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SUMMERINTERNSHIPPROJECT 2023

REPORT TITLE

FUNDAMENTAL VS. TECHNICAL ANALYSIS OF STOCK MARKETS

SUBMITTEDBY

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CERTIFICATE OF INTERNAL GUIDE

This is to certify that Mr.Anshubhusan Mishra bearing university registration no.2206258099of 2022-24 batch, has completed his/her summer internship at Odisha Capital Market & Enterprises Ltd.(Bhubaneswar Stock Exchange)from 04-09-2023 to 10-10-2023 under the supervision of Mr.BipinB.Dutta (corporate guide) and has submitted this project report under my guidance in partial fulfilment of the requirements for award of the degree of Master of Business Administration at Biju Patnaik Institute of Information Technology and Management Studies, Bhubaneswar. To the best of my knowledge and belief, this project report has been prepared by the student and has not been submitted to any other institute or university for the award of any degree or diploma.

Date: Signature of the Internal Guide

Place: Bhubaneswar Name:Dr.Sudeshna Dutta

Designation:AssistantProfessor(Finance)

Certificate from company Guide

DECLARATION

I, Mr.Anshubhusan Mishra Bearing university registration no.2206258099 (2022-24 batch), hereby declare that the project report title Technical and Fundamental Analysis is based on my internship a at Odisha Capital Market & Enterprises Ltd. (Bhubaneswar Stock Exchange), during the period 04-09-2023 to 10-10-2023 and is an original work done by me under the supervision of Mr. BipinB. Dutta (Corporate Guide) and Dr. Sudeshna Dutta (Internal Guide). This report is being submitted to Biju Patnaik Institute of Information Technology and Management Studies, Bhubaneswar, affiliated to Biju Patnaik University of Technology, Odisha, in partial fulfilment of the requirements for the award of the degree of Master of Business Administration. This project report has not been submitted to any other institute/university for the award of any degree or diploma.

Date:

Place: Bhubaneswar Signature

Executive Summary

Understanding people's perspectives on the stock market reveals a diverse range of attitudes and beliefs. Some view the stock market as a vehicle for wealth creation and financial growth, a place to invest and potentially secure future prosperity. Conversely, others perceive it as a complex and volatile arena, fraught with risks and uncertainties, which can lead to significant losses. Many people recognize the importance of research, knowledge, and staying informed about market trends, often valuing long-term investment strategies. Investor confidence often sways with economic conditions, government policies, and global events, shaping their outlook on market behaviour. Some individuals embrace a speculative approach, aiming for short-term gains, while others prioritize a cautious and conservative approach, seeking stability and capital preservation. Overall, people's perceptions of the stock market are influenced by their risk tolerance, financial goals, past experiences, and prevailing economic narratives.

This project report focuses on the strategic selection of stocks using a comprehensive array of appropriate tools. Utilizing advanced financial analysis tools, technical indicators, fundamental analysis, and sentiment analysis, we devised a robust methodology to identify potential investment opportunities in the stock market. The selection process involved careful evaluation of financial statements, market trends, historical stock performance, and sentiment data sourced from reputable platforms. The integration of these tools allowed for a holistic assessment of stocks, enabling informed decision-making for optimal investment choices. This report outlines the methodology, findings, and recommendations to empower investors with a data-driven approach in navigating the dynamic stock market landscape.

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CHAPTER -1

INTRODUCTION

In the recent past, the bank interest rates have been increased steadily. But threat of Inflation has also been increased. There is no big difference between the interest rate and Inflation rate. Because of inflation, value of money has been decreased and cost of living has been increased. This has created panic among lower, middle and upper middle class families who considered keeping their savings in banks as safe as well as remunerative. So, the investors are searching for proper investment avenues. Here, an attempt is made to predict the future movement of scraps. This study helps the investors to invest in share

India has registered a growth rate of 7.2 percent in FY 2022-23 and is expected to grow at the rate of 6.7% plus in this fiscal year, and is one of the fastest growing economies in the world. It is one of the major attractions for FI's and FII's. FII's invest in India through secondary Markets. There is a great scope for India for becoming member of G-20 nations committee.

The stock exchange comes in the secondary market. Stock exchange performs activities such as trading in share, securities, bonds, mutual fund & commodities. Stock Broking industry is growing at an enormous rate, as more and more people are attracted towards stock exchanges with the hope of making profits.

But during this period the country also registered a fairly high industrial growth. The old industries and business establishments who wanted to expand the activities as well as the new industries and the business establishments floated shares in the market to raise capital for their activities. The companies, which registered steady growth, earned confidence of the people and their shares, were rated high in the market.

This project report helps the reader to understand the techniques of investing in the stock market particularly in the secondary market. Some of the proven techniques have been used in this report to help the reader or investor.

.1. **FUNDAMENTAL ANALYSIS-** Basic accounting and financial analysis is the analysis of a company's financial statements (usually to analyse the company's assets, liabilities, and income) health and competitors and markets. It also takes into account the overall health of the economy and factors such as interest rates, production, income, employment, GDP, housing, manufacturing and government. There are two basic approaches that can be used: bottom-up analysis and top-down analysis. These terms are used to distinguish such analysis from other types of investment analysis, such as: Quantitative and technical.

Investors can use either or both of these complementary stock selection methods. For example, many fundamental investors use technical indicators to determine entry and exit similarly, the vast majority of tech investors use basic indicators to narrow their pool of potential stocks to "good" companies.

2. **TECHNICAL ANALYSIS-**Technical analysis is a means of investigating and predicting price fluctuations in financial markets using historical price charts and market statistics . This is based on the idea that if traders can identify previous market patterns, they can predict future price trends fairly accurately.

Unlike fundamental analysis, which seeks to value a security based on business outcomes such as sales and profits, technical analysis focuses on price and volume research . Technical analysis tools are used to study how the supply and demand of securities affects changes in price, volume and implied volatility. Technical analysis is commonly used to generate short-term trading signals from various charting tools, but it also helps to improve the assessment of securities strengths or weaknesses compared to one of the broader markets or sectors . This information helps analysts improve their overall rating estimates. Technical analysis can be used on any securities using historical transaction data. This includes stocks, futures, commodities, bonds, currencies and other securities . This tutorial usually analyses stocks by example, but keep in mind that these concepts apply to all types of security.

HISTORY OF STOCK MARKET

During the 17th century, burgeoning trade and colonization prompted European nations to establish joint-stock companies, allowing multiple investors to share the risks and profits of expansive trade ventures. One of the pioneering examples was the Dutch East India Company, which issued tradable

shares to finance its ambitious expeditions. This innovation set the stage for the establishment of formalized stock exchanges. The Amsterdam Stock Exchange, founded in 1602, is regarded as the world's first official stock exchange. It became a focal point for traders and investors, offering a regulated platform for buying and selling shares of the Dutch East India Company and other enterprises. In the subsequent decades, similar exchanges emerged in European financial centres such as London and Paris, paving the way for the global stock market phenomenon.

