A DIVE INTO INDIAN ECONOMY- An Analysis for Exploring Investment Opportunities

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An Analysis for Exploring Investment Opportunities

Editor:

CMA (Dr.) Amit Kumar Arora

PREFACE

India, a land of incredible diversity, both cultural and economic, has long captivated the attention of investors and entrepreneurs seeking opportunities in its ever-evolving economic landscape. "A Dive into Indian Economy: An Analysis for Exploring Investment Opportunities" is a meticulously crafted volume that takes you on an insightful journey through the multifaceted world of the Indian economy. With a focused lens on ten pivotal industries, we delve deep into the dynamics, challenges, and most importantly, the investment prospects that these sectors hold.

As editors of this book, I am happy to present this compendium of comprehensive analyses, meticulously prepared by a dedicated team of contributors. The contributors have shared their knowledge to provide readers with an insightful perspective on investment opportunities within the Indian economy.

The primary objective of this book is twofold. First, it aims to demystify the intricacies of the Indian economy, offering readers a clear and informed view of the investment potential it offers. Second, it serves as an indispensable guide for investors—both seasoned and novice—as they navigate the labyrinthine world of Indian businesses.

Each chapter in this volume is dedicated to a specific industry, ranging from the vibrant Hospitality and Retail sectors to the cutting-edge realms of Information Technology and the robust, ever-expanding Automobile industry. Through meticulous research, data-driven insights, and a rigorous SWOT (Strengths, Weaknesses, Opportunities, Threats) and fundamental analysis, our contributors illuminate the economic landscape within each industry.

I understand that successful investments are the product of profound knowledge, calculated analysis, and informed decision-making. This book equips you with the tools and insights needed to make strategic investment choices within the Indian context.

In an era marked by economic volatility and uncertainty, India remains a beacon of hope and opportunity. Its resilient and diverse economy continues to attract investors from around the world. As India marches forward on its path of economic progress and development, it is our sincere hope that this book will be your guiding light, illuminating the myriad investment opportunities within its borders.

I extend my heartfelt gratitude to all the contributors who have made this book possible and to the readers who embark on this enlightening journey with us. May the insights within these pages empower you to embark on successful investment ventures in the dynamic and promising landscape of the Indian economy.

Sincerely,

CMA (Dr.) Amit Kumar Arora
Associate Professor
KIET Group of Institutions Delhi-NCR Ghaziabad
amitaroraicwa@gmail.com

Forward from Director

In an era defined by globalization and rapid economic transformation, India stands at the cusp of unprecedented growth and innovation. The Indian economy, known for its resilience and dynamism, has captured the imagination of investors worldwide. It is in this exciting landscape that "A Dive into Indian Economy: An Analysis for Exploring Investment Opportunities" emerges as an essential guide for discerning investors and enthusiasts alike.

India's diverse and multifaceted economy boasts a tapestry of industries, each with its unique challenges and opportunities. From the bustling streets of retail to the ever-evolving tech corridors, from the vibrant world of hospitality to the intricacies of pharmaceuticals, this book delves deep into ten key industries that collectively shape the Indian economic landscape.

Notably, this book does not merely scratch the surface. Instead, it takes a deep dive, examining 5-6 key companies within each sector. Through rigorous SWOT analysis and fundamental analysis, the authors meticulously dissect the strengths, weaknesses, opportunities, and threats that define these industries and companies. This thorough examination equips readers with the insights necessary for informed investment decisions.

I acknowledge the dedication and expertise of the editor, reviewer, and the authors, who have worked diligently to compile this invaluable resource. Their commitment to understanding the Indian economic landscape shines through, making this book an indispensable tool for anyone looking to engage with India's economic potential.

As you delve into the pages that follow, you will embark on a journey into the heart of the Indian economy. This book offers not only a map to navigate the complexities of this vibrant economic ecosystem but also a compass to steer you toward promising investment opportunities.

May the insights contained within these pages empower you to make informed decisions and contribute to India's ongoing economic growth and prosperity.

Sincerely,
Dr. A. Garg
Director,
KIET Group of Institutions Delhi -NCR Ghaziabad

Foreword from Managing Director

Indian is poised for tremendous growth and innovation in a time of rapid economic change and globalization. The resilient and dynamic Indian economy has caught the attention of investors all over the world. "A Dive into Indian Economy: An Analysis for exploring Investment Opportunities" emerges as a crucial resource for discriminating investors and enthusiasts alike in this fascinating environment.

The economy of India is diversified and multifaceted, with a wide range of industries, each with its own potential and challenges. This book looks deeply into ten industries that collectively from the core of Indian economic landscape.

The writers carefully evaluate the strengths, weaknesses, opportunities, and threats that characterize these industries and firms through a comprehensive SWOT analysis and fundamental analysis.

This in-depth analysis gives readers the knowledge they need to make wise financial decisions.

I appreciate the efforts and information put forward by the editor, reviewer and authors.

This book is an essential resource for anyone wishing to explore. In dia's economic architecture and landscape.

I hope the knowledge you gain from this book will enable you to make wise economic and financial decisions/ judgements and facilitate and support India's sustained economic development and prosperity.

Sincerely,
Dr. S. K. Gupta
Managing Director
ICMAI Registered Valuers Organization

SIGNIFICANCE OF RATIOS IN UNDERSTANDING FINANCIAL CONDITION OF A COMPANY

Financial ratios are crucial tools used by businesses to evaluate their financial performance and make informed decisions. Here are five significant ways in which financial ratios can benefit a company:

- **Evaluation of Liquidity**: Financial ratios provide insight into a company's liquidity position, which is the ability to meet short-term financial obligations. A current ratio and quick ratio can provide a snapshot of the company's ability to pay off debts as they become due, helping the company to avoid financial difficulties.
- **Assessment of Efficiency**: Financial ratios are valuable in analyzing a company's operational efficiency by calculating profitability and turnover ratios. These ratios help the company to identify areas where improvements can be made, such as reducing expenses or increasing revenue, to increase profitability.
- **Comparison to Industry Standards**: By comparing financial ratios with industry standards, companies can gain insight into their competitive position. The company can identify whether they are performing better or worse than their peers in terms of profitability, efficiency, and liquidity.
- **Estimation of Investment Potential**: Financial ratios can be used by investors to assess a company's investment potential. A high return on equity or return on assets ratio, for example, may indicate that the company is generating significant profits and may be a good investment opportunity.
- **Planning and Forecasting**: Financial ratios can be used to forecast future trends, helping the company to plan for the future. These ratios can indicate whether the company is likely to experience growth or decline, and whether they need to adjust their operations accordingly.

In conclusion, financial ratios play an important role in providing insight into a company's financial performance and can help companies make informed decisions about their future.

TYPES OF RATIOS

Financial ratios can be broadly classified into five categories:

- Liquidity ratios
- Solvency ratios
- Profitability ratios
- Efficiency ratios
- Market value ratios

- **Liquidity Ratios**: Liquidity ratios measure a company's ability to meet its short-term obligations.
  a) Current Ratio: Current Assets / Current Liabilities
  b) Quick Ratio: (Current Assets - Inventory) / Current Liabilities
- **Solvency Ratios**: Solvency ratios measure a company's ability to meet its long-term obligations.
  a) Debt-to-Equity Ratio: Total Debt / Shareholders' Equity
  b) Debt-to-Asset Ratio: Total Debt / Total Assets
  c) Proprietary Ratio: shareholders' funds/ Total Assets
  d) Interest Coverage Ratio: PBIT/ Interest on long term debt
  e) RONW/ROE = Net Income / Shareholder's Equity
  f) Revenue from Operations/share = revenue from operations / shareholder's equity

- **Profitability Ratios**: Profitability ratios measure a company's ability to generate profit.
  a) Gross Profit Margin: (Gross Profit / Revenue) X 100
  b) Net Profit Margin: (Net Profit / Revenue) X 100
  c) Operating Ratio: Cost Of Goods Sold + Operating Expenses/ Revenue From Operations

d) Operating Profit Ratio: (Operating Profit/ Revenue From Operations) X 100

e) Return On Capital Employed: PBITD/ Capital Employed

- **Per share Ratios:** these tells us company's performance and valuation per share.

a) Net Profit Per Share Ratio = Net Profit After Taxes / Total Number of Shares Outstanding

b) Dividend Per Share Ratio = Total Dividends Paid / Total Number of Shares Outstanding

c) Earnings Per Share Ratio = Net Profit After Taxes / Total Number of Shares Outstanding

d) Profit before tax / share ratio = PBT/ total shares outstanding

e) Dividend Payout Ratio = Dividends per Share / Earnings per Share

- **Efficiency Ratios**: Efficiency ratios measure a company's ability to use its assets efficiently to generate sales.

a) Asset Turnover Ratio: Revenue / Total Assets

b) Inventory Turnover Ratio: Cost of Goods Sold / Average Inventory

c) Working Capital Turnover Ratio: Revenue from Operations/ Working Capital

d) Debtors' Turnover Ratio: credit revenue from operations/ average trade receivables

e) Creditors' Turnover Ratio: net credit purchases/ average trade payables

f) Capital Adequacy Ratio = (Tier 1 capital + Tier 2 capital)/risk weighted assets

Market Value Ratios: Market value ratios measure a company's performance in the stock market.

a) Price-to-Earnings (P/E) Ratio: Market Price per Share / Earnings per Share

b) Price-to-Sales (P/S) Ratio: Market Price per Share / Revenue per Share

These ratios are not exhaustive, and other ratios may be used depending on the industry and specific company circumstances. Understanding financial ratios is crucial in assessing a company's financial health and making informed investment decisions.

CONTENT

CHAPTER 1

Automobile Industry

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*Pursuing MBA from KIET Group of Institutions Delhi-NCR Ghaziabad

Industry Overview

The Indian auto industry can be divided into two-wheelers, three-wheelers, passenger cars, utility vehicles, and commercial vehicles (light, medium, and heavy). Over the years the industry has seen a phenomenal growth rate with the automobile production in FY21 reaching 22.65 million vehicles. The growing middle class and a large proportion of India's population being young, has been the major contributor to the growth in the sector, especially in the two-wheeler segment dominates , duly aided by the rural markets. The export sector has also significantly contributed to the growth in the auto sector. Several Government of India initiatives is further fueling in positioning India as a world leader in the two-wheeler and four-wheeler segments. With the adoption of the FAME program, a lot of interest is generated towards electric vehicles (EV). As per some estimates India's EV sector is likely to see a CAGR of 36% with EV finance industry reaching INR 3.7 lakh crore (US$ 50 billion) by 2030. This interest in EV segment has generated a lot of interest in the EV battery market which expected to expand at a CAGR of 30% during the same period.

INDUSTRY MAJORS: An Overview

Mahindra & Mahindra

Mahindra & Mahindra Limited (M&M) is an Indian multinational automotive manufacturing corporation headquartered in Mumbai. It was established in 1945 as Mahindra & Muhammad and later renamed as Mahindra & Mahindra. Part of the Mahindra Group, M&M is one of the largest vehicle manufacturers in India, which is a subsidiary of Mahindra Tractors, the largest manufacturer of tractors in the world by volume. It was ranked 17th on a list of top companies in India by Fortune India 500 in 2018. Its major competitors in the Indian market include Maruti Suzuki and Tata Motors.

ASHOK LEYLAND

Ashok Leyland is an Indian multinational automotive manufacturer, headquartered in Chennai. It is owned by the Hinduja Group. It was founded in 1948 as Ashok Motors and became Ashok Leyland in the year 1955. It is the second-largest manufacturer of commercial vehicles in India, the third-largest manufacturer of buses in the world, and the tenth-largest manufacturers of trucks. Ashok Leyland has one of the largest and fastest-growing networks in the commercial vehicle industry, with 52577 touch points, including 1721 exclusive touch points and 11000 outlets for parts. The company now has a service center every 75 kilometers on all major highways, enabling it to keep its "Ashok Leyland Quick Response" promise of reaching customers within 4 hours and getting them back on the road within 48 hours."

TATA MOTORS

Tata Motors Limited is part of Tata Group which is headquartered in the city of Mumbai, India. Tata Motors Limited (TML), a $42 billion company, is India's largest automobile company and a global leader in the production of automobiles, utility vehicles, buses, trucks, and defence vehicles. It was founded in India in 1945 and now has a network of 76 subsidiaries in India and around the world that provide a wide range of engineering and automotive solutions. The Group's automotive operations include some of the world's most iconic brands, including Jaguar Land Rover in the United Kingdom and Tata Daewoo in South Korea.

MARUTI SUZUKI

Maruti Suzuki India Limited, formerly known as Maruti Udyog Limited, is a New Delhi-based Indian automobile manufacturer. It was founded in 1981 and was owned by the Government of India until 2003, when it was sold to Suzuki Motor Corporation of Japan. As on February, 2022 Maruti Suzuki had a 44.2 percent market share in the Indian passenger car market. Maruti Suzuki has its manufacturing facilities in the states of

Haryana and Gujarat with a total annual production capacity of 2,250,000 vehicles.

HERO MOTO CORP

Hero MotoCorp Limited, was incorporated in the year 1984 in the name of Hero Honda Motors, is headquartered in New Delhi, is the world's largest manufacturer of two-wheelers. The company was established as a joint venture company between Honda Motor Company of Japan and Hero Group. The company has four manufacturing plants, located in the Indian states of Rajasthan, Haryana and Uttarakhand. A range of motorcycles in the segment of starting from 100 CC to 400 CC are offered by the company.

SWOT ANALYSIS

MAHINDRA & MAHINDRA

Strengths	▪ **Market leader in multiple automotive segments:** Both the utility vehicle (7.40%) and tractor (38%) markets are led by Mahindra & Mahindra. Additionally, the business holds a sizeable market share in both the passenger and commercial vehicle sectors. ▪ **Excellent products for Indian Roads:** The Mahindra Scorpio, and XUV 500 which have been a standout performer for many years, are the Mahindra & Mahindra SUVs that are well suited to the conditions of Indian roads. ▪ **Low after sale cost than industry average:** M&M has a competitive advantage in terms of after-sale costs because they are less expensive than the industry standard and spare parts are easily available throughout the entire nation.
Weakness	▪ **Geographic Dependence:** Nearly 60% of M&M's sales come from India, which puts the company at risk if the nation's economy weakens or inflation increases. ▪ **Overdependence on Automotive:** Most of the M&M's revenue comes from its automotive division, making it vulnerable to any market downturn or industry disruption. ▪ **2-Wheeler Segment:** Customers are forced to switch to another manufacturer because M&M's 2-wheeler segment (such as the Mahindra Centuro and Mahindra Gusto) is unable to live up to the customer expectations. ▪ **Product recalls after brand image:** Recently, M&M was forced to recall its products. For example, in February 2015, M&M recalled XUV500s produced before July 2014. Such mishaps influence the business's brand image and, consequently, on sales.

Opportunity	▪ **Increasing Demand for Hybrid Electric vehicles:** Around the world, hybrid electric vehicles (HEVs) are gaining popularity. Demand for HEVs is anticipated to increase over the following three years at a 19 percent compound annual growth rate (CAGR). M&M is positioned to benefit from rising demand and a strong HCV portfolio. ▪ **Growth in Indian automotive industry -** The Indian automotive industry is expanding year over year and is anticipated to expand at a CAGR of 13%. With introduction of good product lines M&M can take advantage of this opportunity. ▪ **Emerging Nations:** The world's emerging markets, which hold great promise, are something M&M should look forward to exploring. M&M must broaden its global reach in order to enter emerging markets.
Threats	▪ **Stiff Competition:** Tata Motors, Ford, Volvo, General Motors, and other automakers, are a force to reckon with. ▪ **Stringent Regulations –** Global warming, carbon emissions, etc. are making the regulatory environment is getting more stringent. As a result of these standards' ongoing evolution, businesses now incur higher compliance costs. ▪ **Substitute mode of transport –** There are numerous public and private modes of transportation moving people from one location to another, which has an impact on the automotive industry on the whole.

ASHOK LEYLAND

Strength	▪ **Spare parts**: The Ashok Leyland has an excellent after sales service, which helps in boosting its sales for the business. ▪ **Bus segment**: Ashok Leyland is in third largest bus producer of the world. Most of the company's sales come from State Transport Undertakings bids. ▪ **Persistent product portfolio**: Exports of medium and heavy commercial vehicles, including trucks, light commercial vehicles, and buses, provide a large portion of the company's revenue. The company also provides defense vehicles to the Indian Army in addition to these segments. ▪ **Strong manufacturing capability**: Ashok Leyland has substantial manufacturing facilities all over India. The UAE, the Czech Republic, and the UK all have amenities. It aids in maintaining economies of scale for the business.

Weakness	▪ **Interest rate on loans**: Hinduja Leyland Finance, a division of Ashok Leyland, offers loans to its clients. Because individuals refrain from purchasing large commercial vehicles, high borrowing rates reduce sales of commercial cars. ▪ **Financial Analysis:** Between the financial years 2019 and 2020, corporate borrowings increased significantly. Sales falling from 2019 to 2020 resulted in lower net profit, which negatively impacted on the company's EBITDA. ▪ **Market shares:** TATA Motors is the market leader in the commercial vehicle segment, which is a tough nut to crack.
Opportunity	▪ **Electric vehicles**: The State Governments in India have started converting their fleet of public transport buses into electric vehicles within the next 6-7 years, which is a great opportunity to all bus manufacturers. ▪ **Economic conditions:** With the Indian economy becoming stronger, the demand for goods and commercial vehicles will rise. As a result, it has chances to boost sales. ▪ **International market:** With the India becoming one of the largest producer of automobiles, there are great export opportunities to be explored.
Threats	▪ **Government rules:** Government regulations requiring businesses to adhere to BS6 emission standards caused Ashok Leyland to liquidate all their previous BS4 car stocks. ▪ **Competitors:** In the domestic market, Tata Motors has excellent market shares in the truck, LCV, and bus segments. Because of this, Ashok Leyland faces stiff competition from the companies Tata Motors, Mahindra, and Volvo.

TATA MOTORS

Strength	▪ **Strong Brand:** Tata Motors is a well-known automobile brand on a global scale. The firm sells its own automobiles under a variety of brand names, including Tata Hitachi, Tata Daewoo, Tata Marco Polo, and Jaguar Land Rover. ▪ **Strong Distribution Network:** 90% of the nation's districts are serviced by Tata Motors' global distribution network of more than 1600 workshops. The company's active supply chain structure is demonstrated by its manufacturing facilities in many nations. ▪ **Market Penetration:** Deep penetration into bother personal vehicles, commercial vehicles, passenger cars, trucks and public transport vehicles.

	▪ **Strong in Research and Development:** Approximately 23% of the company's total budget is allocated to R&D. It demonstrates the company's commitment to expansion and productivity. Additionally, Tata Motors maintains research facilities in the UK, India, Spain, and South Korea.
Weakness	▪ **Greater operational costs and a lower rate of profits:** Although the firm acquired successful brands like Jaguar and Land Rover in the early years, doing so increased the corporation's dependence on its subsidiaries. The company's overall sales and profitability have gradually fallen in the last few years. ▪ **Limited Presence:** Tata Motors is a multinational company that operates in more than 125 nations. Despite its wider international presence, Tata Motors has not been able to leave an impact on the international market, as its rival companies, such as Ford, Toyota, Honda, and Volkswagen. ▪ **Struggling Luxury Segment:** Tata Motors is still having trouble making a name for itself in the luxury sector, where profit margins are higher.
Opportunity	▪ **Digital Marketing:** Tata Motors should make the most of all social media platforms and enhance engagement with their target market. ▪ **The Supply Chain and Service:** The company's distribution network and supply chain system should be expanded in its current market if it wants to further develop its market. ▪ **Acquisition, Merger, Joint Venturing:** This has benefited the business in the past because it already has well-known brands like Jaguar, Daewoo, Hitachi, etc. With its other brands, the corporation ought to continue acting in the same way. Because it will aid the business in boosting sales and profitability.
Threats	▪ **Price:** Given that they provide the newest cutting-edge designs and features at less costs, the rivals are constantly in price battle with Tata Motors. It in turn affects Tata Motors' sales and profit.

Maruti Suzuki

Strength	▪ **Market Share:** Maruti Suzuki has a big market share with a share value of 45%, which is far more than that of its competitors, with a sales of close to 2 million cars in the fiscal year 2022-23.

	▪ **Strong Brand:** Maruti Suzuki has excellent brand recognition and broad consumer support. through its value chain, established a strong reputation for selling high-quality vehicles. ▪ **Vast Range of Products and Strong Distribution Network:** Customers are attracted by using efficient marketing techniques, a wide range of products, and the largest dealer network. Its extensive network of reliable raw material suppliers enables the company to avoid any supply chain bottlenecks. ▪ **Product Quality:** Maruti Suzuki vehicles require less maintenance and have the lowest market-average service costs because of superior technology.
Weakness	▪ **Weak Interior Quality:** The Maruti Suzuki's interiors and the build quality need to stand-up to that of its competitors like Hyundai, Maruti Suzuki, Volkswagen, etc. ▪ **Penetration Inability:** The inability of Maruti Suzuki to penetrate the international market is one of its biggest disadvantages. The status of Maruti Suzuki in Europe and the North American market is not particularly interesting. ▪ **Diversification in Workforce:** The workforce of Maruti Suzuki Motors is analyzed, with a high proportion of local workers and a low proportion of workers from different ethnic backgrounds. Talent is lost as a result of the difficulty faced by employees from different racial and cultural backgrounds in adjusting to work environments.
Opportunities	▪ **LPG Version:** Maruti Suzuki is the manufacturer of most of the LPG-connected vehicles in the market. ▪ **Collaborations:** Toyota and Maruti Suzuki are working together on a project to commercialize small electric SUVs. ▪ **Technology Development:** Technology is successful and offers a range of advantages in numerous fields. Costs can be decreased by automating procedures. The ability to obtain more precise data from clients thanks to technology improves trading outcomes. ▪ **Immense Production Potential:** Maruti Suzuki has a ton of opportunities in the burgeoning international auto markets. It has access to underserved markets with more growth potential in Europe and internationally.

Threats	▪ **Fall in Market Share:** Maruti Suzuki's market share has decreased as a result of rival brands. ▪ **Controversies:** Maruti Suzuki is faced with a variety of problems, one of the most significant of which is that its vehicles are failing crash tests and safety benchmarks. ▪ **Reduced Consumer Spending:** Due to the economic crisis, demonetization, and increased fuel prices, consumer spending has decreased. ▪ **Intense Competition:** Several foreign automakers, including Chinese brands are competing against Maruti Suzuki.

HERO MOTO CORP

Strengths	• **Brand Recognition:** Hero MotoCorp is a powerful brand that is associated with dependability and two-wheelers that are fuel efficient. The Brand Trust Report for 2018 ranked it at 33, making it one of India's most trusted brands across the globe. • **Extensive Domestic Network:** In India, Hero MotoCorp has more than 6,500 dealerships and servicing locations. Due to the abundance of service locations, it has been able to implement its Express Service program, which aims to service a customer's vehicle within 60 minutes. • **Strong Global Presence:** Hero MotoCorp has been establishing its global presence ever since the joint venture between the Hero Group of India and Honda of Japan was terminated. In 2018, it had eight manufacturing facilities spread across three nations and marketed its two-wheelers in more than 37 nations.
Weakness	• **Declining Service Quality:** According to a 2015 survey by the International Journal of Innovative Research in Science, Engineering, and Technology, Hero MotoCorp's total service quality fell short of what customers had hoped for. One of its closest rivals, Bajaj Auto, was found to have superior overall service and appeal in the study based on the SERVQUAL measure of service quality. • **Global Exports:** Despite having a massive local market share, Hero MotoCorp still places a lot of emphasis on India. Only 12% of the two-wheeler units sold by all Indian manufacturers combined in 2017 went on to be exported, whereas China was exporting more than 46% of all units sold.

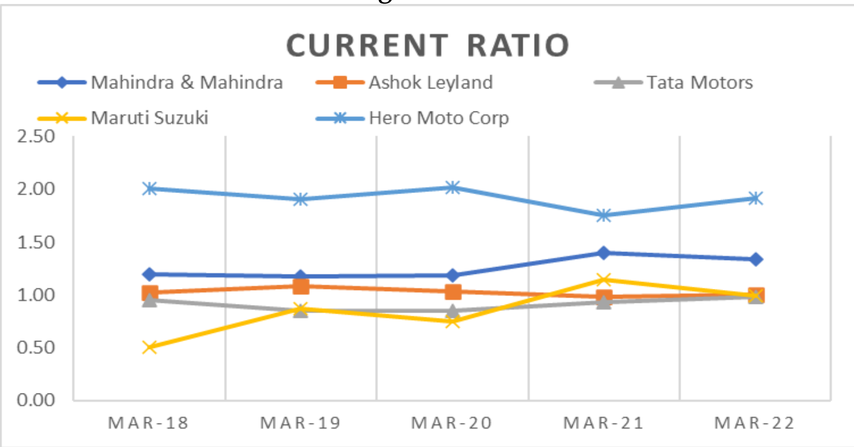
Opportunities	• **Joint Ventures and Acquisitions:** After the termination of the joint venture with Honda Japan more doors have opened up for joint-venture formation, brand acquisition and technology transfer. Hero should utilize this opportunity for increasing its domestic and global footprint. • **Electric Two Wheelers:** Global demand for electric bikes and scooters is skyrocketing, which Hero MotoCorp may take advantage of. The e-bike market is expected to reach about 24.3 billion U.S. dollars by 2025. By 2025, the market for electric scooters and motorbikes in India alone is expected to surpass $617.7 million, predict Prescient and Strategic Intelligence.
Threats	▪ **Strong Competition:** Although Hero MotoCorp has a substantial presence in India, there is fierce domestic competition. Three other big firms, TVS Motors, Honda, and Bajaj Auto, dominate the highly competitive two-wheeler sector in India. Since the joint venture's dissolution in 2010, Honda has been growing quickly. Honda Motorcycles and Scooters India Pvt. Ltd. (HSMI), a subsidiary in India, started luring Hero dealers to join the Honda network. Given the size of the India market, competition will likely continue to be fierce.

Fundamental Analysis through Ratios

CURRENT RATIO

1. Current Ratio						
Year/ Company	**Mahindra & Mahindra**	**Ashok Leyland**	**Tata Motors**	**Maruti Suzuki**	**Hero Moto Corp**	**Average**
2018	1.20	1.02	0.95	0.51	2.01	**1.14**
2019	1.18	1.08	0.85	0.87	1.91	**1.18**
2020	1.19	1.03	0.85	0.75	2.02	**1.17**
2021	1.40	0.98	0.93	1.15	1.75	**1.24**
2022	1.34	1.00	0.98	0.99	1.92	**1.25**

Figure No. 1



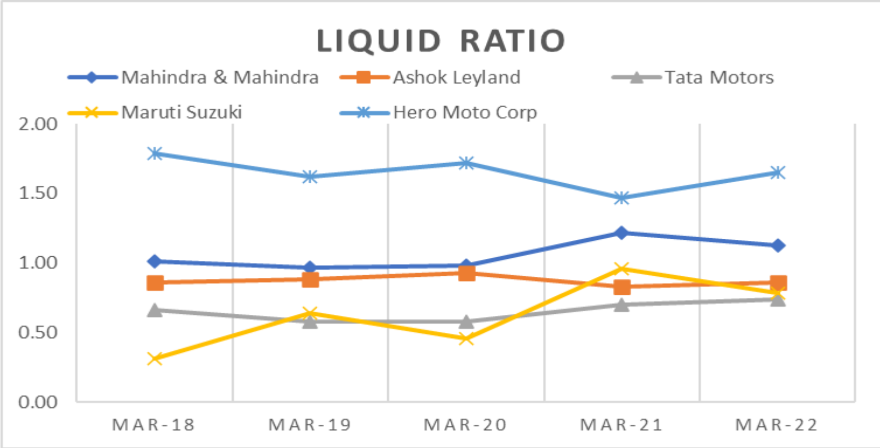
Interpretation:

- It is ratio of Current Assets to Current Liabilities. It shows whether a business can make enough money to settle all its short-term debts when they become due.
- Mahindra & Mahindra have their ratio close to the sector average which shows that they are using their assets efficiently and are satisfactory.
- Hero Moto Corp are having current ratio more than industry average which shows that they have enough cash to pay off their obligations, but they need to lower it down to increase the profitability and to match with industry average.
- Ashok Leyland, Tata Motors and Maruti Suzuki are having slightly lower current ratio than the sector average which shows that they might face difficulty to meet their short-term obligations and need to improve their current ratio making it near to the industry average.

LIQUID RATIO

2. Liquid Ratio						
Year/ Company	**Mahindra & Mahindra**	**Ashok Leyland**	**Tata Motors**	**Maruti Suzuki**	**Hero Moto Corp**	**Avera ge**
2018	1.01	0.86	0.66	0.31	1.79	**0.93**
2019	0.97	0.88	0.58	0.64	1.62	**0.94**
2020	0.98	0.93	0.58	0.46	1.72	**0.93**
2021	1.22	0.83	0.70	0.96	1.47	**1.04**
2022	1.13	0.86	0.74	0.78	1.65	**1.03**

Figure No. 2



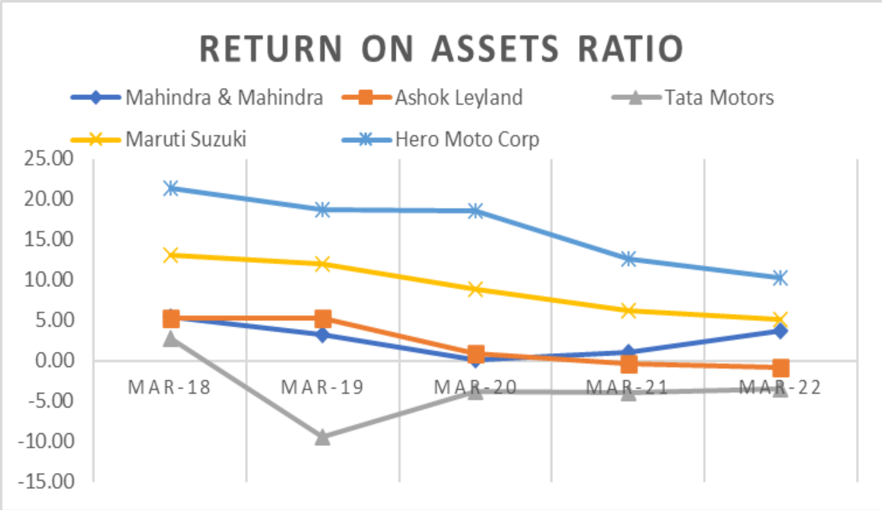
Interpretation:

- It measures the proportion of current liabilities to quick assets. It is a gauge of a company's short-term liquidity position and how well it can meet short-term obligations with its most liquid assets. The ideal liquid ratio should be 1:1, but it might vary from industry to industry.
- As shown above, Mahindra & Mahindra is having ideal Liquid Ratio which matches the industry average indicates that companies can easily meet their short-term debts and are having good financial health.
- While, Ashok Leyland, Tata Motors and Maruti Suzuki are having lower ratio as compared to industry average which indicates that they might face trouble in paying their short-term debts and needs to increase their quick ratio to match with industry standards.
- Hero Moto Corp has a higher liquid ratio than industry average, which needs to be lowered to enhance the profitability .

RETURN ON ASSETS RATIO

3. Return on Assets Ratio (%)						
Year/ Company	**Mahindra & Mahindra**	**Ashok Leyland**	**Tata Motors**	**Maruti Suzuki**	**Hero Moto Corp**	**Average**
2018	5.47	5.25	2.71	13.07	21.38	**9.58**
2019	3.25	5.31	-9.38	11.95	18.61	**5.95**
2020	0.07	0.88	-3.74	8.92	18.49	**4.92**
2021	1.08	-0.39	-3.92	6.15	12.63	**3.11**
2022	3.77	-0.82	-3.46	5.19	10.30	**3.00**

Figure No. 3



Interpretation:

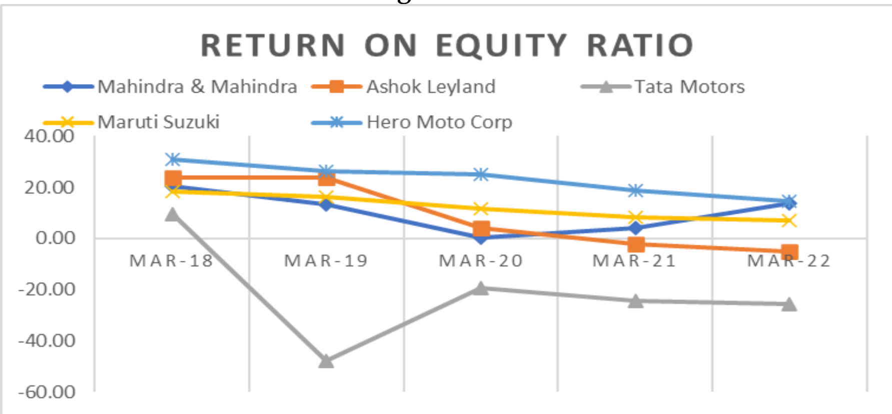
- ROA ratio shows how profitable a business is in comparison to its overall assets. Management, analysts, and investors use it to assess how well a company uses its resources to turn profitable.
- Hero Moto Corp and Maruti Suzuki are having the higher ROA than industry average of over 5% throughout the study period which is considered good but the continuous fall in the ROA indicates the company over investment in assets failing to produce revenue growth.
- Mahindra & Mahindra and Ashok Leyland are having reducing ROA which is lower than the industry average indicates that they are not generating enough revenue and it is not a good sign for the investors.
- Tata Motors are having negative return on assets from the year 2019 onwards which indicates that company is unable to use its assets effectively enough to produce revenue which is strong sign for financial distress, and they need to improve their ROA to meet with the industry standards.

RETURN ON EQUITY RATIO

4. Return on Equity Ratio (%)						
Year/ Company	**Mahindra & Mahindra**	**Ashok Leyland**	**Tata Motors**	**Maruti Suzuki**	**Hero Moto Corp**	**Average**
2018	20.42	23.72	9.41	18.51	31.07	**20.63**

2019	13.29	23.76	-47.90	16.24	26.24	**6.33**
2020	0.31	4.32	-19.13	11.48	25.25	**4.45**
2021	4.35	-2.10	-24.34	8.36	18.92	**1.04**
2022	13.95	-4.90	-25.67	7.01	14.62	**1.00**

Figure No. 4



Interpretation:

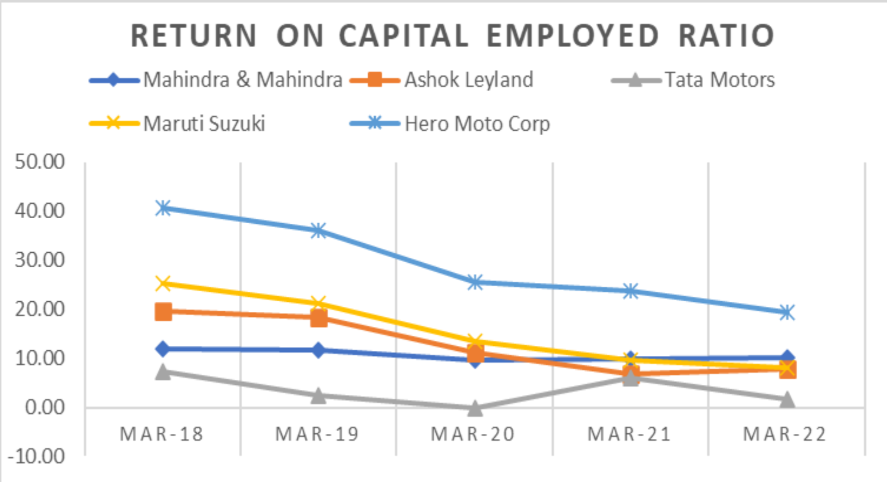
- ROE is a measure of a company's profitability and how efficiently it generates profits. The higher a company's ROE, the better it is at converting equity financing into profits.
- Maruti Suzuki and Hero Moto Corp are generating higher ROE than the industry average which is a good sign for investors as they are getting good return on their investment.
- Mahindra & Mahindra is having the higher ROE in the initial years of study, but it fell nearly to zero in 2020. Ashok Leyland's ROE after showing a good growth in initially, falls to negative value in the year 2021. We can see the high variability in the ratio which indicates lack of stability in ROE, which is not a good indication.
- Tata Motors is having negative ROE which indicates the negative net income and implies that shareholders are losing on their investment which is a trouble sign for both company and the shareholders.

RETURN ON CAPITAL EMPLOYED RATIO

5. Return on Capital Employed Ratio (%)						
Year/ Company	**Mahindra & Mahindra**	**Ashok Leyland**	**Tata Motors**	**Maruti Suzuki**	**Hero Moto Corp**	**Avera ge**
2018	12.01	19.67	7.36	25.33	40.82	**21.04**

2019	11.75	18.32	2.49	21.16	36.04	**17.95**
2020	9.60	11.10	-0.25	13.60	25.62	**11.93**
2021	9.85	6.80	6.14	9.52	23.76	**11.21**
2022	10.27	7.94	1.63	8.08	19.51	**9.49**

Figure No. 5



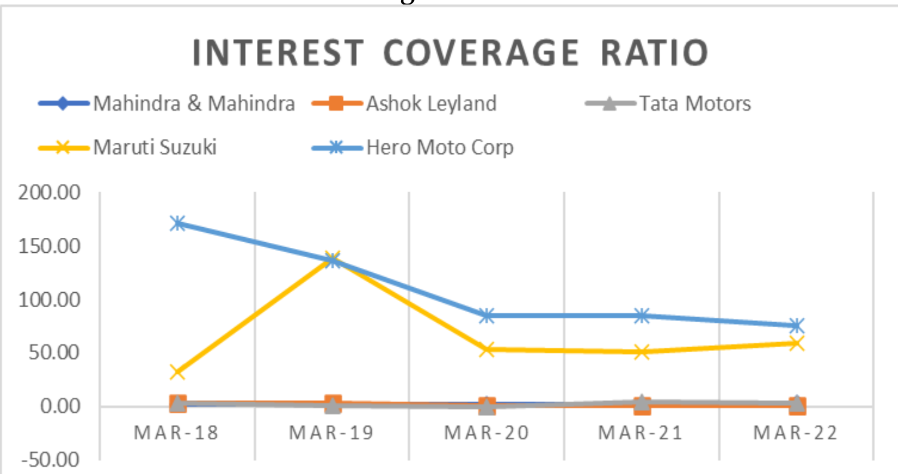
Interpretation:

- ROCE measures a company's ability to earn a profit from its capital investments. A high ROCE is a sign of successful growth of a company.
- From the above table and graph we can interpret that Hero Moto Corp is doing exceptionally well as compared to the other companies. Throughout the study period the ROCE of the company is above the industry average.
- Initially the ROCE of Maruti Suzuki was good and above the industry average but from 2021 onwards the ratio is below the industry average which can be due to the impact of COVID-19.
- The ROCE of the Tata Motors is less than the industry average throughout the study period which is not a good indication.There is high variability in the ratio.
- Ashok Leyland ratio is near to the industry average, which is good. Initially the ratio of Mahindra and Mahindra was decreasing but from 2019 onwards it has started increasing, which is a good indication.

