A Study on Fundamental Analysis of Companies in National Stock Exchange (NSE)

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ABSTRACT - Fundamental analysis is considered to be one of the simplest ways of evaluating a company but stock valuation is one of the most complex tasks in financial analysis. The main objective of fundamental analysis is to determine the actual current value of the company and main aims of fundamental analysis is prediction of future profits, dividends and the risk in order to calculate the true value of the stocks. One of the most widely used methods of estimating price movements of securities is fundamental analysis, which accounts for the impact of micro and macro-economic factors on a corporation's business as a way to predict future economic and financial effects. In this study analyse fundamentally companies performance in stock exchange by using EIC framework (Economic analysis, Industry analysis, and Company analysis) and sample data is secondary data.

Keywords: Fundamental analysis, Economy analysis, Industry analysis, Company analysis.

I. INTRODUCTION

The National Stock Exchange of India Limited (NSE) is India's largest financial stock exchange and the fourth largest market by trading volume. NSE established in 1992 at Mumbai, Maharashtra, India. NSE provided the first screen-based electronic trading system in the country, making investing easy for investors across the country. As of August 2021, the National Stock Exchange had a total market capitalization of more than US$3.4 trillion, making it the 10th-largest stock exchange in the world. NIFTY 50, the NSE's flagship index, consists of 50 stocks and is used by investors in India and around the world as a barometer for the Indian capital market and it affects GDP of India. Aiming for the world-class stock exchange the NSE revolutionized the way securities were traded in India.

Fundamental analysis attempts to determine the intrinsic value of a security by examining related economic and financial factors such as the balance sheet, strategic initiatives, macroeconomic variables, and investor behaviour. Fundamental analysis is define at three classifications namely Economic Analysis, Industry Analysis, Company Analysis. In order to predict the future economic and financial effects of micro and macro-economic factors on a corporation, one of the most widely used methods is fundamental analysis. This involves analysing the impact of micro and macroeconomic factors on the business of a corporation.

An economic analysis is a method in which business owners gain a clear picture of the present economic climate, as it pertains to their organization's potential to thrive. Economists, statisticians, and mathematicians regularly carry out this evaluation on behalf of for-profit and non-profit businesses. these kinds of economic evaluation consist of an in-depth appraisal of the strengths and weaknesses of the market.

A company belongs to an industry, which itself belongs to the overall economy. Consequently, a company's performance is tied to the economy in the first place. In order to estimate stock price changes an analyst must spend more than a little time probing the economic influencer is a native, that of assuming that individual companies follow their own private path in a vacuum.

It is important to predict the course of the national economy, because economic activities affect corporate profits, investor attitudes and expectations and then ultimately influence the security prices. while the economic system is in recession, the overall performance of the agencies will typically be poor, however there can be exceptions. On the other hand, if the economy is booming, income is rising and demand is high, then most industries and companies will be prosperous, with some exceptions however. An outlook of subsiding economic growth, can lead to lower corporate profits, a prospect that can endanger investor pessimism and lower corporate profits, a prospect that can on to discuss some important economic parameters in detail, we first need to develop a basic understanding of the interplay between various constituents of an economy. Economics can be divided into two types: microeconomics and macroeconomics.
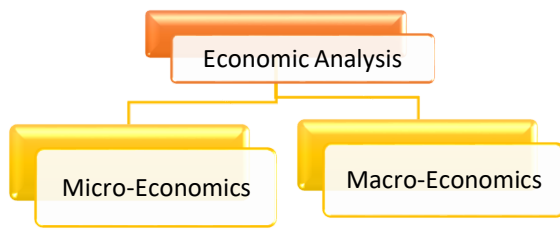
Microeconomics is concerned with the decisions made by individuals and firms when allocating production, exchange, and consumption resources. It has insider knowledge of the company that affects the stock market directly. However, stock markets are not independent of domestic and global micro-economic conditions. Micro-economic factors impact investors directly or indirectly. They make decisions about shares by considering the market's overall state.

Macroeconomics influences both economic activities and stock market performance. Stock market performance is affected by several macroeconomic variables, including the GDP as an indicator of economic growth, inflation that limits consumption, interest rates, and exchange rates. A basic understanding of economics enables investors to predict macroeconomic conditions and understand how those predictions will affect companies, stocks, and financial markets.

An industry analysis is a market process that provides statistics about the market potential of your business products and services. This section of your plan needs to have specific information about the current state of the industry, and its target markets. Several reference materials can be used to represent the data in industry analysis, including spreadsheets, pie charts, and bar graphs.

Company analysis is a process done through investors to assess securities, accumulating information associated with the company's profile, services and products as well as profitability. Investor should identify the leading competitive companies in each industry since this is where advantageous investment values will be found. Company analysis attempts to study the various factors affecting and indicating the performance of a company, as discussed in detail in the following.