The establishment of the London Stock Exchange (LSE) in 1801 brought a new level of sophistication and structure to stock trading. The industrial revolution during the 18th and 19th centuries fueled rapid economic growth, and stock markets played a critical role in financing the expansion of industries and infrastructure. The New York Stock Exchange (NYSE), established in 1792, became a symbol of the American economic surge, propelling the United States into a position of financial prominence.

The history of the Indian stock market dates back to the early 19th century during the British colonial period. In 1850, the first organized stock exchange, known as "The Native Share & Stock Brokers Association," was established in Bombay (now Mumbai). Over time, this association evolved into what is now known as the Bombay Stock Exchange (BSE), which is one of the oldest and most prominent stock exchanges in Asia.

In 1875, another stock exchange, the "Ahmedabad Stock Exchange," was founded, followed by the "Calcutta Stock Exchange" in 1908. The concept of stock trading gained momentum, and several other exchanges were established across different regions of the country.

Post-independence, the regulatory framework for the Indian stock market was formalized with the establishment of the Securities and Exchange Board of India (SEBI) in 1992. SEBI is the regulatory authority responsible for overseeing and regulating the activities of the Indian securities market to ensure fair practices, investor protection, and market integrity.

Today, the Indian stock market is represented by major exchanges like the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), among others. It plays a pivotal role in the country's economic development, attracting both domestic and international investors seeking opportunities for investment and wealth creation.The Indian securities market is a vital component of the country's financial system, playing a crucial role in capital formation and economic development. It comprises two main segments: the primary market, where new securities are issued, and the secondary market, where existing securities are traded. The regulatory body overseeing this market is the Securities and Exchange Board of India (SEBI), responsible for ensuring fair practices and protecting the interests of investors.

In the primary market, companies raise capital by issuing shares, bonds, or other financial instruments. Initial public offerings (IPOs) are a significant part of the primary market, allowing companies to become publicly traded entities. The process involves rigorous due diligence,

registration, and approval by SEBI, ensuring transparency and compliance with regulations. Investors in the primary market include individual and institutional investors seeking ownership in the company or fixed income through bonds.

On the other hand, the secondary market is where previously issued securities are bought and sold among investors. The two major stock exchanges in India are the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), facilitating the trading of equities, derivatives, and other financial products. The secondary market provides liquidity and price discovery for securities, enabling investors to buy and sell securities at market-determined prices. Market participants in India include retail investors, institutional investors such as mutual funds, foreign institutional investors (FIIs), and market makers. Retail investors typically invest through brokers or online trading platforms, while institutional investors make significant investments, impacting market dynamics. FIIs play a critical role in bringing foreign investments into the Indian market, contributing to capital inflows and market growth.

The Indian securities market has witnessed significant reforms and technological advancements, enhancing efficiency, transparency, and accessibility. The implementation of dematerialization (demat) of securities has eliminated the need for physical certificates, making transactions smoother and more secure. Online trading platforms and mobile applications have further democratized market access, enabling a broader range of investors to participate in the market.

Why do we invest?

Investing is a financial practice pursued for various reasons, primarily centred on the goals of wealth accumulation, financial security, and achieving future financial objectives. By investing, individuals or entities allocate funds into different assets such as stocks, bonds, real estate, or mutual funds, with the expectation of generating returns or profits over time. These returns can come in the form of capital appreciation, dividends, interest, or rental income.

One fundamental reason for investing is to grow one's wealth and beat inflation. Over time, the value of money diminishes due to inflation, reducing its purchasing power. Investing helps in outpacing this decline by aiming for returns that exceed the rate of inflation, ensuring that the value of the investment appreciates and maintains or increases its real value.

3 parameters to assess suitability of any investment avenue are –

- Return potential
- Safety
- Liquidity

Reasons to invest money in stock market: -

I. **Potential for High Returns:** Historically, the stock market has offered one of the highest long-term returns compared to other investment options like bonds or savings accounts. Although there are risks, the potential for significant gains attracts investors**.**

II. **Wealth Accumulation and Growth:** Investing in stocks allows individuals to build wealth over time through capital appreciation and dividends. As companies grow and succeed, the value of their share's increases, contributing to the investor's financial growth**.**

III. **Diversification:** Stocks offer an opportunity to diversify your investment portfolio. By investing in a variety of stocks across different sectors, you can spread risk and reduce the impact of poor performance from any single investment.

IV. **Part Ownership in Companies:**Buying shares means owning a portion of the company. Shareholders have a stake in the company's success and may benefit from its profitability through dividends and capital gains.

V. **Liquidity and Flexibility:** Stocks are relatively liquid, allowing investors to buy or sell shares quickly. This flexibility is important for adjusting your investment strategy based on changing market conditions or personal financial needs.

Trading v/s Investing

Trading and investing both involve seeking profit in the stock market, but they pursue that goal in different ways.

- The main difference between trading and investing is that traders jump in and out of stocks within weeks, days, even minutes, with the aim of short-term profits; investors have a longer-term outlook. They think in terms of years and often hold stocks through market volatility.

- The focus of traders and investors is also different. Traders often focus on a stock's technical factors rather than a company's long-term prospects. What matters to traders is which direction the stock will move next and how the trader can profit from that move.

- Investors study a company's potential for long-term growth or value, then buy and hold, but traders often take advantage of small mispricings in the market, such as when political uncertainty in a foreign country temporarily pushes down the share price of a U.S. manufacturer.

What is meant by Stock Selection?

A "stock selection" refers to a specific individual stock that an investor selects for investment or inclusion in their portfolio based on various criteria and analysis. When someone talks about their stock picks, they are referring to the particular stocks they have chosen to invest in or recommend to others.

The process of making a stock pick involves evaluating a company's financials, growth prospects, industry trends, management quality, competitive positioning, and other relevant factors. The aim is to choose stocks that are expected to perform well and provide a positive return on investment.

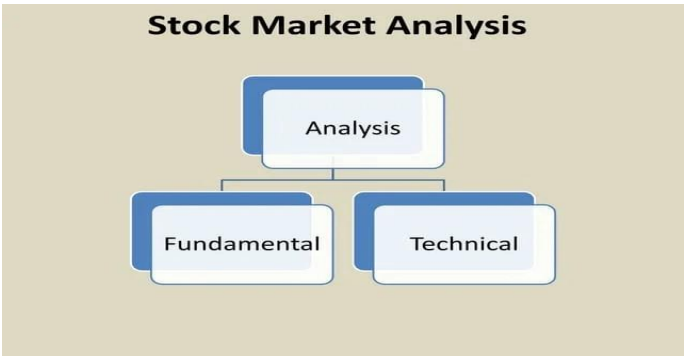
The goal of making a stock pick is to choose stocks that will outperform the market, beat a relevant benchmark, or align with an investor's financial goals and risk tolerance. However, it's important to note that stock picking involves risks, and the future performance of a stock is uncertain. Investors should conduct thorough research, stay informed about market developments, and consider diversification to manage risks associated with individual stock picks.