INTEREST COVERAGE RATIO

6. Interest Coverage Ratio (Times)						
Year/ Company	**Mahindra & Mahindra**	**Ashok Leyland**	**Tata Motors**	**Maruti Suzuki**	**Hero Moto Corp**	**Average**
2018	2.65	3.09	2.96	32.82	171.21	**42.55**
2019	2.45	2.90	0.70	138.92	136.65	**56.32**
2020	1.80	1.44	-0.06	53.04	84.60	**28.16**
2021	1.86	0.92	4.31	51.61	84.94	**28.73**
2022	3.11	1.53	2.98	58.85	75.33	**28.36**

Figure No. 5



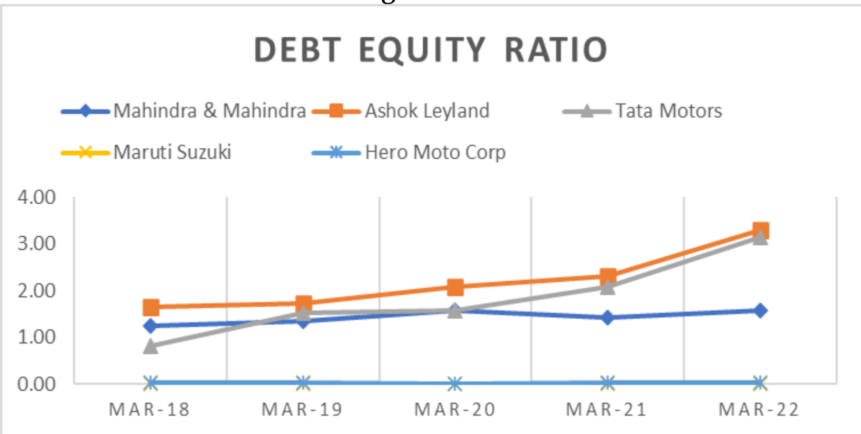
Interpretation:

- The interest coverage ratio of a company determines whether it can pay off its debts on time. The ratio can be used by lenders to determine whether to lend to the company.
- Maruti Suzuki and Hero Moto Corp are having higher Interest Coverage Ratio than Industry average which shows their strong financial health and thus they are capable of meeting their interest obligations easily.
- Mahindra & Mahindra, Ashok Leyland and Tata Motors are having much lower Interest Coverage Ratio than the industry average which shows that they are closer of being unable to meet their interest obligations. To avoid any adversities, they need to improve their ratio and try to meet the industry standards.

DEBT EQUITY RATIO

7. Debt Equity Ratio						
Year/ Company	**Mahindra & Mahindra**	**Ashok Leyland**	**Tata Motors**	**Maruti Suzuki**	**Hero Moto Corp**	**Average**
2018	1.23	1.64	0.82	0.00	0.02	**0.74**
2019	1.35	1.73	1.51	0.00	0.02	**0.92**
2020	1.56	2.07	1.58	0.00	0.01	**1.04**
2021	1.43	2.31	2.08	0.01	0.02	**1.17**
2022	1.58	3.28	3.13	0.01	0.02	**1.60**

Figure No. 6



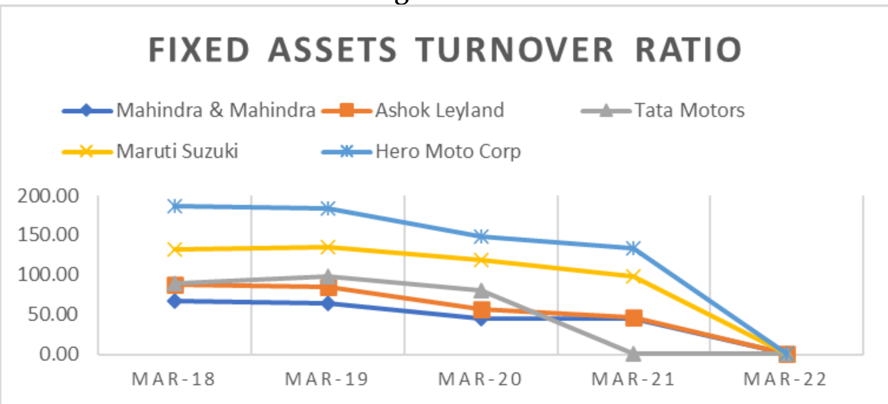
Interpretation:

- Debt Equity Ratio indicates a company's dependence on borrowed funds and its ability to meet those financial obligations. The optimal D/E ratio varies by industry but should not be above a level of 2.
- Ashok Leyland and Tata Motors are having high D/E Ratio as compared to the industry average. It needs to be reduced so that the fixed obligation of payment of interest can be reduced.
- Maruti Suzuki and Hero Moto Corp are having negligible D/E Ratio which indicates that firms use very less or zero amount of borrowing.
- The ratio of Mahindra and Mahindra is on par with the industry average.

FIXED ASSETS TURNOVER RATIO

8. Fixed Assets Turnover Ratio (Times)						
Year/ Company	**Mahindra & Mahindra**	**Ashok Leyland**	**Tata Motors**	**Maruti Suzuki**	**Hero Moto Corp**	**Average**
2018	67.11	88.36	88.91	132.46	186.57	**112.68**
2019	64.09	84.85	98.28	134.54	183.58	**113.07**
2020	45.13	57.57	81.04	118.91	148.69	**90.27**
2021	44.62	46.24	0.16	98.72	134.04	**64.76**
2022	0.49	0.70	0.23	1.22	1.31	**0.79**

Figure No. 7



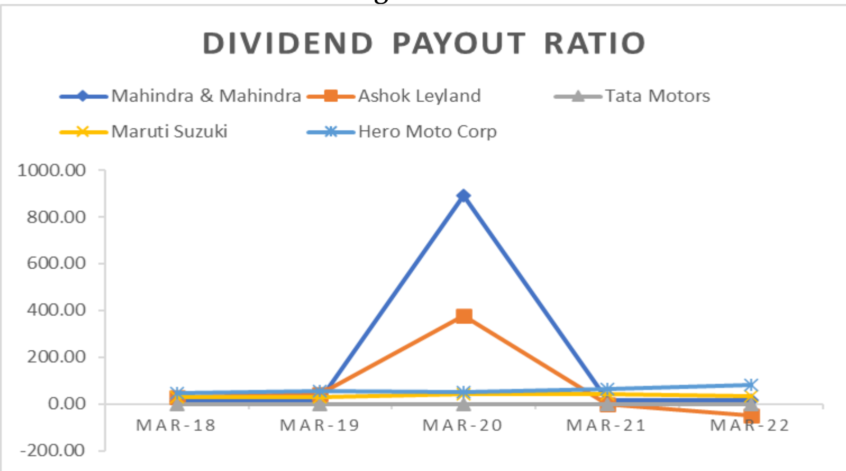
Interpretation:

- Fixed Assets Turnover Ratio measures the company's ability to generate net sales from its investments in fixed assets. A higher FAT ratio indicates that management is using its fixed assets more effectively.
- Maruti Suzuki and Hero Moto Corp are having higher FAT ratio than the industry average which is a good sign as indicates greater efficiency in managing fixed assets.
- Mahindra & Mahindra and Ashok Leyland are having lower ratio than the industry average, which shows that these companies have large capital investments.
- Tata Motors has lower ratio than the industry average specially in the year 2021 and 2022 the ratio is below 0.25 which can be a red flag for the investors.

DIVIDEND PAYOUT RATIO

9. Dividend Payout Ratio (%)						
Year/ Company	Mahindra & Mahindra	Ashok Leyland	Tata Motors	Maruti Suzuki	Hero Moto Corp	Average
2018	11.29	31.21	0.00	28.75	45.62	**23.37**
2019	17.63	41.36	0.00	31.59	55.09	**29.13**
2020	893.49	378.92	0.00	42.57	53.25	**273.65**
2021	14.46	0.00	0.00	41.29	65.04	**24.16**
2022	14.88	-49.11	0.00	35.04	81.92	**16.55**

Figure No. 8



Interpretation:

- The Dividend Payout ratio indicates the proportion of dividend paid to shareholders with respect to the company's net income.
- Here, Maruti Suzuki and Hero Moto Corp are paying a good proportion of dividend to the shareholders which indicates that company has attained maturity stage and limited growth opportunities. Alternatively for a company like Maruti, there may be pressure from the parent company to give a larger proportion of profits in the form of dividend. The ratio of Hero Moto Corp is increasing throughout the study period except for the year 2020.
- During the years 2018 to 2020 Ashok Leyland was distributing a good amount of dividend but in 2020 no distribution is done and in

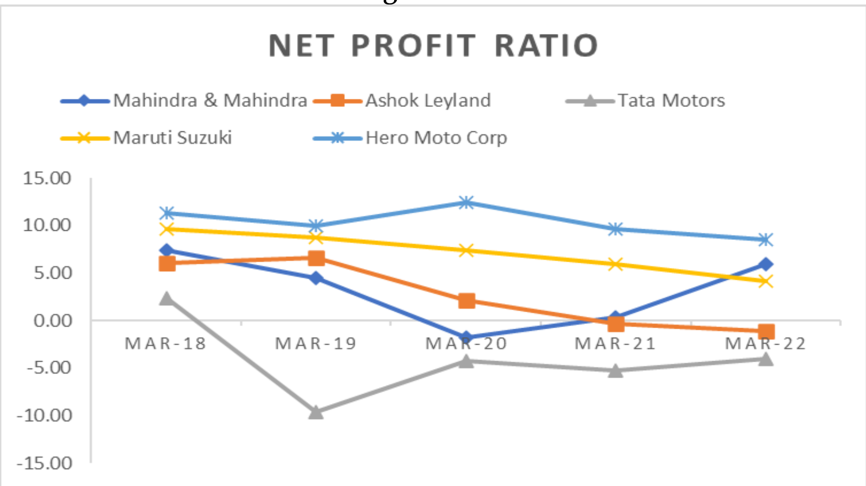
2021 the ratio was negative which is not a good indication for investors.

- Mahindra and Mahindra distributed low dividend as compared to the industry average except for the year 2020. This is not a cause for concern as the company is retaining a good amount of profit that may be due to their future expansion plan.
- Tata Motors are having zero DPR which indicates that company has not paid dividend to its shareholders as we can see in the net profit ratio that the companies return is in negative.

NET PROFIT RATIO

10. Net Profit Ratio (%)						
Year/ Company	**Mahindra & Mahindra**	**Ashok Leyland**	**Tata Motors**	**Maruti Suzuki**	**Hero Moto Corp**	**Average**
2018	7.43	6.10	2.31	9.66	11.31	**7.36**
2019	4.44	6.57	-9.58	8.70	10.02	**4.03**
2020	-1.78	2.08	-4.20	7.34	12.39	**3.17**
2021	0.31	-0.35	-5.21	5.99	9.63	**2.07**
2022	5.98	-1.11	-4.03	4.20	8.55	**2.72**

Figure No. 9



Interpretation:

- The amount of net profit generated relative to total revenues is known as the net profit margin. It is one of the most significant determinants of the overall financial health of a company.

- Ashok Leyland shows the continuous decrease in the Net profit margin throughout the study period, and it turns negative in 2021 onwards which is a trouble sign for the investors.
- Mahindra & Mahindra shows the zig zag trend in net profit margin which shows the instability in company's generating profits.
- Hero Motor Corp and Maruti Suzuki also shows the declining trend, but it remains positive and higher than the industry average, which shows that both the companies are making good amount of profits.
- Tata Motors shows the negative net profit margin during the study period which not good for the business and a trouble sign for the company and the investors.

Conclusion

From the above analysis of the industry and companies we can conclude that the Hero Motor Corp and Maruti Suzuki are performing well, and they are ahead of the other companies in the industry. The performance of Mahindra & Mahindra and Ashok Leyland are satisfactory but there is a cause of concern related to the performance of Tata Motors.

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CHAPTER 2

Retail Industry

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Industry Overview

Indian apparel retail has been one of the world's fastest expanding marketplaces in recent years. The pandemic's ominous wrath did affect the business in 2020, but despite all the limitations caused by the epidemic, the figures suggest that the garment industry is rebounding with a vengeance. After the epidemic, apparel had double-digit growth starting in late 2021, whereas Omicron cases in India consistently decreased. And the main reason for this double-digit surge is that people began to leave their houses and begin shopping for retribution after spending the previous two years staying inside due to the virus.

The successful acquisition of numerous small brands and merchants by large retail behemoths has been one of the most significant developments over the past 15 months. It took place all around the world, including India. The expansion of the garment retail industry has also been credited to initiatives taken by many people to develop and adopt new business models. Adopting new technology was just as important as improving the product creation process, monitoring and analyzing consumer and buying behaviour, or redesigning the supply chain.

Particularly in the last ten years, Indian e-commerce has radically changed how business is conducted in India. And the past 24 months have been outstanding. By 2024, India's e-commerce is projected to reach US$ 99 billion, with apparel and fashion serving as the primary development drivers, according to the India Brand Equity Foundation (IBEF). Infect, a Technopak analysis estimates that by 2025, up to 20% of all clothes sold in India will be sold online, representing a market of US$ 16 billion.

INDUSTRY MAJORS: An Overview

Shoppers Stop

Shoppers Stop is a home to a multitude leading international and national brands for apparels, fragrances, accessories, cosmetics, footwear, home decor and furnishings catering to the needs of the entire family. It aspires to provide customers a memorable international shopping experience. They are one of the largest chains of department stores across India. It has more than six private brands such as STOP, Kashish, Life, Haute Curry, Velorio Frattini and Elliza Donatein. It offers First Citizen Loyalty Program for its customers which enhances the goodwill of the business. In the year 2021,Shoppers stop has collaborated with Accenture in order to increase its digital commerce. In the year 2019 company launched India's first luxury beauty store Arcelia at GVK1 mall ,Banjara hills.

V-Mart

V-Mart is a complete family fashion store that provides its customers true value for their money. Maintaining high standards in quality and design, V-Mart offers fashion garments at down-to-earth prices and over a period of time has emerged as the destination of choice for bargain hunters and the fashionable alike. V-mart targeted customers are from the age group of 21-35 years. They are serving the needs of fashion needs of people. They are generating value for money by making their products available at reasonable price to the people without compromising with its quality. V-mart has current market capitalization of 47.55 billion.

KewalKiran

KewalKiran was incorporated in 1981, and headquarter in Mumbai, Kewal Kiran Clothing Limited today is amongst the few large, branded apparel manufacturers in India. Kewal Kiran has a wide range of casual, formal, and semi formal clothes. Their core competence is in manufacturing because they use innovation in that because of which they are able to offer the best products to their customers. They produce the high quality products which are also ISO certified.

Cantabil

Cantabil Retail India Ltd is a New Delhi based apparel manufacturer and retail discount outlet company. The company is in the business of designing manufacturing branding and retailing of apparels under the brand names of 'Cantabil' and 'La Fanso'. Cantabil offers a wide range of products including Formal wear, Party wear and casual wear for men, women, and kids. It is a well-known brand having a great distribution network. It has over 400 exclusive retail outlets. It is a renowned brand for fashion and lifestyle needs. It is engaged in both the segments manufacturing as well as retailing. It is a global brand, and its existence is from more than two decades.

Future Enterprises Limited (Future Ent.)

Future Enterprises Limited is an India-based integrated fashion business company. The Company is engaged in the business of manufacturing, trading, leasing of assets, logistics services and joint ventures with life and non-life insurance services. Future Ent is fully integrated, and IT enabled supply chain and logistics management system.

It has its businesses in Future Supply chain, Future Generali, work store, Goldmohur & Apollo mills and lastly Future media. They drive to achieve growth by applying Innova ways. They believe that human capital is the most important resource, so they motivate their employees to be aspirational.

Trent

Trent is one of the leading players in the branded retail industry in India. Trent Ltd is a part of TATA Resource, company operates a retail chain; Star Bazaar, a hypermarket chain and landmark a family entertainment format store. Trent offers branded fashion clothes, footwear and accessories for everyone women, men and children and also offers a wide range of home furnishings & decor. Trent fulfills the fashion and style demand of its customers at a reasonable price. It offers modern Indian lifestyle which is a complete touch of ethnic wear with western touch. Their vision is to deliver the best design to upgrade style of its customers.

SWOT Analysis of Retail Industry

Strengths: -

- **Efficient Supply Chain Management**-The retail industry has created efficient supply chain management to meet client demand on time and maintain a consistent flow of product to their many outlets.
- **Diversified Product Portfolio**- Companies in this category have a diverse product portfolio that includes men's apparel, women's wear, accessories, and footwear. This allows them to cater to various customer categories.

- **Established Strong Brand Presence** -Brands such as Cantabil, Shoppers Stop, Trents Ltds, V-mart, Kewal Kiran, and Future Ent. have established a strong brand image over the years, known for their high-quality products and services.

Weaknesses:

- **Reliance on Indian Markets**- Even well-known brands are heavily concentrated in India.
- They are also vulnerable to variations in the Indian market.
- **Limited International Presence**- Although established brands have grown their presence in a few international countries, their global footprint is still relatively tiny in comparison to their domestic presence.

Opportunities: -

- **Expanding Indian Retail Sector**- The Indian retail market is expanding rapidly as a result of rising consumer spending power and lifestyle changes.
- **E-commerce Presence and Omni channel Presence**-With the advent of E-commerce, businesses can utilise online presence and apply omni channel strategies to tap into the rising online retail segment.

Threats: -

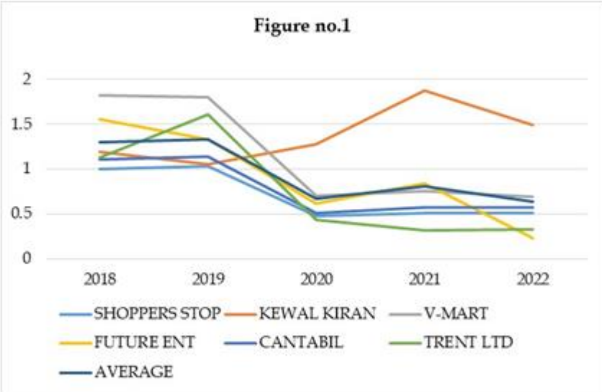
- **Intense Competition**- India's retail industry is very competitive, with both domestic and foreign participation. Companies face intense competition from both established and rising brands, which may have an impact on their market position and profitability.
- **Evolving Consumer Tastes**-Fashion trends and consumer preferences are ever-changing. This may result in product availability delays and consequent sales losses.

Fundamental Analysis through Ratios

CURRENT RATIO

1. Current Ratio

Year	Shoppers stop	Kewal kiran	V-mart	Future ent.	Cantabil	Trent ltd	Average
2018	1.00	1.19	1.82	1.56	1.11	1.13	1.30
2019	1.04	1.06	1.8	1.33	1.14	1.61	1.33
2020	0.48	1.28	0.71	0.62	0.51	0.44	0.67
2021	0.51	1.88	0.76	0.84	0.58	0.32	0.82
2022	0.51	1.49	0.69	0.24	0.58	0.33	0.64



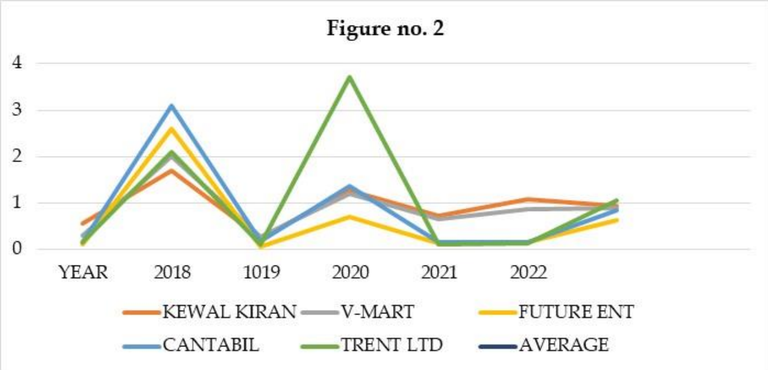
Interpretation:

- The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or dues within one year.
- During the study period, it can be seen that, in this industry, Shoppers stop has less ratio than industry average. Trend Ltd. is also having less ratio as compared to the industry average except for the year 2019. It indicates that they may find difficulty in meeting their short-term obligations. We suggest both the companies to increase the ratio so that can be near to the average of the industry.
- Kewal Kiran and V-mart has higher current ratios than it means that they are not utilizing their assets properly. They are good on the liquidity part but on the other hand they are sacrificing profitability. We suggest the companies to reduce the ratio nearabout to the industry average to increase the profitability.
- Future Ent and cantabil has almost same current ratio as industry average so it has good current assets and current liabilities management.

LIQUID RATIO

2. Liquid Ratio

Year	Shoppers stop	Kewal kiran	V-mart	Future ent.	Cantabil	Trent ltd	Average
2018	0.57	1.69	0.25	1.26	0.72	1.09	0.93
1019	0.31	2.01	0.27	1.19	0.66	0.87	0.89
2020	0.12	2.6	0.07	0.71	0.13	0.17	0.63
2021	0.15	3.09	0.19	1.36	0.15	0.16	0.85
2022	0.15	2.11	0.12	3.71	0.10	0.13	1.05



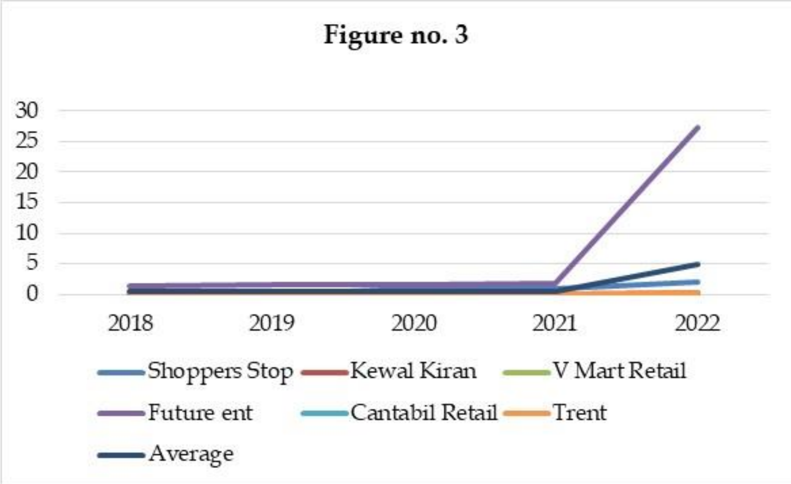
Interpretation:

- The liquid ratio is a liquidity ratio that measures a company's ability to pay short-term obligations. Basically, it includes those assets which can easily be converted into cash.
- During the study period we can see that V-Mart, Shoppers stop and Cantabil have less ratio than industry average it means it may find difficulty in meeting their short-term obligations. We suggest these companies to increase the ratio so that can be near to the average of the industry.
- Kewal Kiran and Future Ent has higher current ratios than it means that they are not utilizing their assets properly. They are good on the liquidity part but on the other hand they are sacrificing profitability. We suggest the companies to reduce the ratio nearabout to the industry average to increase the profitability.

- **DEBT TO EQUITY RATIO**

3. Debt to Equity Ratio

Year	Shoppers Stop	Kewal Kiran	V Mart Retail	Future Ent.	Cantabil Retail	Trent	Average
2018	0.05	0.12	0	1.45	0.43	0.24	0.38
2019	0.00	0.22	0	1.59	0.34	0.23	0.40
2020	0.91	0.2	0	1.57	0.30	0.12	0.52
2021	0.83	0.11	0	1.88	0.12	0.00	0.49
2022	1.97	0.16	0	27.25	0.00	0.18	4.93



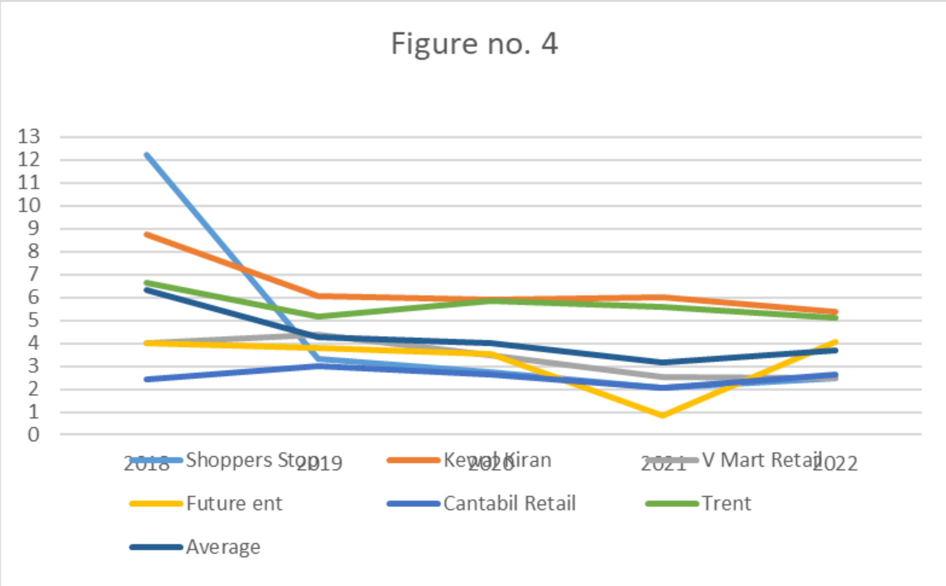
Interpretation:

- It is calculated to measure the relative claims of outsiders and the owners against the firm's assets.
- This ratio indicates the relationship between the outsiders' funds and shareholders' funds.
- From the above table and graph we can see that during the study period, Future Ent has Debt to Equity ratio more than the industry average so we can say that they are using more debts. So, the company has more fixed obligations then its competitors which is not a good indicator. For the year 2022 the ratio is increased to 27.25 which shows a huge amount of debt taken by the company which further increases the interest obligations. We suggest the company to reduce the ratio to meet the industry average.
- V-mart is not using any debt, it means it is not taking advantage of leverage. We can't say that no use of debt is favorable for the company as we know debt is a cheaper source of finance as compared to other sources of funds. So the company can think in this direction, which can help to increase profitability.
- Other companies are maintaining their debt equity ratio near to the industry average or below the industry average, which is a good indication for the investors.

INVENTORY TURNOVER RATIO

4. Inventory Turnover Ratio (Times)

Year	Shoppers Stop	Kewal Kiran	V Mart Retail	Future Ent.	Cantabil Retail	Trent	Average
2018	12.21	8.74	3.98	3.99	2.43	6.63	6.33
2019	3.3	6.05	4.36	3.82	2.98	5.17	4.28
2020	2.76	5.88	3.48	3.51	2.64	5.87	4.02
2021	2.04	5.99	2.51	0.84	2.04	5.60	3.17
2022	2.48	5.38	2.49	4.05	2.61	5.10	3.69



Interpretation:

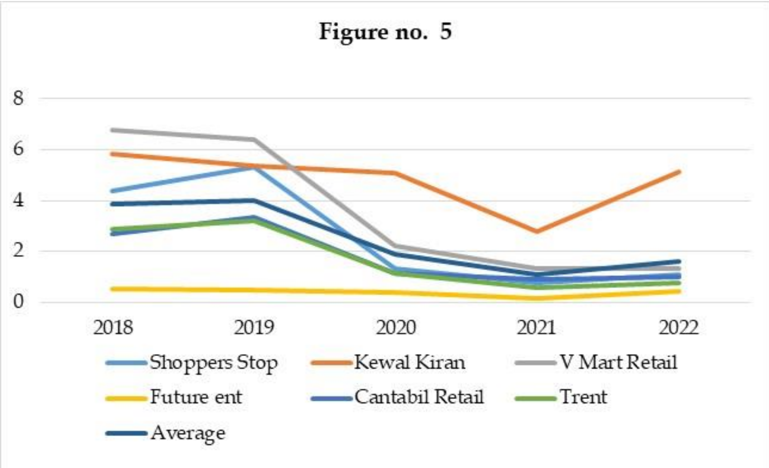
- Inventory turnover is the rate that inventory stock is sold, or used, and replaced.
- A higher ratio tends to point to strong sales and a lower one to weak sales.
- It can be clearly seen from the above table and graph that, during the study period, Kewal Kiran has highest inventory Turnover ratio than industry it means that this company has better inventory management and Quicker Turnover.
- During the study period, Cantabil has the least Inventory Turnover ratio than industry average it indicates a problem with Retail chain merchandising strategy. We suggest the company to try to improve the ratio.

- The inventory turnover ratio of shoppers stop, V Mart and Future Ent. is less as compared to the industry average except for a particular year.

FIXED ASSETS TURNOVER RATIO

5. Fixed Assets turnover ratio (Times)

Year	Shoppers Stop	Kewal Kiran	V Mart Retail	Future Ent.	Cantabil Retail	Trent	Average
2018	4.36	5.85	6.79	0.51	2.67	2.88	3.83
2019	5.34	5.36	6.40	0.49	3.33	3.22	4.03
2020	1.33	5.10	2.21	0.40	1.14	1.14	1.87
2021	0.78	2.79	1.32	0.17	0.89	0.59	1.09
2022	1.09	5.15	1.32	0.44	1.00	0.74	1.62



Interpretation:

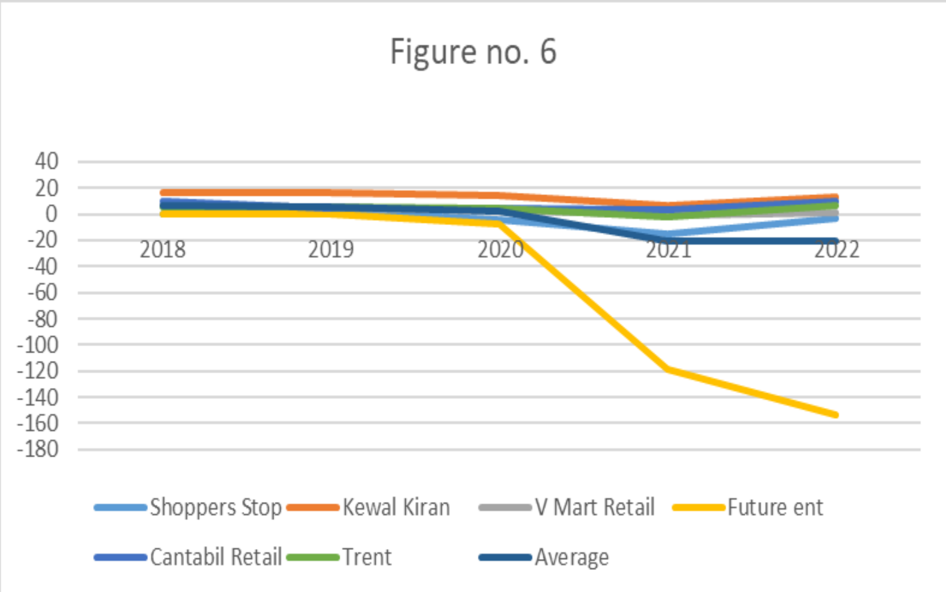
- The fixed asset turnover ratio is an efficiency ratio. It measures a company's return on their investment in property, plant, and equipment by comparing net sales with fixed assets.
- A higher Fixed Assets Turnover Ratio indicates that a company has efficiently used investments in Fixed Assets to generate sales.
- From the above we can interpret that the Future Ent is having least ratio which gives negative impact on the efficiency of Firm.
- Kewal Kiran is having high ratio throughout the study period as compared to the industry average which is a good indication towards the efficiency of utilizing the fixed assets by the company.

- We can see the decrease in the ratio of all the companies during 2020 and 2021 due to the COVID-19 and we can see the improvement in the year 2022.

NET PROFIT RATIO

6. Net Profit Ratio (%)

Year	Shoppers Stop	Kewal Kiran	V Mart Retail	Future Ent.	Cantabil Retail	Trent	Average
2018	0.32	15.91	6.35	-0.29	10.18	5.64	6.35
2019	2.26	15.98	4.29	0.52	4.33	5.03	5.40
2020	-4.16	13.79	2.96	-7.13	4.86	4.86	2.53
2021	-15.59	6.41	-0.57	-118.37	3.84	-2.49	-21.13
2022	-3.47	13.43	0.69	-153.57	9.92	6.43	-21.10



ANALYSIS

- Net profit ratio expresses the relationship between net profit after taxes to sales. It gives an idea of the efficiency as well as profitability of the business.
- A higher Net Profit margin means that a company is able to effectively control its cost and indicates good company performance.
- During the study period, It can be seen that, Future Ent is making losses throughout the study period except the year 2019 and the losses are increasing rapidly. This is not a good indication for the

investors and company. We suggest the company to serious consideration on this matter and take necessary actions to have positive returns.

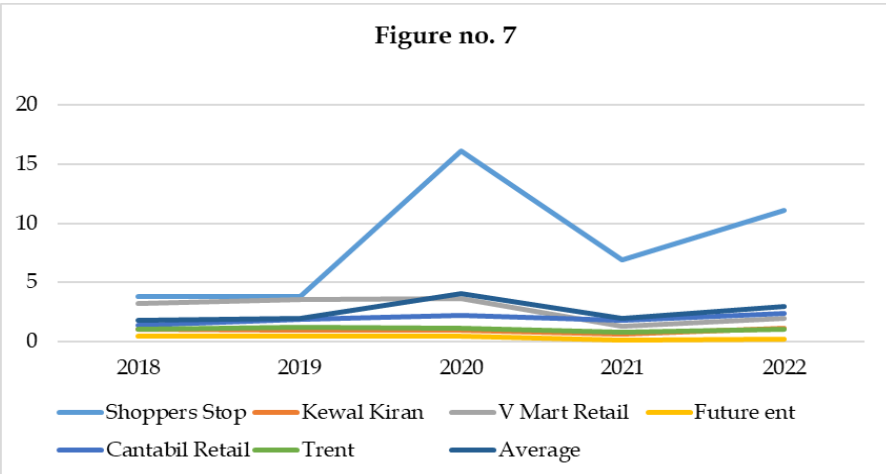
- Kewal kiran is performing the best in terms of profitability aspects. We can see throughout the study period the company is generating profits. Cantabil is also performing good and generation profit.
- Mart and Trent are also performing good as they are generation profits except in the year 2021 which is due to the adverse impact of COVID.

Shoppers Stop is also not performing well as we can see that there net profit ratio before covid was also below the industry average and from 2020 to 2022 the company is making loss. We recommend the company to look into the matter and take necessary actions to have positive returns.

TOTAL ASSETS TURNOVER RATIO

7. Total Asset turnover Ratio

Year	Shoppers Stop	Kewal Kiran	V Mart Retail	Future Ent.	Cantabil Retail	Trent	Average
2018	3.82	1.03	3.19	0.44	1.36	1.06	1.87
2019	3.79	0.96	3.53	0.45	1.89	1.25	1.30
2020	16.15	0.99	3.64	0.47	2.20	1.16	4.17
2021	6.90	0.63	1.31	0.13	1.82	0.83	1.97
2022	11.14	1.10	1.97	0.21	2.42	1.06	2.90



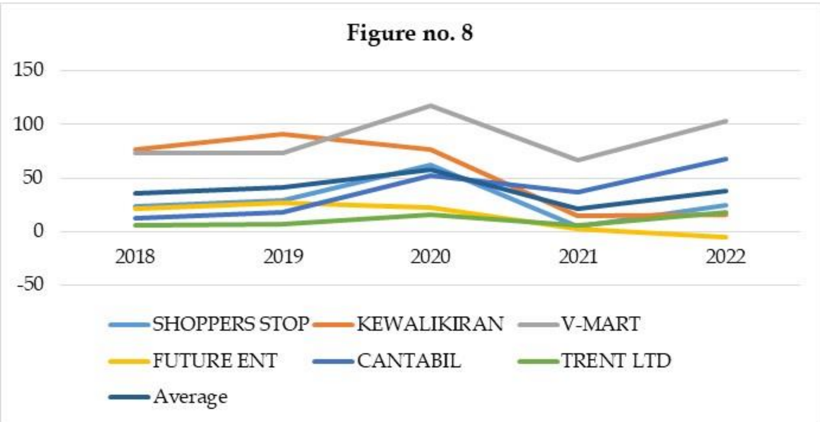
Interpretation:

- The asset turnover ratio analyzes how well a company uses its assets to drive sales. The ratio is calculated by dividing a company's net sales for a specific period by the average total assets the company held over the same period.
- Higher the assets turnover ratio, the more efficient a company is generating revenue from its assets.
- From the above table we can analyses that the shoppers stop is having highest ratio and throughout the study period it is more than the industry average. This is good indication for the investors.
- Future Ent is having least ratio and throughout the study period it is less than the industry average. This is not a good indication for the investors.
- Kewal Kiran, Cantabil and Trent are also not able to meet the ratio equal to the average of the industry.
- We suggest all the companies having the ratio less than the industry average to take the necessary action to increase the ratio and to get near to the industry average.

OPERATING PROFIT PER SHARE RATIO

8 . Operating Profit per Share Ratio

Year	Shoppers Stop	Kewal Kiran	V Mart Retail	Future Ent.	Cantabil Retail	Trent	Average
2018	24.06	76.69	73.37	21.57	12.23	6.06	35.66
2019	28.79	91.15	73.32	26.79	18.13	7.12	40.88
2020	62.44	77.16	117.74	22.84	51.90	15.84	57.99
2021	4.88	15.14	66.58	2.55	36.36	5.73	21.87
2022	24.43	16.23	103.46	-5.64	68.40	17.82	37.45



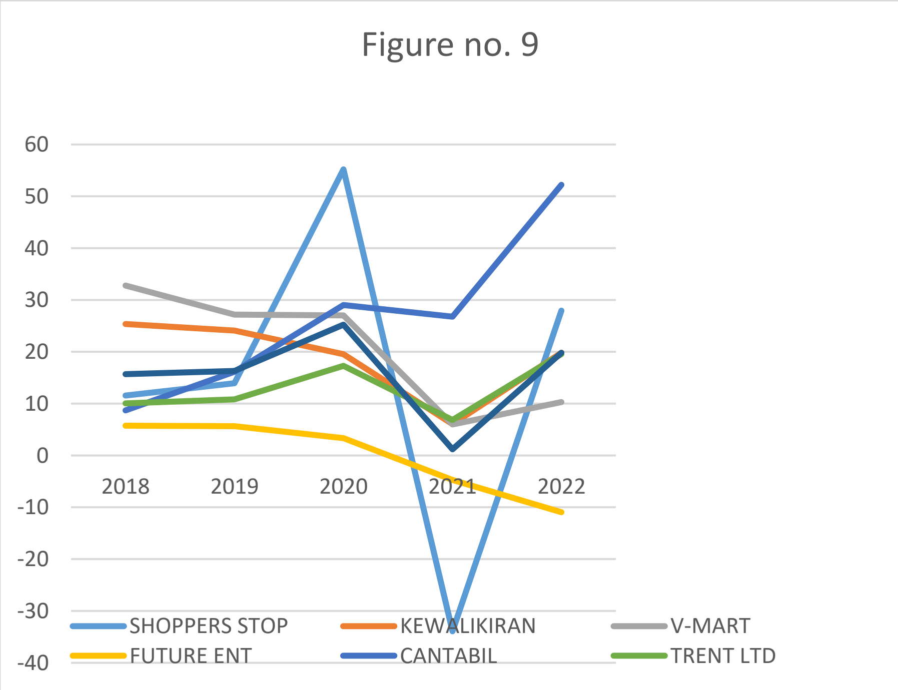
Interpretation:

- A company's operating profit per share serves as an indicator of a company's profitability. The higher the ratio better for the organization and a positive sign for the investors.
- During the period of study, it can be seen from the table that V-mart has highest Operating profit per share and it is more than the Industry average. It is a positive sign for the investor as the operating Profit ratio depicts its profitability as higher the better.
- We can see that the Trent is not performing well as the operating profit per share is least and throughout the study period it is less than the industry average. We suggest the company to take the necessary steps to improve the operation profit per share. At present the ratio is not favorable for the company and presenting a negative sign from the investors point of view.
- We can see the Cantabil retail is doing well as the operating profit per share in increasing constantly throughout the study period. It is a good indication for the investors.
- The performance of the Future Ent. is seems not to be good as the ratio is decreasing throughout the study period except for the year 2019 in which it was also less than the industry average. In 2022 we can see the ratio is negative which is an alarming situation for the company and the investors.