II.   REVIEW OF LITERATURE

Saravanan S and Vidhyatharan R (2020) estimated the expected return of selected securities from major sectoral indices from NSE & BSE, and to compare their performances i.e. before and after the strike of novel corona virus pandemic. The 5 different sectors listed in National Stock Exchange (NSE)like Nifty Auto, Nifty Energy, Nifty pharma, Nifty financial services, are taken into account and 5 securities from each sector is selected for calculating the expected return. The data is collected for the securities listed in NSE for the timeframe of 6 months from 1st November 2019 to 30th April 2020 to estimate the expected return on the stock.

Silpa, K.S. & Mol, J. & Ambily, A.s. (2017) Analysis of capital market can be done either by Fundamental analysis or by Technical analysis. This paper aims to study on Fundamental analysis of selected IT companies listed at NSE. Fundamental analysis is studied in three parts. Economic analysis deals with fundamental factors like GDP, IIP, fiscal deficit, inflation, current account deficit etc. Industry analysis Indian IT sector is analyzed based on entry barriers, type of industry, government interference, Porter's five force model. Finally, Company analysis deals with various ratios such as dividend payout ratio, EPS, P/E ratio, Debt-Equity ratio are used.

Mala, S & Saravanan, S (2018) concentrates on computational approach for predicting the interval (number of trading days), a significant feature of stock market analysis using Haar Wavelet. A distinct model is proposed for predicting the high value of returns. The prime objective is to understand the trends using Haar wavelet and use this information to determine the interval for future direction.

III.   RESEARCH METHODOLOGY:

RESEARCH DESIGN:

This type which is proposed in this research design is a analytical research study because the researcher has to use facts or information already available and analyze to make a critical evaluation of the material.

NEED OF THE STUDY:

1. To understand the importance of economic and political stability.
2. To Know the actual value of the securities in the stock market.
3. To know how to select right securities for investing.

OBJECTIVES OF THE STUDY:

1. To study the securities in National Stock Exchange.
2. To determine the undervaluation or overvaluation of a stock.
3. To rank all the securities based on company's actual performance.
4. To categorize if the stock fundamentally strong, or average or weak.
5. To give opinion to pick the right stock for investment.

DATA COLLECTION:

In this study the source of the data was collected by Secondary data which was selectively gathered from official websites, journals, books and articles.

SAMPLING TECHNIQUE:

In this study sampling technique is Multistage Sampling and Judgement (or) purposive sampling. In multistage sampling draw a sample from a population using smaller and smaller

groups (units) at each stage. In Judgement sampling in non-probability sampling because in this type of sampling involves the researcher using their judgement to select a sample that is most useful to purposes of the research.

IV.   DATA ANALYSIS AND INTERPRETATION:

1.   Economic analysis (Macro-economic Factors):

1.1 Inflation:

Table 1.1: India Inflation Rate - Historical Data

Financial Year	Inflation Rate (%)	Annual Change
2021-2022	6.95%	0.88%
2022-2021	6.07%	-0.55%
2019-2020	6.62%	2.90%
2018-2019	3.72%	-0.22%
2017-2018	3.95%	0.62%

(Source secondary data was collected through tradingeconomics.com and macrotrend.com)

Fig 1.1 India Inflation Rate - Historical Data
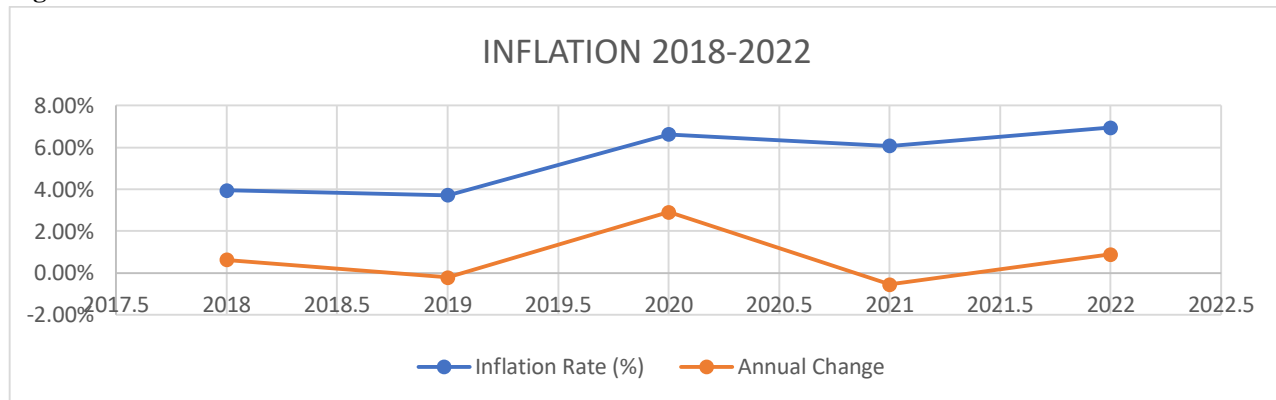
Inference:

The inflation rate increased from FY 2020 – 2022 up to (3.63%).