Individual investors, financial analysts, portfolio managers, and investment advisors often share their stock picks based on their research and expertise, providing insights and recommendations to others in the investment community.

Different strategies to choose stock: -

There are two basic types of stock analysis:

- Fundamental analysis
- Technical analysis



Fundamental Analysis: -

Fundamental analysis is a holistic approach to understanding and studying a business. It helps in determining fundamentally strong companies.It is a method of evaluating the true value of a company or an asset. It does so by analysing the factors that could influence the price in the future.Fundamental analysis of stock also helps in understanding the business model of a company, the working ways of the management, and its strengths and weaknesses. You can predict future price movements and determine if the stock is undervalued or overvalued.

Types of fundamental analysis:

- Qualitative analysis
- Quantitative analysis

Qualitative analysis:

The first step in fundamental analysis is to analyse the company qualitatively. For this purpose, the answers to the following questions are determined.

1. How efficient is the company in terms of operations?
2. What is the quality of its key management personnel?
3. How does the brand value of a company appear?
4. Does the company use any exclusive (proprietary) technology?
5. What socially responsible initiatives is the company undertaking?
6. What is the company's vision for the future?

Quantitative analysis:

1. Check financial statements
    - Profit and loss statement
    - Balance sheet
    - Cash flow statement
2. Annual Report and Investors' Presentation
3. Financial Ratios

Who uses fundamental analysis?

Even though most investors tend to utilise fundamental analysis, the people most likely to use it are:
Value or long-term investors: It helps them find out the underlying value of the stock and growth potential, generate pricing targets, and ascertain whether the stock is worth the price they are paying.
Corporate managers and accountants: They use it to gauge and improve an organisation's profit-making ability by streamlining its operations. It also helps them understand where they stand against the competition.

Technical analysis:

Technical analysis uses a stock or security's previous performance to identify trends and patterns and determine how it will behave in the future. This type of analysis can be done on any security that is traded and has historical data available. This includes futures, commodities, currencies, bonds, and

stocks. Technical analysis can't be used to predict performance for initial public offerings (IPOs) because there is nohistorical data yet.

Key Aspects of a Stock:

- Market price
- Open high/open low
- Closing high/closing low
- 52-week high/low

Some indicators of a trend that analysts look for include:

  - Patterns: Any distinctive or clear pattern the stock chart shows
  - Cycles: A period of time that a price trends in one way or another, after which it changes direction
  - Resistance: Price levels that could inspire a large increase in selling the stock
  - Support: Price levels that could inspire a large increase in buying the stock

Steps in Technical analysis:

1. Select a Security:
   Choose a specific stock, commodity, currency, or index to analyse.
2. Gather Historical Data:
   Collect historical price and volume data for the chosen security.
3. Identify Trends and Patterns:
   Use charts to spot trends, patterns (e.g., triangles, head and shoulders), and support/resistance levels.
4. Apply Technical Indicators:
   Utilize indicators like RSI, MACD, and moving averages to assess price momentum, overbought/oversold conditions, and trend direction.
5. Analyse Volume:
   Assess trading volumes to validate price movements and identify potential trend reversals.
6. Formulate a Strategy:
   Based on the analysis, develop a trading or investment strategy, setting entry/exit points and risk management parameters.
7. Continuously Monitor and Adjust:
   Regularly review and adjust your strategy based on ongoing market analysis and changing conditions.

Time of entry and Time of exist:

Understanding Entry Points

The price point appropriate for investing or purchasing security is the entry point in investing. An investor chooses the entry point depending on a well-studied trading strategy that reduces investment risk and eliminates emotional judgment. Making objective investment decisions will be aided by analysis and research.

After a brief counter-trend relocation or a time frame of consolidation in stock, an investor can typically optimize several entry points. Investors can also designate entry points for algorithmic trading, enabling trades automatically when several conditions are satisfied.

Understanding Exit Points

An asset is bought and sold in a trade to profit from the price difference between the two markets. Therefore, it's crucial to comprehend when to buy or sell an asset and make that decision. An investor's price at which to sell their position is known as the exit point.

Typically, the investor closes their position by selling the asset at the exit point. Nevertheless, if the investor is brief, they may buy at an exit point to shut their stance.

Best Entry and Exit Point Indicators:

Every trader wants to identify the ideal entry points and also find the exit points. But, alas, finding these points isn't constantly feasible. Instead, technical indicators assist traders in choosing whether to purchase a stock or a currency set. They are produced using essential arithmetic estimation.

Moving Averages:

The moving average is among the sluggish technical indicators that investors and traders use to identify the trend's direction. Any economic security data factors are added up, and the average is calculated by dividing the amount by the total value of data points over a given period.

By assessing the asset's price changes, an analyst uses the moving average to identify support and resistance areas. This indicator displays a security's historical price movement, which traders can use to predict how an asset's price may move.

Support and Resistance:

The easiest way to use the moving average as a tool for entry points is to determine the support or resistance attached to a commodity.

Support for a stock is identified when a downtrend is expected to stop. The share price is low enough that more investors buy in, raising the stock price over time. If a moving average rises, that indicates a gain in support. When the price drops closer to an up-trending moving average, it might be a good time to buy.

Resistance is the opposite. When the stock price hits a peak and begins to level out, it indicates that investors are shying away from buying more shares. The price may simply stabilize for a while, at which point, you'd decide whether to hold onto it or cash in. If the price starts to decline, you may consider it to be an exit indicator.

Bollinger Bands:

It's a cross between three bands: A simple moving average (SMA) and two other bands above and below it. These two additional bands are standard deviations that indicate how much the stock price may differ from its true value.What Bollinger bands tell us is whether a stock is being overbought or oversold. When the share price dips below the bottom Bollinger band, it's potentially being undervalued by investors and is due for a rebound. That's an entry point.

As for using Bollinger bands to sell, you probably know where this is going: If the price exceeds the upper Bollinger band, it could be headed for a pullback. You may want to exit the position at this point.Another way to use Bollinger bands is to see how shallow or broad they are to gauge volatility. If the band is narrow over a long period, that indicates it's pretty consistent and unspectacular. Bigger, taller band stretches show that there has been more action.

Relative Strength Index (RSI)

The relative strength index (RSI) is another oscillating indicator but its movement is contained between zero and 100 so it provides different information than the MACD.

One way to interpret the RSI is by viewing the price as "overbought"—and due for a correction—when the indicator in the histogram is above 70, and viewing the price as oversold—and due for a bounce—when the indicator is below 30.

In a strong uptrend, the price will often reach 70 and beyond for sustained periods of time. For downtrends, the price can stay at 30 or below for a long time. While general overbought and oversold levels can be accurate occasionally, they may not provide the most timely signals for trend traders.