RETURN ON CAPITAL EMPLOYED

9. Return on Capital Employed

Year	Shoppers Stop	Kewalikiran	V-mart	Future ent.	Cantabil	Trent Ltd	Average
2018	11.56	25.34	32.77	5.74	8.68	10.06	15.69
2019	13.92	24.09	27.17	5.65	16.13	10.82	16.30
2020	55.2	19.53	27.02	3.32	29.02	17.28	25.23
2021	-33.92	6.05	5.97	-4.73	26.77	6.84	1.16
2022	27.93	19.8	10.3	-10.95	52.2	19.56	19.81



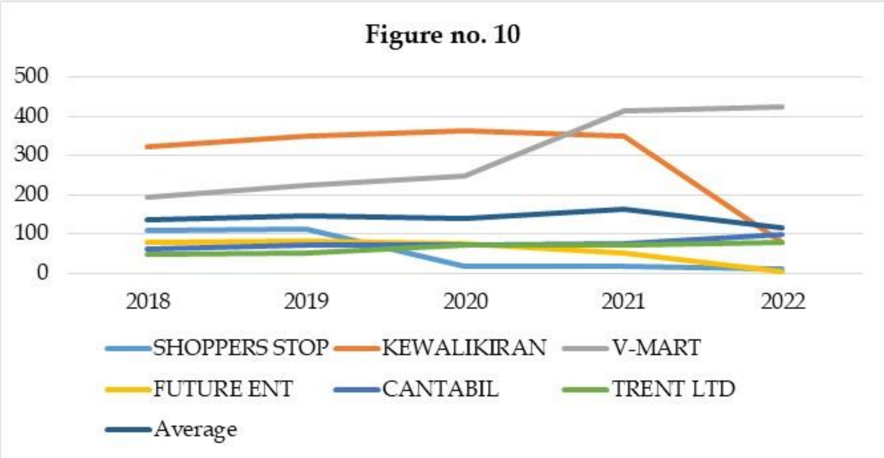
Interpretation:

- Return on Capital Employed is a profitability ratio which measures how efficiently a company is using its capital to generate profits.
- A high Return on capital employed indicates that a large chunk of profits can be invested back into the company for the benefit of shareholders.
- During the period of study, it can be clearly seen from the above table and graph that Kewal Kiran and V-Mart has higher ratio than the industry average it means they are ploughing back their profits which leads to the growth of the company. It is a good indication for the investors.
- Future Ent. is having the least ratio followed by the Trent Ltd. The ratio of both the companies are less than the industry average throughout the study period. We recommend both the companies to take necessary action to increase the ratio at least equal to the industry average. At present the condition of both the companies is not upto the mark and which is not a good sign for the investors.
- The performance of Cantabil is remarkable as we can see continuous improvement in the ratio except in the year 2021 in this year also the company is having higher ratio as compared to the industry average.

RETURN ON ASSETS RATIO

10. Return on Assets Ratio (Times)

Year	SHOPPERS STOP	KEWAL IKIRAN	V-MART	FUTURE ENT.	CANTABIL	TRENT LTD	Average
2018	108.39	324.26	191.98	79.26	61.92	48.66	135.75
2019	111.09	349.28	223.68	80.19	70.01	51.06	147.55
2020	15.44	362.21	249.60	73.44	72.31	70.30	140.55
2021	16.51	351.29	415.30	52.06	75.97	70.77	163.65
2022	8.78	77.60	424.83	5.07	98.04	76.52	115.14



Interpretation:

- Return on Assets is calculated by dividing the company's earnings after tax divided by the total assets.
- Companies with rising Return on Assets tend to increase their profits, while those with declining Return on Assets might be struggling financially due to poor investment decisions.
- During the study period it can be seen that Kewal Kiran and V-mart are generating good return from its assets as their ratio is higher than the industry average throughout the period of study.
- Future Ent. return on assets are declining continuously throughout the study period except for the year 2019 where we can see a negligible increase. It is not a good indication of the company's point of view.
- The ratio of Cantabil and Trent Ltd. is below the industry average but the good thing is that the ratio of both the companies are constantly increasing throughout the study period. This is good from the investor's point of view.

- Shoppers' stop performance is not satisfactory as we can see the ratio is below the industry average. From 2020 to 2022 the ratio is very low which expresses poor return on assets.
- We recommend companies specially Shoppers stop and Future Ent to take the necessary action to improve the return on assets ratio to avoid non favourable situation in near future.

Conclusion

From the above analysis of the industry and companies we can conclude that the Kewal kiran and Cantabil are performing well, and they are ahead of the other companies of the industry. The performance of V Mart and Trent are satisfactory but there is a cause of concern related to the performance of Future Ent and Shoppers stop.

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CHAPTER 3

Food and Beverage Industry

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Industry Overview

Food and beverage is one of the oldest industries. This includes foods and packaged foods, alcoholic and non-alcoholic beverages. It involves processing of raw material, packaging & distribution. It is large, diverse and fully specialized_machinery. The global food and beverage market grew from $6729.54 billion in 2022 to $7221.73 in the year 2023 the online sales of F&B accounted for 1.2% total revenue .

INDUSTRY MAJORS: An Overview

BRITANNIA

Britannia was founded in 1892; and is headquartered in Kolkata. It is one of oldest company. As of January 2023, Britannia's revenue was in excess of Rs 9000 CR' with has an estimated market share of 38%.In 2023, Britannia had a market cap of $12.64 BILLIONS. Main hit products are tiger, breads and dairy products .

VADILAL

On June 12, 1961, Vadilal Ice-cream Pvt Ltd was established as an ice cream candy manufacturing business. The company was established in 1982, under the name Vadilal Oxygen Pvt Ltd to conduct the business of repurifying, refilling oxygen gas and selling it. The company also sold processed frozen fruits, vegetables and ice creams, among other things. In 1985, both the businesses were merged and the new entity Vadilal

Industries Pvt. Ltd., came into existence. In 1989 it became a public limited corporation.

Now, Vadilal is the top food and beverage brand in India with the goal of bringing happiness to everyone, offering the high-quality, best-tasting culinary products to the customers. Vadilal has established itself as a major player in the Indian ice cream and processed food industry over the past couple of decades.

Parag milk food

It is an Indian company headquartered in Maharashtra, that manufactures, sells milk and all other milk product. The company is the largest producer of cheese and cow ghee in India. The company is making offers cones, bars, small cups etc in different flavors. The company is having a retail presence from its chain of happiness parlors of ice creams which is running in franchise model .

NESTLE

Nestle India Ltd. Is one of the largest FMCG companies in India. It largely deals in Milk and Nutrition products, prepared foods, cooking aids, liquid and powdered beverages, and candy. The company produces goods under the brands Nescafe, Maggi, Milkybar, Milo, Kit Kat, Bar-One, and Nestea. It has eight manufacturing sites and four branch offices dispersed throughout India. The four branch offices in Kolkata, Delhi, Mumbai, and Chennai aid in the company's product promotion and sales. They are.

SWOT Analysis of Food and Beverage Industry

Strengths:

- Diverse consumer base with varied preferences.
- Continuous innovation in flavors and packaging.
- Global presence allows for wider market reach.
- Strong branding enhances consumer loyalty.
- Increasing demand for healthier food options.
- Efficient supply chain management reduces waste.
- Technological advancements streamline production.

Weaknesses:

- Regulatory challenges impact product innovation.
- Intense competition leads to thin profit margins.
- Seasonal demand fluctuations affect production.
- Dependency on raw materials' availability.
- Health concerns impact certain product categories.

- Disruptions in the supply chain affect operations.
- Rapid shifts in consumer preferences can be challenging.

Opportunities:

- Growing trend towards healthy and organic foods.
- E-commerce and delivery open new distribution.
- Emerging markets offer potential for expansion.
- Plant-based and alternative proteins gaining traction.
- Customization and personalization for consumer appeal.
- Sustainability initiatives cater to eco-conscious consumers.
- Collaborations and partnerships drive innovation.

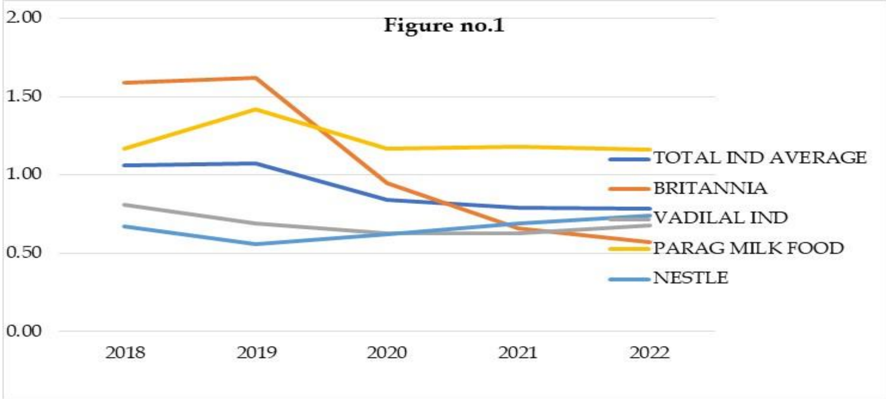
Threats:

- Evolving health regulations affect product formulation.
- Fluctuating input costs impact profitability.
- Public health crises can lead to product recalls.
- Economic downturns reduce consumer spending.
- Commodity price fluctuations impact costs.
- Changing trade policies disrupt global supply chains.
- Negative publicity harms brand reputation

CURRENT RATIO

1. Current Ratio

FOOD&BEV	BRITANNIA	VADILAL IND	PARAG MILK FOOD	NESTLE	TOTAL IND AVERAGE
2018	1.59	0.81	1.17	0.67	1.06
2019	1.62	0.69	1.42	0.56	1.07
2020	0.95	0.63	1.17	0.62	0.84
2021	0.66	0.63	1.18	0.69	0.79
2022	0.57	0.68	1.16	0.74	0.79

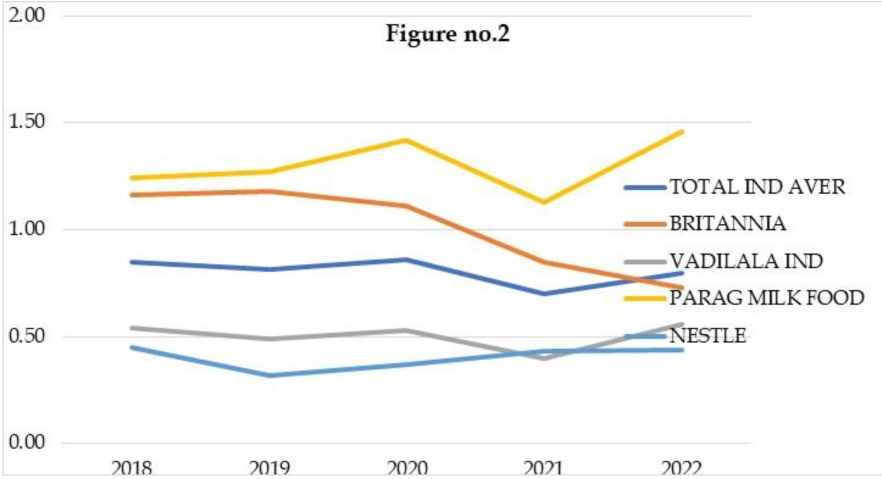


Interpretation:

- Current ratio shows short term financial wellness of the company the higher ratio means good liquidity position to meet its current obligations.
- Parag milk food has a high current ratio throughout the study period as compared to the average of the industry which indicates high liquidity position.
- Britannia's current ratio decreases continuously throughout the study period, which is not a good indicator for the company's short term solvency position. We recommend the company to improve the ratio.
- Vadilal's and Nestle's current ratio throughout the study period is below the industry average but the ratio is quite satisfactory.

QUICK RATIO

2. Quick Ratio					
FOOD&BEV	**BRITANNIA**	**VADILAL IND**	**Parag milk food**	**NESTLE**	**TOTAL IND AVERAGE**
2018	1.16	0.54	1.24	0.45	0.85
2019	1.18	0.49	1.27	0.32	0.82
2020	1.11	0.53	1.42	0.37	0.86
2021	0.85	0.40	1.13	0.43	0.70
2022	0.73	0.56	1.46	0.44	0.80

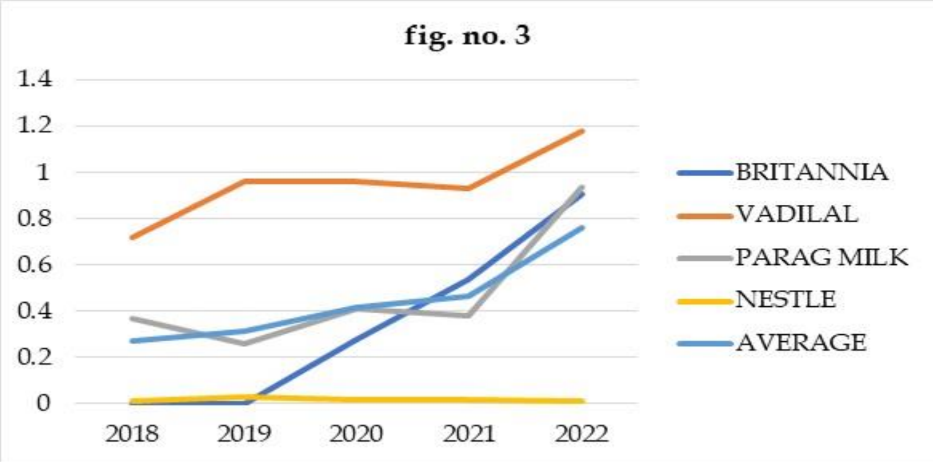


Interpretation:

- From the above we can interpret that the nestle current ratio is least and lower than the industry average throughout the study period. It is not a good indicator from the liquidity point of view which states that the company's solvency condition is not good. We recommend the company to increase the current ratio near to the industry average to have good solvency position.
- Parag milk quick ratio is high as compared to the industry average. Which raise a concern regarding the profitability of the company as we know that a high quick ratio means unnecessary blockage of funds. We suggest the company to increase the quick ratio to reduce the ratio which will help the company to improve the profitability.
- Britannia's quick ratio continuously decreased throughout the study period except for the year 2019. As compared to the industry average the company was maintaining a high quick ratio and now it is near to the industry average. Company should not further decrease the ratio.

DEBT EQUITY RATIO

3. DEBT EQUITY RATIO					
FOOD & BEV	**BRITANNIA**	**VADILAL IND**	**PARAG MILK FOOD**	**NESTLE**	**AVERAGE**
2018	0	0.72	0.37	0.01	0.275
2019	0	0.96	0.26	0.03	0.3125
2020	0.28	0.96	0.41	0.02	0.4175
2021	0.54	0.93	0.38	0.02	0.4675
2022	0.91	1.18	0.94	0.01	0.76



Interpretation:

- The general perception for the debt to equity is that it should be low. A high debt-to-equity ratio would indicate that the company is having huge debt and investors generally consider it negatively. But having no debt is also not an ideal situation as we know that debt is a cheaper source of finance as compared to the other sources of finance.

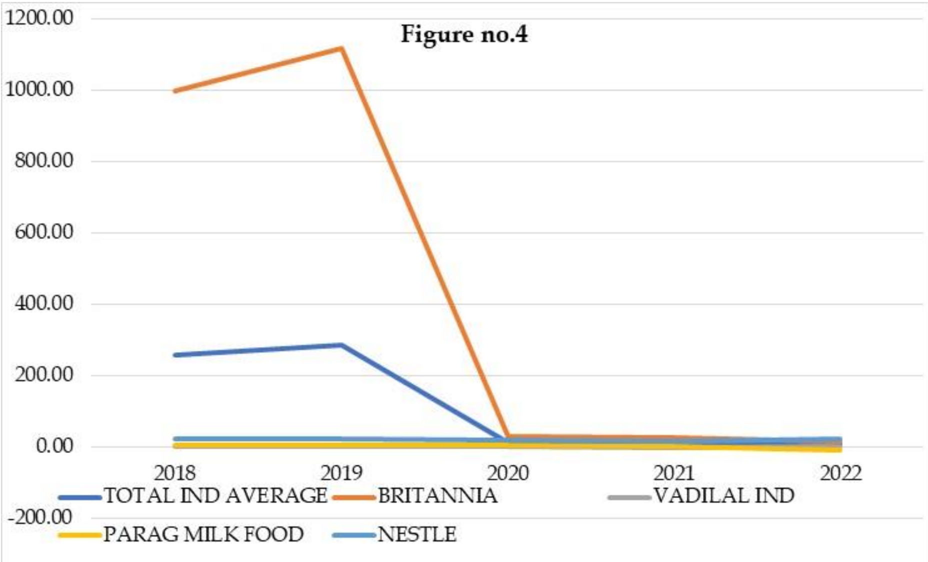
- From the above table and graph we can interpret that the Vadilal is heavily in debt which means it is having a high fixed burden of paying interest which will have directly impact on the profitability. So, we recommend to the company to reduce the debt as we can see the debt-equity ratio of other similar companies is very low.

- Nestle is having the lowest amount of debt as compared to the other companies, though it can be good from investors point of view as their perceived risk will be low in the company but, on the other hand debt is a cheaper source of finance so company can think in this direction and can use the debt to increase the profitability.

- Initially Britannia was not using debt financing, but we can see the continuous increase and the ratio for the year 2021 and 2022 is more than the industry average which is not a positive sign from the investor's point of view.

INTEREST COVERAGE RATIO

4. Interest Coverage Ratio					
FOOD&BEV	BRITANNIA	VADILAL IND	PARAG MILK FOOD	NESTLE	AVERAGE
2018	997.69	2.46	4.33	22.70	256.69
2019	1115.36	2.50	5.13	21.71	286.11
2020	29.99	3.34	4.29	18.13	13.94
2021	25.33	-0.58	1.85	16.51	10.78
2022	17.07	1.79	-9.24	22.20	7.76



Interpretation:

- Britannia has the highest interest coverage ratio as compared to the other companies. It is very good from the investor's point of view it indicates the company can be it's fixed burden obligation very easily.
- The interest coverage ratio of Vadilal is not satisfactory as the ratio of the company is very low. It indicates that the company is having fewer operating profits to meet interest payments and are more vulnerable to volatile interest rates.
- To make things better, and to improve the situation of a low interest coverage ratio, we suggest to the Vadilal to reduce finance costs/interest expenses.

- Parag company performance is satisfactory except for the year 2022 where we can see the negative interest coverage ratio. So, company should take necessary steps to control the situation otherwise they have to face the challenges in future.

DEBTOR TURNOVER RATIO

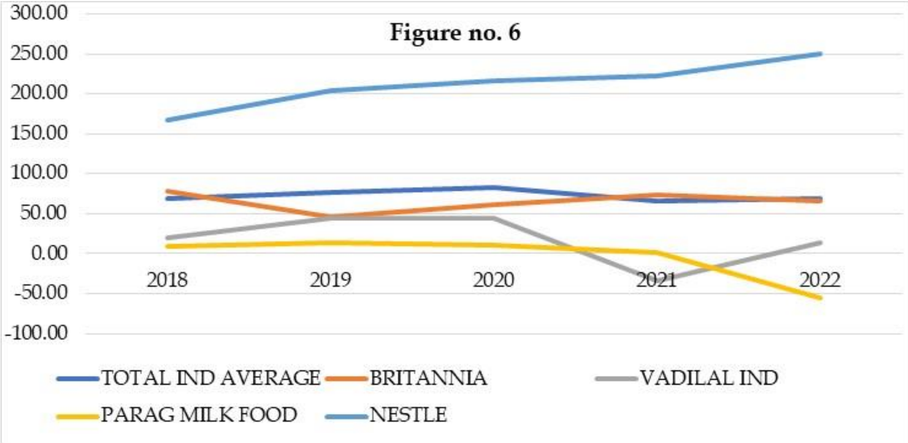
5. Debtor Turnover Ratio (Times)					
Food&Bev	**Britannia**	**Vadilal Ind**	**Parag Milk Food**	**Nestle**	**Average**
2018	52.16	17.27	9.16	1005.75	271.10
2019	36.07	12.90	9.07	99.38	39.36
2020	37.04	15.51	8.37	92.30	38.31
2021	56.19	13.11	7.87	89.09	41.57
2022	59.14	19.68	14.58	94.44	46.99

Interpretation:

- From the above we can interpret that Nestle's debtor turnover ratio is highest and throughout the study period it is more than the industry average. It is a good indication for the investors. It shows that the company is managing their debtors efficiently.
- Parag milk food has the lowest debtor turnover ratio followed by the Vadilal. The ratio of both the companies are less than the industry average throughout the study period. It is not a good indicator for the investors. We suggest both the companies improve the ratio.
- The debtor turnover ratio of Britannia is quite satisfactory.

EARNING PER SHARE RATIO

6. EPS Ratio					
FOOD&BEV	**BRITANNIA**	**VADILAL IND**	**PARAG MILK FOOD**	**NESTLE**	**TOTAL IND AVERAGE**
2018	78.95	20.65	9.36	166.67	68.91
2019	46.70	43.80	13.59	204.16	77.06
2020	61.73	44.73	10.80	215.98	83.31
2021	73.07	-33.53	2.08	222.46	66.02
2022	66.56	14.39	-55.58	249.58	68.74

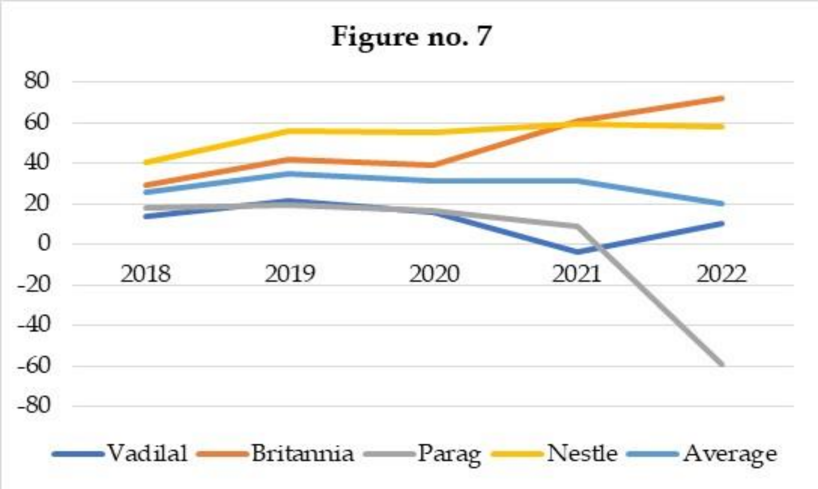


Interpretation:

- From the above we can analyze that Nestle's earning per share is higher than the other companies and throughout the study period it is more than the industry average. It is a good indicator for the investor as the higher the ratio better the company is.
- Parag milk earning per share is the lowest compared to other companies and throughout the study period the ratio is less than the industry average. In the year 2022 we can see the ratio is negative, which is not a positive sign for the company. We suggest the company to improve the ratio to avoid the unfavorable situation in near future.'
- The ratio of Vadilal is also not very impressive and we can see in the year 2021 the ratio was negative. The company should prepare a strategy to improve the ratio.
- Britannia's ratio is quite satisfactory. The company earning per share is good, which is a positive indication for the investors.

RETURN ON CAPITAL EMPLOYED RATIO

7. Return on Capital Employed (%)					
Year	**Vadilal**	**Britannia**	**Parag**	**Nestle**	**Average**
2018	13.68	29.06	18.28	40.76	25.45
2019	21.43	42.19	19.39	56.25	34.82
2020	15.67	38.79	16.83	55.05	31.59
2021	-4.04	60.59	8.83	59.24	31.16
2022	9.98	72.25	-59.13	58.08	20.30

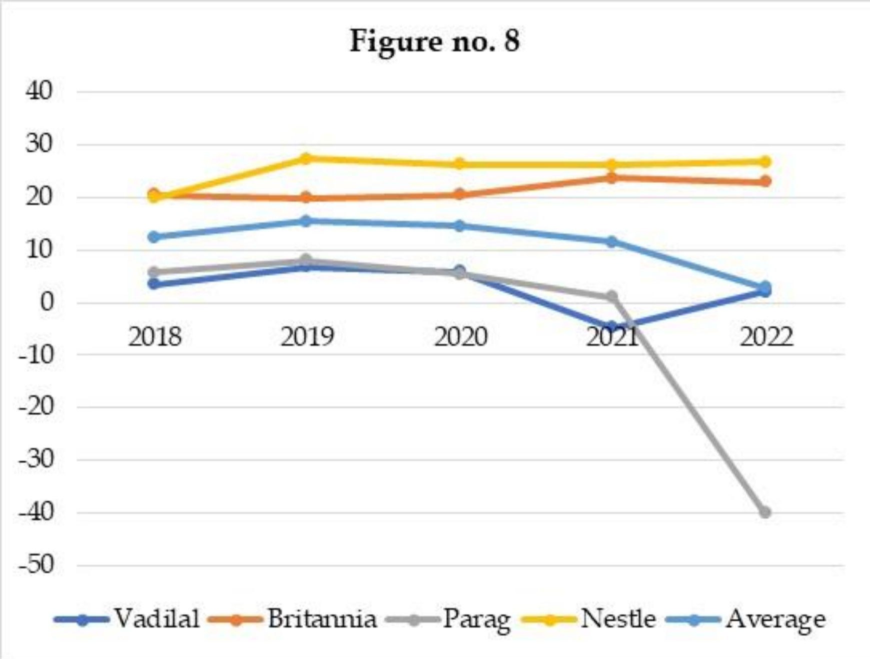


Interpretation:

- From the above table and graph we can interpret that Nestle's return on capital employed is highest and it is more than the average of the industry. it is a good indication for the investors as higher the ratio better the organization is.
- Vadilal's ratio is lowest as compared to other companies which is not good from companies' point of view. We recommend company to improve the ratio to avoid the unfavourable situation in future.
- Britannia's return on capital employed ratio is increasing and throughout the study period it is more than the industry average. This is a good indication for the investors.
- The ratio of Parag company is decreasing throughout the study period except for the year 2019 where there is a negligible increase. In the year 2022 the ratio is negative which is a red flag for the company. We strongly recommend the company to improve the ratio other wise it will be very difficult for the company to survive.

RETURN ON ASSETS RATIO

8. Return On Assets (%)					
Year	**Vadilal**	**Britannia**	**Parag**	**Nestle**	**Average**
2018	3.41	20.48	5.73	19.86	12.37
2019	6.75	19.85	8.06	27.44	15.53
2020	5.95	20.46	5.46	26.36	14.56
2021	-4.8	23.73	1.06	26.12	11.53
2022	2.02	22.89	-40.06	26.62	2.91

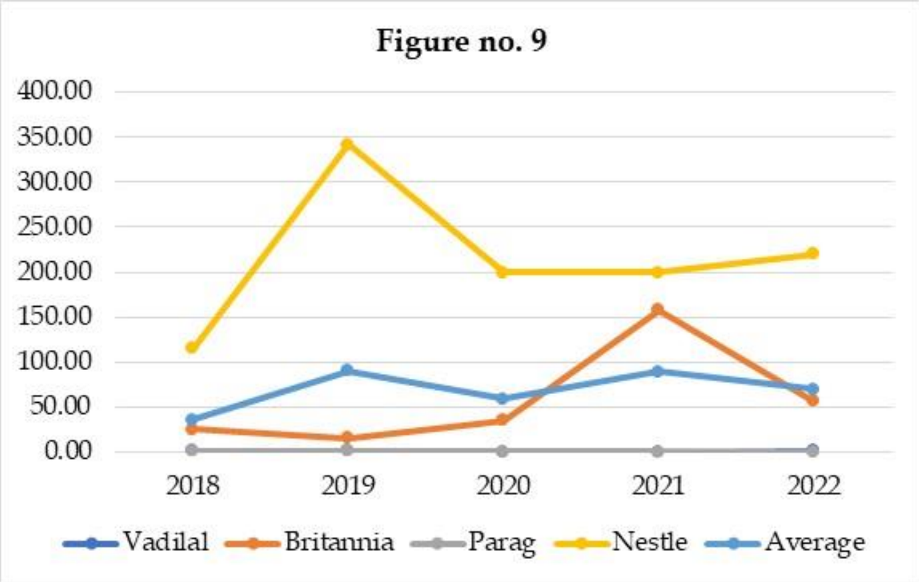


Interpretation:

- From the above table and graph we can interpret that Nestle's and Britannia's return on assets is above the industry average, which is a good indicator for the investors. We can also see that there is not too much deviation for both the companies.
- Vadilal and Parag are not performing well as we can see that their ratio is very low as compared to the other companies. It implies that the companies are not able to utilize their assets properly to earn profit. We recommend the companies to take the necessary corrective steps to improve the ratio.

DIVIDEND PER SHARE RATIO

9. Dividend Per Shares					
Year	**Vadilal**	**Britannia**	**Parag**	**Nestle**	**Average**
2018	1.25	25.00	0.75	115.00	35.50
2019	1.25	15.00	1.00	342.00	89.81
2020	0.00	35.00	0.50	200.00	58.88
2021	0.00	157.50	0.50	200.00	89.50
2022	1.25	56.50	0.00	220.00	69.44

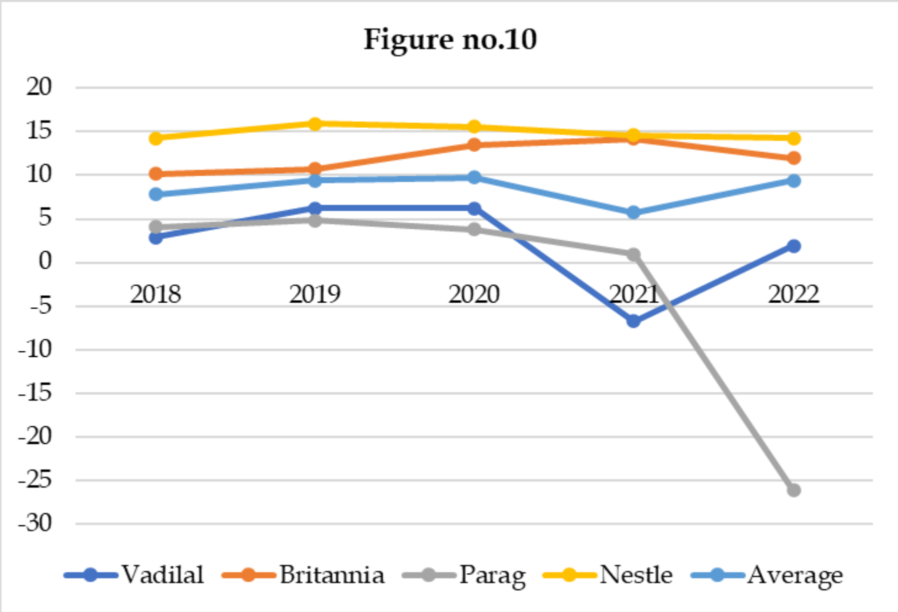


Interpretation:

- From the above table and graph we can interpret that Nestle's is performing well, and they are distributing a good amount of profit every year. It is good for the investors who are seeking regular income.
- Britannia is also distributing a good amount of profit to the shareholders, which is good for the investors who are seeking regular income.
- Vadilal and Parag are distributing very low amount of profit or no profit. One of the main reasons behind it is lack of net profit of the companies.

NET PROFIT MARGIN RATIO

10. Net Profit Margin (%)					
Year	**Vadilal**	**Britannia**	**Parag**	**Nestle**	**Average**
2018	2.88	10.18	4.09	14.23	7.85
2019	6.2	10.7	4.86	15.91	9.42
2020	6.22	13.5	3.79	15.59	9.78
2021	-6.75	14.21	0.97	14.58	5.75
2022	1.9	11.98	-26.12	14.14	9.38



Interpretation:

- From the above table and graph we can interpret that Nestle is performing very well and earning a good amount of net profit margin which is higher than the other similar firms and throughout the study period the ratio is above the industry average.
- Britannia is also performing very well and earning a good amount of net profit margin, which is higher than the other similar firms and throughout the study period the ratio is above the industry average.
- Parag's net profit margin decreases throughout the study period except for the year 2019 very we can see a small increase in margin. In the year 2022 the ratio is negative, and it is very high. We recommend the company to consider the situation and do the corrective measure as soon as possible to improve the ratio to avoid adverse situation in future.
- Vadilal's performance is also not satisfactory as the ratio is below to the average, so the company should try to improve the ratio.

Conclusion

From the above analysis of the industry and companies we can conclude that the Nestle and Britannia are performing well, and they are ahead of the other companies in the industry. There is a cause of concern related to the performance of Vadilal and Parag.

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CHAPTER 4

Banking Industry

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Industry Overview

The banking sector is like lifeline of any economy, as it plays a significant role in managing and allocating financial resources. In the modern era, the banking industry has evolved significantly, driven by technological advancements and changing customer expectations.

Today, the banking sector is characterized by a wide range of services and products, including savings and current accounts, loans, mortgages, credit cards, and investment services. Banks also provide a range of services to businesses, such as cash management, trade finance, and treasury services.

Despite the rise of online banking and other digital financial services, traditional brick-and-mortar banks remain a dominant force in the industry. However, even these banks are now leveraging technology to enhance their services and improve customer experiences.

One of the significant challenges faced by the banking sector is the need to maintain customer trust in the wake of high-profile financial scandals and data breaches. This has led to increased regulatory scrutiny and compliance requirements, particularly in areas such as data protection and anti-money laundering.

In recent years, there has also been growing concern about the impact of the banking sector on the environment and society. As a result, many banks are now incorporating Environmental, Social, and Governance

(ESG) factors into their decision-making processes and offering sustainable financial products and services.

The banking sector is likely to continue to evolve rapidly, with new technologies and changing consumer behavior and transformation. At the same time, regulatory and sustainability pressures are likely to remain a significant factor shaping the industry's future.

INDUSTRY MAJORS: An Overview

ICICI BANK OVERVIEW

ICICI Bank is one of the largest private sector banks in India, with a strong presence in the retail banking and corporate banking sectors. The bank was founded in 1994 and has its headquarters in Mumbai. ICICI Bank offers a wide range of financial products and services, including savings and current accounts, loans, credit cards, insurance, investment services, and wealth management. The bank also provides digital banking solutions, such as internet banking, mobile banking, and digital wallets.

ICICI Bank has a strong network of branches and ATMs across India and operates in other countries through its subsidiaries and representative offices. The bank has a total of 5,511 branches and 15,127 ATMs across India, as of March 2021.

The bank is known for its innovative products and services, and has won several awards for its performance, customer service, and digital initiatives. In addition, ICICI Bank has been listed on several stock exchanges, including the Bombay Stock Exchange and the National Stock Exchange of India.

FEDERAL BANK OVERVIEW

Federal Bank is one of the leading private sector banks in India, headquartered in the southern state of Kerala. The bank was established in 1931 and currently operates through a network of over 1,250 branches and 1,800 ATMs across the country.

The bank offers a wide range of financial products and services including savings accounts, current accounts, fixed deposits, loans, credit cards, forex services, insurance, and investment products. It also offers digital banking services such as mobile banking, internet banking, and e-wallets.

Federal Bank has a strong focus on customer service and has won several awards for its customer-centric approach. It has also been recognized for its digital initiatives and was the first bank in India to introduce a mobile banking app.

The bank has a strong presence in the retail, SME, and corporate banking segments and has partnerships with several leading companies in India to offer customized financial solutions to their customers.

YES BANK OVERVIEW

YES BANK is a private sector bank in India that offers a wide range of banking and financial services to retail and corporate customers. The bank was founded in 2004 and is headquartered in Mumbai, India. Yes Bank operates a network of over 1,000 branches and more than 1,800 ATMs across India.

Yes Bank's products and services include savings accounts, current accounts, deposits, credit cards, loans, insurance products, and more. The bank also offers corporate banking services including working capital finance, trade finance, cash management services, and treasury services.

Yes Bank has won several awards and accolades for its performance and services, including being recognized as the Best Mid-sized Bank in India by Business Today in 2019. However, the bank has also faced challenges in recent years, including financial irregularities and a deterioration in its financial position, which led to the Reserve Bank of India imposing restrictions on the bank's operations in 2020.

Overall, Yes Bank remains a significant player in the Indian banking industry, although it has faced some challenges in recent years. The bank is working to restore its financial health and reputation through a range of measures, including restructuring its operations and raising capital.

BANK OF INDIA OVERVIEW

Bank of India (BOI) is a public sector bank in India, established in 1906. It is headquartered in Mumbai, Maharashtra, and has a network of over 5,000 branches and 9,000 ATMs across the country. BOI offers a wide range of banking products and services such as savings accounts, current accounts, loans, credit cards, and forex services, among others.

It also has a strong international presence with branches in 22 countries. BOI is known for its focus on technology and innovation and has introduced several digital banking initiatives to improve customer experience. It is listed on the National Stock Exchange and Bombay Stock Exchange in India

HDFC BANK OVERVIEW

HDFC Bank is one of the largest private sector banks in India, offering a range of banking and financial services to retail and corporate customers. The bank was established in 1994 and is headquartered in Mumbai, India. HDFC Bank operates a network of over 5,600 branches and more than 16,500 ATMs across India. HDFC Bank offers a range of products and services including personal banking, corporate banking, trade finance, treasury services, and more. Its personal banking services include savings accounts, current accounts, deposits, credit cards, loans, and insurance products. Its corporate banking services include working capital finance, trade finance, cash management services, and treasury services.

HDFC Bank has a strong focus on technology and innovation and has introduced a number of digital initiatives to enhance customer experience and convenience. These initiatives include mobile banking, internet banking, and digital wallets. The bank has also invested in artificial intelligence and machine learning technologies to improve its operations and services.

SWOT ANALYSIS OF BANKING SECTOR: -

Strengths:

- Strong financial stability and profitability
- Diversified revenue sources
- Strong regulatory framework
- Wide network of branches and ATMs
- Advanced technology for efficient banking services

Weaknesses:

- Slow adoption of digitalization
- High operational costs
- Limited outreach in rural areas
- Stiff competition from FinTech companies
- Reputational risk from unethical practices

Opportunities:

- Growing demand for digital banking services
- Expansion into new markets
- Increase in financial inclusion initiatives
- Growing market for wealth management services
- Increased demand for financial services due to economic growth

Threats:

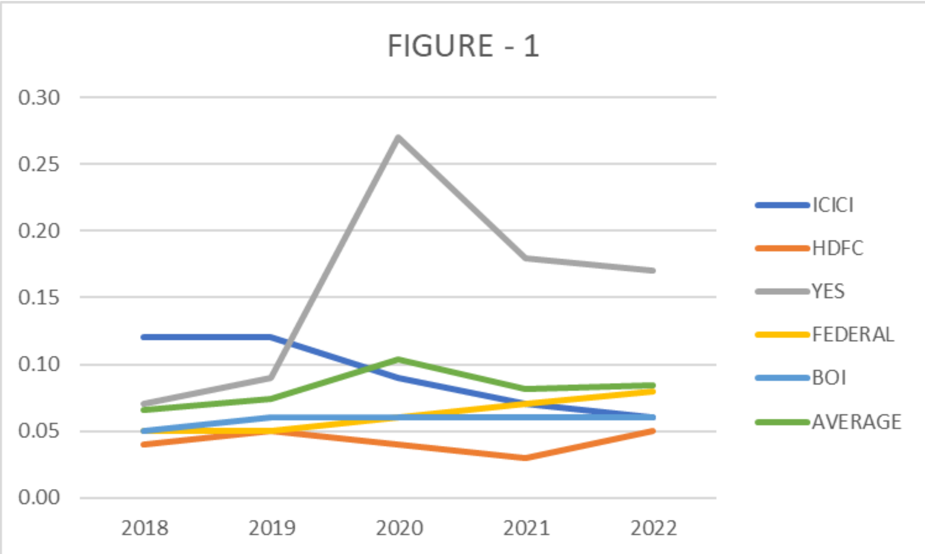
- Cyber security and data privacy concerns
- Economic downturns and increased loan defaults
- Strict regulatory environment
- Competition from alternative financial services providers
- Political and economic instability in certain regions.