1.2 Repo Rate:

Table 1.2: Repo Rate 2005-2020

Date	Repo Rate	Date	Repo Rate
22-May-20	4.00%	25-Jan-11	6.50%
27-Mar-20	4.40%	02-Nov-10	6.25%
04-Oct-19	5.15%	16-Sep-10	6.00%
07-Aug-19	5.40%	27-Jul-10	5.75%
06-Jun-19	5.75%	02-Jul-10	5.50%
04-Apr-19	6%	20-Apr-10	5.25%
07-Feb-19	6.25%	19-Mar-10	5.00%
01-Aug-18	6.50%	21-Apr-09	4.75%
06-Jun-18	6.25%	05-Mar-09	5.00%
07-Feb-18	6.00%	05-Jan-09	5.50%
02-Aug-17	6.00%	08-Dec-08	6.50%
04-Oct-16	6.25%	03-Nov-08	7.50%
05-Apr-16	6.50%	20-Oct-08	8.00%
29-Sep-15	6.75%	30-Jul-08	9.00%
02-Jun-15	7.25%	25-Jun-08	8.50%
04-Mar-15	7.50%	12-Jun-08	8.00%
15-Jan-15	7.75%	30-Mar-07	7.75%
28-Jan-14	8.00%	31-Jan-07	7.50%
29-Oct-13	7.75%	30-Oct-06	7.25%
20-Sep-13	7.50%	25-Jul-06	7.00%
03-May-13	7.25%	24-Jan-06	6.50%
17-Mar-11	6.75%	26-Oct-05	6.25%

(Source secondary data was collected through rbi.gov)

Fig 1.2: Repo Rate 2005-2020
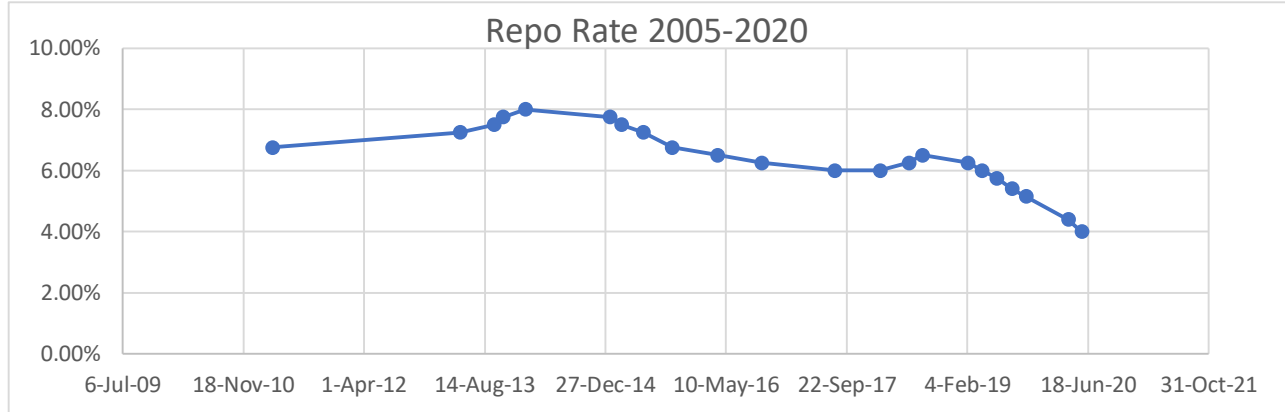
Inference:

Repo rate was decreased up to (4.00%).

1.3 Gross Domestic Product (GDP):

Table 1.3: Sector Wise GDP in India 2021-2022

Sector	Share in (%)
Agriculture Sector	16.38%
Agriculture, forestry & fishing	16.38%
Industry Sector	29.34%
Mining & quarrying	2.37%
Manufacturing	16.92%
Electricity, gas, water supply & other utility services	2.46%
Construction	7.60%
Services Sector	54.27%
Trade, hotels, transport, communication and services related to broadcasting	17.73%
Financial, real estate & prof services	23.07%
Public Administration, defence and other services	13.47%
Total	100%

(Source secondary data was collected through www.jagranjosh.com)

