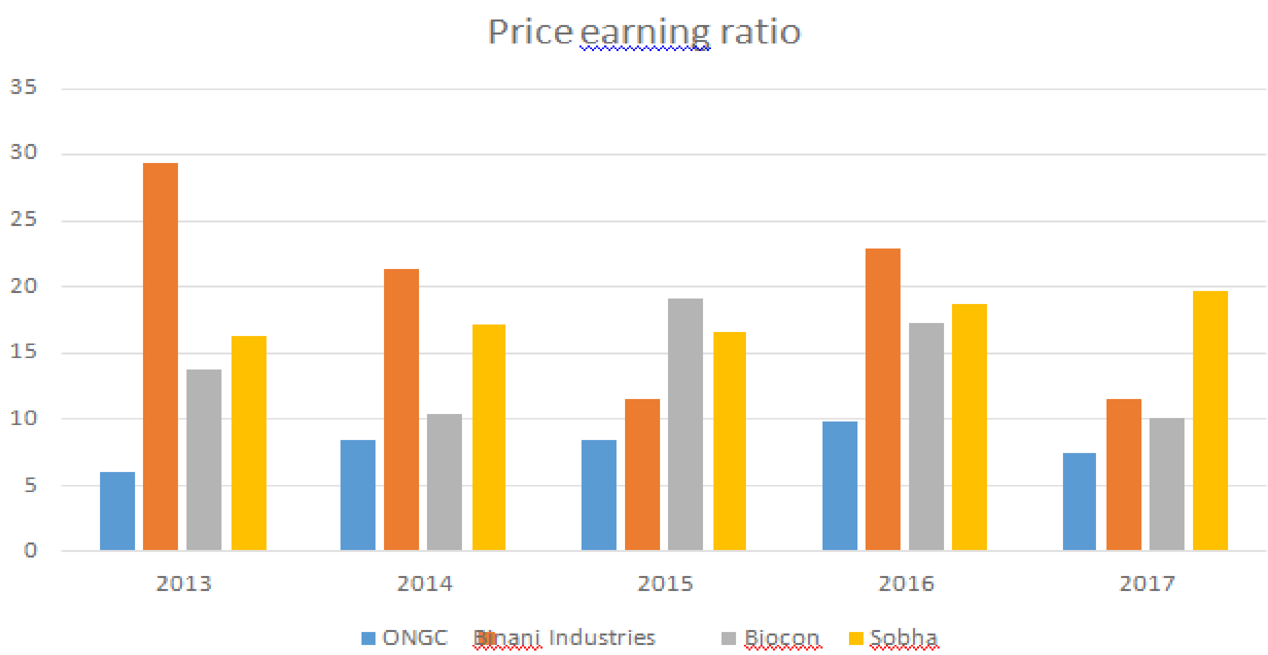
It explains the relationship between the market value of the share and the per share earnings.

TABLE 4.9:

Calculation of PE ratio for all the 4 companies:

		Company names			
		ONGC	Binani Industries	Biocon	Sobha
2013	EPS	29.36467888	4.184052635	17.27338945	20.48152227
	Market value	178.9	123	239	334.00
	PE Ratio	6.09	29.39	13.83	16.30
2014	EPS	24.45879278	4.622788056	26.18201381	20.04537853
	Market value	208.17	99	272.2	345.40
	PE Ratio	8.51	21.41	10.39	17.23
2015	EPS	25.82529661	6.623232367	21.95349663	21.06195954
	Market value	218.37	76.8	421.5	350.60
	PE Ratio	8.45	11.59	19.19	16.64
2016	EPS	20.72698788	4.070728137	26.42	20.30153777
	Market value	204.97	93.25	456.85	380.10
	PE Ratio	9.88	22.90	17.29	18.72
2017	EPS	18.70570333	5.522457527	48.525	13.96220835
	Market value	139.57	64.15	492	276.00
	PE Ratio	7.46	11.61	10.12	19.76

GRAPH 4.15:



Interpretation:A company with high PE ratio generally indicates a bright future.

ONGC: The PE ratio for the year 2013, 2014, 2015, 2016 & 2017 is 6.09, 8.51, 8.45, 9.88 & 7.46 respectively.

Binani Industries: The PE ratio for the year 2013, 2014, 2015, 2016 & 2017 is 29.39, 21.41, 11.59, 22.90 & 11.61 respectively.

Biocon: The PE ratio for the year 2013, 2014, 2015, 2016 & 2017 is 13.83, 10.39, 19.19, 17.29 & 10.12 respectively.

Sobha: The PE ratio for the year 2013, 2014, 2015, 2016 & 2017 is 16.30, 17.23, 16.64, 18.72 & 19.76 respectively.