Fundamental Analysis Through Ratios

CURRENT RATIO

1. Current Ratio

YEAR	ICICI Bank	HDFC Bank	YES Bank	FEDERAL Bank	BOI	Average
2018	0.12	0.04	0.07	0.05	0.05	0.07
2019	0.12	0.05	0.09	0.05	0.06	0.07
2020	0.09	0.04	0.27	0.06	0.06	0.10
2021	0.07	0.03	0.18	0.07	0.06	0.08
2022	0.06	0.05	0.17	0.08	0.06	0.08



Interpretation:

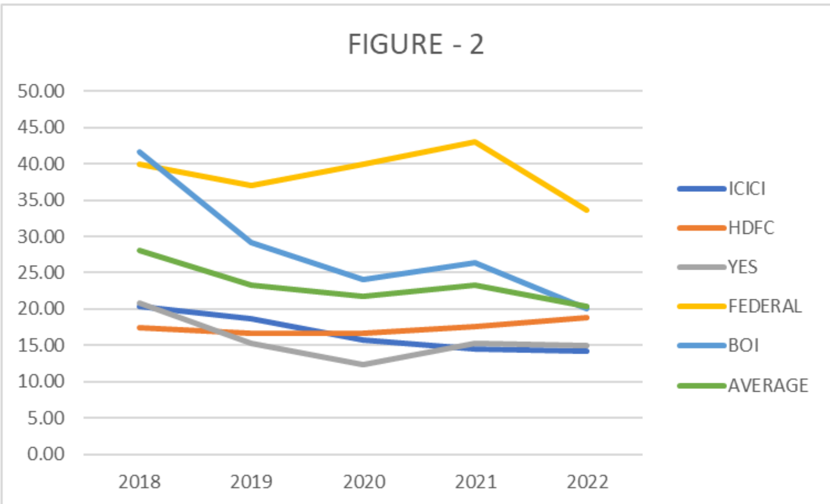
- A bank's short-term financial health can be assessed by comparing its current assets to its current liabilities. It shows whether a business can make enough money to settle all its short-term debts when they become due.

- ICICI bank is having their ratio higher than the industry average in the initial year of study but continuous fall in ratio makes it lower than the industry average from 2021 onwards which indicates that might face risk in paying their short-term obligations and need to improve the ratio.
- Yes Bank is maintaining their ratio higher than the industry average that need to lower it down to meet with the industry standards and use their assets efficiently.
- HDFC, Federal and BOI are having ratio lower than the industry average which indicates that they might face difficulty in paying their short-term debts and need to improve their ratio to match with the industry average.

QUICK RATIO

2. -Quick Ratio

YEAR	ICICI	HDFC	YES	FEDERAL	BOI	AVERAGE
2018	20.44	17.48	20.80	39.96	41.67	28.07
2019	18.66	16.61	15.34	37.04	29.21	23.37
2020	15.76	16.62	12.42	39.87	24.14	21.76
2021	14.52	17.58	15.28	42.98	26.36	23.34
2022	14.26	18.77	15.03	33.63	20.10	20.36



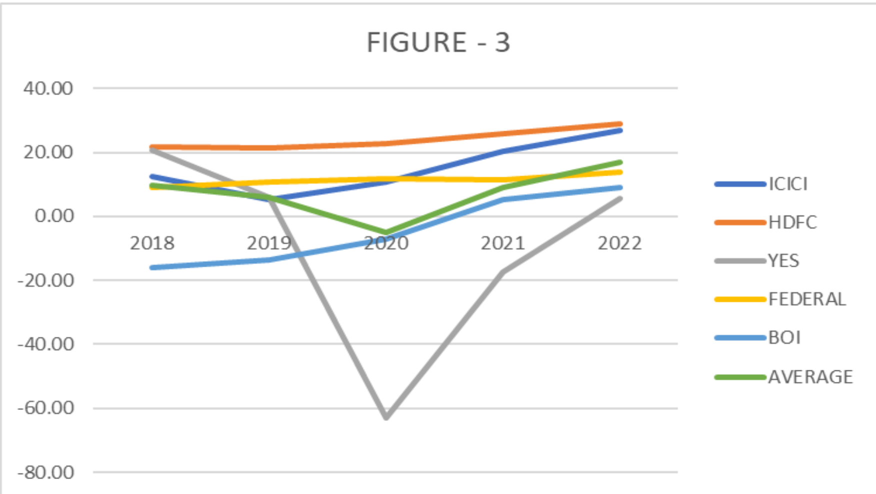
Interpretation:

- Quick ratio shows the company's capacity to satisfy its short-term obligations using its most liquid assets is measured by the quick ratio, which serves as a gauge of its short-term liquidity position.
- As we shown above in the table and graph it can be interpreted that Federal Bank and BOI are having their ratio higher than the industry average which indicates that they are having large cash balance which could be used for generating company growth and needs to lower it down to match with the industry average.
- ICICI, HDFC and Yes Bank are having ratio lower than the industry average which indicates that companies might face problem in paying their short-term debts when they will be due and needs to improve their ratio to match with industry standards.

NET PROFIT RATIO

3. Net Profit Ratio (%)

Year	ICICI	HDFC	YES	FEDERAL	BOI	Average
2018	12.33	21.79	20.84	9.01	-15.87	9.62
2019	5.30	21.29	5.80	10.89	-13.60	5.94
2020	10.60	22.86	-62.98	11.67	-6.98	-4.97
2021	20.46	25.74	-17.27	11.55	5.32	9.16
2022	27.02	28.93	5.60	13.83	8.94	16.86



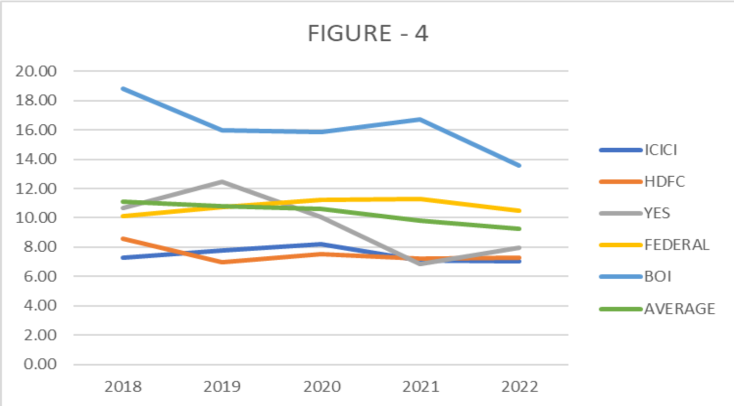
Interpretation:

- It is a financial indicator that evaluates the profitability of the institution by comparing net profit to total revenue. It can be calculated by dividing the bank's net profit to its total income and multiplied by 100.
- HDFC Bank is having higher Net Profit ratio than the industry average which indicates that the company is in the good financial position and are attracting investors.
- Federal Bank and ICICI bank were having their NPR close to industry average in the year 2018 and 2019 but they control their costs and afterwards their ratio remains higher than industry average which is good sign for them and are satisfactory.
- YES Bank which was having good NPR in the initial year of study but starts producing negative profit from year 2020 onwards which is a trouble sign for company and should be watched carefully.
- BOI was having negative net profit in the initial year of the study but they turn it into positive from 2021 onwards which is good sign for the company's financial health and are attracting investors.

DEBT TO EQUITY RATIO

4. Debt to Equity Ratio

Year	ICICI	HDFC	YES	FEDERAL	BOI	Average
2018	7.58	8.58	10.70	10.12	18.82	11.10
2019	7.77	6.97	12.49	10.76	15.96	10.79
2020	8.24	7.56	10.09	11.21	15.88	10.60
2021	7.09	7.22	6.83	11.27	16.73	9.83
2022	7.01	7.26	7.98	10.49	13.58	9.26



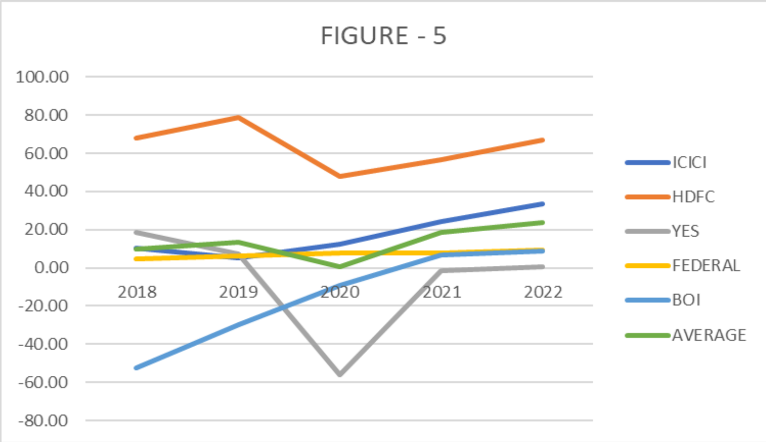
Interpretation:

- The debt-equity ratio of a bank is a financial metric that compares the amount of debt financing to equity financing used by a bank to fund its operations and growth. It is calculated by dividing the total amount of debt by the total amount of equity.
- BOI is having higher D/E ratio than the industry average which is not good for company's growth and need to lower it down to match with the industry standards.
- Federal Bank is having their D/E ratio close to the industry average which shows that company is having good financial health and is satisfactory.
- Yes Bank which was having the ratio equal to the industry average in the initial year study shows a fall in the ratio from 2021 onwards which needs to be watched carefully. We suggest that bank should improve the ratio to meet the industry standards.
- ICICI and HDFC Bank are having D/E ratio lower than the industry average which needs to be improved to prevent them from any financial risk.

EARNINGS PER SHARE

5. Earnings Per Share

Year	ICICI	HDFC	YES	Federal	BOI	Average
2018	10.56	67.76	18.43	4.62	-52.55	**9.76**
2019	5.23	78.65	7.45	6.28	-29.79	**13.56**
2020	12.28	48.01	-56.07	7.76	-9.10	**0.58**
2021	24.01	56.58	-1.63	7.97	6.59	**18.70**
2022	33.66	66.80	0.43	9.13	8.84	**23.77**



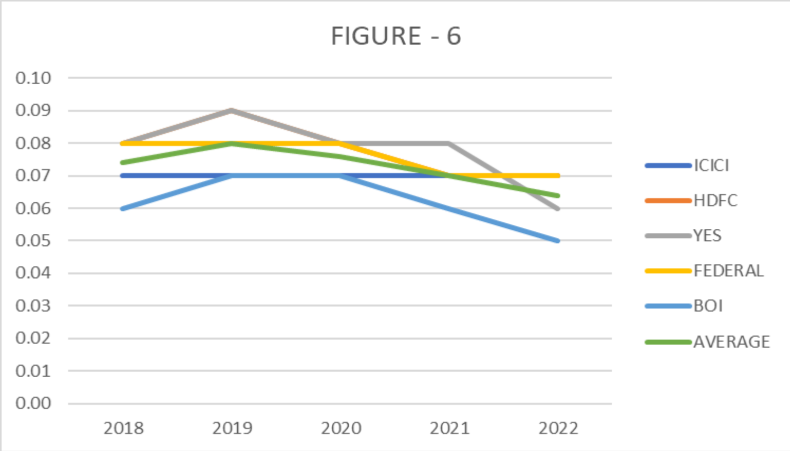
Interpretation:

- The earnings per share (EPS) is calculated by dividing its net profit by the total number of outstanding common shares. It indicates how much money a firm produces for each share of its stock.
- ICICI and HDFC Bank are having high EPS than the industry average which shows company is having good profitability and is worthy for investment.
- Federal Bank is having lower EPS than the industry average which indicates that company might be risky for the investment. We suggest that in order to attract investors, bank needs to improve their EPS making it equal to the industry average.
- Yes bank which was having the higher EPS in initial year of study turns into negative from 2020 onwards which shows bank is losing money and is not a good sign which needs to be improved.
- BOI was having negative EPS in the initial year study but increasing in the EPS helps the bank in producing positive EPS from 2021 onwards which is good for the investors and might attract new investors.

ASSEST TURNOVER RATIO

6. Assest Turnover Ratio (Times)

Year	ICICI	HDFC	YES	FEDERAL	BOI	Average
2018	0.07	0.08	0.08	0.08	0.06	0.07
2019	0.07	0.09	0.09	0.08	0.07	0.08
2020	0.07	0.08	0.08	0.08	0.07	0.08
2021	0.07	0.07	0.08	0.07	0.06	0.07
2022	0.07	0.07	0.06	0.07	0.05	0.06



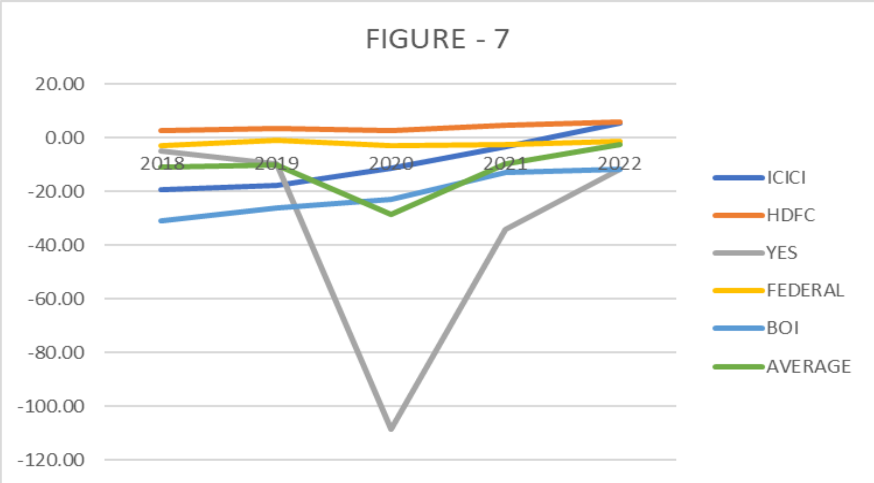
Interpretation:

- Assets Turnover Ratio measures the company's ability to generate net sales from its fixed assets investments. Higher ATR ratio indicates that management is using its fixed assets more effectively.
- As shown above in the table and graph all the banks are having their Assets Turnover Ratio equal to the sector average which indicates that the greater efficiency in managing the assets and it is a good sign for all the banks.

OPERATING PROFIT RATIO

7. Operating Profit Ratio(%)

Year	ICICI	HDFC	YES	Federal	BOI	Average
2018	-19.36	2.82	-4.93	-2.87	-30.93	-11.05
2019	-17.58	3.48	-9.68	-0.93	-26.19	-10.18
2020	-11.38	2.60	-108.47	-2.94	-22.83	-28.60
2021	-3.50	4.89	-33.94	-2.57	-13.00	-9.62
2022	5.58	5.83	-11.54	-1.45	-11.75	-2.67



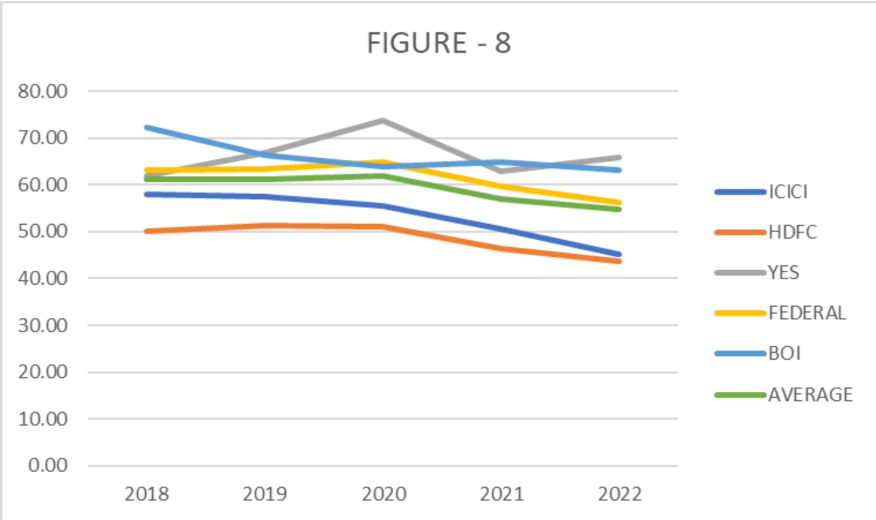
Interpretation:

- The operating profit ratio of a bank is a financial ratio that measures the profitability of a bank's core operations. Specifically, it measures the percentage of revenue that is left over after deducting operating expenses but before deducting taxes and interest expenses.
- HDFC Bank is having the positive Operating Profit margin throughout the study period which shows that overall health of the business is good.

INTEREST COVERAGE RATIO

8. Interest Coverage Ratio

Year	ICICI	HDFC	YES	Federal	BOI	Average
2018	58.11	50.03	61.83	63.26	72.40	61.13
2019	57.39	51.26	66.89	63.43	66.50	61.09
2020	55.52	51.06	73.89	64.81	63.98	61.85
2021	50.72	46.32	62.93	59.78	64.85	56.92
2022	45.05	43.63	65.84	56.36	63.07	54.79



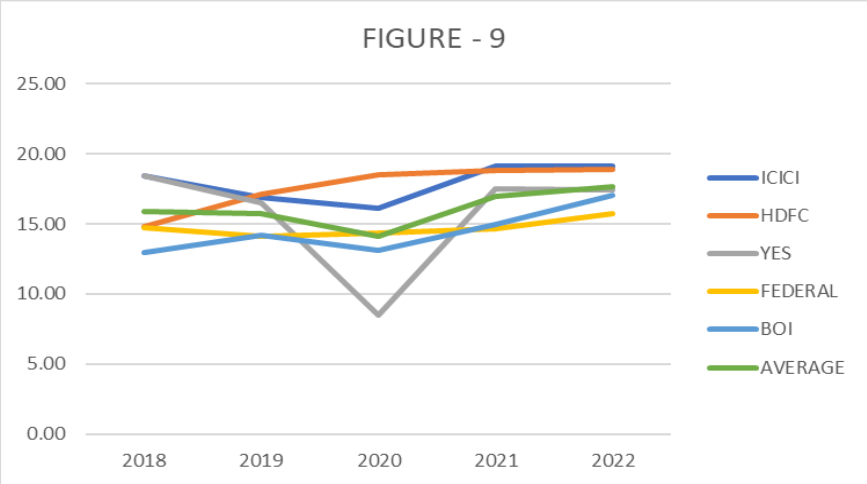
Interpretation:

- The interest coverage ratio of a company determines whether it can pay off its debts on time. The ratio can be used by lenders to determine whether to lend to the company.
- BOI, Yes Bank and Federal bank are having higher interest coverage ratio than the industry average which shows that these banks are having good financial health and more capable of meeting interest obligations.
- ICICI and HDFC bank are having lower interest coverage ratio than average industrial ratio which shows that these banks are not capable of meeting their interest obligations. We suggest them to improve their ratio to avoid any consequences and meet he industry standards.

CAPITAL ADEQUACY RATIO

9. Capital Adequancy Ratio (%)

Year	ICICI	HDFC	YES	Federal	BOI	Average
2018	18.42	14.82	18.40	14.70	12.94	15.86
2019	16.89	17.11	16.50	14.14	14.19	15.77
2020	16.11	18.52	8.50	14.35	13.10	14.12
2021	19.12	18.79	17.50	14.62	14.93	16.99
2022	19.16	18.90	17.40	15.77	17.04	17.65



Interpretation

- A bank's ability to fulfil its obligations is measured by the capital adequacy ratio (CAR). In addition to promoting the global financial systems' stability and effectiveness, it serves to safeguard depositors.
- As shown in the above table and graph all the banks are having the capital adequacy ratio equals to industry average which shows that all the banks are safe and are in position to meet all their financial commitments.

RETURN ON NET WORTH RATIO

10. Return on Net Worth (%)

Year	ICICI	HDFC	YES	Federal	BOI	Average
2018	6.63	16.45	16.40	7.20	-20.15	5.31
2019	3.19	14.12	6.39	9.37	-15.66	3.48
2020	6.99	15.35	-75.56	10.63	-7.88	-10.09
2021	11.21	15.27	-10.42	9.86	5.47	6.28
2022	13.97	15.39	3.15	10.05	7.06	9.92

Conclusion

From the above analysis of the industry and companies we can conclude that the ICICI and HDFC Bank are performing well, and they are ahead of the other companies of the industry. The performance of Federal bank is satisfactory but there is a cause of concern related to the performance of Yes Bank and BOI.

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CHAPTER 5

Media Industry

Meenakshi Dhull*, Mohit Arora*, Mohd Shanawaz Ali Khan*, Mitasha Sharma*, Mayank Tyagi* and Mukul Dixit*

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Industry Overview

The media and entertainment industry is composed of broadcasting, transmission, radio, and television. In today's world of entertainment, it is driven by technology. It is a creative industry which follows innovations and customer demands. By its nature it is extremely dependent upon markets, cultures, languages, and customer segments. Globally India is the largest consumer of mobile data and the second largest television market and is one of the fastest growing sectors of Indiawith a valuation of around USD 28 billion.

INDUSTRY MAJORS: An Overview

INOX LEISURE

INOX Leisure is one of the largest multiplex chains in India. Founded in 1999, the company is based in Mumbai and operates over 150 multiplexes with more than 650 screens across 69 cities in India. INOX Leisure is known for its state-of-the-art movie theaters, offering a high-quality cinema experience to moviegoers. The company is also involved in film distribution and has distributed several successful movies in India. In addition, INOX Leisure has ventured into other businesses such as food and beverage, event management, and advertising, making it a diversified entertainment company in India. The company is committed to providing world-class entertainment experiences to its customers and is a leading player in the Indian entertainment industry.

MUKTA ARTS

Mukta Arts is an Indian film production and distribution company founded by filmmaker Subhash Ghai in 1978. The company is based in Mumbai and has produced several successful movies, including the critically acclaimed "Karz" and "Ram Lakhan". In addition to film production, Mukta Arts is also involved in education and has established the Whistling Woods International Film School, one of the leading film schools in India. The company is known for its focus on quality filmmaking and has won several awards and accolades for its contributions to Indian cinema. Today, Mukta Arts continues to be a prominent player in the Indian film industry.

PVR

PVR Limited is one of the largest cinema chains in India, with a presence in over 70 cities and more than 800 screens. The company was founded in 1997 and is headquartered in Gurgaon. PVR offers a variety of cinematic experiences to its customers, including IMAX, 4DX, and Gold Class, providing moviegoers with a range of options to choose from. PVR is also involved in film distribution and has distributed several successful Bollywood movies in India. The company is committed to providing high-quality cinema experiences to its customers and has won several awards for its contributions to the Indian entertainment industry.

NDTV

NDTV (New Delhi Television Limited) is an Indian television news network founded in 1988. Headquartered in New Delhi, the company operates several news channels, including NDTV 24x7, NDTV India, NDTV Profit, and NDTV Good Times. NDTV is known for its award-winning coverage of Indian and international news, as well as its in-depth analysis and investigative journalism. The company has won several national and international awards for its contributions to journalism and media. In addition to its television channels, NDTV also operates a website and mobile app, making it one of the leading digital news providers in India.

ZEE MEDIA

Zee Media Corporation Limited is an Indian news and current affairs company that operates several news channels, including Zee News, Zee Business, WION, Zee Hindustan, and Zee 24 Taas. Founded in 1999, the company is headquartered in Noida and has a strong presence in the Indian media landscape. Zee Media is known for its comprehensive coverage of Indian and international news and is committed to unbiased and factual reporting. The company has won several awards for its contributions to journalism and media and is a trusted source of news and information for millions of viewers in India and around the world.

SUN TV

Sun TV is one of the most popular television networks in India. Founded in 1993 by Kalanithi Maran, the company is headquartered in Chennai and operates a total of 33 channels, including 27 television channels and 6 radio stations, in several Indian languages. Sun TV is known for its wide range of entertainment and news programming, including movies, soap operas, reality shows, and sports events. The network has a strong presence in the southern states of India and is particularly popular in Tamil Nadu. Sun TV is also involved in film production and distribution and has produced several successful movies.

SWOT analysis

Strength

- Vast customer reach.
- Technological innovation.

Weakness

- Highly disintegrate.
- Lack of distribution and cohesive production.

Opportunities

- Rise in the viewership and the advertising expenditure.
- Increasing interest of global investors.

Threats

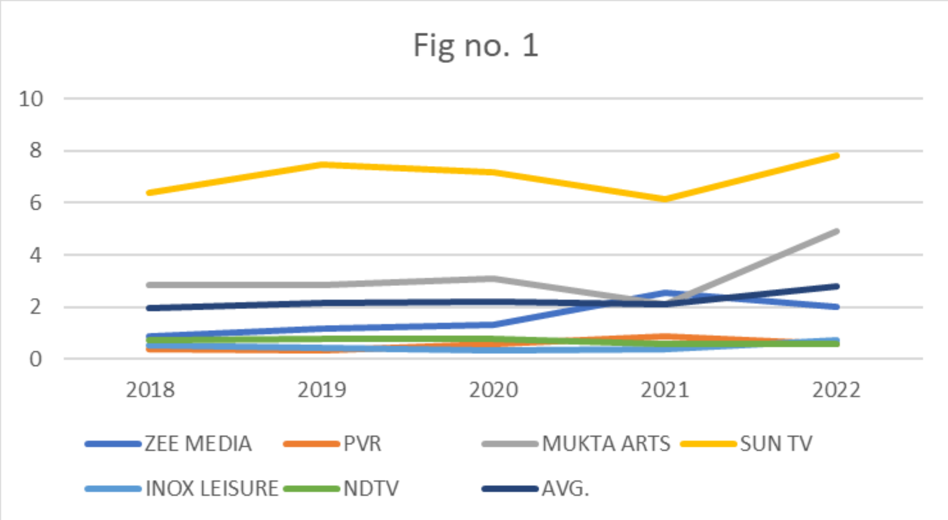
- Lack of quality content
- Uncertainty of success in in the marketplace.

Fundamental Analysis through Ratios

CURRENT RATIO

1. Current Ratio

Year	Zee Media	PVR	Mukta arts	Sun Tv	Inox Leisure	NDTV	Avg.
2018	0.86	0.36	2.83	6.38	0.52	0.71	1.94
2019	1.18	0.32	2.86	7.50	0.41	0.78	2.18
2020	1.32	0.56	3.07	7.17	0.35	0.78	2.21
2021	2.54	0.87	2.08	6.16	0.39	0.57	2.10
2022	2.02	0.57	4.9	7.82	0.74	0.60	2.78



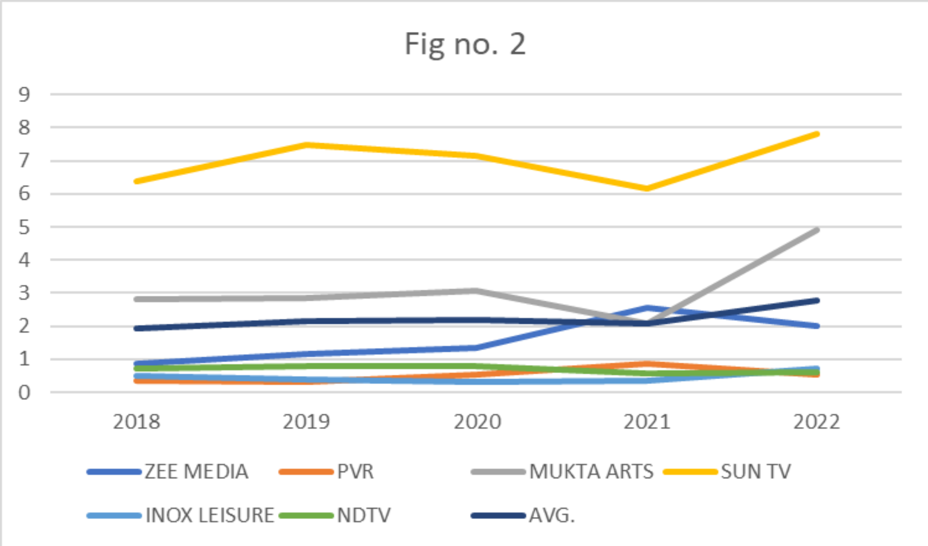
Interpretation:

- Sun TV is having a very high current ratio as compared to industry average. From liquidity point of view, it is good but on the other hand from profitability point of view it is not good as the company has blocked their funds unnecessarily into the current assets which are not productive. Hence, we suggest company to reduce the ratio and employ the funds invested in current assets to earn more so that profitability can be increased.
- PVR, Inox Leisure and NDTV are having very low ratio as compared to the industry average which is not a good indicati from liquidity point of view we suggest the companies to improve the ratio and try to achieve a level equal to the industry average.
- Zee Media and Mukta arts more or less having the ratio equal to the industry average. We suggest the company to maintain the ratio.

QUICK RATIO

2.Quick Rato

Year	Zee Media	PVR	Mukta Arts	Sun TV	Inox Leisure	NDTV	Avg.
2018	0.86	0.34	2.83	6.38	0.49	0.71	1.94
2019	1.17	0.3	2.86	7.5	0.38	0.78	2.17
2020	1.33	0.53	3.07	7.17	0.33	0.78	2.20
2021	2.55	0.85	2.08	6.16	0.36	0.57	2.10
2022	2.02	0.55	4.9	7.82	0.71	0.6	2.77



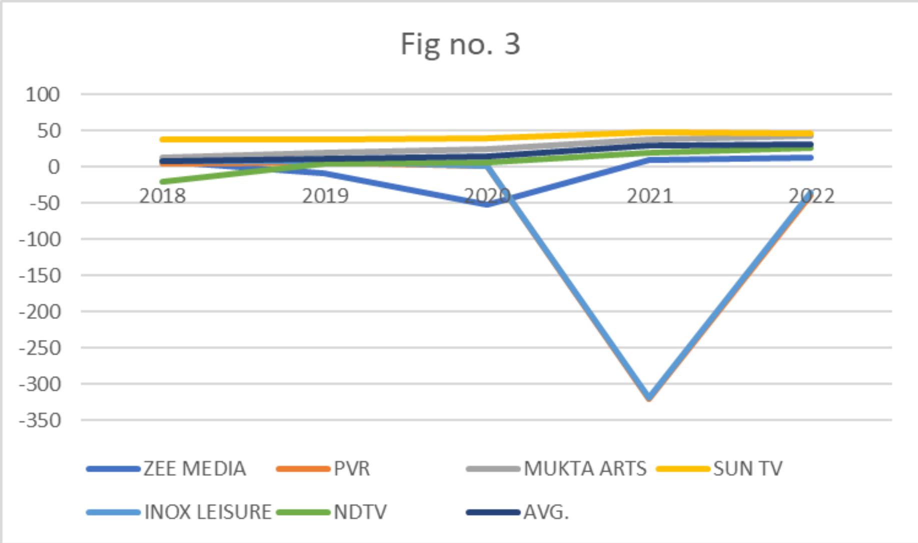
Interpretation:

- Sun TV is having a very high liquid ratio as compared to industry average. From liquidity point of view, it is good but on the other hand from profitability point of view it is not good as the company has blocked their funds unnecessarily into the current assets which are not productive. Hence, we suggest company to reduce the ratio and employ the funds invested in current assets to earn more so that profitability can be increased.
- PVR, Inox Leisure and NDTV are having very low ratio as compared to the industry average which is not a good indication from liquidity point of view, we suggest the companies to improve the ratio and try to achieve a level equal to the industry average.
- Zee Media and Mukta Atr are more or less having the ratio equal to the industry average. We suggest the company to maintain the ratio.

NET PROFIT RATIO

3. Net Profit Ratio (%)

Year	Zee Media	PVR	Mukta Arts	Sun TV	Inox Leisure	NDTV	Avg.
2018	7.96	5.4	12.98	38.18	8.5	-20.57	8.74
2019	-9.19	6.28	19.72	38.07	7.88	5.29	11.34
2020	-51.57	0.91	23.94	40.29	0.78	5.86	3.37
2021	10.32	-320.52	37.46	48.78	-318.75	19.2	-87.25
2022	12.75	-39.42	42.58	46.92	-34.99	25.62	8.91



Interpretation:

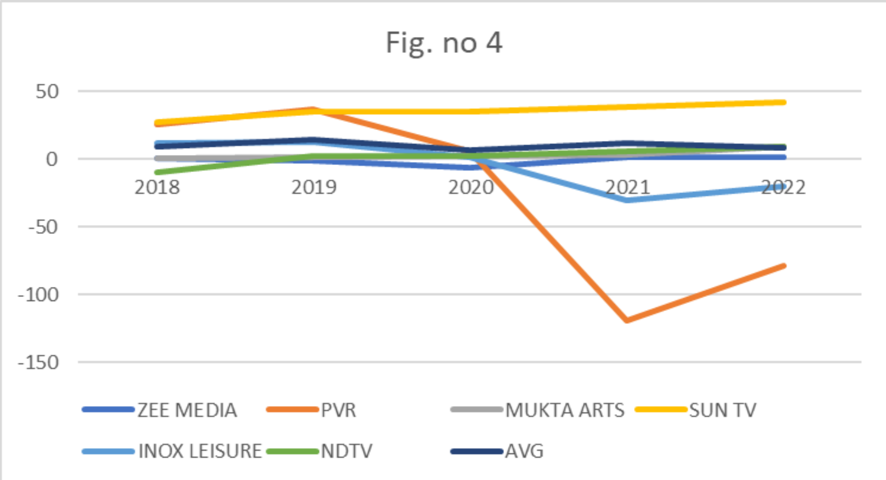
- Sun TV is having a higher net profit ratio as compared to industry average throughout the study period. As we know higher the net profit ratio better for the organization. So, for the investor it is a very positive sign to invest.
- Mukta Arts net profit ratio is also higher than the industry average and it is increasing continuously throughout the study period which is a very good for the company and investors.
- NDTV is also improving in terms of net profit ratio as we can see in the year 2018 it was having negative net profit ratio of (20.57) and in the year 2022 the net profit ratio significantly increase to positive 25.62. We can observe the continuous growth in the ratio throughout the study period which is a good indication of company profitability.
- Other companies are not performing well as we can see the net profit ratio is negative also and the values are too low as compared to the industry.

EARNING PER SHARE RATIO

4. Earning Per Share

Year	Zee Media	PVR	Mukta Arts	Sun TV	Inox Leisure	NDTV	Avg
2018	0.86	25.98	0.66	27.71	11.92	-9.53	9.60
2019	-1.17	36.96	1.72	35.39	13.01	2.07	14.66

2020	-6.13	5.87	2.29	34.81	1.46	2.02	6.72
2021	1.26	-119.08	3.09	38.58	-30.02	5.88	-16.72
2022	1.34	-78.42	9.15	41.74	-19.9	9.18	-6.15



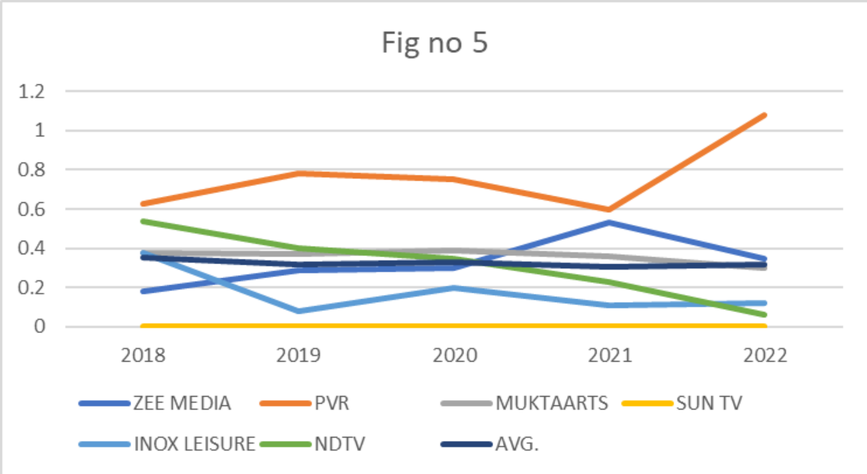
Interpretation:

- Sun TV is having a higher earning per share ratio as compared to industry average throughout the study period. As we know higher the earning per share better for the organization. So, for the investor it is a very positive sign to invest. We can also observe that the ratio is constantly increasing throughout the study period.
- Mukta arts is also improving in terms of earning per share as we can see in the year 2018 it was having earning per share only Rs. 0.66 and in the year 2022 the earning per share significantly increase to 9.15. We can observe the continuous growth in the ratio throughout the study period which is a good indication of company profitability.
- NDTV is also improving in terms of earning per share as we can see in the year 2018 it was having negative earning per share of (9.53) and in the year 2022 the earning per share significantly increase to positive 9.18. We can observe the continuous growth in the ratio throughout the study period except for the year 2020 where there is a negligible decrease. Overall it is a good indication of company profitability.
- Other companies are not performing well as we can see the earning per share is negative also and the values are too low as compared to the industry.

DEBT to EQUITY RATIO

5. Debt to Equity Ratio

Year	Zee Media	PVR	Mukta Arts	Sun TV	Inox Leisure	NDTV	Avg.
2018	0.18	0.63	0.38	0	0.38	0.54	0.35
2019	0.29	0.78	0.37	0	0.08	0.40	0.32
2020	0.30	0.75	0.39	0	0.20	0.35	0.33
2021	0.53	0.60	0.36	0	0.11	0.23	0.31
2022	0.35	1.08	0.30	0	0.12	0.06	0.32



Interpretation:

- From the above table and graph we can see that during the study period, PVR has Debt to Equity ratio more than the industry average so we can say that they are using more debts. So, the company has more fixed obligations than its competitors, which is not a good indicator. We suggest the company to reduce the ratio to meet the industry average.

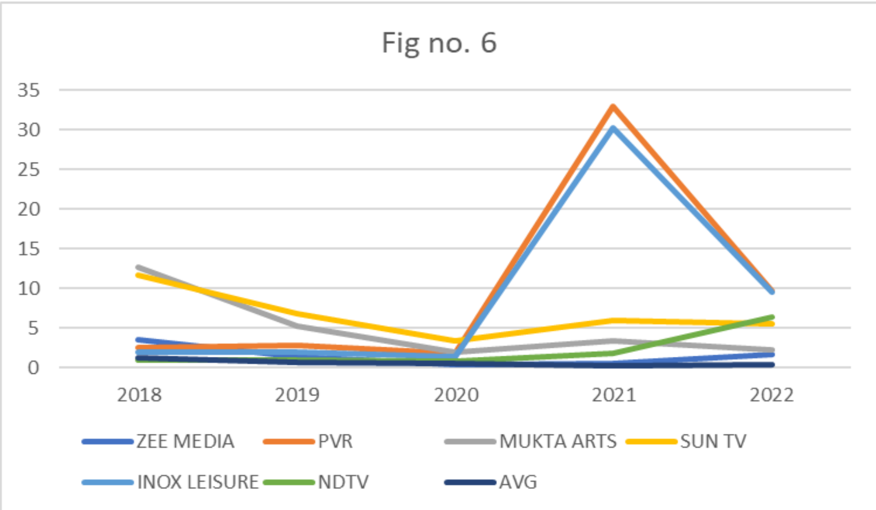
- Sun TV is not using any debt; it means it is not taking advantage of leverage. We can't say that no use of debt is favorable for the company as we know debt is a cheaper source of finance as compared to other sources of funds. So, the company can think in this direction, which can help to increase profitability.

- Other companies are maintaining their debt equity ratio near to the industry average or below the industry average, which is a good indication for the investors.

OPERATING PROFIT RATIO

6. Operating Profit Ratio (%)

Year	Zee Media	PVR	Mukta Arts	Sun TV	Inox Leisure	NDTV	Avg
2018	3.53	2.53	12.62	11.66	1.89	0.9	5.52
2019	1.42	2.8	5.25	6.75	1.99	0.94	3.19
2020	0.31	1.85	1.88	3.31	1.42	0.74	1.59
2021	0.52	32.95	3.4	5.94	30.22	1.85	12.48
2022	1.58	9.66	2.17	5.51	9.48	6.31	5.79



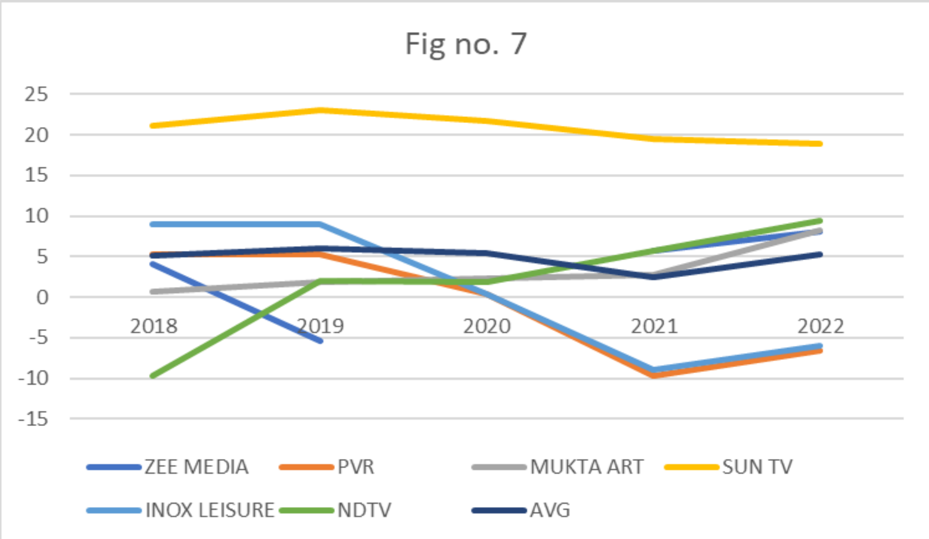
Interpretation:

- Sun TV's operation profit ratio is higher than the other companies and the ratio is more than the industry average throughout the study period except for the year 2022. It is good indication for the investors.
- NDTV and Zee Media's ratio is very low as compared with the average of industry which is not good from the investors' point of view. We recommend the companies to improve the ratio to survive in the future as low operating profit ratio implies the high operating expenses, which is not good for the company.