Research Methodology:

Research methodology is a crucial aspect of conducting an internship project on the topic of "Technical and Fundamental Analysis." To begin, the research process will commence with a comprehensive review of existing literature and relevant sources to gain a deep understanding of the fundamentals of stock selection. This step is essential for identifying key concepts, strategies, and trends in stock selection, which will serve as a foundation for the internship project. Moreover, it is imperative to conduct interviews with experienced financial professionals, portfolio managers, and investment analysts to gather valuable insights into their stock selection methodologies, risk assessment practices, and decision-making processes.

These primary data sources will offer practical insights and real-world perSubsequently ,a quantitative analysis of historical stock data will be conducted to evaluate the performance of various stock selection strategies and their correlation with market trends. Utilizing financial software and tools, this analysis will involve tracking the returns, volatility, and risk associated with different stock selection approaches spectives that can enhance the project's depth and authenticity.

Scope of the Study:

Fundamental and Technical Analysis of stock is the process of identifying and investing in stocks that are expected to outperform the market. It is a complex and challenging task, but it can be rewarding for investors who are able to do it successfully. There are many different factors that can be considered when selecting stocks, such as financial performance, industry trends, and management quality. Investors may also use technical analysis to identify stocks that are likely to experience price movements in the near term.

Stock selection is a fundamental aspect of investment strategies, playing a pivotal role in achieving financial goals and managing risks. This project report aims to delve into the basics of stock selection, offering a comprehensive understanding of the processes, methods, and key factors involved in making informed investment decisions. In a world of ever-evolving financial markets, this research project will equip individuals with the knowledge and skills necessary to embark on their investment journeys with confidence. Below, we outline the scope and key points that will be covered in this report:

Scope of Research on Basics of Stock Selection:

- **Significance of Stock Selection**:
    - Discuss the critical role stock selection plays in portfolio management and wealth creation.
    - Highlight the impact of stock selection on investment returns.
- **Basic Stock Metrics**:
    - Define and explain fundamental stock metrics, including Price-to-Earnings (P/E) ratio, Earnings Per Share (EPS), and Price-to-Book (P/B) ratio.
    - Emphasize the importance of understanding these metrics in stock evaluation.
- **Technical Analysis:**
  Introduce the concept of technical analysis in stock selection. Explore key technical indicators and chart patterns used to analyse stock price movements.

- **Fundamental Analysis:**
  Describe the principles of fundamental analysis, focusing on financial statement analysis and valuation methods. Discuss how to interpret financial reports and assess a company's financial health.
- **Risk Assessment and Management**:
  Cover the various risks associated with stock selection, including market risk and company-specific risk.Provide insights into risk management strategies, including diversification.

Objective of the Study:

- To predict the future price of the selected companies shares.
- To study the strategies to be adopted by the retail investors based on the technical and fundamental analysis.
- To know the floor and cap price of the stock.
- To analyze individual company scrip's by considering the factors relating to the economy, industry and the respective company.
- To predict investor positions (Buy, sell & hold) based on historical price trends and the likely company prospects. .

Literature Review-

- **Hudson, Dempsey, and Kasey (1996)** investigated whether technical trading rules would forecast the stock market in the United Kingdom. Their paper also looked at whether technical analysis could provide investors with higher returns in a high-cost trading scenario. Study also concluded that although the technical trading rules investigated have predictive potential in terms of UK data, their use does not enable investors to make excessive returns in the case of expensive trading.
- **Wong, Manzurand Chew (2003)** looked at the importance of technical research in predicting when to enter and exit the stock market. Test statistics are used to evaluate the performance of the Moving Average, the most well-known pattern follower, and the Relative Strength Index, the most widely used counter-trend predictor. The findings, based on Singapore data, showed that the indicators can be used to generate a substantial positive return. It was concluded that members of SES enjoy substantial profits by applying technical analysis.
- **Dr.S.M.Tariq Zafar, Dr.AdeelMaqbool, Dr D.S. Chobey** studied about the Fundamental Analysis of Indian Infrastructure Industry in **2005** with reference to International Journal for Research in Applied Science & Engineering Technology (IJRASET) by gathering secondary data. The aim of the study was to analyze the past performance and the expected future performance of companies and to analyze the profitability position of the companies and to analyze

the various ratios of the past five years of sample companies. By the analysis of all the parameters the study was concluded that there was no particular company in that sample of companies excluding Unitech Ltd. and DS Kulkarni Developers Ltd., which have shown consistent growth in the construction industry.

- **Etikala Shruthi** studied about the fundamental analysis of Indian IT sector in **2019** with reference to International Journal for Research in Applied Science & Engineering Technology (IJRASET) .The aim of the study was to study the growth and performance of selected Indian IT companies by gathering secondary data which were collected through selected company's balance sheets, annual reports, press release etc. It was found that the Information Technology sector companies were one most promising platform of investment in capital market and in turns give considerable return for the risk taken by investors.

- **Silpa K S Arya mol J Dr.A S ambily** studied on fundamental analysis of selected IT companies listed on NSE in **2017** with reference to Journal of Advance Research in Dynamical and Control Systems. The aim of the study was to analysis the growth and performance of IT sector and fundamental analysis for five companies which could be recommended as a choice for investment. From this study it was concluded that Information Technology sector companies are one most promising platform of investment in capital market and in turns give considerable return for the risk taken by investors.
- **Dr. Pravin Choudhary Prof. Apoorva Bhatnagar** studied on Technical analysis of selected PSU and their market movement with relation to BSE in **2018** with reference to Elk Asia pacific journal of finance and risk management the aim of this study was to test the movement of Selected PSUs securities in relation to Market Indices with the help of secondary data. At last conclusion arrives that selected stock Have positive financial horizon.
- **Dr.Sreemoyeeguha Roy** studied about the Equity Research with fundamental and technical analysis in **2013** with reference to International Journal of Science and Research (IJSR). The aim of the study was to analysis the fundamental and technical tools which may be applied and the result of ratios and chart prepared using respective tools to arrive at investment decision with the help of primary data. This was fairly evident from high quarterly and annual EPS growth, Infosys is also fundamentally strong with stable dividend payout and TCS is also fundamentally strong Hence, the stock is rated Neutral.
- **Dr.Virupaksha Goud, Dr.Vinod S Puranik, Mr. N. Sanjeev Kumar** studied about Fundamental analysis of Indian petroleum PSU's and influencing factors on petroleum prices –

forecasting the near future of petroleum PSU stocks in **2019** under the reference of International Journal of Management, IT & Engineering. The study aim to analyze the performance selected companies in stock market and factoring influencing on the price of crude oil in international market, and forecast the future of selected companies in stocks and advice customer on their investment decisions on petroleum PSU. In coming years India may have higher role in deciding the crude oil prices in International market due to its big size market

Chapter-2

Company Analysis

Company Profile:

Tata Steel:

Tata iron and steel co ltd established in Jamshedpur (India) in 1907 the Company took shape from the vision of founder Jamsetji N Tata and is today one of the world's most geographically-diversified steel producers with operations and commercial presence across the world. Tata Steel group is spread across five continents with an employee base of over 65,000.The first steel ingot was manufactured on 16 February 1912. During the First World War (1914-1918), the company made rapid progress. By 1939, it operated the largest steel plant in the British Empire. The company launched a major modernization and expansion program in 1951. Later, in 1958, the program was upgraded to 2 million metric tonnes per annum (MTPA) project. By 1970, the company employed around 40,000 people at Jamshedpur, and a further 20,000 in the neighbouring coal mines. In 1971 and 1979, there were unsuccessful attempts to nationalise the company. In 1990, the company began to expand, and established its subsidiary, Tata Inc., in New York. The company changed its name from TISCO to Tata Steel Ltd. in 2005.