Fig 1.3: Sector Wise GDP in India 2021-2022
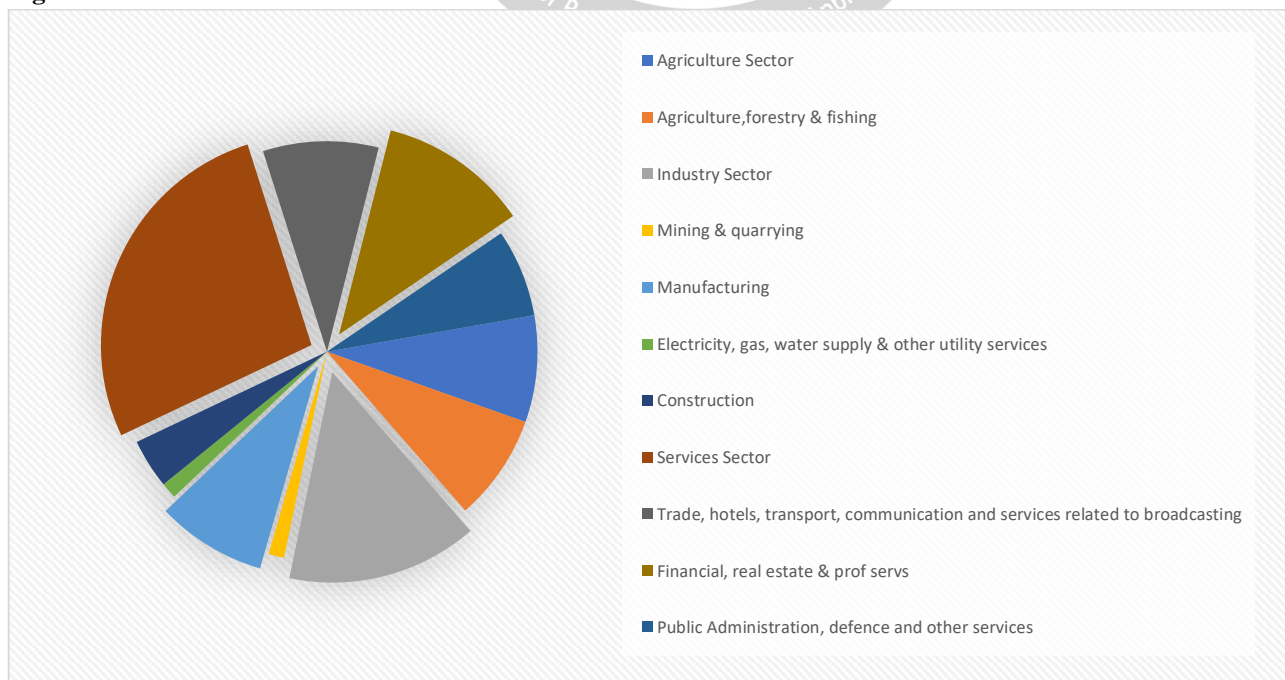
Inference:

Majority (54.27%) of GDP has service sector.

Table 1.4: Top sectors in GDP

TOP SECTORS	GDP In %
SERVICE SECTOR	27%
INDUSTRY SECTOR	15%
FINANCIAL & REAL ESTATE	12%
ENERGY	8%
Total	**62%**

(For this further study above 62% GDP sectors will be taken as sample)

Fig 1.4: Top sectors in GDP
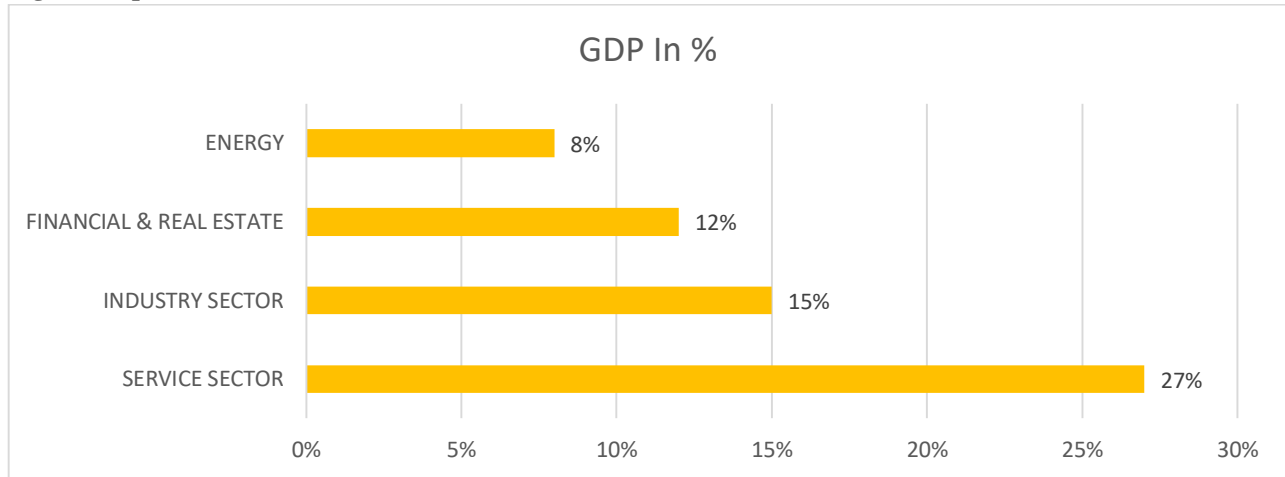

Interpretation:

In this study service sector has 27% of GDP, industry sector has 15% of GDP, financial sector and real estate sector has 12% of GDP and Energy sector has 8% of GDP.