RETURN ON ASSETS RATIO

7. Return On Asset Ratio

Year	Zee Media	PVR	Mukta Art	Sun TV	Inox Leisure	NDTV	Avg
2018	4.05	5.29	0.72	21.05	8.92	-9.66	5.06
2019	-5.46	5.26	1.82	22.98	9.02	2.05	5.95
2020	-42.89	0.41	2.35	21.71	0.39	1.88	5.35
2021	5.68	-9.71	2.77	19.54	-8.92	5.75	2.52
2022	8.03	-6.55	8.2	18.83	-6.01	9.39	5.32



Interpretation:

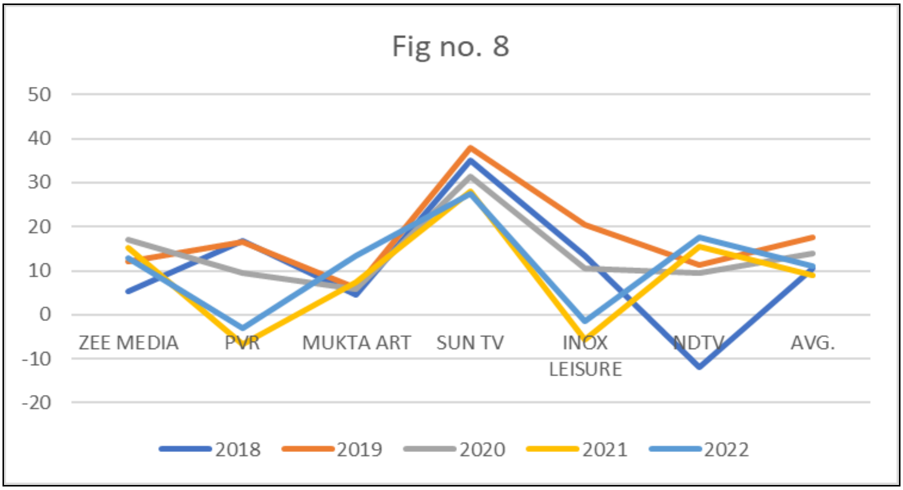
- From the above table and graph we can interpret that Sun TV is performing exceptionally well as the ratio is higher than the ratio of all other companies and throughout the study period it is more than the industry average.
- We can see the continuous growth in the ratio of Mukta Art throughout the study period. In 2018 the ratio was 0.72 which increased up to 8.2 in the year 2022, which is a good indication for the investors.
- PVR's ratio is not satisfactory as we can see the continuous decrease in the ratio and from 2021 onwards the return on assets is negative.

- Zee TV's ratio is not satisfactory as there is no stability in the return. From the above we can see the variation in the ratio from -42.89 to +8.03. Thus, we can implies that there is more risk in the company which is not a good indication for the investors.

RETURN ON CAPITAL EMPLOYED

8. Return On Capital Employed (%)

Year	Zee Media	PVR	Mukta Art	Sun TV	Inox Leisure	NDTV	Avg.
2018	5.28	16.83	4.60	35.09	13.36	-11.91	10.54
2019	12.22	16.51	6.02	38.06	20.52	11.44	17.46
2020	16.96	9.45	5.77	31.37	10.51	9.43	13.92
2021	15.26	-6.62	7.28	28.05	-5.58	15.37	8.96
2022	12.91	-3.01	13.30	27.45	-1.53	17.56	11.11



Interpretation:

- From the above graph and table, we can interpret that Sun TV is performing well as the capital employed ratio is highest and above the industry average throughout the study period.
- PVR and Inox Leisure's performance with respect to return on capital employed is not satisfactory as we can see the continuous decrease in the ratio. We suggest both the company to improve the ratio to avoid unfavorable situation in future.
- The performance of Zee media and NDTV is satisfactory as their ratios are near to the industry's average.

Conclusion

From the above analysis of the industry and companies we can conclude that the Sun TV and

Mukta arts are performing well, and they are ahead of the other companies of the industry. The performance of Zee media and NDTV are satisfactory but there is a cause of concern related to the performance of PVR and Inox Leisure.

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CHAPTER 6

Hospitality Industry

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* Pursuing MBA from KIET Group of Institutions Delhi-NCR Ghaziabad

Industry Overview

In a nutshell, hospitality is a gracious reception of guests that includes entertainment and leisure time at a selected venue. Because to the fact that its people still follow this ancient custom, India has a reputation for being a welcoming nation. Indians are famed for their warm hospitality. Nonetheless, it is thought to have become a commercial enterprise because of westernization and rapid economic expansion.

Longer weekends away, staycations, and attendance at social events like weddings are all becoming more and more popular. As a result, business has increased in the hospitality sector. Also, a much-needed boost in vehicle traffic has been provided by better road infrastructure around the country, notably in popular tourist destinations like hill regions.

According to a report of The Economic Times in November 2022, the Indian hospitality sector is expected to be valued more than $1 trillion by the end of 2023. The industry's growth rate, which was seen between 2018 and 2021 at a CAGR of about 5%, is considered in this projection. The significant increase in foreign tourists and business leaders who visited the country in 2018 and 2019 as well as the rise in Indians' discretionary income over the previous 10 years are mostly responsible for this expansion. In the years 2020 & 2021 the hospitality industry suffered the most due to travel restrictions due to the COVID pandemic. But ever since the travel restrictions were relaxed the tourism & hospitality sector, especially in India has bounced back.

INDUSTRY MAJORS: An Overview

ROYAL ORCHID HOTEL

Royal Orchid & Regenta Hotels, one of India's fastest-growing hospitality brands, oversees more than 75 properties around the country. Mr. Chander K Baljee, a seasoned professional in the sector, launched Royal Orchid & Regenta Hotels in 2001. This well-known and reputable brand has a growth strategy to open 100 hotels by the end of 2023.

According to Royal Orchid hotels, “We cater to visitors and business travelers who have limited budget, but expect good food, and traditional Indian hospitality. The team of the Bangalore city center-based Royal Orchid & Regenta Hotels is genuinely enthusiastic about hospitality and driven to deliver first-rate guest experiences. The cornerstone of our success is adhering to our fundamental beliefs of providing exceptional results for our owners, visitors, employees, and shareholders.”

ASIAN HOTEL

Asian hotels (North) Ltd is one of the leading companies in the Indian hospitality industry. It operates a chain of luxurious hotels including five-star hotels. It is under the brand Hyatt regency hotels . The company set up the first-grade room facility for guests in 1982. Asian hotels are providing a best in 5 stars hotels rooms with best services. It provides the best food and a good environment and culture according to your needs. so basic motive of Asian hotels is to keep the customer happy after uses all his services.

ORIENTAL HOTELS

Oriental Hotels, which are promoted by the Reddy group of South India. Oriental Hotels Limited has been a player in the Indian hospitality industry for several decades. Over the years, they have built a reputation for quality service and luxurious accommodations.

INDIAN HOTELS

An Indian hospitality corporation called The Indian Hotels Company Limited (IHCL) manages a variety of hotels, resorts, royal homes, spas, and in-flight catering services. Jamshedji Goodbye founded the IHCL in 1899, and it is based in Mumbai, Maharashtra. It has more than 196 hotels, over 20,000 rooms, and 25,000 employees spread throughout 80 locations in 4 Mainland and 12 countries. IHCL joined the Middle Eastern hospitality business by opening the Taj Royal Residence Inn Dubai in Dubai. Puneet Chhatwal is the company's chief executive officer. Taj Mahal Castle Lodging in Mumbai, Maharashtra, India is the organization's premier hotel. In every key Indian cityIHCL has built its hotels.

Hospitality Industry's SWOT Analysis

Without a question, the hotel industry is a significant one that brings in billions of dollars every year.

- **STRENGTHS**
  a) It offers a comfort of home away from home
  b) It boosts the local economy
  c) It is a mammoth employer
  d) Margin of High Profit.

- **WEAKNESSES**
  a) Exorbitant hotel rates
  b) High startup costs
  c) Unfavorable tax rates
  d) The hotel industry's seasonality and reliance on tourism

OPPORTUNITIES:

a) Millennials are the new primary target market for hotels

b) Vast potential for technology

c) Serving this market has a significant ripple effect on all other markets.

THREATS:

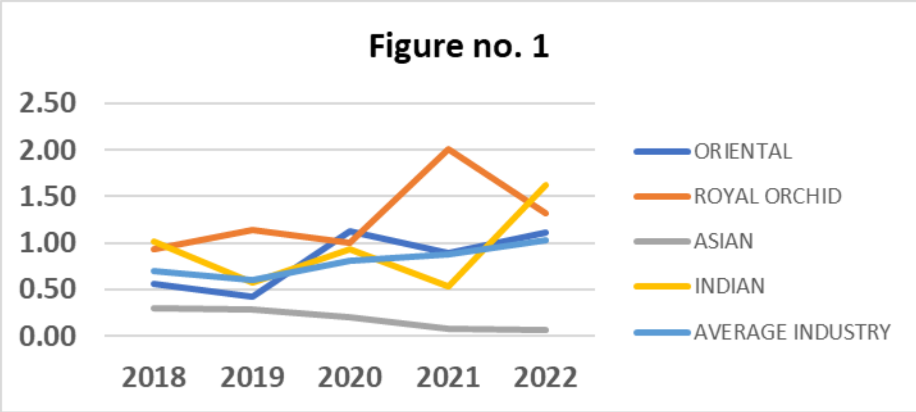
a) The hotel sector is already sufficiently threatened by alternatives to traditional lodging, such as Airbnb.
b) Pandemics
c) worse-than-expected economies
d) shifting travel habits

Fundamental Analysis through Ratios

CURRENT RATIO

1. Current Ratio

HOTELS	R.O	OR.	ASIAN	INDIAN	AVG
2018	0.94	0.56	0.29	1.01	0.70
2019	1.14	0.42	0.28	0.57	0.60
2020	1.00	1.12	0.21	0.93	0.81
2021	2.00	0.90	0.08	0.53	0.88
2022	1.29	1.11	0.07	1.62	1.03



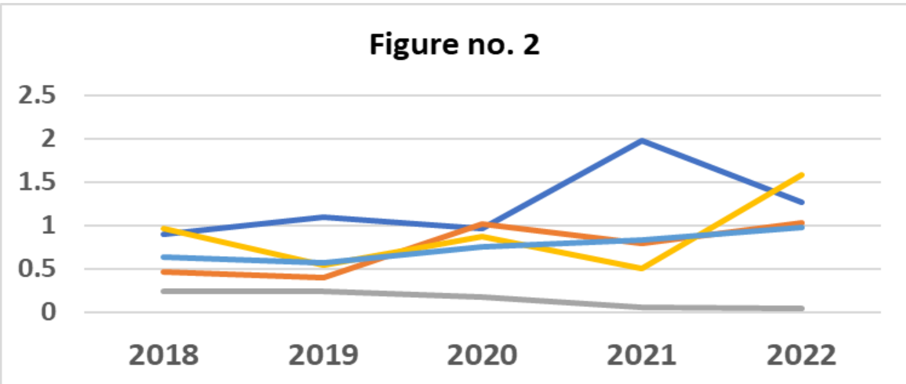
Interpretation:

- From the above we can interpret that almost all the hotels are maintaining their current ratios in line with the industry average throughout the study period, with the exception of Asian Hotel.
- Also, we may analyze that Asian Hotel's current ratio is consistently declining, which is not a good indicator as it suggests that it might not be able to pay the current obligations.

QUICK RATIO

2. Quick Ratio

	R.0.	0RIENT.	ASIAN	INDIAN	AVG
2018	0.90	0.46	0.24	0.96	0.64
2019	1.10	0.40	0.24	0.54	0.57
2020	0.96	1.02	0.17	0.88	0.76
2021	1.98	0.80	0.06	0.50	0.84
2022	1.27	1.03	0.05	1.58	0.98



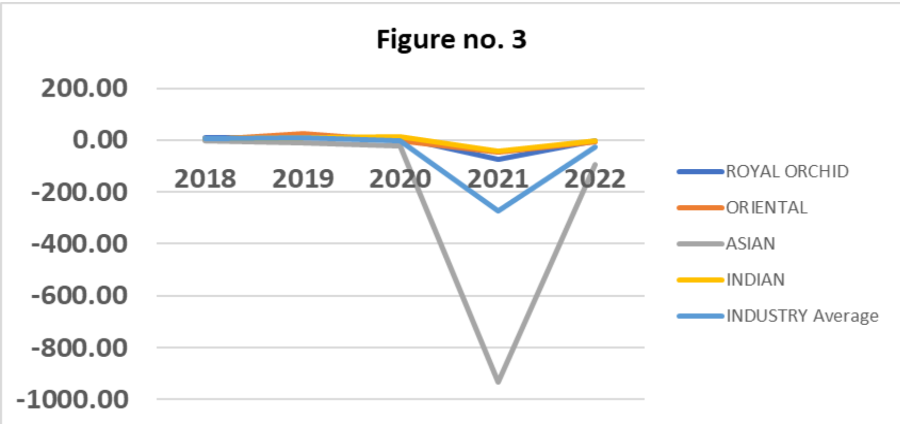
Interpretation:

- From the above table and graph we can interpret that the Asian Hotel is not operating at a level commensurate with the industry during the study period, and its ratio is steadily declining.
- The Royal Orchid Hotels typically outperform the industry average, while the rest of the industry is performing near to the industry average, demonstrating that their liquidity and solvency are strong.

NET PROFIT RATIO

3. Net Profit Ratio (%)

	R. O	ORIENT.	ASIAN	INDIAN	AVG
2018	10.75	1.68	-0.79	5.60	4.31
2019	11.21	25.89	-11.98	9.48	8.66
2020	7.93	-1.30	-25.01	13.95	-0.77
2021	-72.25	-46.10	-957.70	-46.20	-273.56
2022	-0.92	-6.12	-92.71	-1.60	-25.34



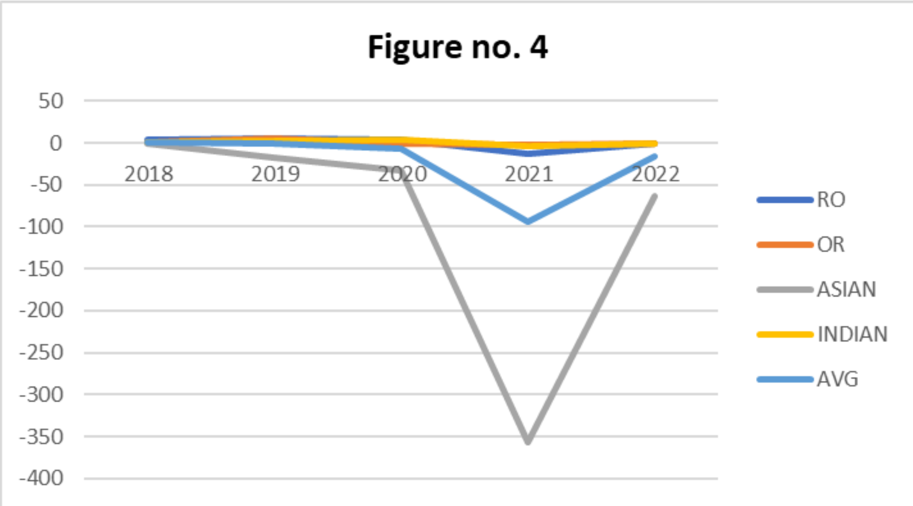
Interpretation:

- From analyzing the above data, we can interpret that Net profit margin ratio is negative for Asian hotel during the study period which is not a good indication for the organization.
- Other hotels witnessed low profit margin or negative ratios because of the pandemic but in 2022 we can see the ratio is improving for all the hotels, and it is expected that the tourism industry will be on the rise again which will help to increase the profitability.

EARNING PER SHARE RATIO

4. Earning Per Share Ratio

	RO	OR	ASIAN	INDIAN	AVG
2018	4.03	0.34	-1.24	1.34	1.12
2019	4.59	5.01	-16.85	2.22	-1.26
2020	3.41	-0.21	-32.45	3.38	-6.47
2021	-12.6	-2.99	-357.34	-4.41	-94.34
2022	-0.26	-0.75	-64.16	-0.27	-16.36



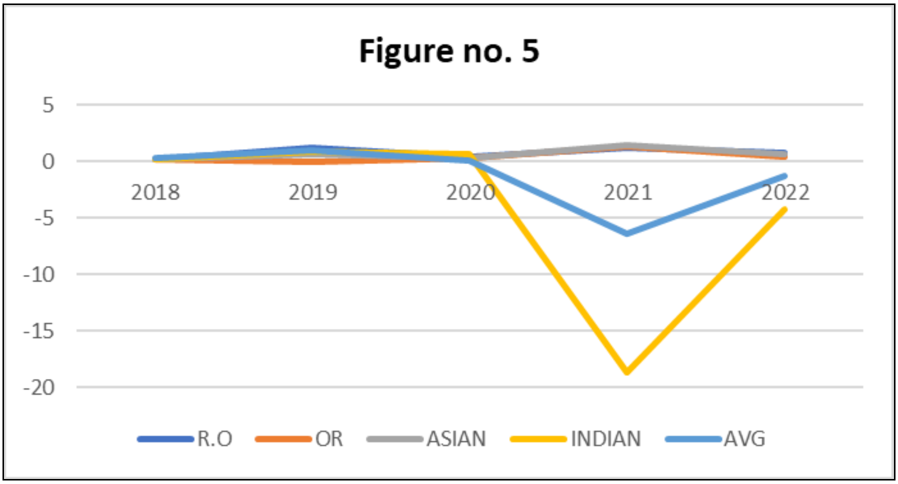
Interpretation:

- From the above we can see the performance of Asian hotel is not satisfactory as the EPS is negative throughout the study period which can be a serious threat to the organization. The reason behind the low ratio is losses incurred on their operations and had greater obligations in terms of debts.
- In the years 2018 to 2020 i.e. before COVID period the performance of RO was the best in term of earning per share.
- In the year 2021 we can see all hotels have negative EPS as due to the impact of COVID-19 and in the year 2022 we can see the improvement in the EPS as the world is recovering from COVID and it is expected to increase further.

DEBT TO EQUITY RATIO

5. Debt To Equity Ratio

	HOTELS				
YEAR	**R.O**	**OR**	**ASIAN**	**INDIAN**	**AVG**
2018	0.17	1.20	1.21	0.39	0.74
2019	0.16	0.00	1.29	0.28	0.43
2020	0.18	0.65	1.43	0.37	0.66
2021	0.24	0.84	-18.67	0.62	-4.24
2022	0.32	1.04	-6.42	0.12	-1.24



Interpretation:

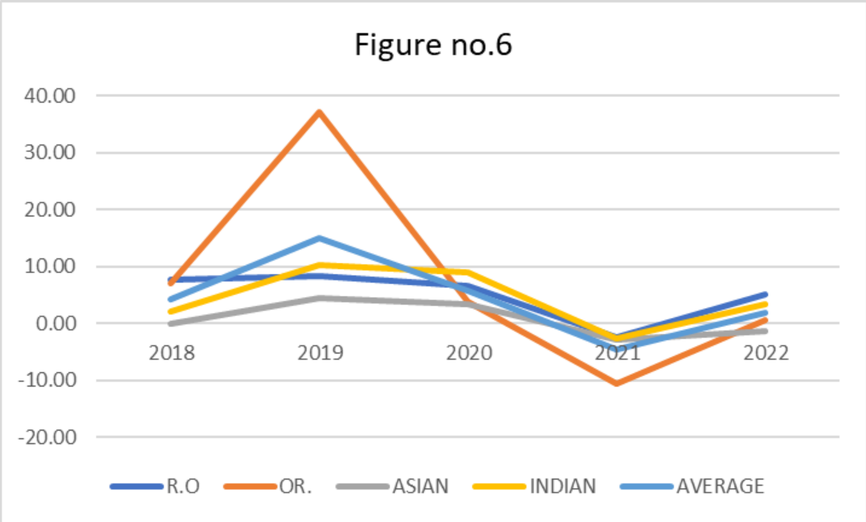
- Generally, investors prefer to invest in a corporation that has a low debt-to-equity ratio.
- From the above table we can see that Asian hotels are having debt more than the industry average. We suggest the company to reduce the debts so that the debt equity ratio to be equal to the industry average.
- The debt-equity ratio of other than Asian hotels seems to be normal.

RETURN ON CAPITAL EMPLOYED

6. Return On Capital Employed (%)

	HOTELS				
YEAR	**R.O**	**OR**	**ASIAN**	**INDIAN**	**AVG**
2018	7.75	7.12	-0.15	2.17	4.22
2019	8.33	37.17	4.55	10.25	15.08

2020	6.60	3.81	3.47	8.96	5.71
2021	-2.53	-10.62	-2.82	-2.61	-4.65
2022	5.08	0.59	-1.33	3.44	1.95



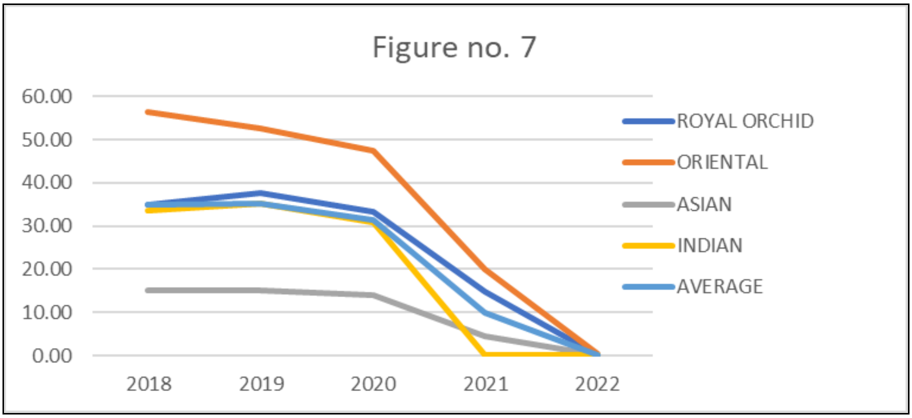
Interpretation:

- The Oriental Hotel has a higher ratio than the industry average, demonstrating that it has produced profit over the last five years relative to capital employed at a higher rate than other hotels and the sector .
- The Asian hotel has the lowest ratio throughout the study period which is not a good indication for the organization except for the year 2021.

ASSET TURNOVER RATIO

7. Asset Turnover Ratio (times)

	HOTELS				
YEAR	**R. O**	**OR**	**ASIAN**	**INDIAN**	**AVG**
2018	34.89	56.46	15.15	33.54	35.01
2019	37.64	52.65	15.03	35.28	35.15
2020	33.37	47.34	14.07	30.80	31.40
2021	14.95	19.90	4.59	0.13	9.89
2022	0.24	0.37	0.08	0.20	0.22



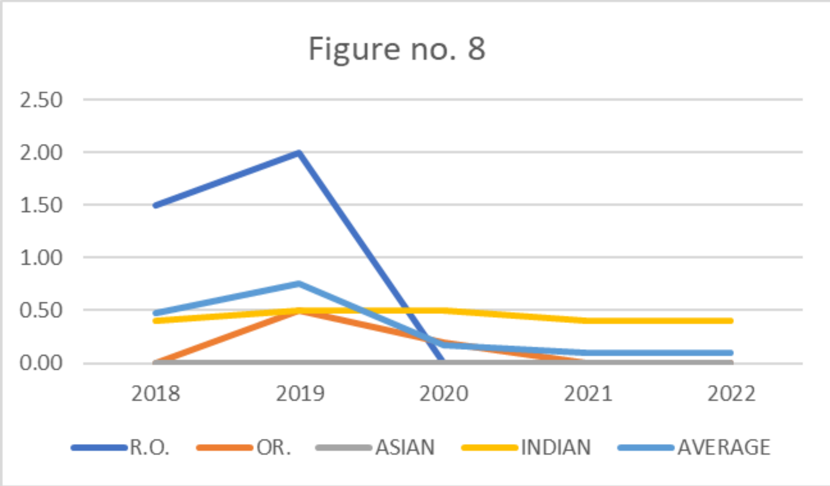
Interpretation:

- As a result of its poor performance in generating sales, Asian Hotels have consistently had a lower asset turnover ratio than the industry average over the research period. And the ratio is continuously decreasing which is an alarming situation for the organization.
- The Oriental Hotel can be seen to have a ratio greater than the industry average throughout the study period, which shows that the hotel is in a very strong and good position with regard to net sales. But, we can observe that the ratio is constantly decreasing throughout the study period.
- Royal Orchid and Indian hotel are having similar ratio nearabout to the industry average which is an indication of efficiency of the organizations to generate revenue from its assets.

DIVIDEND PER SHARE RATIO

8. Dividend per share

HOTELS	R. O	OR	ASIAN	INDIAN	AVERAGE
2018	1.50	0.00	0.00	0.40	0.48
2019	2.00	0.50	0.00	0.50	0.75
2020	0.00	0.20	0.00	0.50	0.18
2021	0.00	0.00	0.00	0.40	0.10
2022	0.00	0.00	0.00	0.40	0.10



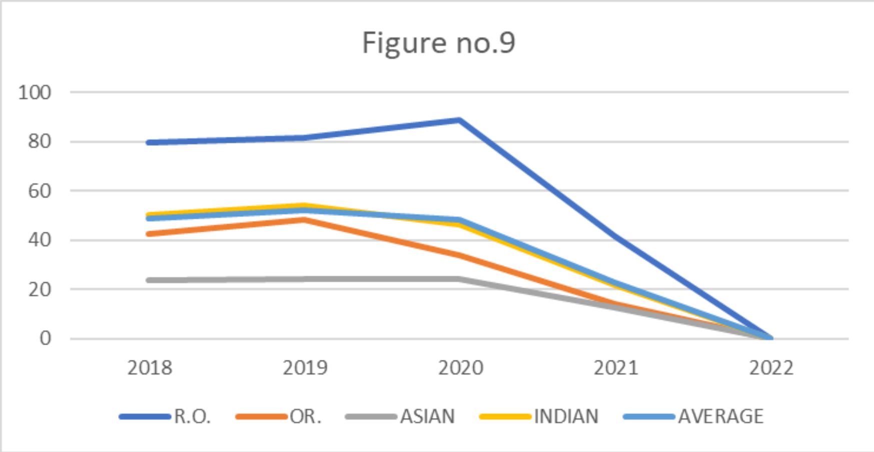
Interpretation:

- Dividend per share ratio is the amount a company has paid out to the shareholders for every share.
- If the dividend per share is very low or nil, we can interpret that either the company is not having sufficient profits to distribute dividends, or the company is keeping its earnings for future growth.
- During our period of study, Asian hotel did not pay any dividend to its shareholders as the company is not performing well.
- Only Indian hotels have been able to maintain a position of paying out dividends on each share affirmatively.

INVENTORY TURNOVER RATIO

9. Inventory Turnover Ratio (Times)

HOTELS	R. O	OR.	ASIAN	INDIAN	AVERAGE
2018	79.53	42.55	23.63	50.2	48.98
2019	81.67	48.14	24.27	54.29	52.09
2020	88.71	33.89	24.44	46.42	48.37
2021	41.73	14.24	12.48	21.69	22.54
2022	00.00	00.00	00.00	0.00	00.00



Interpretation:

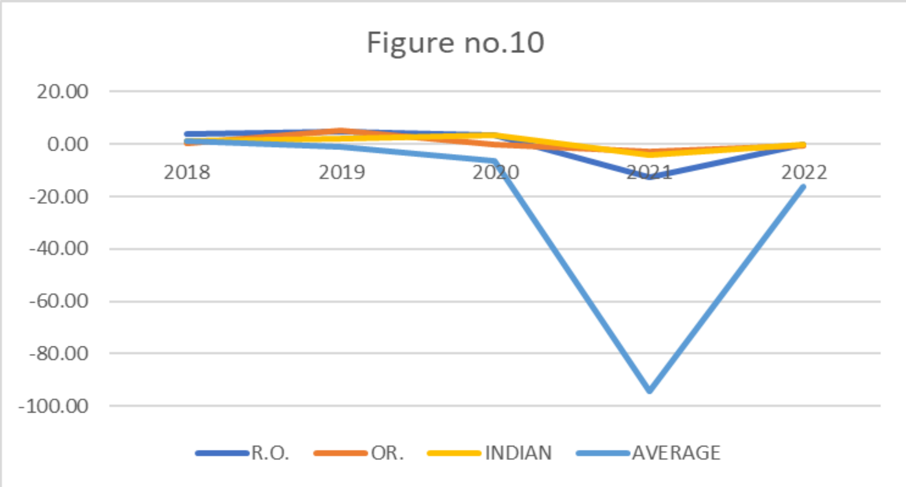
- The rate at which inventory stock is sold, used up, and replaced is known as inventory turnover.A greater ratio typically denotes good sales while a lower ratio generally denotes dismal sales. In contrast, a greater ratio can signify having too little inventory on hand, while a lower one would signify having too much.
- While the companies in this instance had greater sales in terms of bookings and hotel performance, their inventory ratios were higher than the industry average.
- The businesses with the lower ratio had a difficult time making good sales, or as we would say, "hotel bookings."
- As we can see, the ratio for the Asian hotel is much lower than the industry average, indicating that it will need to raise its service costs to achieve a ratio that is equal to or close to the industry norm.
- When compared to the industry average, Royal Orchid is having greater ratio throughout the study period which indicates the good efficiency of the organization.
- Indian hotel and Oriental hotel are maintaining inventory turnover ratio near about to the average of the industry average.

NET PROFIT PER SHARE RATIO

10. Net Profit per share Ratio

HOTELS	R. O	OR.	ASIAN	INDIAN	AVERAGE
2018	4.02	0.34	-1.24	1.24	1.09
2019	4.60	5.01	-16.85	2.22	-1.26
2020	3.32	-0.21	-32.45	3.38	-6.49

2021	-12.60	-2.99	-357.34	-4.41	-94.34
2022	-0.26	-0.75	-64.16	-0.24	-16.35



Interpretation:

- Net profit per share ratio is a measure of profitability that indicates the amount of net profit earned by a company for each outstanding share of its common stock. A higher net profit per share ratio indicates that the company is generating more profit per share, which is typically viewed positively by investors.
- However, it's important to note that the net profit per share ratio doesn't provide a complete picture of a company's financial health. Therefore, it's essential to consider the net profit per share ratio in conjunction with other financial metrics to make informed investment decisions.
- From the above, we can conclude that Asian Hotel's net profit per share is least and it is negative throughout the study period.
- Royal Orchid and Indian Hotels are consistently performing better than the industry average during the period of study which shows that they are in profitably sound position except for the year 2021 and 2022 which was affected by the COVID.
- we suggest Asian Hotels to increase the ratio to come near about to the industry average to avoid difficult situation in future.

Conclusion

From the above analysis of the industry and companies we can conclude that the Royal Orchid and Indian Hotels are performing well, and they are ahead of the other companies of the industry. The performance of Oriental hotel is satisfactory but there is a cause of concern related to the performance of Asian Hotel.

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CHAPTER 7

Steel Industry

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Industry Overview

The steel and metal industry is one of the most important sectors of the Indian economy, contributing significantly to the country's growth and development. India is the second-largest producer of steel in the world, after China, with an annual production capacity of over 100 million tons. The industry has been growing rapidly over the years, driven by the increasing demand from various sectors, including construction, infrastructure, automobiles, and engineering. India's economic growth and rising urbanization have also contributed to the growth of the steel and metal industry.

The major players in the Indian steel industry include Tata Steel, JSW Steel, Steel Authority of India Limited (SAIL), Jindal Steel and Power Limited (JSPL), and Essar Steel. These companies have significant production capacities and are involved in various stages of the value chain, including mining, refining, and processing of iron ore and other metals.

Apart from steel, India also has a thriving non-ferrous metal industry, which includes aluminum, copper, zinc, and lead. The non-ferrous metal industry is dominated by Hindalco, Vedanta, and NALCO, among others.

However, the steel and metal industry in India faces several challenges, including high raw material costs, lack of infrastructure, and competition from global players. The industry is also subject to fluctuations in demand and price volatility in global markets.

Despite these challenges, the Indian steel and metal industry continues to grow and attract investments from both domestic and foreign players. The government has also taken several initiatives to promote the growth of the industry, including the National Steel Policy, which aims to increase the country's steel production capacity to 300 million tonnes by 2030.

INDUSTRY MAJORS: An Overview

STEEL AUTHORITY OF INDIA LIMITED (SAIL)

Steel Authority of India Limited (SAIL) is one of the largest steel-making companies in India and is owned primarily by the Government of India. SAIL was established in 1973 through the merger of several state-owned steel companies. The company's mission is to provide high-quality steel products at a competitive cost to meet the growing needs of various industries in India and around the world. Over the years, SAIL has grown into one of the largest steel producers in the country, with a strong presence in both the domestic and international markets.

SAIL operates five integrated steel plants located in Bhilai, Rourkela, Durgapur, Bokaro, and Burnpur, and three special steel plants located in Salem, Durgapur, and Bhadravati. The company also operates a network of sales offices and warehouses across India to serve its customers effectively. It produces a wide range of steel products, including hot-rolled coils, cold-rolled coils, wire rods, bars, rails, and plates, among others. It is committed to its corporate social responsibility and runs various programs to improve the lives of people in the communities where it operates. The company focuses on education, healthcare, and infrastructure development, among other areas. It also supports various initiatives in the fields of sports, culture, and the environment.

STEEL EXCHANGE INDIA LIMITED (SEIL)

Steel Exchange India Limited (SEIL) is the steel company established in 1999. The firm is engaged in manufacturing products made of steel. Its steel plant is located near Vishakhapatnam, Andra Pradesh. The current manufacturing facilities of the firm are the integrated steel plant (ISP) close to Visakhapatnam . The ISP has a 220000 MTPA sponge iron unit, 250000 MTPA steel melt shop, 225000 rolling mill and 60 MW co-generation powerplant.

'SIMHADI TMT' the brand under which the firm's rebars are marketed has a strong recall value among steel consumers. SEIL is one of the few manufacturer of CRS grade rebars in the country, which is supplied to the Armed forces of India and to the projects of national importance. The market capitalization of SEIL is RS 1,211 Cr as of 1 dec'22.

VISA STEELS

VISA Steel Limited is a mineral and metals company situated in the Kalinga Nagar industrial complex of Jaipur, Odisha. India with 1.5 million ton combined special and Stainless-steel manufacturing plant. office registered in Bhubaneswar, corporate office in Kolkata and branch offices all over India.

The company is setting up an integrated 1 million TPA Special and Stainless steel plant at Kalinga Nagar Industrial Complex, Odisha. The company plans to integrate backwards to the mining of iron ore in Chhattisgarh, Manganese ore in Madhya Pradesh, chrome ore and coal. Captive iron ore mining leases in Odisha is under the process of allotment by the Government. A chrome ore deposit in Odisha is being developed through Ghotaringa Minerals Limited, a subsidiary of the company.

VISA Steel also plans to set up a fully integrated 2.5 million TPA Steel Plant with 500 MW captive power plant at Raigarh in Chhattisgarh and 1.25 million TPA Steel Plant, 100000 TPA Manganese Alloy Plant in Madhya Pradesh.

TATA STEELS

Tata Steel Limited is one of the world's largest steel companies and India's largest private-sector steel producer. The company is headquartered in Mumbai, Maharashtra, India, and operates in more than 26 countries, including India, Europe, and Southeast Asia.

Tata Steel was established in 1907 as Asia's first integrated steel plant, and it was later taken over by the Tata Group in 1935. The company has a rich history of innovation and has been responsible for many firsts in the Indian steel industry, such as the production of high-strength, lightweight steel for the automotive industry.

Tata Steel has a wide range of products and services, including flat steel products, long steel products, tubes, bearings, and value-added services. The company's products are used in various industries, including construction, automotive, packaging, and energy.

In 2007, the company acquired Corus Group, a European steel producer, for $12 billion, making Tata Steel one of the largest steel producers in the world. The company also has joint ventures with major steel producers in Southeast Asia, including NatSteel Holdings in Singapore and Thai Steel in Thailand.

Tata Steel has been recognized for its commitment to sustainability and responsible business practices. The company has set ambitious targets to reduce its carbon emissions and has invested in renewable energy projects, such as wind and solar power. Tata Steel is also involved in several community development programs and initiatives to promote education, healthcare, and livelihoods in the areas where it operates.

Overall, Tata Steel is a leading player in the global steel industry, with a strong commitment to innovation, sustainability, and responsible business practices.

MANAKSIA STEELS

Manaksia Steel Company Limited is a leading manufacturer and supplier of steel products in India. The company was established in 2005 and is headquartered in Kolkata, West Bengal. It is a part of the Manaksia Group, which is a diversified conglomerate with interests in various industries such as packaging, metal products, and real estate.

Manaksia Steel Company Limited specializes in the production of various steel products such as hot rolled coils, cold rolled coils, galvanized coils, and color coated coils. These products are used in various industries such as construction, automotive, and electrical. The company also produces other steel products such as billets, TMT bars, and wire rods.

In addition to its manufacturing facilities, Manaksia Steel Company Limited also has a strong distribution network across India, with warehouses located in various states. The company has a wide customer base in both domestic and international markets, and it exports its products to countries such as Nepal, Bangladesh, and the Middle East.

Manaksia Steel Company Limited is committed to producing high-quality steel products while also ensuring environmental sustainability. The company has implemented various initiatives to reduce its carbon footprint and has received certifications such as ISO 9001:2015 and ISO 14001:2015 for its quality and environmental management systems.

Overall, Manaksia Steel Company Limited is a well-established and reputable player in the Indian steel industry, known for its quality products and strong customer focus.

JINDAL STEELS

Jindal Steel & Power Limited (JSPL) is an Indian steel and energy company headquartered in New Delhi, India. The company was founded in 1979 by Shri O.P. Jindal, and is part of the Jindal Group, a diversified conglomerate with interests in various industries such as steel, power, cement, and infrastructure.

JSPL is a leading manufacturer and supplier of a wide range of steel products, including hot rolled coils, cold rolled coils, galvanized coils, plates, pipes, and wire rods. The company has state-of-the-art manufacturing facilities in Chhattisgarh, Odisha, and Jharkhand, with an annual production capacity of over 10 million tonnes of steel.

JSPL is also a major player in the power sector, with a focus on renewable energy. The company has a significant presence in the power transmission and distribution business and has also invested in wind and solar energy projects.

In addition to its domestic operations, JSPL is also an active player in the global market, with a strong presence in countries such as Oman, Bahrain, and Africa. The company exports its steel products to over 30 countries worldwide.

JSPL is committed to sustainability and has implemented various initiatives to reduce its carbon footprint and conserve natural resources. The company has received various awards and certifications for its environmental management practices, including ISO 14001:2015 and the GreenCo Platinum rating from the Confederation of Indian Industry.