Focusing on Innovation, Technology, Sustainability & People, the Company strives to be the global steel industry benchmark for value creation and corporate citizenship and become the most admired brand in metals and minerals space.

Currently, Tata Steel's consolidated India crude steel production capacity stands at 19.6 MTPA with manufacturing facilities in Jamshedpur in Jharkhand, Kalinganagar and Dhenkanal in Odisha, Sahibabad in Uttar Pradesh and Khopoli in Maharashtra. Recently, Tata Steel has commenced the phase 2 expansion of its Kalinganagar steel plant to 8 MTPA. In addition, the Company has several downstream product extensions with manufacturing facilities for Wires, Tubes, Bearings, Agriculture Equipment and Industrial By-products. It also has a Ferro-alloys and Minerals division and a heavy-duty engineering and fabrication unit, Tata Growth Shop.

Tata Steel successfully delivered 16.26 MTPA of steel to the Indian market in FY 2022, recording an increase of 34% over the previous year due to the acquisition of Bhushan Steel (now renamed as TSBSL) and a ramp up at both Kalinganagar and Tata Steel BSL.

Market Segment-

Tata Steel Ltd. is a diversified resources company with operations in various market segments:

KEY MARKET SEGMENTS

	MARKET SUB-SEGMENTS (CUSTOMER GROUPS)	PRODUCTS & BRANDS
 **Construction** A comprehensive range of products and techniques to create value for the construction industry and support sustainable development.	• Individual House Builders (B2C)	• Tata Tiscon (Rebars) • Pravesh (Doors & Windows) • Tata Pipes (Plumbing Pipes)
	• Rural Roofing (B2C)	• Tata Shaktee (Roofing sheets) • Nest-in (Housing, Water ATMs, Ezynest Toilets)
	• Infrastructure (B2B) • Housing and Commercial (B2ECA)	• TMT Rebars (Higher dia rebars, Corrosion resistance steel) • Tiscon Readybuild (Cut & Bend Bars)
 **Automotive** Automotive applications is one of the focus areas of Tata Steel's Research & Development, aimed at giving the Group a competitive edge in the automotive market.	• Auto OEMs (B2B)	• Hot rolled, Cold rolled, Coated Steel Coils & Sheets
	• Auto ancillaries (B2B, B2ECA)	• Hot rolled, Cold rolled, Coated Steel Coils & Sheets • Precision Tubes • Tyre Bead Wires • Spring Wires • Bearings
 **General Engineering** A range of steel products, encompassing hot rolled and cold rolled sheets, wire rod and wire, sections, plate, bearings and tubes, which serve a multitude of small engineering companies.	• Panel & Appliances (B2ECA) • Fabrication & Capital Goods (B2ECA) • Furnitures (B2ECA)	• Tata Steelium (Cold Rolled) • Galvano (Coated) • Tata Astrum (Hot Rolled) • Tata Structura (Tubes)
 **Industrial** A range of products to support industrial processes and applications.	• LPG (B2B)	• Hot Rolled
	• Welding (B2B)	• Wire Rods
	• Process industries (e.g. cement, power, steel) (B2B)	• Tata Tiscrome (Ferro Chrome) • Tata Ferromag (Ferro Manganese) • Boiler Tubes
 **Agriculture** High quality agricultural implements making it the first choice in India's rural markets.	• Agri equipments (B2B)	• Bearings
	• Fencing, Farming & Irrigation (B2C)	• GI wires • Agri & Garden Tools • Conveyance Tubes

BUSINESS ANALYSIS

PROEILE OF THE PRODUCTS -

The endeavour at Tata Steel is one of vision and enterprise, a combination which has made the Company an integral part of Indian economy.

In keeping with commitment to redefine the future of Indian Steel, Flat products business group at Tata Steel, today, is country's largest manufacturer of world class steel products. Integrated supply chain starting with captive raw materials, state of the art technology, continuous pursuit for innovation & knowledge and an elaborate domain of highly skilled manpower has steered this business group to enviable performance records.

With a stretched capacity of 2.5 million MT of Hot Rolled, Cold rolled & Coated Products, Flat Products business group produces approx. 65% of total saleable steel. A constant pursuit to increase customer focus, enrich product mix, energy efficient technologies & optimum utilisation of raw materials have resulted in a long term competitive advantage.

RAW MATERIALS

With a century of experience in sourcing raw material through scientific research and development and sustainable mining, Tata Steel's three main areas of raw material operations are iron-ore, chromite's and coal. The Company's long-term strategy has been designed to have greater control over raw material resources and achieve its security across global operations.

A pioneer in prospecting, discovering and mining ore, coal and other minerals, Tata Steel has nearly a century of experience in scientific and sustainable mining: mine planning, development and research. Company-owned and operated mines and collieries have since its inception, met most of the raw material needs of the Company's Steel Works. The Raw Materials Division of Tata Steel raises over 14 million tonnes of ores from its captive collieries, iron ore mines and quarries spread over the states of Jharkhand and Orissa. Division that acts a separate profit centre. Iron-ore and coal being the two key raw materials for steel making, efficient and scientific mining operations give the Company a competitive edge in steel production.

Steel production in India is projected to grow to over 120 million tonnes by the year 2022.To cater to the raw materials requirement of increasing steel demand and other mineral based industries, Tata Steel has entered into an agreement with MMTC Limited, a Central Government undertaking to establish a joint venture company for acquiring, developing and operating mines and processing of minerals and metals. The company has also signed a Memorandum of Understanding (MOU) for exploring possibilities of entering into joint ventures for the purpose of acquisition, exploration and development of mines, extraction and processing of minerals, setting up integrated steel plant etc.

Iron Ore and Coal

Ever since the discovery of the mineral in 1903, Iron ore mining has become an integral part of steel making at Tata Steel. The iron ore units are located in Noamundi, Joda and Katamati in the states of Jharkhand and Orissa. Tata Steel Limited also has manganese mines and dolomoite quarries in Orissa, located around 150 kms from Jamshedpur, home to the Steel Company's manufacturing facility. The Steel Company's iron ore

units produce various grades of high quality iron ore including rich blue dust ore. Operations at the mines, including services are managed by Integrated Management Systems.