2. **Industry analysis:**

Table 2.1: Sectors wise Industries

SERVICE SECTORS	INDUSTRY SECTORS	FINANCIAL & REAL ESTATE	ENERGY
SOFTWARE	AUTOMOBILE	FIN. INSTITUTIONS	OIL & GAS
PHARMA	CEMENT	FINANCE	POWER
BANKING	STEEL	HOUSING	ENERGY
INSURANCE	TEXTILE		
FMCG			
FOOD BEVERAGES			
TELECOM			

(In this above table shows sector wise industries)

Table 2.1.01: Software

COMPANY	INDUSTRY	MARKET PRICE(Rs)	NO OF SHARES(m)	MARKET CAP.**(Rs m)
TCS	SOFTWARE	3,445.10	3,752.40	1,29,27,341
INFOSYS	SOFTWARE	1,570.40	4,259.60	66,89,044
HCL TECHNOLOGIES	SOFTWARE	1,076.10	2,713.70	29,20,175
WIPRO	SOFTWARE	483.2	5,715.30	27,61,366
TECH MAHINDRA	SOFTWARE	1,261.20	967.4	12,20,066

(In this above table shows top companies in software industry)

Inference:

These company has majority of market capital and no of shares are Wipro, Infosys, TCS and HCL Technologies.

Table 2.1.02: Pharmaceuticals

COMPANY	INDUSTRY	MARKET PRICE(Rs)	CHANGE(%)	NO OF SHARES(m)	MARKET CAP.**(Rs m)
SUN PHARMA	PHARMACEUTICALS	885.4	0.2	2,399.30	21,24,371
DIVIS LABORATORIES	PHARMACEUTICALS	4,231.10	1.6	265.5	11,23,224
CIPLA	PHARMACEUTICALS	938.3	0.4	806.5	7,56,697
DR. REDDYS LAB	PHARMACEUTICALS	3,905.80	-0.6	166.3	6,49,527

(In this above table shows top companies in Pharmaceuticals industry)

Inference:

These company has majority of market capital and no of shares are Sun pharma, Cipla, Davis Laboratories.

Table 2.1.03: Banking

COMPANY	INDUSTRY	MARKET PRICE(Rs)	CHANGE(%)	NO OF SHARES(m)	MARKET CAP.**(Rs m)
HDFC BANK	BANKING	1,319.90	0.2	5,507.70	72,69,281
ICICI BANK	BANKING	710.4	-1.2	6,903.70	49,04,039
SBI	BANKING	475.9	-1.7	8,924.60	42,47,223
KOTAK MAHINDRA BANK	BANKING	1,767.50	-0.4	1,980.50	35,00,496
AXIS BANK	BANKING	663.7	-1.4	3,061.50	20,31,894
INDUSIND BANK	BANKING	889.7	-2.8	757.1	6,73,596

(In this above table shows top companies in Banking industry)

Inference:

These company has majority of market capital and no of shares are SBI bank, HDFC bank, ICIC bank.

Table 2.1.04: Insurance

COMPANY	INDUSTRY	MARKET PRICE(Rs)	CHANGE(%)	NO OF SHARES(m)	MARKET CAP.**(Rs m)
HDFC LIFE INSURANCE	INSURANCE	563.9	-0.4	2,020.50	11,39,234
SBI LIFE INSURANCE	INSURANCE	1,064.50	0.5	1,000.00	10,64,493

(In this above table shows top companies in Insurance industry)

Inference:

These company has majority of market capital and no of shares are HDFC Life Insurance.

Table 2.1.05: Finance

COMPANY	INDUSTRY	MARKET PRICE(Rs)	NO OF SHARES(m)	MARKET CAP.**(Rs m)
HDFC	FIN. INSTITUTIONS	2,168.30	1,800.20	39,03,365
BAJAJ FINANCE	FINANCE	6,037.00	602.6	36,37,790
BAJAJ FINSERV	FINANCE	13,783.90	159.1	21,93,527

(In this above table shows top companies in Finance industry)

Inference:

These company has majority of market capital and HDFC Financial Institutions.

Table 2.1.06: Automobile

COMPANY	INDUSTRY	MARKET PRICE(Rs)	NO OF SHARES(m)	MARKET CAP.**(Rs m)
MARUTI SUZUKI	AUTO	7,360.30	302.1	22,23,400
TATA MOTORS	AUTO	404	3,089.00	12,47,791
M&M	AUTO	895.3	1,243.20	11,13,030
BAJAJ AUTO	AUTO	3,568.80	289.4	10,32,679
EICHER MOTOR	AUTO	2,344.30	273.3	6,40,596
HERO MOTOCORP	AUTO	2,492.80	199.8	4,97,971

(In this above table shows top companies in Automobile industry)

Inference:

These company has majority of market capital and no of shares are TATA Motors, M&M, Maruti Suzuki.