Overall, Jindal Steel & Power Limited is a well-established and reputable player in the Indian steel industry, known for its quality products, strong customer focus, and commitment to sustainability.

SWOT ANALYSIS OF STEEL INDUSTRY

Following is the SWOT analysis of the Steel Industry in India:

- **Strengths:**
  1. Large reserves of iron ore
  2. Government support
  3. Skilled workforce
  4. Growing demand

- **Weaknesses:**
  1. Poor infrastructure
  2. Dependence on imports
  3. Limited research and development
- **Opportunities:**
  1. Increasing demand
  2. Infrastructure development
  3. Export potential
- **Threats:**
  1. Global competition
  2. Fluctuations in raw material prices
  3. Environmental regulations

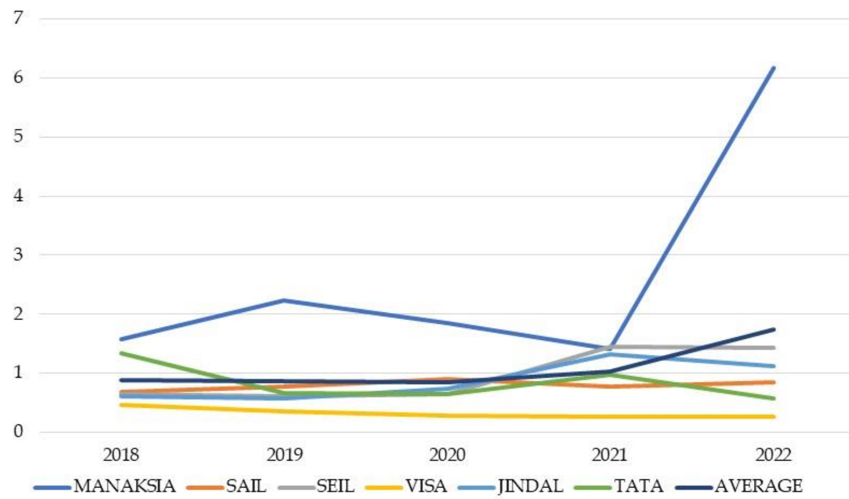
Fundamental Analysis Through Ratios

CURRENT RATIO

1. Current Ratio

Company	Manaksia	Sail	Seil	Visa	Jindal	Tata	Average
2018	1.58	0.68	0.65	0.46	0.62	1.35	0.89
2019	2.24	0.78	0.61	0.36	0.58	0.67	0.87
2020	1.86	0.91	0.65	0.29	0.74	0.65	0.85
2021	1.42	0.78	1.46	0.26	1.33	0.97	1.04
2022	6.17	0.85	1.43	0.26	1.12	0.58	1.74

FIGURE NO. 1



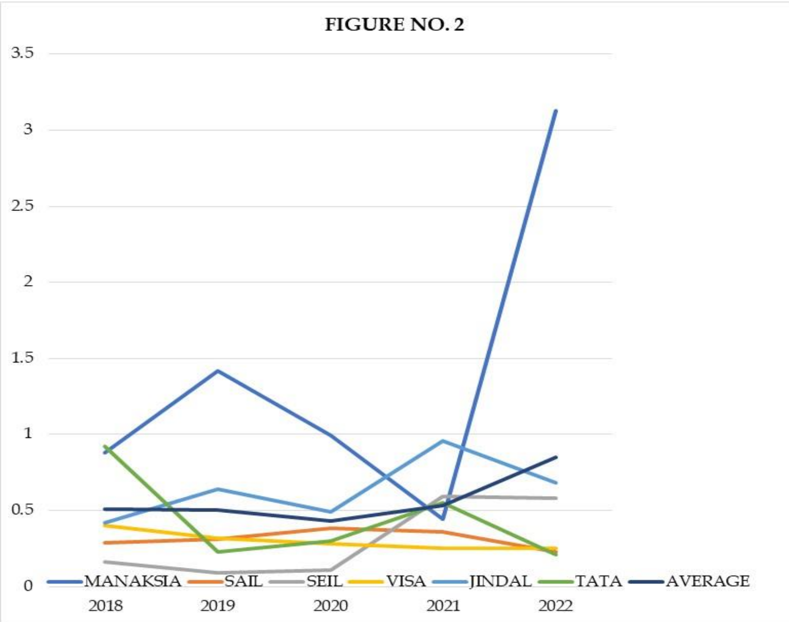
Interpretation:

- During our study period, it can be observed that Manaksia steel has the highest current ratio, and it is above the industry average.
- Visa Steels is having the lowest current ratio which is too less as compared to the industry average.
- The current ratio of other companies i.e. SAIL, SEIL, JINDAL, TATA is satisfactory as the ratio of these company's are near to the industry average.

LIQUID RATIO

2. Liquid Ratio

Company	Manaksia	Sail	Seil	Visa	Jindal	TATA	Average
2018	0.88	0.29	0.16	0.40	0.42	0.92	0.51
2019	1.42	0.31	0.09	0.32	0.64	0.23	0.50
2020	0.99	0.38	0.11	0.28	0.49	0.30	0.43
2021	0.44	0.36	0.59	0.25	0.96	0.55	0.53
2022	3.13	0.23	0.58	0.25	0.68	0.21	0.85



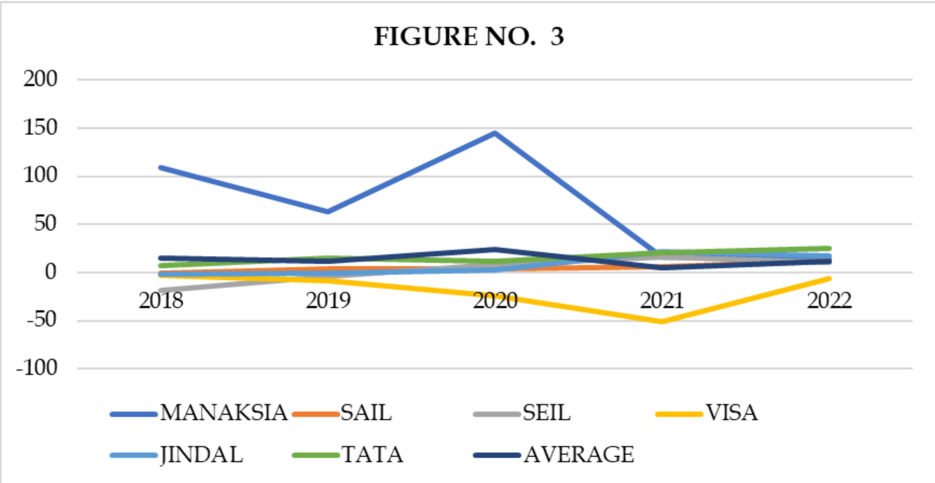
Interpretation:

- During our study period, it is observed that Manaksia has a better liquidity ratio amongst all in the industry. For the year 2022 it is too high.
- The current ratio of VISA and SAIL is very low and throughout the study period it is decreasing.

NET PROFIT RATIO

3. Net Profit Ratio (%)

Company	Manaksia	Sail	Seil	Visa	Jindal	TATA	Average
2018	109.36	-0.83	-18.45	-3.21	-2.11	6.99	15.29
2019	63.42	3.25	-3.58	-8.11	-0.94	14.91	11.49
2020	145.34	3.27	8.23	-24.38	2.35	11.15	24.33
2021	15.72	5.57	15.57	-51.21	21.47	20.29	4.57
2022	13.47	11.61	10.59	-6.63	16.75	25.58	11.90



Interpretation:

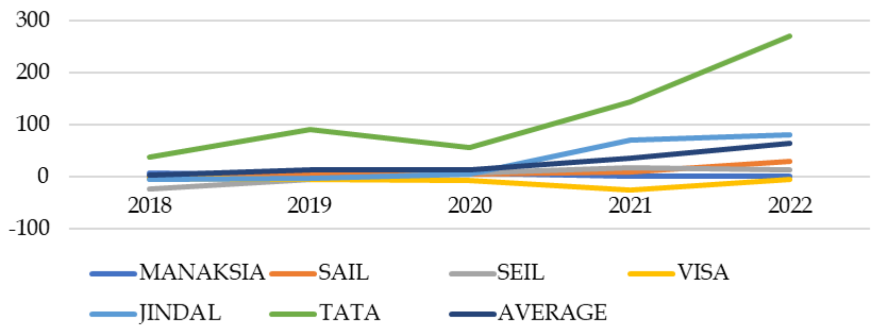
- During our study period, it is observed that Manaksia is having better net profit ratio among all, and it is above the industry average.
- Jindal Steels and SEIL are showing improvement as we can see that their net profit ratio is increasing continuously during the study period, which is a good indication for the investors. Tata's net profit ratio is also improving as we can see a good growth.

EARNING PER SHARE RATIO

4. Earning Per Share Ratio

Company	Manaksia	Sail	Seil	Visa	Jindal	TATA	Average
2018	7.88	-1.17	-22.39	-2.45	-3.95	38.57	2.75
2019	3.25	5.27	-4.84	-5.71	-2.72	90.41	14.28
2020	8.05	4.89	8.44	-7.33	6.09	57.11	12.88
2021	0.64	9.32	18.27	-25.07	70.14	145.00	36.38
2022	1.29	29.09	13.42	-4.54	81.21	270.33	65.13

FIGURE NO. 4



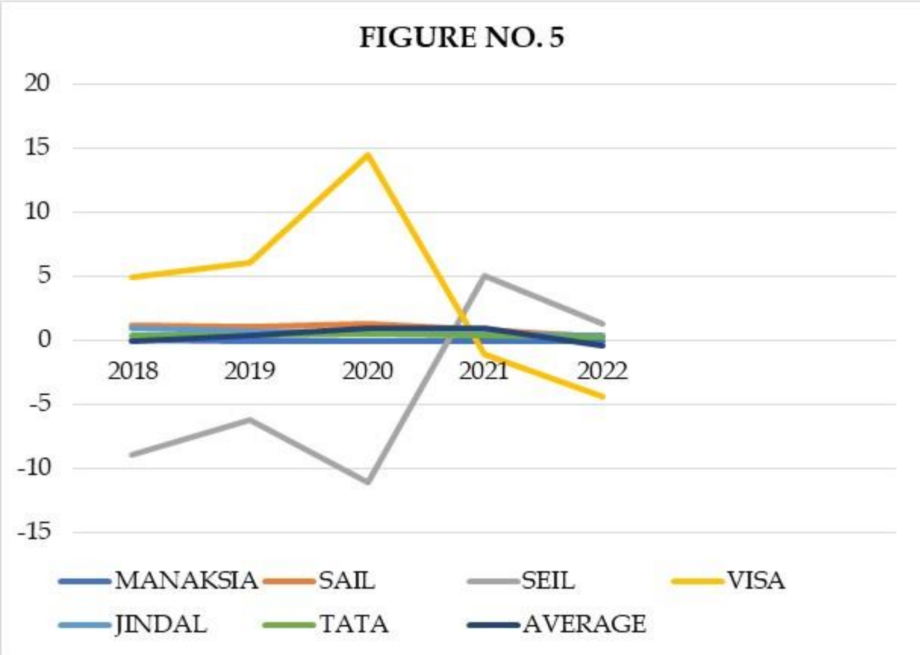
Interpretation:

- During our study period, we observe that Tata Steels has good Earning Per Share every year as compared to industry average. The ratio is improving throughout the study period. It is a good indication for the investors.
- We can observe that Jindal steel performance is improving and the earning per share increase to 81.21 in the year 2022 from -3.95 in the year 2018. We can see the improvement throughout the study period. SAIL is also showing a continuous improvement in the ratio which is a good indication for the investors.
- VISA Steels performance is not satisfactory as we can see the Earning Per Share of the company is negative throughout the study period, which is not in favor of the company.

DEBT-EQUITY RATIO

5. Debt-Equity Ratio

Company	Manaksia	Sail	Seil	Visa	Jindal	TATA	Average
2018	0.02	1.18	-8.98	4.95	0.94	0.41	-.025
2019	0.00	1.09	-6.19	6.03	0.78	0.38	0.35
2020	0.00	1.29	-11.10	14.54	0.64	0.53	0.98
2021	0.00	0.82	5.07	-1.08	0.51	0.34	0.94
2022	0.00	0.26	1.25	-4.36	0.33	0.26	-0.38



Interpretation:

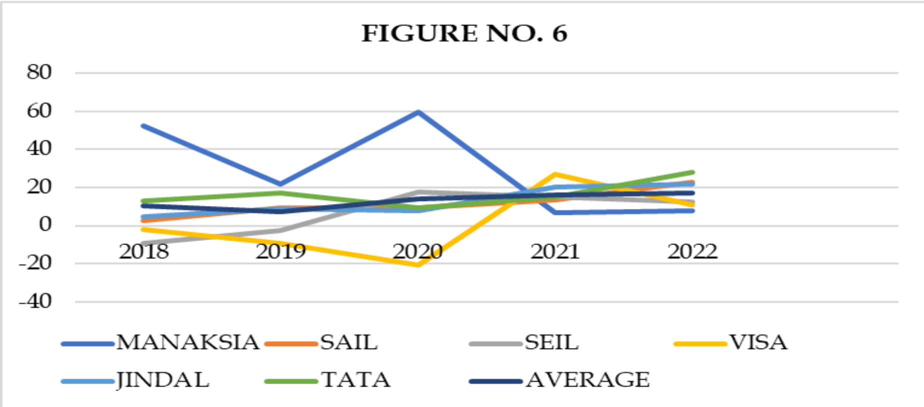
- During our study period, we observed that Manaksia is not using debt in its capital structure which implies that company is not getting the benefit of leveraged.
- VISA Steel is not performing good as we can see the company is highly debted and debt-equity ratio for the year 2021 and 2022 is negative. Since a negative debt-to-equity ratio indicates that shareholders' equity is also negative, which means that total liabilities exceed total assets, the company is in financial crisis. This is

undesirable as it suggests that the organization has a negative net worth.

RETURN ON CAPITAL EMPLOYED RATIO

6. Return on Capital Employed Ratio (%)

Company	Manaksia	Sail	Seil	Visa	Jindal	TATA	Average
2018	52.62	2.87	-9.40	-1.87	4.63	12.87	10.29
2019	21.59	9.19	-2.50	-9.53	8.97	17.12	7.47
2020	59.50	9.26	17.58	-20.95	8.06	9.49	13.82
2021	6.94	13.63	14.99	27.01	20.22	14.89	16.28
2022	7.62	23.06	12.26	11.02	21.74	27.89	17.27



Interpretation:

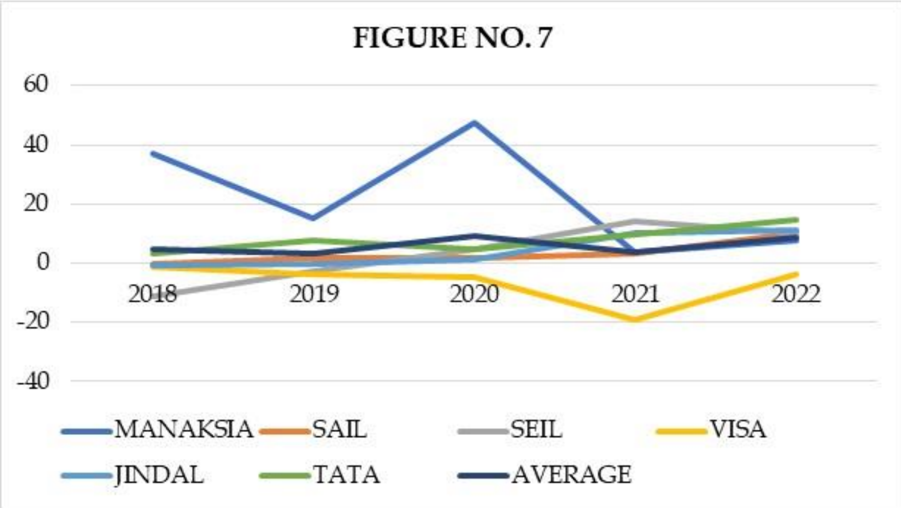
- During our study period, we observed that Return on Capital Employed of Manaksia steel during the last two years showed a rapid decrease and it is in single digit.
- We can conclude from the above that the companies SAIL, JINDAL and TATA's return on capital employed is improving throughout the study period. For the year 2022 the raio of all the companies are above the average of the industry for the above said year.

RETURN ON ASSETS RATIO

7. Return On Assets Ratio

Company	Manaksia	Sail	Seil	Visa	Jindal	TATA	Average
2018	37.13	-0.42	-11.09	-1.37	-0.60	3.33	4.50
2019	14.90	1.87	-2.56	-3.51	-0.45	7.66	2.99
2020	47.35	1.61	4.63	-4.69	1.04	4.48	9.07

2021	3.62	3.28	14.15	-19.02	10.34	9.46	3.64
2022	7.72	10.20	10.42	-3.52	11.02	14.87	8.45



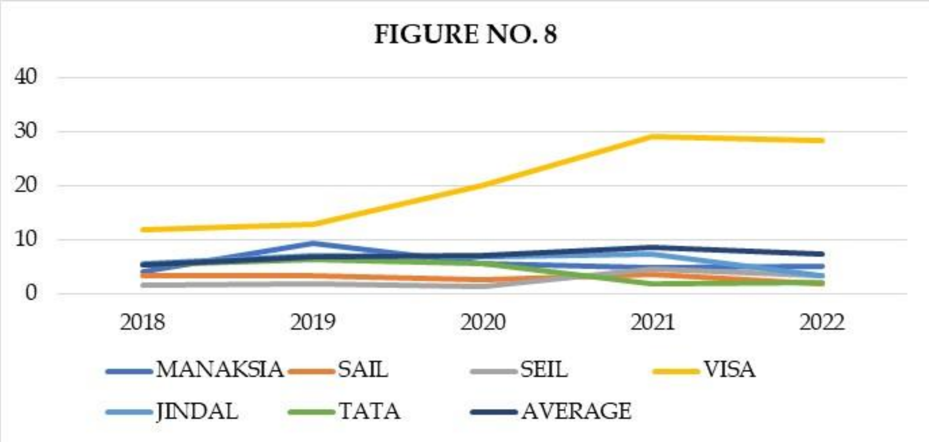
Interpretation:

- During our study period, we observed that the return on asset ratio of Jindal Steels is continuously improved during the study period which is a good indication for the investors. TATA, SAIL and SEIL are also showing improvement in the ratio.
- VISA steel is not performing well as the ratio is negative throughout the study period.
- The ratio of Manaksia is very good in the first three years but we can see the decrease in the year 2021 and 2022. There is a sudden decrease in the ratio which is not good from company's point of view.

INVENTORY TURNOVER RATIO

8. Inventory Turnover Ratio (Times)

Company	Manaksia	Sail	Seil	Visa	Jindal	TATA	Average
2018	4.01	3.39	1.59	11.83	5.51	5.41	5.29
2019	9.28	3.44	1.73	12.85	7.12	6.27	6.78
2020	5.6	2.60	1.35	20.16	6.75	5.64	7.02
2021	4.86	3.54	4.65	29.23	7.25	1.76	8.55
2022	5.01	1.96	3.45	28.53	3.27	2.15	7.40



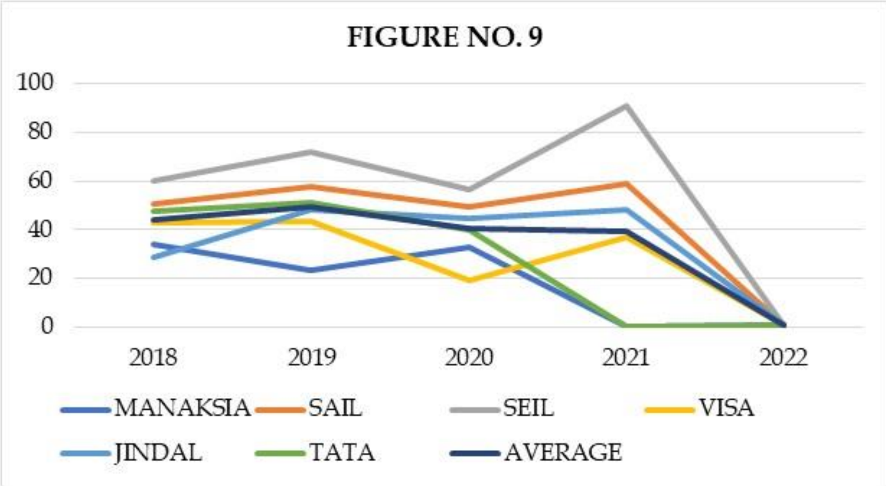
Interpretation:

- During our study period, we observe that VISA steel is having very high inventory turnover ratio as compared to other companies. As we have interpreted in the above seven points that the VISA steel performance is not satisfactory in respect to net profit ratio, earning per share and return on assets ratio so we can consider that inventory turnover ratio can be high due to very less amount of inventory they are carrying.
- SAIL and SEIL are having low inventory turnover ratio, which is not good.
- The inventory turnover ratio of Manaksia and Jindal is satisfactory while the TATA's ratio for the last two years is low.

ASSETS TURNOVER RATIO

9. Assets Turnover Ratio (Times)

Company	Manaksia	Sail	Seil	Visa	Jindal	TATA	Average
2018	33.95	50.40	60.13	42.82	28.40	47.64	43.89
2019	23.49	57.51	71.72	43.33	48.05	51.35	49.24
2020	32.58	49.28	56.28	19.24	44.54	40.18	40.35
2021	0.24	58.98	90.83	37.14	48.18	0.51	39.31
2022	0.56	0.88	1.04	0.53	0.69	0.64	0.72



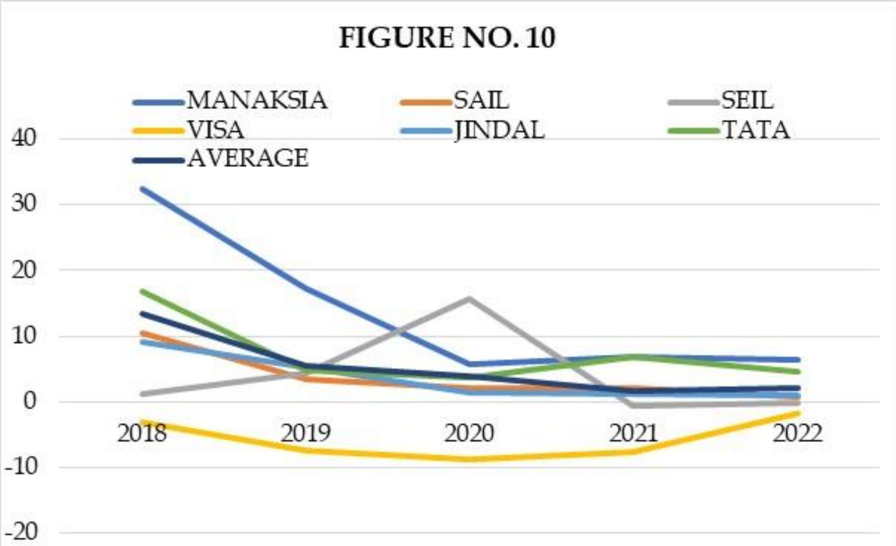
Interpretation:

- During our study period, we can interpret that the asset coverage ratio of SEIL steel is highest followed by the SAIL. The ratio of both the companies is more than the industry average throughout the study period.
- Manaksia's asset turnover ratio is low throughout the study period hence, we suggest the company to increase the ratio near to the industry average.
- The ratio of VISA, Jindal and TATA is satisfactory as more or less the ratio of these companies are near to the industry average except for the year 2021 for TATA where the ratio is too low.

INTEREST COVERAGE RATIO

10. Interest Coverage Ratio

Company	Manaksia	Sail	Seil	Visa	Jindal	TATA	Average
2018	32.51	10.56	1.16	-3.19	9.12	16.88	13.41
2019	17.33	3.37	4.38	-7.30	5.25	4.93	5.59
2020	5.74	2.11	15.60	-8.82	1.34	3.74	3.94
2021	6.82	2.18	-0.72	-7.66	1.29	6.79	1.74
2022	6.34	0.70	-0.23	-1.65	0.86	4.56	2.12



Interpretation:

- During our study period, we observed that the interest coverage ratio is negative for VISA steel throughout the study period. This indicates that the company is unable to pay its fixed financial charges which is a negative sign for the investors.
- Manaksia is performing well as we can observe the ratio is higher than the industry average throughout the study period. Which is a good indication for the investors.
- Tata's performance is satisfactory, on the other hand SAIL and Jindal's ratio is continuously decreasing which is an alarming situation.
- SEIL was performing well during the year 2018-2020 as we can see the improvement in the ratio but 2021 onwards the ratio is negative which is not a good indicator for the investors.

Conclusion

From the above analysis of the industry and companies we can conclude that Manaksia is performing well and is ahead of the other companies of the industry. The performance of SEIL, SAIL. Jindal and TATA are satisfactory but there is a cause of concern related to the performance of VISA.

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CHAPTER 8

Oil and Gas Industry

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Industry Overview

Oil and gas (O&G) sector is the most important sector of the Indian economy. Transportation is the backbone of any economy; and the O&G sector keeps the transportation sector going, else the economy will be crippled. India has sizable domestic oil and natural gas reserves, but about 80% of its O&G consumption is imported. India is the third ' largest consumer of crude oil of the world.

State-owned firms like Indian Oil Corporation, Bharat Petroleum, and Hindustan Petroleum dominate the industry, but in recent years, we have seen a rise in private sector making significant contribution in the oil retailing.

INDUSTRY MAJORS: An Overview

BPCL

Bharat Petroleum Corporation Limited (BPCL), is a Public Sector oil and gas firm. It was established in 1952. BPCL runs refineries in India's Mumbai, Kochi, and Bina, with a combined annual refining capacity of 38.3 million metric tonnes.

The BPCL is engaged in therefining, and marketing of petroleum products such gasoline, diesel, kerosene, and LPG. BPCL has also strength in the exploration, and production of crude oil and natural gas. In addition to its extensive network of retail locations, BPCL also deals in the import and export of petroleum products.

With a network of refineries, gas stations, and distributors of LPG all over India, the corporation has a large presence in the downstream sector of the oil and gas industry. In addition to producing petrochemicals, BPCL is a significant supplier of aviation turbine fuel to India.

With a strong focus on sustainability, BPCL has launched a number of projects to lessen its carbon impact and advance renewable energy. The business has also received praise for its CSR efforts, which have included programmes to advance healthcare, education, and environmental protection.

CPCL

CPCL refers for Chennai Petroleum Corporation Ltd, a subsidiary of Indian Oil Company Limited . Its headquarters are in Chennai, India, and it was founded in 1965. The three main business activities of CPCL are the production of petrochemicals, sale of petroleum products, and refining of crude oil.

In Chennai's Manali neighborhood, CPCL maintains a refinery. This refinery produces petrol, diesel, LPG, aviation turbine fuel, naphtha, and bitumen, among other petroleum products. With more than 1,000 gasoline stations and LPG distributors spread throughout southern India, CPCL has a robust distribution network. CPCL is engaged in producing petrochemicals such propylene, polypropylene, and solvents in addition to refining and marketing petroleum products.

The business refines crude oil to produce a variety of petroleum products, such as gasoline, diesel, kerosene, and LPG. It is also involved in the import and export of petroleum products and has a sizable network of retail locations, including gas stations. In order to enhance its refining procedures and product offerings, CPCL engages in a variety of research and development initiatives through its numerous worldwide businesses, including subsidiaries and joint ventures.

CPCL has launched a number of projects to advance sustainability and lessen its environmental impact. The business has put in place a number of energy-saving initiatives, including the utilisation of waste heat recovery systems and renewable energy sources. CPCL is also active in a number of social welfare projects, such as campaigns to support healthcare, education, and skill development in the neighbourhoods where its operations are located.

Reliance

Reliance Gas is a part of the Reliance Industries Limited (RIL) conglomerate promoted by Dhirubhai Ambani in 1966; with its headquarters in Mumbai, India. Natural gas and oil exploration and production, as well as the marketing and distribution of petroleum products, are Reliance Gas' main business activities.

Significant natural gas reserves are managed by Reliance Gas in a joint venture with BP Plc of the UK in the Krishna-Godavari Basin, off the coast of India. The corporation is a significant supplier of natural gas to numerous sectors in India and has built deepwater offshore infrastructure to produce natural gas from these reserves. Reliance Gas also has a stake in several exploration blocks in India and other countries.

Through its Reliance Retail subsidiary, the RIL has increased the scope of its operations to encompass retail operations, as well as exploration and production activities, petroleum product refining, and marketing. The refinery produces a wide range of products, including petrol, diesel, jet fuel, and petrochemicals.

With a strong focus on sustainability, Reliance Gas has launched a number of programmes to lessen its carbon impact and advance renewable energy. The business has put in place a number of energy-saving measures and made investments in wind and solar energy projects. Reliance Gas is also active in a number of social welfare projects, such as campaigns to advance healthcare, education, and environmental protection.

GAIL

GAIL (India) Limited is a state-owned natural gas processing and distribution company in India. Established in 1984, GAIL is one of the natural gas companies in India and is involved in the transportation, distribution and marketing of natural gas, LPG, and related products. The company operates a network of pipelines that span over 11,000 km and connects major gas fields, refineries, petrochemical complexes and fertilizer plants in India. GAIL is also involved in the exploration and production of natural gas, and has joint ventures with other companies to explore new sources of natural gas.

In addition to its core business, GAIL provides a range of services that includes engineering and construction, technical consultancy, and information technology services.

The company has a strong commitment to sustainability, and has implemented several initiatives aimed at reducing its carbon footprint, promoting energy efficiency and developing renewable energy sources.

GAIL has received numerous awards and recognition for its performance, including the prestigious “Maharatna” status from the Government of India, which recognizes companies with exceptional performance and contribution to the national economy. With its extensive network and commitment to customer service, GAIL has become a major player in the natural gas industry in India and is well-positioned to continue growing and expanding its operations in the future.

HPCL

Hindustan Petroleum Corporation Limited, or HPCL, is an Indian state-owned oil and gas business. Its headquarters are in Mumbai, India, where it was founded in 1974. Crude oil refining, petroleum product marketing, hydrocarbon exploration, and production are HPCL's main businesses.

In Mumbai and Visakhapatnam, HPCL operates two significant refineries with a combined annual capacity of more than 18 million metric tonnes. The company manufactures a wide variety of petroleum products, such as bitumen, gasoline, diesel, LPG, and aviation turbine fuel. With more than 18,000 gasoline stations and LPG distributors all over India, HPCL has a robust distribution network.

HPCL is active in the exploration and production of oil and gas in addition to refining and marketing petroleum products. The business includes agreements with numerous foreign oil and gas corporations and ownership interests in a number of exploration blocks in India and other nations.

With a strong focus on sustainability, HPCL has launched a number of programmes to lessen its carbon impact and advance renewable energy. The business has put in place a number of energy-saving initiatives, such installing solar panels at its sites and using waste heat recovery systems. HPCL is also active in a number of social welfare projects, such as campaigns to advance healthcare, education, and environmental preservation.

Mahanagar

An Indian corporation called Mahanagar Gas Limited (MGL) specialises in distributing natural gas, especially in the Mumbai metropolitan area.

The business was founded in 1995 as a joint venture between the BG Group and GAIL (India) Limited (UK). Mumbai, India serves as the home base for MGL.

MGL's main line of business is the distribution of piped natural gas (PNG) and compressed natural gas (CNG) for residential, commercial, and industrial uses. Natural gas is delivered by the company's network of pipelines and compression facilities to various locations throughout the Mumbai metropolitan area. MGL promotes the use of clean energy for public transportation by running a fleet of CNG-powered buses and taxis in Mumbai.

The company has put in place a number of safety measures, such as routine maintenance and inspection of its pipelines, as part of its commitment to provide its customers with secure and dependable natural gas supplies. In addition to natural gas distribution, MGL is also involved in the development of infrastructure for the distribution of liquefied petroleum gas (LPG) and the setting up of city gas distribution networks in other cities in India. The company has partnerships with several international companies for the development of these projects.

SWOT Analysis of Oil and Gas Industry:

Strengths:

1. Vital Industry: The oil and gas sector is a substantial contributor to the world economy and to energy security.
2. Consistently Strong Demand: Oil and gas products are in high demand all around the world.
3. Well-developed Infrastructure: The industry's infrastructure for oil and gas exploration, production, processing, and transportation is well-established.
4. High Profitability: The industry has historically attracted significant investment due to its high profitability.

Weaknesses:

1. Dependency on Non-Renewable Energy Sources: Concerns regarding sustainability and environmental effect are raised by the industry's reliance on non-renewable energy sources.
2. Oil Price Volatility: Oil prices have the potential to be quite unpredictable, which could have a detrimental effect on the industry's profitability.

3. Geopolitical Risks: The sector is vulnerable to geopolitical risks, such as political unrest, war, and trade restrictions, which can cause supply chains and business operations to be disrupted.

4. High Capital Expenditures: The industry requires significant capital investments to explore, produce, and refine oil and gas.

Opportunities:

1. Renewable Energy: The sector has the chance to diversify and move towards a more sustainable energy mix as a result of the shift to renewable energy sources.

2. Digital Transformation: By adopting digital technology, the value chain may be more efficient and more cost-effective.

3. Developing Markets: The expansion of emerging markets offers the business new chances to broaden its area and boost demand for oil and gas goods.

4. Energy Transition: The industry has an opportunity to play a leading role in the transition towards a low-carbon economy, including the development of carbon capture and storage technologies.

Threats:

1. Climate Change and Environmental Regulations: The long-term viability and profitability of the sector are seriously threatened by climate change and environmental restrictions.

2. Competition from Renewable Energy Sources: The development of renewable energy sources threatens the industry's long-standing hegemony in the energy sector.

3. Energy Efficiency: The industry's need for oil and gas products is threatened by the move towards energy efficiency.

4. Public Perception: Negative public perception of the industry's environmental impact can lead to reputational damage and regulatory pressure.

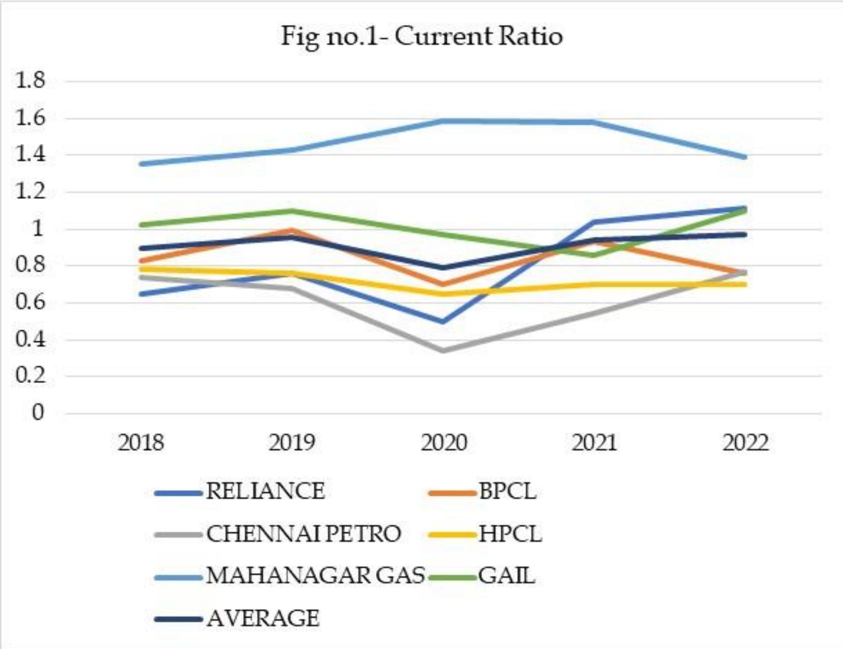
Fundamental Analysis Through Ratios

CURRENT RATIO:

1. Current Ratio

Years	Reliance	Bpcl	Chennai	Hpcl	Mahanagar	Gail	Average
2018	0.65	0.83	0.74	0.78	1.35	1.02	0.90
2019	0.76	0.99	0.68	0.76	1.43	1.10	0.95

2020	0.50	0.70	0.34	0.65	1.59	0.97	0.79
2021	1.04	0.93	0.54	0.70	1.58	0.86	0.94
2022	1.11	0.76	0.77	0.70	1.39	1.10	0.97



Interpretation:

- The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or dues within one year.
- We can see that the current ratio for Mahanagar Gas and GAIL is higher than the industry average for all the years and this means they are in a good position to pay their short-term obligations.
- Whereas for others like Reliance, BPCL, HPCL the ratio is near the industry average, which is also good.

QUICK RATIO

2. Quick Ratio

Years	RELIANCE	BPCL	CHENNAI	HPCL	MAHANAGAR	GAIL	AVERAGE
2018	0.44	0.36	0.21	0.39	1.32	0.83	0.60
2019	0.54	0.53	0.20	0.40	1.41	0.86	0.70
2020	0.39	0.35	0.06	0.32	1.57	0.71	0.60

2021	0.86	0.44	0.06	0.24	1.56	0.63	0.60
2022	0.88	0.26	0.12	0.20	1.37	0.87	0.60

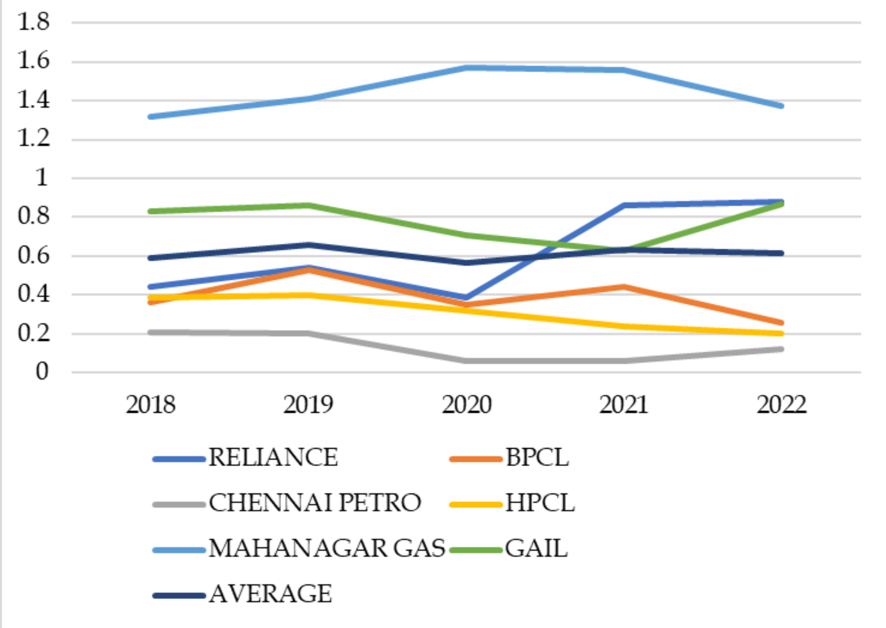


Fig no.2- Quick Ratio

Interpretation:

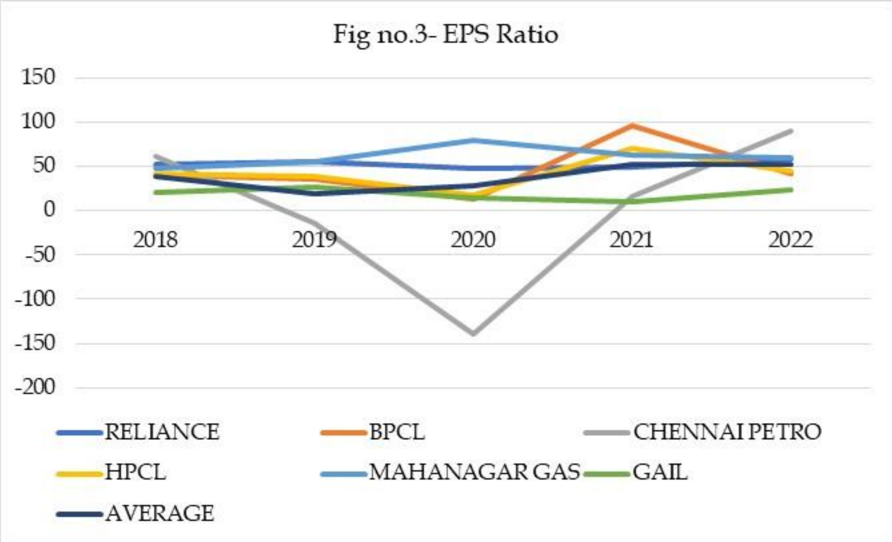
- From the above graph and table, we can interpret that Mahanagar Gas and GAIL have a higher quick ratio than the industry average. We suggest especially to Mahanagar gas to reduce the ratio which can help them to increase the profitability.
- Chennai Petroleum has a very low quick ratio.
- BPCL and HPCL also have a low quick ratio.