Ferro Alloys and Minerals

Tata Steel's Ferro Alloys &Minerals Division (FAMD) is the market leader of chrome in India and is among the top six chrome alloy producers in the world, with operations spanning two continents. It is also the leading manganese alloy producer in India and is a leading supplier of dolomite and pyroxenes. FAMD has leveraged the core strengths of Tata Steel to grow successfully into a strategic business unit and separate profit centre within the company. FAMD produces and supplies charge chrome, high carbon ferro chrome, high carbon silico manganese, high carbon manganese, chrome concentrate, pyroxenite and dolomite.

FAMD operates the largest chromite mine and the largest reserves of high grade manganese ore in India. It has state of the art chrome beneficiation and ferro alloy plants in Bamnipal, Joda and Attaghar, Cuttack (as a wholly owned subsidiary, TS Alloys Ltd.) besides rendering marketing services for Tata Steel Kwa Zulu Natal Pty Ltd. (TSKZN- a subsidiary of TSL in Richards Bay, South Africa).

In Financial Year 2021-22, FAMD achieved year-on-year growth of 17% in Ferro Alloys sales. Going forward, there are plans to augment the production of Ferro Alloys. Accordingly 55,000k tonnes of Ferro Chrome and Silico Manganese each are expected to be operational in Gopalpur and Nayagarh respectively by 2022. Order for capital equipment for the Gopalpur project has already been placed post the environmental clearances. Preliminary jobs for site clearances are underway at Nayagarh.

BEARINGS

A wide variety of bearings and auto assemblies are manufactured by Tata Steel at its Bearings Division, with a product ion capacity of 30 million bearing numbers per annum. Tata Bearings and auto components happen to be the preferred choice of key players in the targeted industry segment.

Over the years, a highly performance-driven approach has helped Tata Bearings achieve an influential and crucial position in its target industry segment. Tata Bearings Division of Tata Steel Limited is one of India's largest quality bearing manufacturers, with a production capacity of 37 million bearing numbers. It is the only bearings manufacturer in India to win the TPM Award (2004) from Japan Institute of Plant Maintenance, Tokyo.

The company is foremost in the manufacturing of a wide variety of bearings and auto assemblies and the product range includes:

1. Ball Bearings

2. Tapered Roller Bearings

3. Magneto Bearings

4. Double Row Angular Contact Bearings

5. Clutch Release Assemblies

6. Fan Support Assemblies

7. Cylindrical Roller Bearings

Tata Bearings is supported by Tata Steel's wide network of offices in India and abroad. It has technical collaboration with NACHI Fujikoshi Corp., of Japan for development and testing of new generation automotive bearings and special application bearings. Tata Steel's bearings and auto components happen to

be the preferred choice for key players of the Indian Industry. Tata Bearings was one of the first to start the concepts of ship to line and JIT delivery and it is presently extending such facilities to customers in different segments.

FLAT PRODUCTS

Galvanised corrugated sheets under brand name Tata Shaktee has been consistently delivering on its promises of longevity and strength. Tata Steelium, another product of the Flat Products Division happens to be the world's first branded Cold Rolled Steel and has a strong presence in the retail segment through exclusive shops called Steelium zones.

World class steel products are manufactured at the Flat Products Division of Tata Steel under three basic categories- Hot Rolled Products, Cold Rolled Products and Galvanised Products. With commanding brands like Tata Shaktee, Tata Steelium and Galvano under its umbrella, the Company is continuously surging ahead in its commitment to re-define the future of Indian Steel.

LONG PRODUCTS

Thermo Mechanically Treated (TMT) rebars from the Long Products Division are produced under the brand name Tiscon and are the first of its kind to have been introduced in India. Tiscon has been the first rebar in the country to be awarded the 'Super brand' status in the construction rebars category.

The Long Products Division of Tata Steel operates as a separate profit centre and was the first to introduce the Thermo Mechanically Treated (TMT) rebar under the brand name Tata Tiscon in the Country. Controlled processes, supervision by expert metallurgists and engineers coupled with highly advanced processes make Tata Tiscon the leading rebar in the country. Tata Tiscon is available for both residential and project applications. The residential segment is catered to by the Company's extensive dealer / distributor network and the project applications segment is handled by the Division's sales offices.

TUBES

Pipes manufactured by the Company's strategic business unit Tata Tubes, is the most prominent brand in the industry today which is retailed through a wide distribution network. A deeply thought out branding exercise was undertaken in order to unleash the power of the Tata Pipes' brand in the welded steel category.

In 1985, the Indian Tube Company (a joint venture between Tata Steel and Stewarts & Lloyds of UK) merged with Tata Steel to form the Tata Steel-Tubes Division. The Tubes Strategic Business Unit (SBU) today is a leading manufacturer of welded pipes and tubes in the Country with an annual production capacity of around 4,00,000 tonnes, with expansion plans for the future. Its market share at present is 16%. The tubes Division's main works is situated at Jamshedpur and the marketing Head Office is in Kolkata.

Its three main lines of business are

1. Commercial Tubes -for the conveyance segments, sold under the brand name of "Tata Pipes".

2. Structural Tubes- for the construction segment, sold under the brand name of "Tata Structura"

3. Precision Tubes - for the Auto, Boiler and Engineering segments.

WIRES

Steel wires under the brand name Tata Wiron comprise 30% market share of the organised wire market in India. A wide range of wires manufactured by Tata Steel's Wire Division cater to the needs of the various industry segments such as automobile, infrastructure, power and general engineering.

To bring about a greater focus to the steel wires business, Tata Steel has brought all its wire manufacturing under the scope of the Global Wires Business. It is amongst the largest steel wire manufacturers in the world (and largest in India, Thailand & Sri Lanka) in terms of product portfolio, production volumes and market share in each product segment. The Division was the first to brand its galvanised wires for the retail segment under the TATA Wiron brand.

Tata Steel Wires is the first choice for key players in the wire industry and it services the discerning needs of its customers across global markets. It has a 30% market share of the organised wire market in India. Tata Steel Wires meets the most exacting specifications and requirements of customers and is manufactured with the latest technology coupled with a wealth of experience and expertise in the wire industry. A wide range of wires cater to the needs of various industry segments such as automobile, infrastructure, power and general engineering. The products are well established across the markets of Europe, USA, Middle East Asia, Australia, South Asia and Asia Far East. The range includes:

1. Auto Segment (Tyre Bead Wire, Spring Wire, Spoke Wire, Ball Bearing Wire)

2. Construct ion Segment (LRPC, PC Wires)

3. Power Segment (Cable armour, ACSR)

4. Textile industry (Card Clothing Wire)

5. Galvanised Wires (Farming/ Fencing)

6. Welding (Mig Welding Wire)

7. Steel Wool Wires for miscellaneous use.

Tata Steel's Global Wires Business has manufacturing facilities spread across the geographies of India, China, Thailand and Sri Lanka. The products are manufactured in fully integrated manufacturing cycles, from sourcing of raw materials to in-house steel making and wire rod rolling facilities. Al the units of operation adhere to strict quality parameters and are ISO certified.