CHAPTER-5

FINDINGS AND SUGGESTIONS:

- The Solvency position of Biocon Company is better, compared to the other 3 companies. I would suggest the other 3 companies i.e., ONGC, Binani Industries & Sobha to improve their short term liquidity position either by decreasing their current liabilities or increasing high liquid current assets.
- The liquidity position of Biocon Company is highly satisfactory, compared to ONGC whose liquidity position is just satisfactory whereas the other two company Binani Industries & Sobha liquidity position is dissatisfactory. I would suggest Binani Industries & Sobha to increase their liquidity position by utilizing highly liquid quick assets.
- The long term financial position of Binani Industries is better, compared to the other 3 companies, as its debt equity ratio is been diminished since 2013, whereas the other company DER is on a upward trend. I would suggest the other 3 companies i.e., ONGC, Biocon & Sobha to improve their long term financial position by reducing the excessive use of outsiders fund in financing the company assets and operations.
- The profitability of ONGC is higher compared to Biocon but ONGC pays less Interest and taxes associated to Biocon. Hence the profitability position of Biocon is satisfactory. The profitability of Sobha is been consistently in a down ward trend, I would suggest to control their diminishing profitability position by reducing the expenses occurred either in operating or non-operating activities.
- The profitability of Binani industries was consistently growing but in the previous year the profit ratio had a great fall down.
- Biocon stood well in using its assets to generate returns compared to the other 3 companies. I would suggest the other 3 companies i.e., ONGC, Binani Industries & Sobha to use their assets in more effective manner by hiring skilled man power to perform the activities of production and other related activities.

- ONGC and Sobha have to concentrate more on using its financial instruments to generate returns out of them. Because their return on assets is consistently falling down.

Biocon stands out well in collecting their debts made through credit sales. Sobha's performance in collecting its debts is unsatisfactory, this in turn leads to excessive borrowing of funds from external sources and company has to bear the interest payments. ONGC & Binani Industries DTR is very much fluctuating. I would suggest Sobha to collect its debts in due time and avoid external financing.

- ONGC turns out to be very qualified in creating working capital through sales. Whereas Binani stands out to be opposite to it, the company is very bad to create working capital out of its sales. Biocon and Sobha are in the same level in terms of creating working capital through sales. I would suggest Binani industries to invest more in working capital out of its sales so that the company can meet its current liabilities in future.
- Shareholders of Biocon are enjoying greater dividends on their investments, as the EPS of the company is in an upward trend. Whereas the other 3 company EPS is in a average range.

5.1 CONCLUSION:

Fundamental analysis as a stock analysis tool is significantly used by the investors. Economic and company factors are concentrated more by the investors then industrial factors. 54% investors out of 100% said that fundamental analysis is effective tool for making an analysis and 16% out of 100% said fundamental analysis is most effective.

I would conclude that if an investor wants to invest in any of these 4 companies. Binani Industries is the best and profitable option to invest in. This company can yield long term benefit, as it capability in using its own finance is high compared to external financing. The profitability of this company is consistently high in all the past 5 years but in the previous year even the profit ratio had a great fall down. Its assured that the company can gear up its profits in the coming years as its PE ratio has a greater growth and it is regularly distributing dividends to its shareholders with a good dividend payments.

To conclude, the company's financial position is satisfactory. The analysis of the company was made using various tools techniques like percentage analysis, trend analysis, financial analysis, and ratio analysis.

ACHARYA INSTITUTE OF TECHNOLOGY

DEPARTMENT OF MBA

INTERNSHIP WEEKLY REPORT

(16MBAPR407)

Name of the Student: Sagar J

Internal Guide: Dr. Ramanaiah G

USN No: 1AZ16MBA57

Specialization: Finance & Marketing

Title of the Project: Fundamental Analysis of Indian listed companies

Company Name: Adithya Trading Solutions Pvt Ltd

Company Address: BKN Ambaram Estates,648/L, 3rd Floor,1st Main Road,1st Stage, Indira Nagar,Bangalore - 560038

Week	Work undertaken	External Guide Signature	Internal Guide Signature
15-01-18 to 20-01-18	Orientation with the company. Collection of secondary data relating to industry and organization.		1
22-01-18 to 27-01-18	Orientation with functional department of the organization and detailed study of department.		2
29-01-18 to 03-02-18	Finalization of problem area of the study and finalization of research objectives and methodology.		3
05-02-18 to 10-02-18	Finalization of data collection questionnaire instruments and formats. Etc...		4
12-02-18 to 17-02-18	Collection of primary data from the restaurants by administrating the questionnaire.		5

19-02-18 to 24-02-18	Discussion with the external guide and internal guide. Formation of hypothesis. Classification and analysis of collected data.		6
26-02-18 to 03-03-18	Compilation of research data and interpretation of data.		7
05-03-18 to 10-03-18	Data analysis and Finalization Of report.		8
12-03-18 to 17-03-18	Finalization of project report and approval of draft by company and college guide.		9
19-03-18 to 24-03-18	Report submission to the Institution.		10

HOD

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