EARNING PER SHARE RATIO

3. EPS Ratio

Years	RELIANCE	BPCL	CHENNAI	HPCL	MAHANAGAR	GAIL	AVERAGE
2018	53.08	40.55	61.31	41.72	48.38	20.48	38.71
2019	55.48	36.26	-14.33	39.56	55.31	26.72	19.49
2020	48.42	13.64	-139.52	17.31	80.33	14.68	28.42

2021	49.66	96.44	15.95	70.57	62.72	10.85	52.13
2022	59.24	41.31	90.15	44.94	60.43	23.34	53.24



Interpretation:

- Mahanagar Gas and Reliance have high EPS as compared to the industry average. This is a good indication for the investors. High EPS shows that the companies earning is good.
- BPCL and HPCL are also having high EPS as compared to the industry average except for the year 2020. This is a good indication for the investors. High EPS shows that the companies earning is good.
- Gail's EPS is low throughout the study period,which is not an encouraging sign.
- The EPS of CHENNAI is very much fluctuating as we can see in the year 2019 and 2020 it is negative. It seems to be risky to invest in the company as the earning stability is not there.

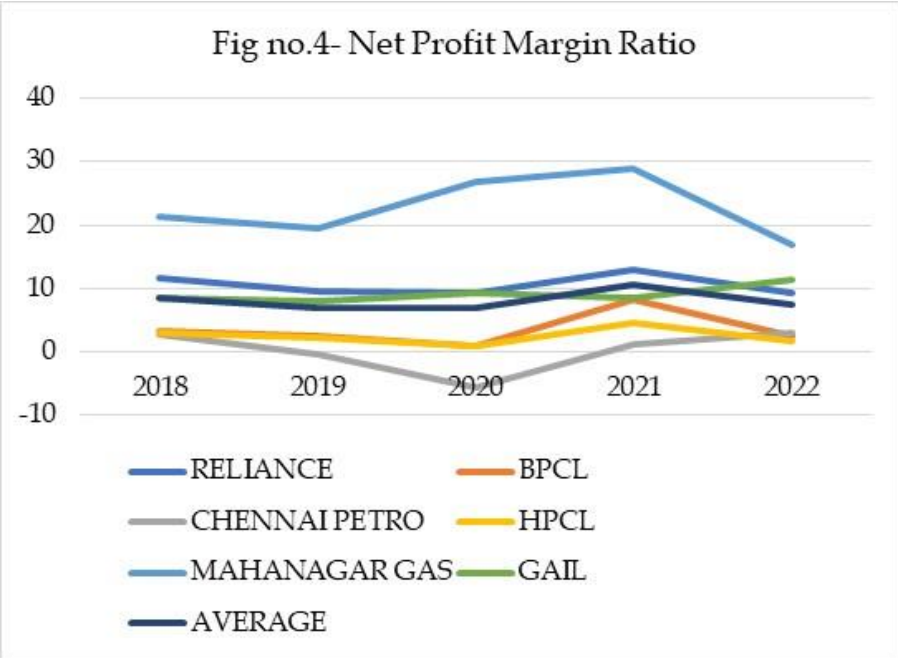
NET PROFIT MARGIN RATIO

4. Net Profit Margin Ratio (%)

Year/ Company	Reliance	Bpcl	Chennai	Hpcl	Mahanagar	Gail	Average
2018	12%	3%	3%	3%	22%	9%	8%
2019	9%	2%	-1%	2%	20%	8%	7%

2020	9%	1%	-6%	1%	27%	9%	7%
2021	13%	8%	1%	5%	29%	9%	11%
2022	9%	2%	3%	2%	17%	11%	7%

(Here we are not considering Industry Average to compare since it is negative)



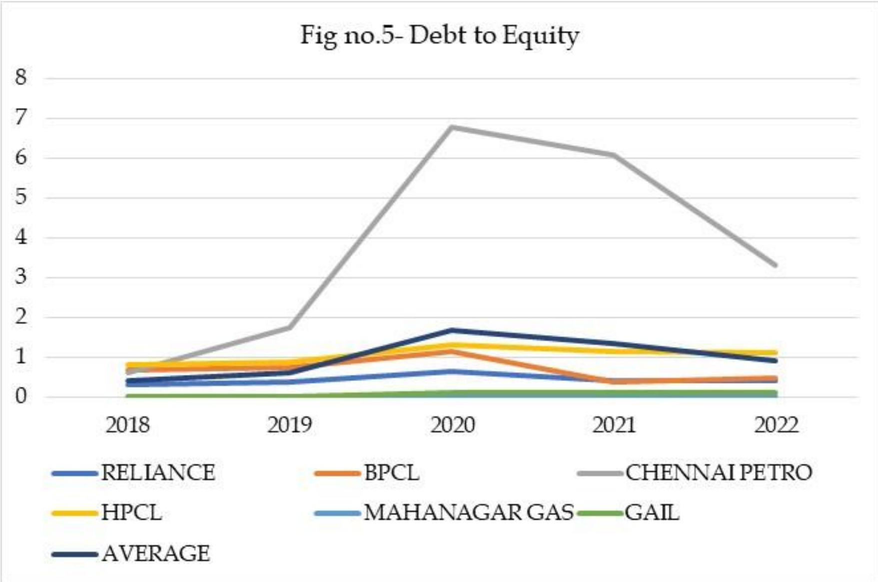
Interpretation:

- Mahanagar Gas followed by Reliance and GAIL has a high net profit margin as compared with the average and is likely to be well-run and capable of making a sizable profit from its sales.
- HPCL and BPCL have a low net profit margin, which suggests it could be a sign that these companies are having trouble turning a profit from their sales due to factors like high operational costs or fierce competition.
- Chennai Petro net profit margin is not stable we can see the ups and downs which is not good. As we can see that in the year 2019 and 2020, they incurred loss. So, it is risky to invest in the company.

DEBT TO EQUITY RATIO

5. Debt to Equity Ratio

Years	Reliance	BPCL	Chennai	HPCL	Mahanagar	GAIL	Average
2018	0.31	0.67	0.62	0.82	0	0.02	0.41
2019	0.39	0.74	1.74	0.89	0	0.02	0.63
2020	0.65	1.15	6.8	1.33	0	0.12	1.68
2021	0.41	0.39	6.09	1.16	0	0.12	1.36
2022	0.41	0.49	3.31	1.12	0	0.11	0.91



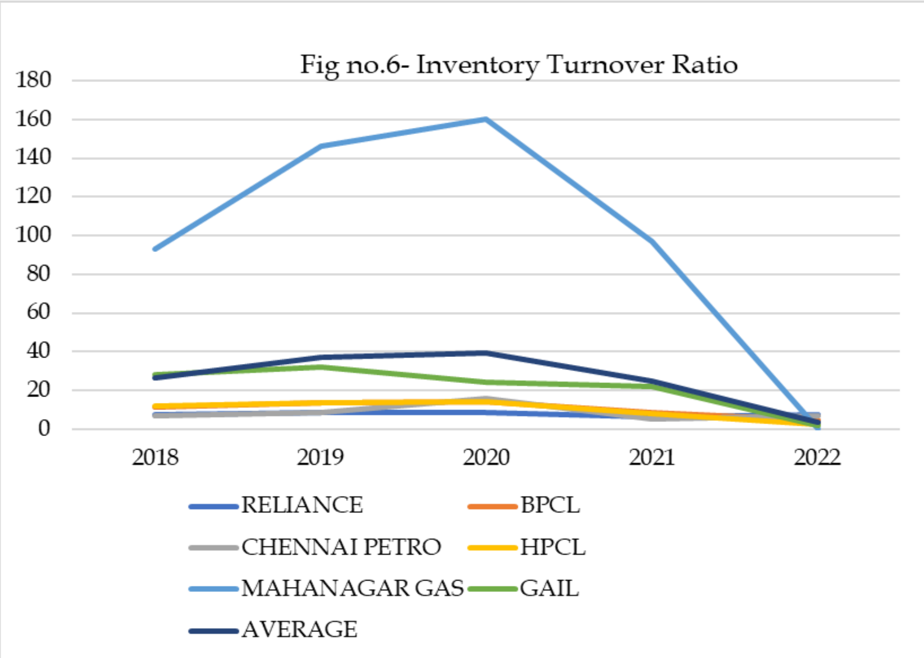
Interpretation:

- Chennai Petro is having high Debt to Equity which indicates that they are borrowing more capital from the market to fund its operations. As in the previous ratios we analysed that companies position in respect to EPS and net profit margins is also not good which is not a good indication from investors point of view. Hence, we suggest Chennai Petro pay down their loans, increase profitability, and restructure debt.
- Mahanagar is not using debt for raising money. This can be good for those investors who consider debt financing as a risky source of finance.
- Gail's debt equity ratio is very low as compared to the other companies. The other companies i.e. Reliance, BPCL, HPCL are having satisfactory debt equity ratio.

INVENTORY TURNOVER RATIO:

6. Inventory Turnover Ratio (times)

Years	Reliance	BPCL	CPCL	HPCL	Mahanagar	Gail	Average
2018	7.33	11.33	6.83	11.91	93.05	27.96	26.40
2019	8.42	13.80	8.53	13.63	145.99	32.36	37.12
2020	8.68	13.93	15.72	14.04	160.07	24.28	39.45
2021	6.56	8.69	4.98	8.15	97.12	21.79	24.55
2022	7.70	4.40	6.65	2.17	0.00	1.80	3.79



Interpretation:

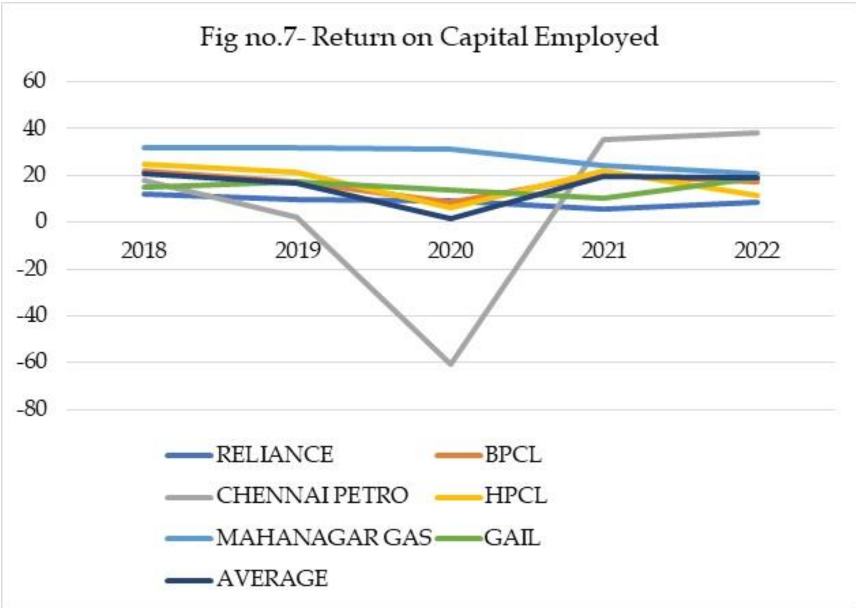
- During our study period we have analyzed that Mahanagar has the exceptionally high inventory turnover ratio. Though the high ratio is good as it shows the efficiency of the organization, but a very high ratio indicates a very low stock in the organization which is to be considered seriously. If it is not the case of low inventory in that case the performance of Mahanagar is exceptionally good.
- GAIL's Inventory turnover ratio is very good we can say that the company is performing adequately as compared to its competitors in terms of managing its inventory and generating sales.

- The ratio of BPCL and HPCL is satisfactory, and the ratio of Reliance seems to be on the lower side.

RETURN ON CAPITAL EMPLOYED RATIO

7. Return on Capital Employed Ratio (%)

Years	Reliance	BPCL	CPCL	HPCL	Mahanagar	gail	average
2018	11.8	21.87	17.8	24.77	31.77	14.95	20.5
2019	9.95	17.19	2.37	21.48	31.95	17.34	16.7
2020	8.84	8.79	-61	6.41	31.12	13.92	1.3
2021	5.82	20.37	35.31	21.91	24.09	10.53	19.7
2022	8.24	17.53	38.07	11.55	20.82	18.91	19.2



Interpretation:

- Mahanagar Gas return on capital employed is more than industry average which suggest that this company has channelized its capital in such a way that it had generated it profits over the years. It is doing great in the industry.
- BPCL and HPCL are near about the industry average which suggests that they have been stable over the years and have stable ROCE levels.
- Chennai Petro return on capital employed is not stable there are too much fluctuations as we can see the variation from -61 to + 38.

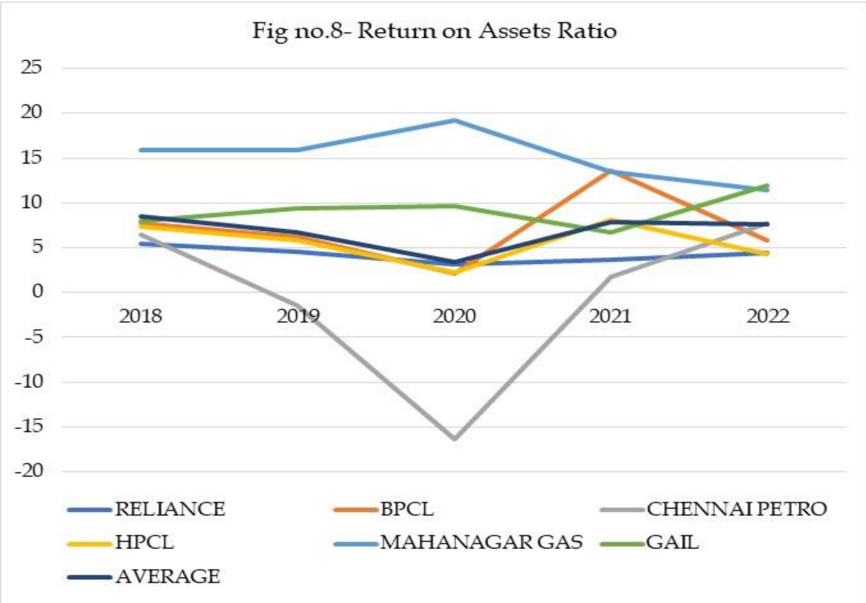
Hence, the investment in the company is not sage due to the fluctuations of the return.

- GAIL's performance is satisfactory as the return are more than or near to the industry average.
- Reliance return on capital employed is not satisfactory as we can see the decrease in the ratio throughout the study period except for the year 2022.

RETURN ON ASSETS RATIO

8. Return on Assets Ratio

Years	Reliance	BPCL	CPCL	HPCL	Mahanagar	Gail	Average
2018	5.44	7.76	6.4	7.32	15.87	7.95	8.46
2019	4.53	6.16	-1.39	5.81	15.87	9.35	6.72
2020	3.18	2.12	-16.39	2.31	19.22	9.66	3.35
2021	3.65	13.54	1.69	8.12	13.46	6.67	7.86
2022	4.44	5.83	7.71	4.25	11.40	12	7.61



Interpretation:

- Return on Assets Ratio of Mahanagar Gas is very high as compared to industry average throughout the study period. This indicates that the company is efficiently using its assets to generate revenue.

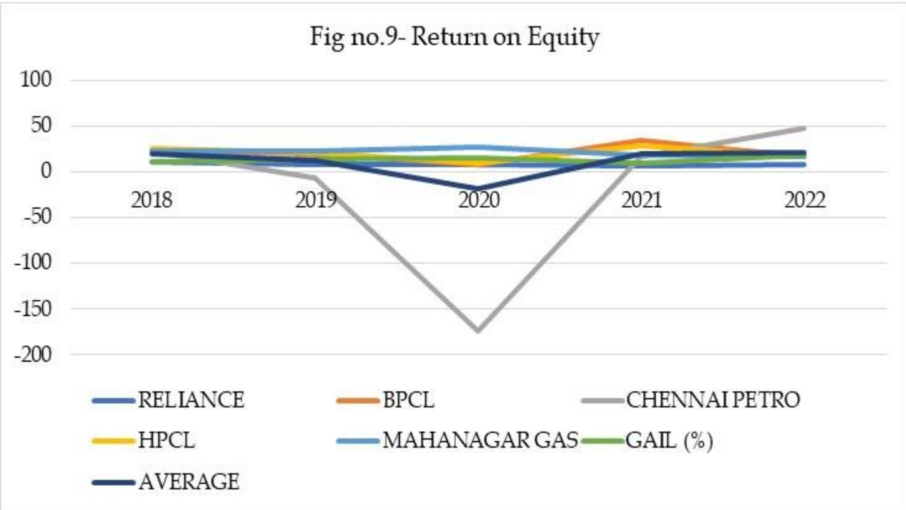
- Chennai Petro's return on assets is not satisfactory as we can see a high variation. The company was generating negative returns during the year 2019 and 2020. This is not a good indication for the investors.
- Reliance is having low ROA so it should be investing in total assets to meet the average of the industry.
- GAIL, HPCL and BPCL are near to industry average which can be considered as satisfactory.
- Reliance's ratio is comparatively low we suggest the company to take necessary actions to increase the ratio.

RETURN ON EQUITY

9. Return on Equity Ratio

Years	Reliance	BPCL	CPCL	HPCL	Mahanagar	Gail	Average
2018	10.68	23.36	23.67	26.54	22.8	11.45	19.8
2019	8.67	19.41	-6.44	21.39	22.77	13.66	13.2
2020	7.89	8.07	-174.25*	9.1	26.87	15.05	13.4
2021	6.73	34.91	16.67	29.46	19.16	10.49	19.6
2022	8.28	17.69	48.41	16.5	16.59	18.64	21.0

* value not considered in average



Interpretation:

- Mahanagar Gas ROE is decreasing over the years except for the year 2020 which can be a red flag for the company.
- Chennai Petro's return on equity is not satisfactory as we can see that the variation in the ratio from -174.25 to +48.41. it shows that the

company is not stable in terms of return on equity which is not a good indication for the investors.

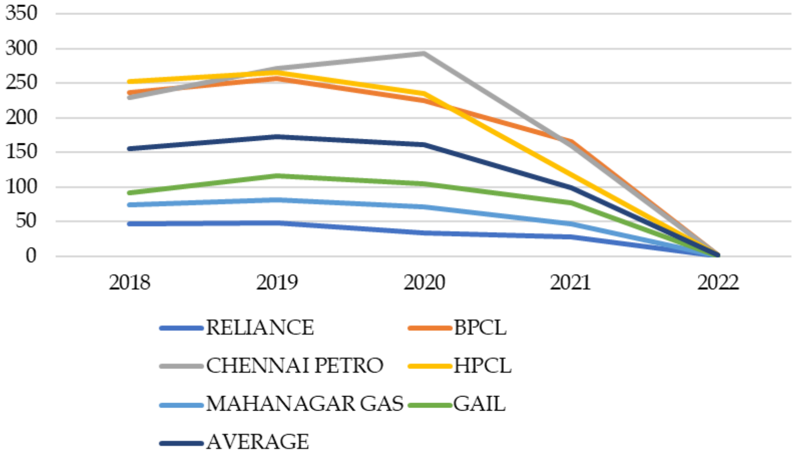
- The ratio of GAIL is quite satisfactory as we can see the continuous growth throughout the study period except for the year 2021.
- Reliance return on equity is also not satisfactory as the ratio is decreasing throughout the study period except for the year 2022.
- The return on equity ratio of the BPCL and HPCL is quite satisfactory as the ratio is more than the industry average except any one particular year.

ASSETS TURNOVER RATIO

10 Assets Turnover Ratio (times)

Years	Reliance	BPCL	Chennai	HPCL	Mahanagar	Gail	Average
2018	46.96	236.11	229.62	252.66	74.18	92.38	155.32
2019	47.9	257.09	271.04	265.26	81.11	116.69	173.18
2020	34.67	224.86	292.97	235.73	71.99	104.86	160.85
2021	28.11	165.38	159.88	117.53	46.78	77.38	99.18
2022	0.48	2.49	2.76	2.49	0.72	1.15	1.68

Fig no.10- Assets Turnover



Interpretation:

- From the above we can interpret that the asset turnover ratio of BPCL, HPCL and CPCL is higher than the industry average throughout the study period. This implies that these companies are efficiently using their assets to generate revenue.

- The asset turnover ratio of Reliance is the lowest followed by Mahanagar Gas and GAIL. Throughout the study period the ratio is lower as compared to industry average.

Conclusion

From the above analysis of the industry and companies we can conclude that Mahanagar Gas and Reliance are performing well, and they are ahead of the other companies in the industry. The performance of BPCL and HPCL are satisfactory but there is a cause of concern related to the performance of Chennai Petro.

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CHAPTER 9

Pharmaceuticals Industry

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** Pursuing MBA from KIET Group of Institutions Delhi-NCR Ghaziabad*

Industry Overview

The pharmaceutical industry consists of drug manufacturers, biotechnology companies, and distribution companies. These pharma companies are engaged in research, new drug formulation, production, distribution of medicines, medical devices, and vaccines. The major expenses of pharmaceutical companies are Drug discovery and marketing. For drug discovery the pharma companies require medical data and reports of patients for their researching and development. The drugs are manufactured in the form of Tablet, Capsules, Suspensions, Emulsions, etc.

INDUSTRY MAJORS: An Overview

GlaxoSmithKline

GSK is formerly known as GlaxoSmithKline. It is a British multinational pharmaceutical and biotechnology company. The global headquarters of GSK is in London, England. This company was established in December 2000 by a merger of Glaxo Wellcome and SmithKline Beecham. **Company Slogan – "Do more, feel better live longer".** It operates in many segments like pharmaceuticals, Consumer healthcare products, vaccines, and Corporate Executive Team (CET). The main areas of GSK are infectious diseases, immune inflammation, respiratory diseases, and oncology. GSK manufactures products for major disease areas such as asthma, cancer, infections, diabetes, and mental health. GSK has offices in over 115 countries. The company's single largest market is the United States. GSK has a leading global position in respiratory diseases and HIV medicines. GSK has some of the world's most trusted and best-selling brands like Sensodyne, Horlicks, Voltaren, and Panadol.

Cipla

Cipla is an Indian multinational pharmaceutical company established in 1935 whose headquarter is in Mumbai. Cipla Focuses on the development of medicines to treat cardiovascular diseases, respiratory diseases, diabetes, depression, arthritis, and other conditions. They have various segments like prescription drugs, bulk drugs, animal products, oral hygiene products, pesticides, a wide range of food and beverages, baked foods, detergents, room fresheners, and personal care products. They produce drugs to treat cancer, cardiovascular diseases, arthritis, drugs that prevent transmission of AIDS from mother to child, etc.

Sun Pharma

Sun Pharmaceutical Industry Limited is an Indian multinational pharma company. Sun Pharma was founded in 1983 by Dilip Shantilal with its headquarter in Mumbai. They offer a wide range of therapeutic products such as anti-infectives, neurology, cardiology, ophthalmology, urology, diabetology, dental, and nutritionals. Sun Pharma sells its products in various ways: tablets, capsules, creams, inhalers, ointments, injectables and liquids. This company provides medicines to more than 100 countries worldwide. Sun Pharma started with just 5 psychiatry products and in 2022, they are selling more than 2000 products across the globe.

Alpa Labs

ALPA Laboratories was founded in 1988. It is engaged in the business of manufacturing a spectrum of products like ethical drugs, veterinary products, generic drugs, and over-the-counter (OTC) drugs. The company manufactures and provides formulations for major pharmaceutical companies Glenmark, Cipla, Zydus, Lupin, Genom, Cadila, Biotech Jenbur, etc. Alpa Laboratories provide their range of products to other countries like the Philippines, Iran, Iraq, Sierra Leon, Madagascar, Kenya, Liberia, Puerto Rico, Haiti, Sudan, Ghana, Nigeria, Sri Lanka, etc. They provide many drugs of therapeutic segments such as anti-inflammatory, anti-histaminic, anti-bacterial, anti-allergic, and anti-infective. They offer products namely optamycin, Alquin, Amoxycillin capsules, and other.

Bafna Pharma

Bafna Pharmaceuticals Limited was established in 1981 . This is Indian Based pharmaceutical company. This company is engaged in the manufacturing of Betalactum Non-Betalactum products. They launched various drugs like Afenac-P, lzabof-250 86 500 mg, Nocaf Syrup, Afenac-P Tablets, Lzabof Suspension, Afenac TH Tablets in the domestic market. The company sell its products in many countries like Sri Lanka, Nepal, Ukraine, the UK, Colombia, Nigeria, Honduras, Ghana, and Vietnam.

Mankind

Mankind Pharma is a multinational pharmaceutical company headquartered in Delhi, India. It was founded in 1991 . The company offers more than 1000 products in 17 therapeutic areas ranging from antibiotics to cardiovascular, gastrointestinal, dermal, and erectile dysfunction medications. The offer various products like Abevia 200 SR Tablet, Asthakind-LS Expectorant Cola Sugar Free Bandy-Plus Chewable Table, Cafeblast CV, and Caldkind Capsule etc.

SWOT Analysis

Strengths

- Efficient and experienced general Officers.
- Noticeable Market presence

Weakness

- Non-availability of modern space
- Low profitability and low-profit margins

Opportunities

- Government Support
- Global market

Threats

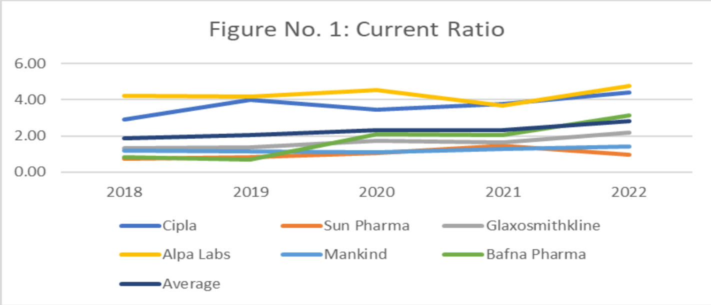
- New Competitors
- Inflation

Fundamental Analysis Through Ratios

CURRENT RATIO

1. Current Ratio						
Year	**Cipla**	**Sun Pharma**	**GlaxoSmithKline**	**Alpa Labs**	**Bafna Pharma**	**Average**
2018	2.91	0.76	1.35	4.22	0.82	1.87
2019	4.00	0.84	1.37	4.17	0.68	2.04
2020	3.45	1.07	1.75	4.54	2.10	2.34

2021	3.79	1.45	1.65	3.69	2.04	2.32
2022	4.41	0.96	2.19	4.78	3.14	2.82

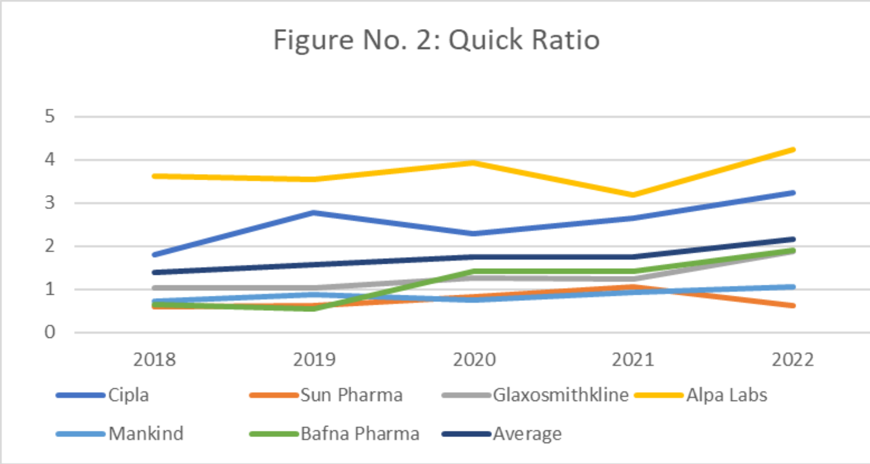


Interpretation:

- Current ratio is used for determining the short-term financial position of the firm. A high current ratio shows that the firm is able to meet its current obligations whereas a low current ratio indicates that the business does not have sufficient funds to honour its obligations.
- From the above it can be interpreted that Alpa Labs. is having highest current ratio followed by Cipla. Throughout the study period the ratio of both the companies are more than the industry average.
- Sun Pharma is having lowest current ratio. Glaxo Smith also having low current ratio as compared to the industry average.
- The current ratio of Bafna pharma was very low in the year 2018 and 2019 but after that they are maintaining the ratio well.

LIQUID/ QUICK RATIO

2. Liquid Ratio						
Year	**Cipla**	**Sun Pharma**	**GlaxoSmithKline**	**Alpa Labs**	**Bafna Pharma**	**Average**
2018	1.79	0.59	1.04	3.62	0.64	1.40
2019	2.79	0.63	1.04	3.54	0.55	1.57
2020	2.29	0.83	1.27	3.93	1.43	1.75
2021	2.64	1.07	1.25	3.18	1.41	1.75
2022	3.23	0.62	1.89	4.25	1.90	2.16

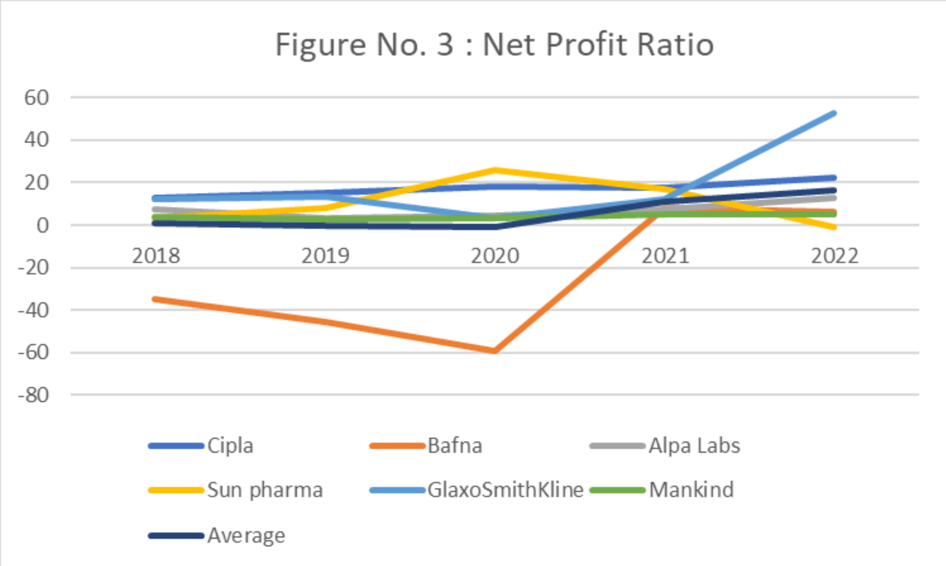


Interpretation:

- Quick Ratio is used to determine the short-term solvency of the firm where quick assets have the characteristic of easy conversion into cash and include cash, debtors, temporary investments, and bills receivables.
- From the above it can be interpreted that Alpa Labs. is having highest quick ratio followed by Cipla. Throughout the study period the ratio of both the companies are more than the industry average.
- Sun Pharma is having lowest current ratio. Glaxo Smith also having low quick ratio as compared to the industry average.
- The quick ratio of Bafna pharma was very low in the year 2018 and 2019 but after that they are maintaining the ratio well.

NET PROFIT RATIO

3. Net Profit Ratio						
Year	**Cipla**	**Bafna**	**Alpa Labs**	**Sun pharma**	**GlaxoSmithKline**	**Average**
2018	12.89	-34.87	7.65	3.39	12.25	0.88
2019	15.26	-45.5	3.50	7.92	13.59	-0.44
2020	18.31	-59.34	4.74	25.62	3.41	-0.70
2021	17.75	8.18	7.44	16.71	12.24	11.19
2022	22.59	6.05	12.58	-0.64	52.54	16.33

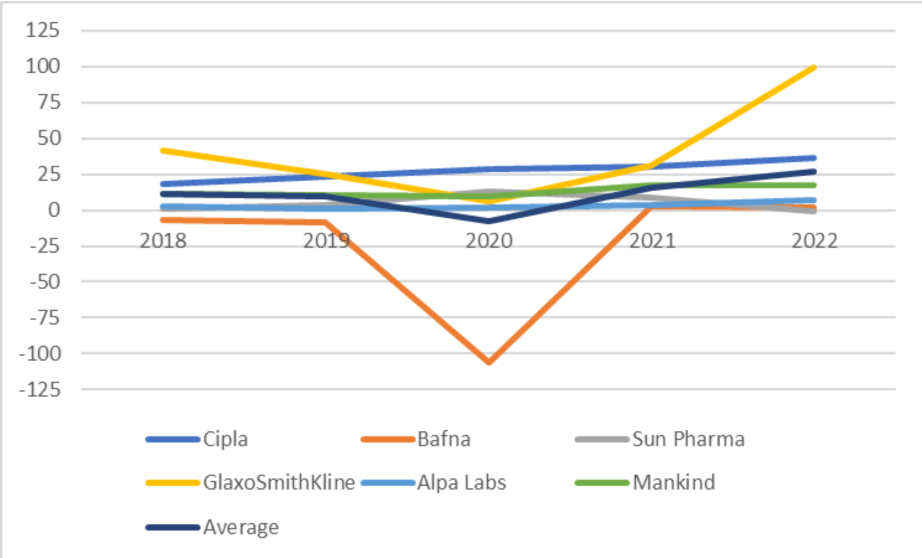


Interpretation:

- Net Profit ratio measures the overall profitability of the business. It expresses the rate of the net profit for every unit of revenue.
- From the above data it can be examined that Cipla and GlaxoSmithKline are having very good net profit ratio.
- Net profit ratio of Bafna is not satisfactory as we can see the company was in loss during the year 2018 to 2020.
- Sun pharma performance for the years 2018 to 2020 was good as we can see the increase in the ratio. In the year 2021 the ratio decreased and further in the year 2022 the net profit ratio was negative.

EARNINGS PER SHARE RATIO

4. Earnings Per Share						
Year	**Cipla**	**Bafna**	**Sun Pharma**	**GlaxoSmithKline**	**Alpa Labs**	**Average**
2018	18.25	-6.95	1.30	41.56	2.26	11.24
2019	23.45	-8.34	3.40	25.11	1.27	9.16
2020	28.76	-106.54	13.40	6.50	1.95	-7.75
2021	30.61	2.46	8.92	31.32	3.46	15.73
2022	36.63	2.17	-0.40	99.05	6.71	26.98

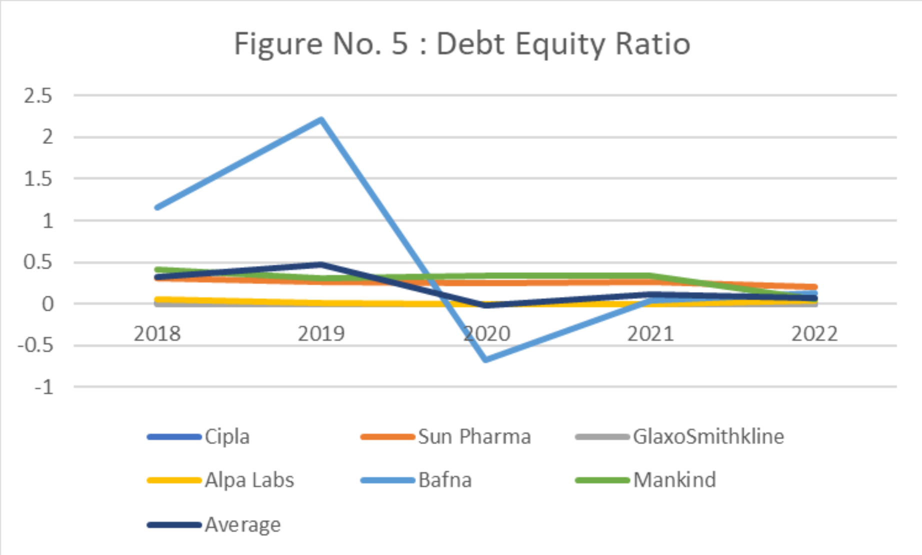


Interpretations:

- Earnings per Share is useful to determine the market price of equity shares.
- From the above data it can be examined that Cipla and GlaxoSmithKline are having very good earnings per share. The ratio is higher than the industry average. This is very good indication for the investors.
- Earnings per share of Bafna is not satisfactory as we can see the negative EPS for the years 2018 to 2020.
- Sun pharma performance for the years 2018 to 2020 was good as we can see the increase in the ratio. In the year 2021 the ratio decreased and further in the year 2022 the earnings per share was negative.

DEBT EQUITY RATIO

5. Debt to Equity Ratio						
Year	**Cipla**	**Sun Pharma**	**GlaxoSmithKline**	**Alpa Labs**	**Bafna**	**Average**
2018	0.01	0.30	0.00	0.06	1.15	0.32
2019	0.00	0.26	0.00	0.01	2.22	0.47
2020	0.00	0.24	0.00	0.00	-0.68	-0.02
2021	0.00	0.26	0.00	0.00	0.04	0.11
2022	0.00	0.20	0.00	0.04	0.13	0.07

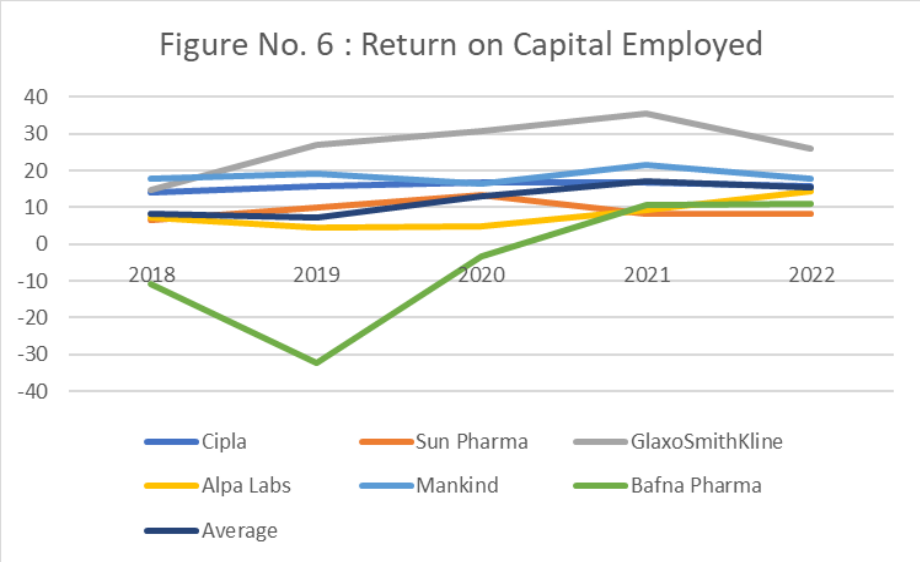


Interpretation:

- GlaxoSmithKline is debt free as we can see they are not using debt in the capital structure. Cipla and Alpa labs are also having nearly zero debt to equity ratio during the years of study. We recommend the company to use trading on equity if possible. As we know debt is a cheaper source of finance hence, use of debt can be helpful to increase profitability.
- Bafna's debt-equity ratio was high initially and for the year 2022 it was negative which is not a good indication for the investors. 2021 onwards we can see the ratio is satisfactory.
- From 2020 onwards Sun pharma is using more debt as compared to other companies.