The Wire Division in India operates Wire Plant 1 and Wire Plant 2 at Tarapur, two wire plants at Indore and one wire plant in Bangalore. It has been the sole supplier of pre-stressed concrete strands used in the construction of precast segments for the 4.7 kms , 8-lane-cablestayed Bandra-Worli Sea Link at Mumbai, India.

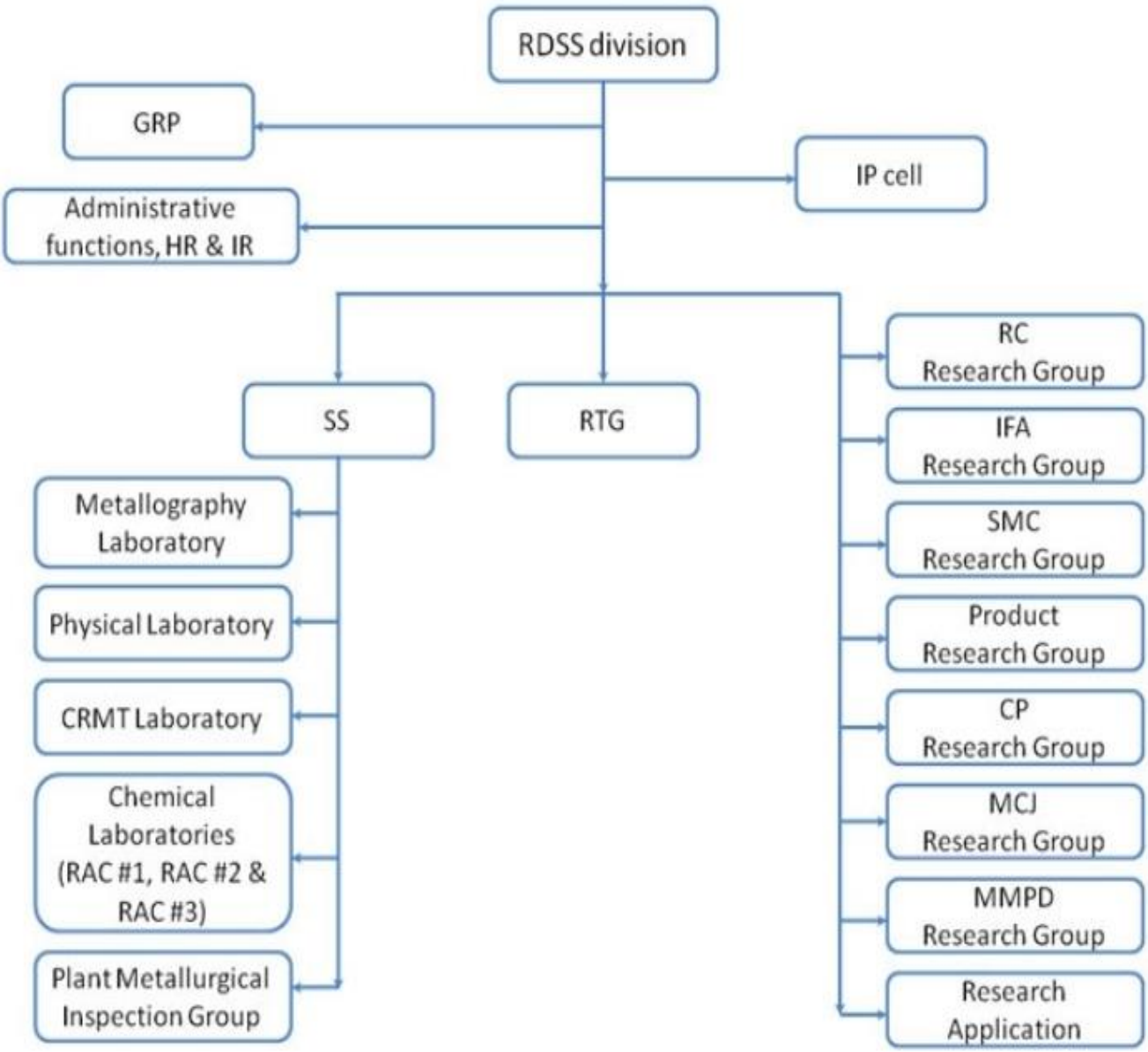
A holistic approach to the use of natural resources led to improvements in the productivity of customers who manufacture continuous electrodes for the auto industry from WR3M/Low Ca ER70S6 grades of wire rods. The 100% increase in speed and productivity has led to a reduction in power consumption and water that makes up for consumption in different parts of the product's value chain.

PLANTS AND EQUIPMENT

Multidisciplinary engineering approach for design, manufacture and supply of high precision equipment is offered to various industry sectors by Tata Steel's Growth Shop division. Services include erection and commissioning of all types of equipment in plants and industrial buildings in addition to a wide variety of jobs in machining and assembly.

Tata Steel Growth Shop (TGS), a division of Tata Steel Ltd. is one of the largest designers and manufacturers of plants and equipment in India. Spread over an expanse of more than 350 acres of land at Gamharia, Dist - Seraikela, about 16 Kms from steel city Jamshedpur, TGS has a massive and advanced manufacturing unit accredited with ISO: 9001 and ISO: 14001 certifications. The Company is at par with the finest international companies supplying heavy engineering plant facilities and equipment and has also been certified with the ASME U-Stamp certification.

Organization Structure Of Tata Steel



Financial Performance

Tata Steel reports Consolidated EBITDA of Rs 6,122 crores for the quarter ended June 30, 2023 Highlights:

Consolidated Revenues for the quarter stood at Rs 59,490 crores. EBITDA was Rs 6,122 crores and EBITDA margin was 10%.

Consolidated Profit after Tax stood at Rs 525 crores. Profitability was affected by non-cash deferred tax charge on account of buy-in transaction at British Steel Pension Scheme. With this, the insurance buy-in of BSPS has been completed, successfully derisking Tata Steel UK.

The company has spent Rs 4,089 crores on capital expenditure during the quarter. Work on 5 MTPA expansion at Kalinganagar and EAF mill of 0.75 MTPA in Punjab is progressing.

Net debt stands at Rs. 71,397 crores. Group liquidity remains strong at Rs 30,569 crores.

India 1 revenues were Rs 34,901 crores and EBITDA was Rs 7,514 crores

- Crude steel production was around 5 million tons and was up 2% YoY primarily driven by ramp up at Neelachal Ispat Nigam Limited.
- Deliveries at 4.8 million tons were higher by 18% on YoY basis, driven by rise in domestic deliveries. Broad based improvement was witnessed across key end use segments.

- EBITDA was Rs.7,514 crores which translates into EBITDA per ton of Rs 15,651 and EBITDA margin of 22% Europe revenues were £2,083 million and EBITDA loss stood at £153 million.

- The planned relining of BF6 at Tata Steel Netherlands commenced in April and this has led to drop in crude steel production.