Table 2.1.07: Energy

COMPANY	INDUSTRY	MARKET PRICE(Rs)	CHANGE(%)	NO OF SHARES(m)	MARKET CAP.**(Rs m)
NTPC	POWER	159	0	9,696.70	15,41,770
IOC	OIL & GAS	124	-1.8	9,414.20	11,67,356
POWER GRID	POWER	245.2	2.8	5,231.60	12,82,524
BPCL	ENERGY	353.4	-1.1	2,169.30	7,66,614
ONGC	ENERGY	164.8	-1.3	12,580.30	20,72,601
RELIANCE IND.	ENERGY	2,518.30	-3.9	6,762.10	1,70,28,915

(In this above table shows top companies in Energy industry)

Inference:

These company has majority of market capital and no of shares are Reliance Industry, and ONGC.

Table 2.1.08: Steel & Cement

COMPANY	INDUSTRY	MARKET PRICE(Rs)	CHANGE(%)	NO OF SHARES(m)	MARKET CAP.**(Rs m)
JSW STEEL	STEEL	678.4	-1.8	2,417.20	17,96,649
TATA STEEL	STEEL	1,252.30	-2.5	1,204.10	16,39,721
ULTRATECH CEMENT	CEMENT	6,224.60	0.4	288.6	15,07,868
SHREE CEMENT	CEMENT	24,058.30	0.4	36.1	8,68,041

(In this above table shows top companies in Steel & Cement industry)

Inference:

These company has majority of market capital and no of shares are JSW Steel, TATA Steel, Ultratech Cement.

Table 2.1.09: Food Beverages

COMPANY	INDUSTRY	MARKET PRICE(Rs)	CHANGE(%)	NO OF SHARES(m)	MARKET CAP.**(Rs m)
NESTLE	FOOD BEVERAGES	16,504.40	-2.9	96.4	15,91,279
BRITANNIA	FOOD BEVERAGES	3,252.10	-1.7	240.9	7,83,316
TATA CONSUMER	FOOD BEVERAGES	758.3	-0.9	921.6	6,98,767

(In this above table shows top companies in Food Beverages industry)

Inference:

These company has majority of market capital and no of shares are Nestle, Britannia, TATA Consumer.

Table 2.1.10: Others

COMPANY	INDUSTRY	MARKET PRICE(Rs)	CHANGE(%)	NO OF SHARES(m)	MARKET CAP.**(Rs m)
ITC	FMCG	263	-1.4	12,305.10	32,35,630
BHARTI AIRTEL	TELECOM	711.5	0.2	5,455.60	38,81,629
HUL	FMCG	2,116.70	-1.5	2,349.60	49,73,188
TITAN	CONSUMER DURABLES	2,183.20	-1.2	887.8	19,38,215

(In this above table shows top companies in Other industries)

Inference:

These company has majority of market capital and no of shares are ITC and Bharati Airtel.

Table 2.2: Industry wise selected company

S.NO	COMPANY	INDUSTRY
01	INFOSYS	SOFTWARE
02	WIPRO	SOFTWARE
03	TCS	SOFTWARE
04	HCL	SOFTWARE
05	SUN PHARMA	PHARMACEUTICALS
06	CIPLA	PHARMACEUTICALS
07	DIVIS LABORATORIES	PHARMACEUTICALS
08	ICICI BANK	BANKING
09	SBI	BANKING
10	HDFC BANK	BANKING
11	HDFC LIFE INSURANCE	INSURANCE
12	HDFC	FIN. INSTITUTIONS
13	TATA MOTORS	AUTO
14	M&M	AUTO
15	MARUTI SUZUKI	AUTO
16	RELIANCE IND.	ENERGY

17	ONGC	ENERGY
18	JSW STEEL	STEEL
19	TATA STEEL	STEEL
20	ULTRATECH CEMENT	CEMENT
21	NESTLE	FOOD BEVERAGES
22	BRITANNIA	FOOD BEVERAGES
23	TATA CONSUMER	FOOD BEVERAGES
24	ITC	FMCG
25	BHARTI AIRTEL	TELECOM

(In this above table shows selected company in industrial analysis used for further studies)

3.   Company analysis:

3.1 Liquidity analysis: (Stock INFY- Infosys)

Table 3.1.1 Infosys Current Ratio

INFY - CURRENT RATIO	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
CURRENT ASSETS	52,437.00	48,282.00	43,820.00	46,223.00	44,090.00
CURRENT LIABILITIES	24,976.00	17,622.00	15,220.00	15,430.00	11,662.00
CURRENT RATIO	2.10	2.74	2.88	3.00	3.78
CUREENT ASSETS/CURRENT LIABILITIES					

(In this above table shows Infosys Current Ratio in Liquidity analysis)

Inference:

Infosys current ratio is (2.10).