RETURN ON CAPITAL EMPLOYED

6. Return on Capital Employed						
Year	**Cipla**	**Sun Pharma**	**GlaxoSmithKline**	**Alpa Labs**	**Bafna Pharma**	**Average**
2018	13.93	6.68	14.85	7.33	-10.9	8.28
2019	15.63	10.12	26.82	4.67	-32.21	7.36
2020	16.86	13.45	30.68	4.77	-3.30	13.12
2021	16.75	8.15	35.40	9.24	10.56	16.96
2022	15.72	8.20	25.90	14.54	10.96	15.49



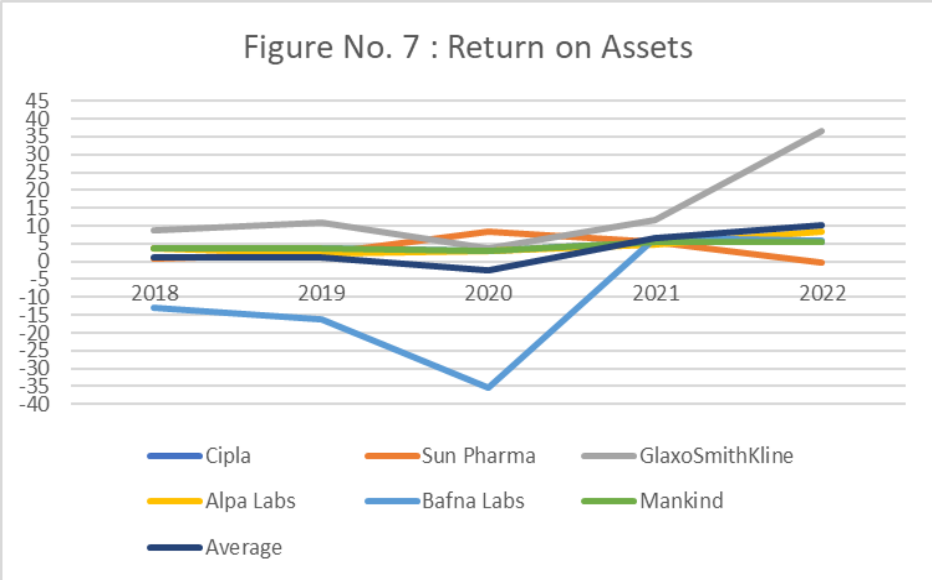
Interpretation:

- This ratio is used to measure the efficiency of a business in generating return on its investment.
- A high return on Capital Employed indicates that a company is generating a high return on the investment and is likely to be a good investment, on the other hand a low ratio indicates that a company is not generating a high return on the investment and is likely to be a not a good investment.
- Cipla and GlaxoSmithKline have high ratio from industry average which indicates that a higher percentage of company's values may be returned to stakeholders as profit.
- Bafna has negative return on capital employed which shows Bafna is going in loss during the year 2018 to 2020. From 2021 onwards the return on capital employes is positive. We can see that the ratio is not stable which is not good from the company's as well as investors point of view.

RETURN ON ASSETS

7. Return on Assets						
Year	**Cipla**	**Sun Pharma**	**GlaxoSmithKline**	**Alpa Labs**	**Bafna Labs**	**Average**
2018	3.68	0.83	8.87	3.76	-12.90	1.32
2019	3.59	2.16	10.88	2.12	-16.35	1.00

2020	2.94	8.36	3.51	3.10	-35.46	-2.44
2021	5.61	5.48	11.54	4.83	6.73	6.63
2022	5.55	-0.24	36.57	8.55	5.70	10.28



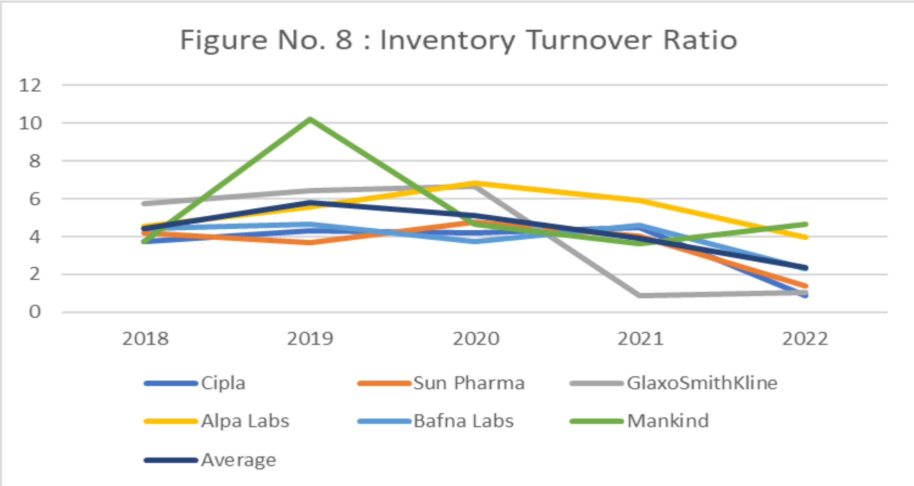
Interpretation:

- The return on assets (ROA) ratio indicates the relationship between earnings and assets base of the company.
- GlaxoSmithKline has high ratio which indicate that the company produced relatively higher earnings in comparison to its assets base.
- Bafna is showing negative Return on assets which is not a good indication.
- The ROA of Alpa Labs is increasing throughout the study period except for the year 2019. It is showing that the company is increasing the effectiveness of utilizing the assets to increase the revenue.
- Cipla's ratio is also above the industry average except for the year 2022. We can interpret that the company performance is satisfactory.
- Initially the ratio of sun pharma was increasing but 2021 onwards it start decreasing and in the year 2022 the ratio is negative. We suggest the company to consider this and take

necessary action to improve the ROA to avoid unfavorable situation.

INVENTORY TURNOVER RATIO

8. Inventory Turnover Ratio						
	Cipla	Sun Pharma	GlaxoSmithKline	Alpa Labs	Bafna Labs	Average
2018	3.75	4.22	5.74	4.54	4.42	4.40
2019	4.31	3.69	6.43	5.56	4.67	5.81
2020	4.19	4.76	6.68	6.85	3.72	5.14
2021	4.5	4.04	0.90	5.89	4.61	3.93
2022	0.88	1.40	1.07	3.96	2.3	2.38



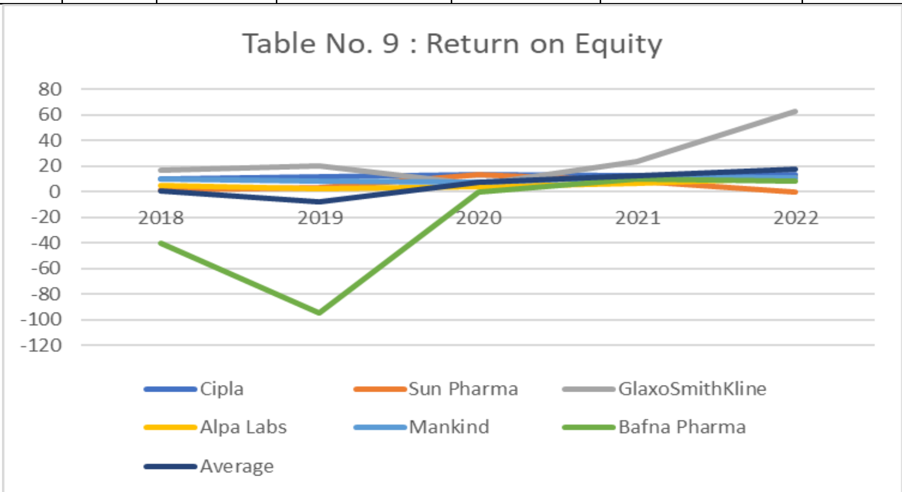
Interpretation:

- This ratio shows the speed with which stock is converted into sales. A higher ratio indicates that the company generates higher sales per unit of investment made in stock whereas low ratio indicates the inventory is lying idle, poor performance of the business, other expenses related to storage of stock are high.
- From the above table and graph we can interpret that Bafna Labs has a good turnover ratio and is almost nearby to the average of the industry.
- The ratio of Alpa Lab is satisfactory and we can see the ratio is above to the industry average which is good.

- The ratio of Sun pharma and Cipla is satisfactory as these are near to the industry average except for the year 2022.
- Sun Pharma ratio is below the industry average throughout the study period except only for the year 2021 where it is marginally high.

RETURN ON EQUITY

9 : Return On Equity						
	Cipla	**Sun Pharma**	**GlaxoSmith Kline**	**Alpa Labs**	**Bafna Pharma**	**Average**
2018	10.40	1.36	16.92	4.61	-40.59	0.39
2019	11.96	3.57	19.85	2.57	-94.88	-8.13
2020	13.32	13.16	5.98	3.69	0.00	7.23
2021	12.38	8.54	23.88	6.18	10.26	12.22
2022	13.13	-0.40	63.13	10.73	8.19	17.59



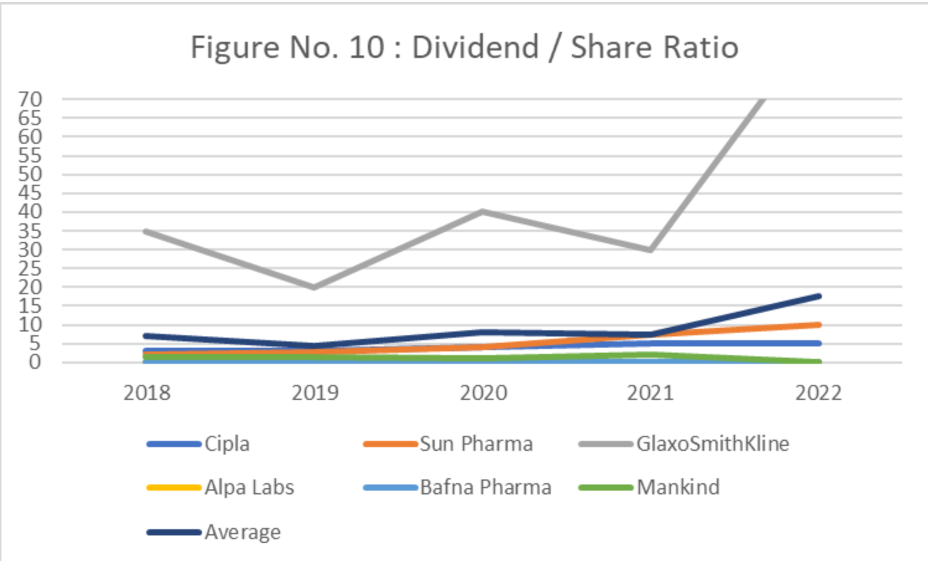
Interpretation:

- This ratio provides an insight into business's profitability for owners and investors. It help investors understand whether they are getting a good return on their money.
- The higher the return on equity, the better a company is at converting its equity financing into profits whereas low return on equity shows that the company did not use the capital efficiently invested by shareholders.

- GlaxoSmithKline and Cipla are performing well as they have high return on equity which indicate their financial strength.
- Initially for the year 2018-2020 the Bafna condition was not good as we can see the negative or no return. From the year 2021 onwards, we can see the positive return on equity.
- Alpa Lab performance seems to be satisfactory as we can see the ratio is improving.
- From 2018-2020 Sun Pharma return on equity was increasing but from 2020 onwards we can see the rapid decrease in the ratio. We can see for the year 2022 the ratio is negative.

DIVIDEND PER SHARE RATIO

10. Dividend Per Share Ratio						
Year	**Cipla**	**Sun Pharma**	**GlaxoSmithKline**	**Alpa Labs**	**Bafna Pharma**	**Average**
2018	3.00	2.00	35.00	0	0	6.92
2019	3.00	2.75	20.00	0	0	4.54
2020	4.00	4.00	40.00	0	0	8.17
2021	5.00	7.50	30.00	0	0	7.42
2022	5.00	10.00	90.00	0	0	17.50



Interpretation:

- From the above table and graph we can interpret that the Cipla and Sun Pharma are using increasing dividend policy as we can see every year the amount of dividend in increasing. It is good for those investors who are more concerned with the regular income. It also indicates enough profit the companies are generating.
- Alpa Labs and Bafna Pharma are not paying any dividend. This can be due to the low amount of profit or maybe they have some expansion plans behind this.
- We can analyze that GlaxoSmithKline is paying a good amount of dividend every year.

Conclusion

From the above analysis of the industry and companies we can conclude that GlaxoSmithKline and Cipla are performing well, and they are ahead of the other companies in the industry. The performance of Sun Pharma and Alpa Labs are satisfactory but there is a cause for concern related to the performance of Bafna Pharma.

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CHAPTER 10

Technology Industry

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INDUSTRY OVERVIEW

The tech industry consists of varied companies, which design, manufacture, or sell electronic devices, including computers, computer-based equipment, computer software and services, scientific instruments, and electronic components and products.

The IT industry in India includes both IT services and business process outsourcing. IT BPM sector share in India's GDP is 7.4% in FY2022.

INDUSTRY MAJORS: An Overview

INFOSYS

Infosys is a global IT leader that delivers next-gen digital consulting and services. They enable customers across 50 countries to seamlessly navigate and operate their digital transformation. With more than four decades of rich experience in systems management and global enterprise operations, they expertly guide their clients to transform their digital journey like never before. They provide organizations with the AI boosted core that helps prioritize change implementation. They empathy the business via agile digital at scale to achieve unprecedented levels of productivity and customer satisfaction. They always have a learning agenda that leads to continuous improvement by building and transferring digital skills, experiences and ideas from their innovation ecosystem.

WIPRO

Wipro Ltd. is an information technology, consulting and outsourcing company engaged in the development and integration of solutions. It operates through the Information Technology Services and Information Technology Products segments. The IT Services segment provides and offers services that include consulting, custom application design, development, reengineering and support, system integration, package delivery, global infrastructure services, BPO services, cloud, mobility services and analytics, hardware and software research and development. Software including design. The Information Technology Products segment provides a wide range of third-party IT products, enabling the provision of comprehensive IT system integration services. The company was founded on December 29, 1945 and is headquartered in Bangalore, India.

TCS

Tata Consulting Services (TCS) is an Indian multinational information technology (IT) consulting and services company headquartered in Mumbai. It is part of the Tata Group and operates in 150 locations in 46 countries.

As of July 2022 it was reported that TCS has over 600,000 employees worldwide. TCS is India's second largest company by market capitalization and one of the most valuable IT service brands in the world. In 2015, TCS was ranked 64th overall in Forbes World's Most Innovative Companies ranking, making it one of the highest ranked IT services companies and one of India's top companies.

HCL TECHNOLOGIES LTD

Computer programming, consulting, and associated tasks are all done by HCL Technologies Ltd. Software Services, Information Technology (IT) Services, and Business Process Outsourcing Services are the three divisions through which it operates. The software services segment offers engineering, research and development, enterprise application, next-generation software as a service, and application development and maintenance services. The part of IT services that deals with managing customer information technology assets. The conventional contact centre and help desk services, as well as the newest services centred upon platform business process as a service, are all provided by the business process outsourcing services category.

L&T INFOTECH

Complete, end-to-end software solutions and services are provided by Larsen & Toubro Infotech Limited (Estd. 1997), a wholly owned subsidiary of the multidimensional and varied US$ 4 billion L & T Infotech. Utilising the tradition and industry knowledge of the parent company, its services include a wide range of technologies, catering to prestigious international businesses throughout the world.

In the history of the Indian corporate sector, L & T Infotech is conceivably the lone instance of an Indian firm formed in India by foreigners.

SWOT ANALYSIS of Technology Industry

Strength:-

- Cost advantage
- Process quality and maturity
- 24/7 worldwide delivery

Weakness:-

- Too dependent on the US for income
- High turnover rate

Opportunity:-

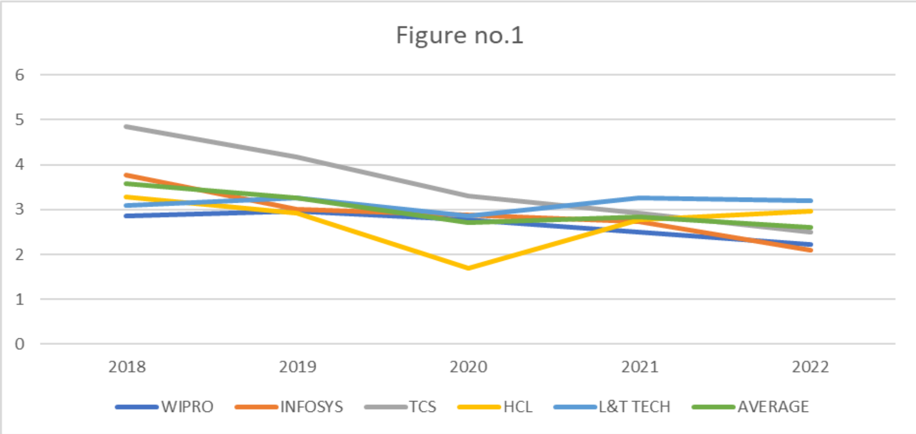
- Huge scope for product innovation
- Banking, Financial Services and Insurance (BFSI)

Threat:-

- Increased competition
- Global economic slowdown

CURRENT RATIO

1. Current Ratio						
YEAR	WIPRO	INFOSYS	TCS	HCL	L&T TECH	AVERAGE
2018	2.86	3.78	4.85	3.29	3.10	3.58
2019	2.96	3.00	4.18	2.93	3.27	3.27
2020	2.78	2.88	3.30	1.69	2.87	2.70
2021	2.50	2.74	2.92	2.77	3.27	2.84
2022	2.23	2.10	2.49	2.97	3.19	2.60

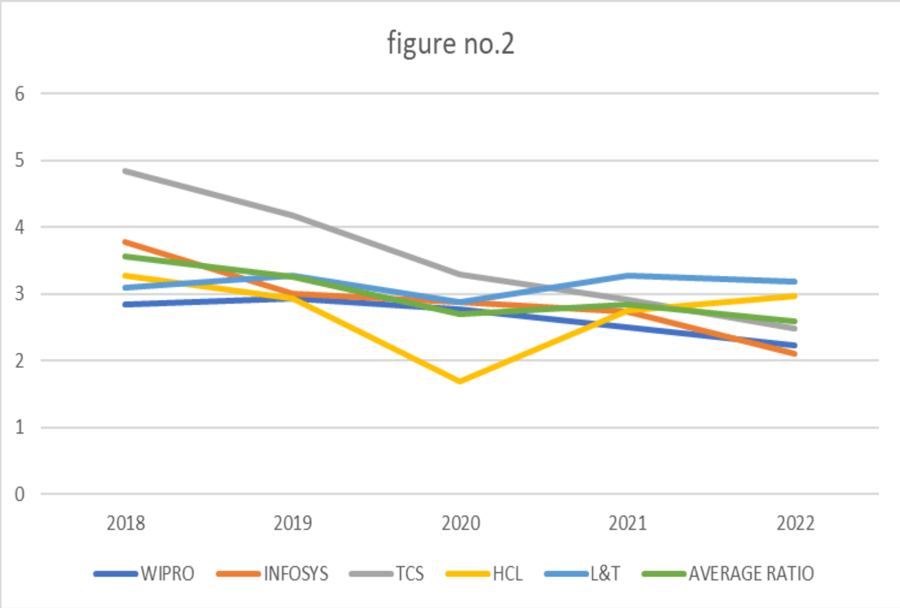


Interpretation:

1. It shows the firm's ability to meet its short-term obligations or the firm's ability to liquidate their current assets. Higher current ratio means that firm is having good capacity to meet its short-term obligations.
2. As shown above, Infosys is having their ratio close to industry average which shows that they are having good financial position and are using their assets efficiently.
3. TCS is having their ratio higher than the industry average showing their ability to pay off their all obligations but we suggest them to lower their ratio to matches it with industry standards which will help in using their assets efficiently.
4. L&T Tech are having their ratio lower than the industry average in initial years of study, but Year 2020 onwards they improve and managed it to maintain above the industry average which is satisfactory.
5. Wipro and HCL are having their ratio lower than the industry average which interprets that they might face risk in meeting their short-term obligations which is not a good sign.

QUICK RATIO

2. Quick Ratio						
YEAR	**WIPRO**	**INFOSYS**	**TCS**	**HCL**	**L&T**	**AVERAGE RATIO**
2018	2.84	3.78	4.85	3.28	3.1	3.57
2019	2.94	3	4.18	2.93	3.27	3.264
2020	2.77	2.88	3.3	1.69	2.87	2.702
2021	2.5	2.74	2.92	2.76	3.27	2.838
2022	2.23	2.1	2.48	2.97	3.19	2.594

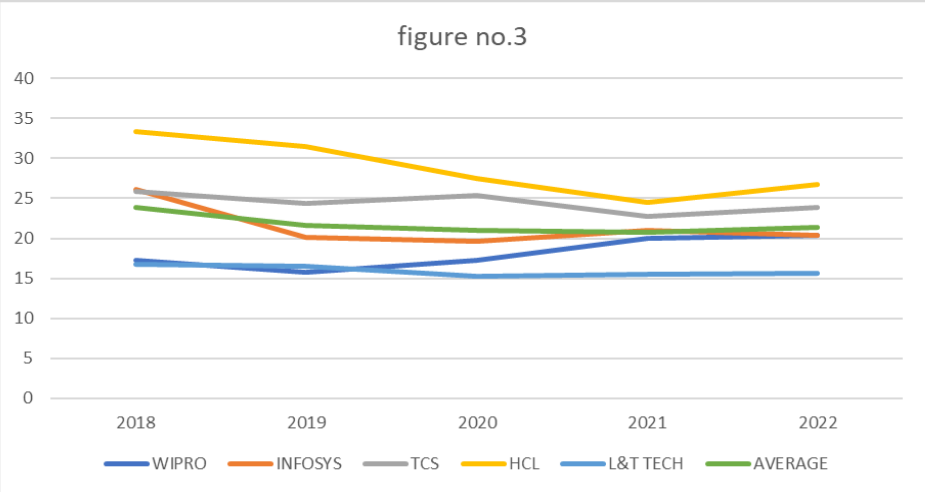


Interpretation:

- It measures the proportion of current liabilities to quick assets. It is a gauge of a company's short-term liquidity position and how well it can meet short-term obligations with its most liquid assets. The ideal liquid ratio should be 1:1, but it might vary from industry to industry.
- As shown above, TCS is having higher ratio than the industry average which shows that company is overly focused on the liquidity.
- Infosys which was having the higher ratio than the industry average in the year 2018 starts showing continuous downfall from 2019 onwards and that too below the industry average which shows they are not in the good financial position and needs to improve their ratio.
- L&T was having the lower ratio than the industry average in the initial year of study, but they manage to improve it and form year 2020 onwards they are having higher ratio than industry average and are in good financial position.
- HCL and Wipro is having the lower ratio than the industry average throughout the study period which shows that they might face risk in paying short term obligations.

NET PROFIT RATIO

3. Net Profit Ratio						
YEAR	**WIPRO**	**INFOSYS**	**TCS**	**HCL**	**L&T TECH**	**AVERAGE**
2018	17.27	23.08	25.92	33.35	16.79	23.88
2019	15.82	20.11	24.40	31.46	16.56	21.67
2020	17.22	19.66	25.33	27.50	15.24	20.99
2021	20.00	21.00	22.77	24.50	15.46	20.75
2022	20.36	20.43	23.81	26.75	15.69	21.41

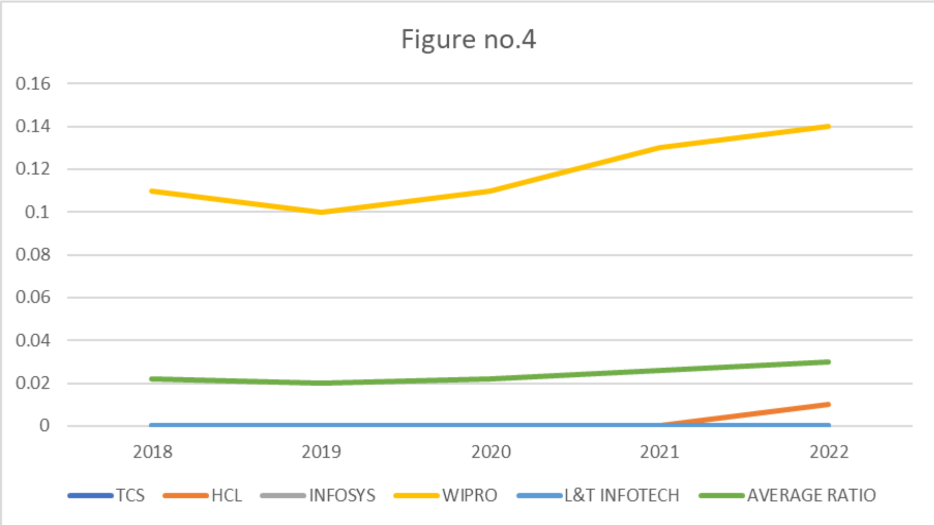


Interpretation:

- Net profit margin ratio indicates the percentage of sales income a company retains after paying all its expenses, including interest and taxes.
- As shown above, Infosys is having the ratio equal to the industry average which shows that the company is controlling their cost well and are attracting investors which is good sign for the Infosys.
- TCS and HCL Tech are having higher Net Profit Ratio than the industry average which shows that both are companies efficient in converting their actual sales into profit.
- Wipro and L&T Tech are having low Net Profit ratio than the industry average which shows that the both the companies are having an ineffective cost structure.

DEBT TO EQUITY RATIO

4. Debt to Equity Ratio						
YEAR	**TCS**	**HCL**	**INFOSYS**	**WIPRO**	**L&T INFOTECH**	**AVERAGE RATIO**
2018	0	0	0	0.11	0	0.022
2019	0	0	0	0.1	0	0.02
2020	0	0	0	0.11	0	0.022
2021	0	0	0	0.13	0	0.026
2022	0	0.01	0	0.14	0	0.03

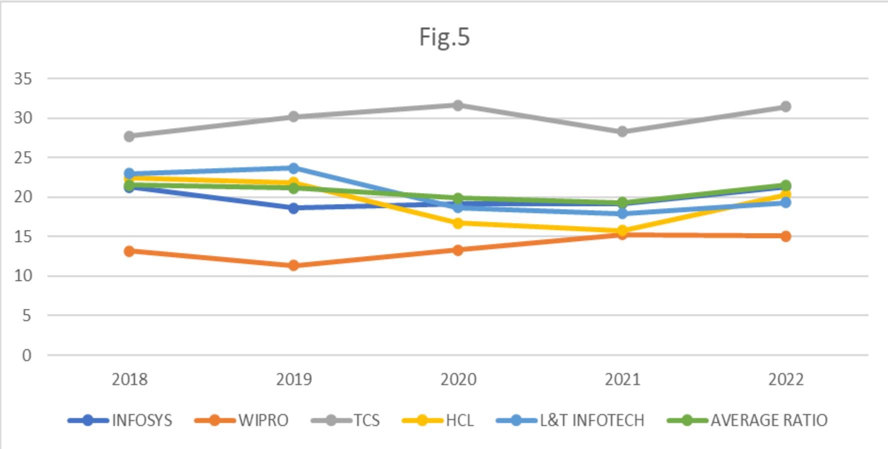


Interpretation:

- The debt-to-equity ratio shows how much debt a business has in relation to its assets.
- As shown above, TCS, L&T and Infosys are having zero D/E Ratio which shows that these company does not finance through borrowing at all.
- HCL which is having zero D/E Ratio till the Year 2021 increases the ratio to 0.01 which shows that company start using a debt financing for their operations and can be good option for business growth.
- Wipro is using Debt for their operations and has low D/E Ratio which is good as it is a tech company and delivers all their products online does not need to maintain high D/E Ratio.

ETURN ON ASSETS

5. _Return on Assets						
YEAR	**INFOSYS**	**WIPRO**	**TCS**	**HCL**	**L&T INFOTECH**	**AVERAGE RATIO**
2018	21.29	13.16	27.72	22.43	22.96	21.51
2019	18.62	11.36	30.21	21.85	23.69	21.15
2020	19.17	13.29	31.68	16.75	18.66	19.91
2021	19.21	15.30	28.30	15.79	17.90	19.30
2022	21.36	15.09	31.49	20.35	19.31	21.52

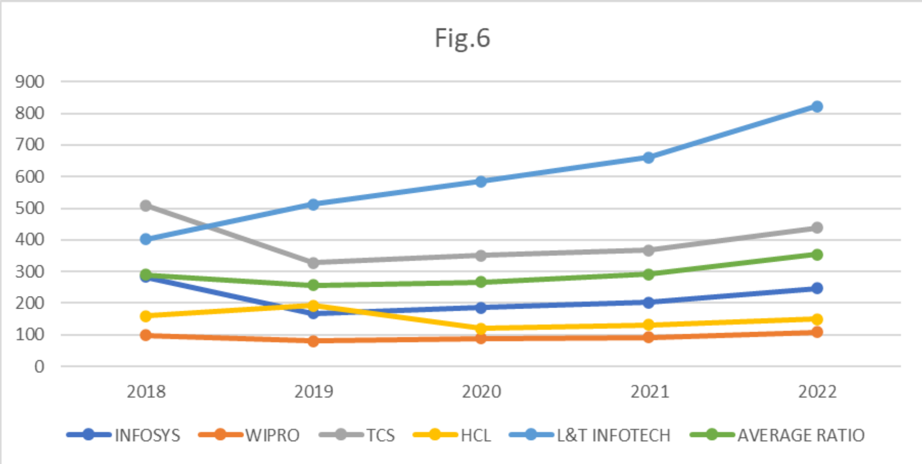


Interpretation:

- From the above table and graph we can interpret that TCS is having high return on assets ratio as compared to the industry average which is a good indication for the investors. Higher the ratio implies that the company is able to use it assets effectively to generate revenue.
- Wipro's ratio throughout the study period is less than the industry average which shows the inefficiency of the organization to utilize their assets to generate the revenue. This is not a good indication for the investors.
- The ratio of other companies i.e., Infosys, HCL and L&T Infotech are satisfactory as more or less they are near to the industry average.

REVENUE FROM OPERATIONS PER SHARE

6. Revenue from operations per share						
YEAR	**INFOSYS**	**WIPRO**	**TCS**	**HCL**	**L&T INFOTECH**	**AVERAGE RATIO**
2018	283.61	98.83	509.72	158.8	401.53	290.50
2019	167.83	79.75	328.45	191.97	511.91	255.98
2020	185.64	88.22	350.15	120.10	585.30	265.88
2021	201.67	91.80	367.47	131.39	660.92	290.65
2022	247.12	108.67	438.09	149.68	823.22	353.36



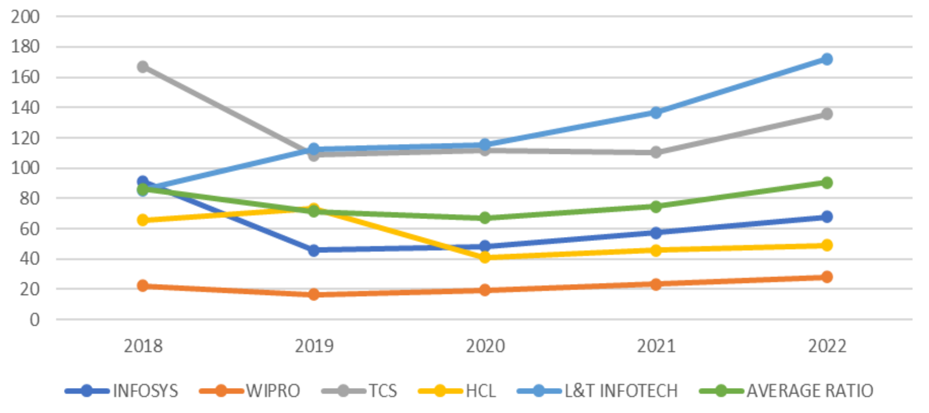
Interpretation:

- From the above table and graph we can interpret that L&T Infotech and TCS is having high revenue from operations per share as compared to the industry average which is a good indication for the investors.
- Wipro's ratio throughout the study period is less than the industry average. The same is with the HCL. This is not a good indication for the investors.
- The ratio of Infosys is also low but we can see the continuous increase in the ratio from 2019 onwards which is a good indication.

PROFIT BEFORE TAX PER SHARE RATIO

7. PBT/ Share ratio						
YEAR	**INFOSYS**	**WIPRO**	**TCS**	**HCL**	**L&T INFOTECH**	**AVERAGE RATIO**
2018	91.15	22.18	167.18	65.65	85.37	86.31
2019	45.75	16.36	108.55	73.29	112.63	71.32
2020	48.09	19.27	111.98	41.17	115.34	67.17
2021	57.46	23.15	110.55	45.71	136.71	74.72
2022	67.75	27.84	135.86	48.87	172.02	90.47

Fig.7

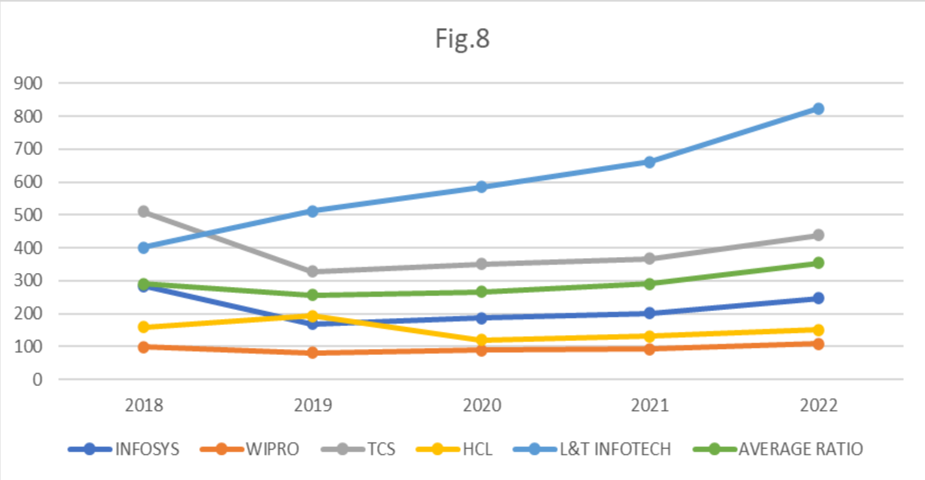


Interpretation:

- From the above table and graph we can interpret that L&T Infotech and TCS is having high profit before tax per share as compared to the industry average which is a good indication for the investors.
- Wipro's ratio throughout the study period is less than the industry average. The same is with the HCL. This is not a good indication for the investors.
- The ratio of Infosys is also low but we can see the continuous increase in the ratio from 2019 onwards which is a good indication.

DIVIDEND PAY-OUT RATIO

8. Dividend payout ratio						
YEAR	**INFOSYS**	**WIPRO**	**TCS**	**HCL**	**L&T INFOTECH**	**AVERAGE RATIO**
2018	46.42	7.05	36.78	22.98	27.05	28.06
2019	93.64	7.16	33.54	13.42	30.66	35.68
2020	61.46	7.93	95.89	15.12	31.40	42.36
2021	50.74	5.44	35.04	37.25	29.76	31.65
2022	59.80	27.10	34.87	104.75	38.69	53.04

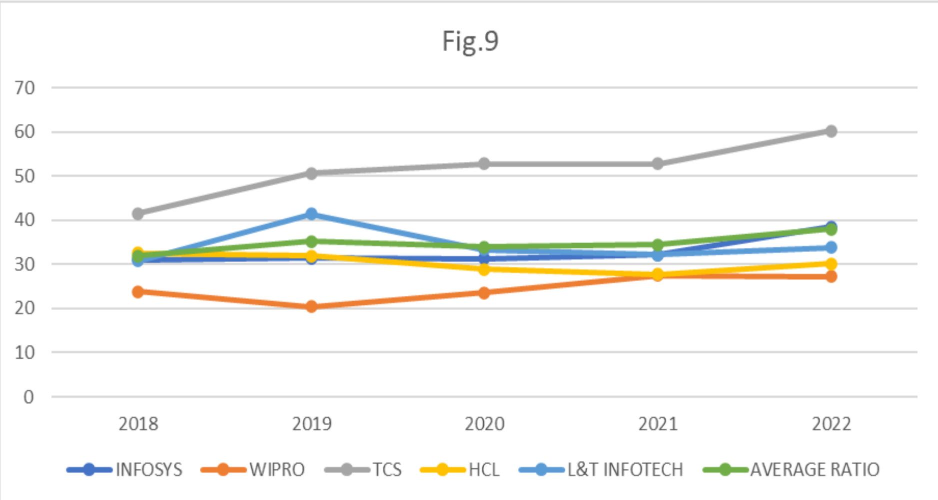


Interpretation:

- From the above table and graph we can interpret that Infosys is having high dividend payout ratio as compared to the industry average.
- Wipro's ratio throughout the study period is less than the industry average. The same is with the L&T Infotech.
- The ratio of TCS is more or less stable and it is around 35% except for the year 2020.

RETURN ON CAPITAL EMPLOYED

9. Return on Capital Employed						
YEAR	**INFOSYS**	**WIPRO**	**TCS**	**HCL**	**L&T INFOTECH**	**AVERAGE RATIO**
2018	31.00	23.87	41.50	32.52	30.79	31.94
2019	31.38	20.44	50.71	32.00	41.38	35.18
2020	31.28	23.62	52.79	28.84	33.35	33.98
2021	32.23	27.49	52.75	27.76	32.13	34.47
2022	38.46	27.32	60.23	30.14	33.88	38.01

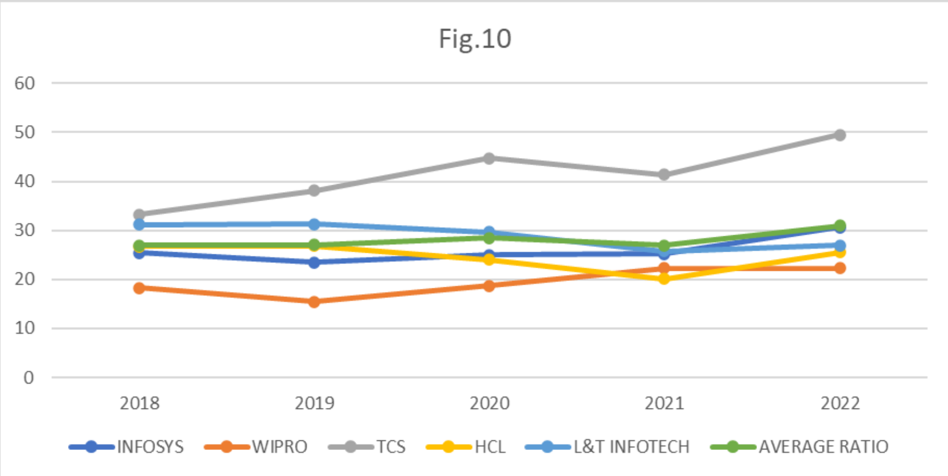


Interpretation:

- From the above table and graph we can interpret that TCS is having high return on capital employes as compared to the industry average which is a good indication for the investors.
- Wipro's ratio throughout the study period is less than the industry average. This is not a good indication for the investors.
- The ratio of Infosys, HCL and L&T Infotech are satisfactory as they are more or less near to the industry average.

RETURN ON NET WORTH / EQUITY

10. Return on Equity						
YEAR	**INFOSYS**	**WIPRO**	**TCS**	**HCL**	**L&T INFOTECH**	**AVERAGE RATIO**
2018	25.44	18.27	33.27	26.70	31.19	26.97
2019	23.44	15.41	38.10	26.88	31.29	27.02
2020	24.97	18.68	44.72	24.04	29.68	28.42
2021	25.23	22.23	41.39	20.07	25.76	26.94
2022	30.63	22.32	49.48	25.53	26.90	30.97



Interpretation:

- From the above table and graph we can interpret that TCS is having high return on equity as compared to the industry average which is a good indication for the investors.
- Wipro's ratio throughout the study period is less than the industry average. This is not a good indication for the investors.
- The ratio of Infosys, HCL and L&T Infotech are satisfactory as they are more or less near to the industry average.

Conclusion

From the above analysis of the industry and companies we can conclude that TCS is performing well and ahead of the other companies in the industry. The performance of Infosys, HCL and L&T Infotech are satisfactory but there is a cause for concern related to the performance of Wipro.

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