Table 3.1.2 Infosys Quick Ratio

INFY - QUICK RATIO	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
CURRENT ASSETS	52437.00	48282.00	43820.00	46223.00	44090.00
INVENTORIES	0	0	0	0	0
CURRENT LIABILITIES	24976.00	17622.00	15220.00	15430.00	11662.00
QUICK RATIO	2.10	2.74	2.88	3.00	3.78
(CUREENT ASSETS- INVENTORIES)/CURRENT LIABILITIES					

(In this above table shows Infosys Quick Ratio in Liquidity analysis)

Inference:

Infosys Quick ratio is (2.10).

3.2 Leverage analysis: (Stock INFY- Infosys)

Table 3.2.1 Infosys Dept to Equity Ratio

INFY - DEPT TO EQUITY RATIO	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Long Term Borrowings	0	0	0	0	0
TOTAL SHAREHOLDERS FUNDS	69,306.00	71,531.00	62,234.00	62,711.00	63,502.00
DEPT TO EQUITY RATIO	0	0	0	0	0
DEPT/EQUITY					

(In this above table shows Infosys Dept to Equity Ratio in Leverage analysis)

Inference:

Infosys Dept to Equity ratio is (0).

3.3 Profitability analysis: (Stock INFY- Infosys)

Table 3.3.1 Infosys Return on Equity (ROE)

RETURN ON EQUITY (ROE)	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
PROFIT/LOSS FOR THE PERIOD	21,235.00	18,048.00	15,543.00	14,702.00	16,155.00
TOTAL SHAREHOLDERS FUNDS	69,306.00	71,531.00	62,234.00	62,711.00	63,502.00
RETURN ON EQUITY % (ROE)	30.64	25.23	24.98	23.44	25.44
(PROFIT/LOSS FOR THE PERIOD/EQUITY)*100					

(In this above table shows Infosys Return on Equity (ROE) in Profitability analysis)

Inference:

Infosys Return on Equity (ROE)is (30.64%).

Table 3.3.2 Infosys Return on Assets (ROA)

INFY - RETURN ON ASSETS (ROA)	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
PROFIT/LOSS FOR THE PERIOD	21,235.00	18,048.00	15,543.00	14,702.00	16,155.00
TOTAL ASSETS	99,387.00	93,939.00	81,041.00	78,930.00	75,877.00
RETURN ON ASSETS % (ROA)	21.37	19.21	19.18	18.63	21.29
(PROFIT/LOSS FOR THE PERIOD/ASSETS)*100					

(In this above table shows Infosys Return on Assets (ROA) in Profitability analysis)

Inference:

Infosys Return on Assets (ROA)is (21.37%).

Table 3.3.3 Infosys EBITDA

EBITDA	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18
EBITDA (NET INCOME+INTREST+TAX+ DEPRECIATION +AMORTIZATION)	20095013.26	11860389	2953486.2	4401466.8	2503855.3

(In this above table shows EBITDA in Profitability analysis)

Inference:

Infosys EBITDA is increasing.

Table 3.3.4 Infosys EV/ EBITDA Ratio

INFY - EV/EBITDA RATIO	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18
ENTERPRISE VALUE (Cr.)	7,89,898.32	5,65,049.50	2,59,077.74	3,07,794.88	2,30,982.96
EBITDA	20095013.26	11860389	2953486.2	4401466.8	2503855.3
EV/EBITDA (X)	25.44	20.99	11.4	14.3	10.84

(In this above table shows EV/EBITDA in Profitability analysis)

Inference:

Infosys EV/EBITDA ratio is (25.44).

Table 3.3.5 Infosys Dividend Yield

DIVIDEND YIELD	13-10-2021	13-04-2022	UNITS
ANNUAL DIVIDEND PER SHARE	15	16	31
CURRENT MARKET PRICE ON 13.05.2022			1,508.80
DIVIDEND YIELD %			2.05
ANNUAL DIVIDEND PER SHARE/ CURENT MARKET PRICE = DIVIDEND YIELD			

(In this above table shows Dividend Yield in Profitability analysis)

Inference:

Infosys Dividend Yield is (2.05).

3.4 Price value analysis: (Stock INFY- Infosys)

Table 3.4.1 Infosys price to earn ratio

INFY - PRICE TO EARN RATIO	UNITS
Basic EPS (Rs.)	50.49
PROFIT AFTER TAX (PAT) / TOTAL NO OF SHARES = EPS	
CURRENT MARKET PRICE ON 13.05.2022	1,508.80
PRICE TO EARN RATIO	29.88
CURRENT MARKET PRICE/ EPS	

(In this above table shows Price to earn ratio in Price value analysis)

Inference:

Infosys price to earn ratio is (29.88).

Table 3.4.2 Infosys price to book ratio

INFY - PRICE TO BOOK RATIO	UNITS
Book Value Per Share	180.05
(TOAL ASSERT - TOTAL LIBABILITIES)/NO OF OUTSTANDING SHARES	
CURRENT MARKET PRICE ON 13.05.2022	1,508.80
PRICE TO BOOK RATIO	
CURRENT MARKET PRICE / BOOK VALUE PER SHARE = PB RATIO	8.38

(In this above table shows Price to book ratio in Price value analysis)

Inference:

Infosys price to earn ratio is (8.38).

Table 3.4.3 Infosys price to sales ratio

INFY - PRICE TO SALES RATIO	UNITS
ANNUAL	Mar-22
SALES	1,03,940
CURRENT MARKET PRICE ON 13.05.2022	1,508.80
PRICE TO SALES RATIO	0.0145
CURRENT MARKET PRICE / SALES = PS RATIO	

(In this above table shows Price to sales ratio in Price value analysis)

Inference:

Infosys price to sales ratio is (0.0145).

S.NO	COMPANY ANALYSIS	CRITERIA	INFOSYS	RESULT	SCORE (11)
01	**Current Ratio**	1.2 to 2	2.10	FAIL	0
02	**Quick Ratio**	More than 1	2.10	PASS	1
03	**Dept Equity Ratio**	less than 1	0	PASS	1
04	**Return On Equity %**	15-20%	31	FAIL	0
05	**Return on Assert %**	More than 5%	21.37	PASS	1
06	**Price To Earn Ratio P/E**	>Industry P/E(29.51)	29.88	PASS	1
07	**Sales Ratio P/S**	less than 2	0.0145	PASS	1
08	**Price To Book Ratio P/B**	1 to 3	8.38	FAIL	0
09	**Dividend Yield**	More than 1	2.055	PASS	1
10	**EBIDTA**	Increasing	Increasing	PASS	1
11	**EV/EBIDTA RATIO**	Over Valued	25.44	FAIL	0
	Total score				7

(In this above table Infosys score for passing the criteria is 1, otherwise the score is 0)

Inference:

Infosys passed seven criteria in the company analysis.

(In the below table shows result of company analysis similarly done for all other companies)

S.NO	COMPANY	INDUSTRY	TOTAL SCORE
1	JSW STEEL	STEEL	8
2	INFOSYS	SOFTWARE	7
3	ITC	FMCG	7
4	TCS	SOFTWARE	6
5	SUN PHARMA	PHARMACEUTICALS	6
6	CIPLA	PHARMACEUTICALS	6
7	HDFC	FIN. INSTITUTIONS	6
8	TATA STEEL	STEEL	6
9	NESTLE	FOOD BEVERAGES	6
10	WIPRO	SOFTWARE	5
11	HCL	SOFTWARE	5
12	DIVIS LABORATORIES	PHARMACEUTICALS	5
13	SBI	BANKING	5
14	M&M	AUTO	5
15	RELIANCE IND.	ENERGY	5
16	TATA CONSUMER	FOOD BEVERAGES	5
17	MARUTI SUZUKI	AUTO	4
18	ONGC	ENERGY	4
19	HDFC BANK	BANKING	3
20	HDFC LIFE INSURANCE	INSURANCE	3
21	ULTRATECH CEMENT	CEMENT	3
22	BRITANNIA	FOOD BEVERAGES	3
23	BHARTI AIRTEL	TELECOM	3
24	ICICI BANK	BANKING	2
25	TATA MOTORS	AUTO	2

(In this above table shows selected companies are fundamentally strong, average, weak)

S.NO	COLOR CODE	CRITERIA	RESULT	ACTION
1		06-10	STRONG	INVEST
2		05	AVERAGE	HOLD
3		00-04	WEAK	AVOID

(In this above table shows Using a color code to categorize the results)

Interpretation:

Among the 25 companies in company analysis 9 securities are fundamentally strong securities and 7 securities are fundamentally average securities and 9 securities are fundamentally week securities.

V.   CONCLUSION

The investor of the stock market is changing their perception and mindset about the stock exchange if after doing fundamental analysis it shows companies actual value investor have clear vision about to which stock to investing. and investor get clear understand about when buy a stock and when not to buy a stock. In this study has highlight calculated and diversified of risk in investment. The fund can be invested in each securities are to be safe and avoid losses. In fundamentally strong securities investor's risk level was low subsequently investor can invest in these securities. In fundamentally average securities risk level was medium so investor hold and wait for right time to invest in these securities. In fundamentally weak securities risk level was high so investor avoid to invest now in these securities.

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