- Liquid steel production was 1.79 million tons while deliveries stood at 1.99 million tons. Financial Highlights: Key Profit & Loss account items (All figures are in Rs. Cores unless stated otherwise) India1 Consoled

Tata Steel

Previous Years »

Standalone Profit & Loss account	in Rs. Cr.				
	Mar 23	**Mar 22**	**Mar 21**	**Mar 20**	**Mar 19**
	12 mths	12 mths	12 mths	12 mths	12 mths
INCOME					
Revenue From Operations [Gross]	**127,466.52**	**127,681.40**	**82,828.16**	**58,815.57**	**68,923.36**
Less: Excise/Sevice Tax/Other Levies	0.00	0.00	0.00	0.00	0.21
Revenue From Operations [Net]	**127,466.52**	**127,681.40**	**82,828.16**	**58,815.57**	**68,923.15**
Other Operating Revenues	1,540.10	1,339.95	1,304.76	1,620.40	1,687.56
Total Operating Revenues	**129,006.62**	**129,021.35**	**84,132.92**	**60,435.97**	**70,610.71**
Other Income	3,325.48	1,452.02	755.11	404.12	2,405.08
Total Revenue	**132,332.10**	**130,473.37**	**84,888.03**	**60,840.09**	**73,015.79**
EXPENSES					
Cost Of Materials Consumed	54,011.50	35,256.98	20,757.04	17,407.03	19,840.29
Purchase Of Stock-In Trade	7,467.30	4,089.03	1,688.84	1,563.10	1,807.85
Changes In Inventories Of FG,WIP And Stock-In Trade	-1,142.06	-1,820.87	2,176.56	-564.40	-554.33
Employee Benefit Expenses	6,616.29	6,365.80	5,741.94	5,036.62	5,131.06
Finance Costs	3,792.14	2,792.08	4,541.02	3,031.01	2,823.58
Depreciation And Amortisation Expenses	5,434.61	5,463.69	5,469.26	3,920.12	3,802.96
Other Expenses	38,870.96	36,458.65	27,966.07	23,803.18	24,622.60
Less: Amounts Transfer To Capital Accounts	4,519.34	2,458.09	1,321.24	1,671.13	799.70
Total Expenses	**110,531.40**	**86,147.27**	**67,019.49**	**52,525.53**	**56,674.31**
	Mar 23	**Mar 22**	**Mar 21**	**Mar 20**	**Mar 19**
	12 mths	12 mths	12 mths	12 mths	12 mths
Profit/Loss Before Exceptional, ExtraOrdinary Items And Tax	**21,800.70**	**44,326.10**	**17,868.54**	**8,314.56**	**16,341.48**
Exceptional Items	-778.78	-235.45	741.30	-1,703.58	-114.23
Profit/Loss Before Tax	**21,021.92**	**44,090.65**	**18,609.84**	**6,610.98**	**16,227.25**
Tax Expenses-Continued Operations					
Current Tax	4,928.05	11,611.94	-1,329.78	1,787.95	6,297.11
Deferred Tax	598.76	-532.47	2,861.65	-1,920.77	-603.05
Total Tax Expenses	**5,526.81**	**11,079.47**	**1,531.87**	**-132.82**	**5,694.06**
Profit/Loss After Tax And Before ExtraOrdinary Items	**15,495.11**	**33,011.18**	**17,077.97**	**6,743.80**	**10,533.19**
Profit/Loss From Continuing Operations	**15,495.11**	**33,011.18**	**17,077.97**	**6,743.80**	**10,533.19**
Profit/Loss For The Period	**15,495.11**	**33,011.18**	**17,077.97**	**6,743.80**	**10,533.19**
	Mar 23	**Mar 22**	**Mar 21**	**Mar 20**	**Mar 19**
	12 mths	12 mths	12 mths	12 mths	12 mths
OTHER ADDITIONAL INFORMATION					
EARNINGS PER SHARE					
Basic EPS (Rs.)	12.68	270.33	145.00	57.11	90.41
Diluted EPS (Rs.)	12.67	270.13	144.99	57.11	90.40
VALUE OF IMPORTED AND INDIGENIOUS RAW MATERIALS					
STORES, SPARES AND LOOSE TOOLS					
DIVIDEND AND DIVIDEND PERCENTAGE					
Equity Share Dividend	6,233.11	3,007.08	1,145.92	1,489.67	1,145.92
Tax On Dividend	0.00	0.00	0.00	297.71	224.86
Equity Dividend Rate (%)	360.00	510.00	250.00	100.00	130.00

TATA STEEL Income Statement 2022-23

No. of Mths Year Ending		12 Mar-22*	12 Mar-23*	% Change
Net Sales	Rs m	2,439,592	2,433,527	-0.2%
Other income	Rs m	7,849	10,811	37.7%
Total Revenues	Rs m	2,447,441	2,444,337	-0.1%
Gross profit	Rs m	640,051	327,880	-48.8%
Depreciation	Rs m	91,009	93,352	2.6%
Interest	Rs m	54,622	62,987	15.3%
Profit before tax	Rs m	502,269	182,351	-63.7%
Tax	Rs m	84,776	101,598	19.8%
Profit after tax	Rs m	417,493	80,754	-80.7%
Gross profit margin	%	26.2	13.5	
Effective tax rate	%	16.9	55.7	
Net profit margin	%	17.1	3.3	

TATA STEEL Income Statement Analysis

- Operating income during the year fell 0.2% on a year-on-year (YoY) basis.
- The company's operating profit decreased by 48.8% YoY during the fiscal. Operating profit margins witnessed a fall and stood at 13.5% in FY23 as against 26.2% in FY22.
- Depreciation charges increased by 2.6% and finance costs increased by 15.3% YoY, respectively.
- Other income grew by 37.7% YoY.
- Net profit for the year declined by 80.7% YoY.
- Net profit margins during the year declined from 17.1% in FY22 to 3.3% in FY23.

Tata Steel

Previous Years »

Standalone Balance Sheet	---------- in Rs. Cr. ----------				
	Mar 23	**Mar 22**	**Mar 21**	**Mar 20**	**Mar 19**
	12 mths	12 mths	12 mths	12 mths	12 mths
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	1,222.40	1,222.37	1,198.78	1,146.13	1,146.12
Total Share Capital	**1,222.40**	**1,222.37**	**1,198.78**	**1,146.13**	**1,146.12**
Reserves and Surplus	133,575.11	124,211.39	93,207.56	73,416.99	69,308.59
Total Reserves and Surplus	**133,575.11**	**124,211.39**	**93,207.56**	**73,416.99**	**69,308.59**
Total Shareholders Funds	**134,797.51**	**125,433.76**	**94,406.34**	**74,563.12**	**70,454.71**
Equity Share Application Money	0.00	0.00	3.78	0.00	0.00
Hybrid/Debt/Other Securities	0.00	0.00	775.00	2,275.00	2,275.00
NON-CURRENT LIABILITIES					
Long Term Borrowings	30,880.89	20,290.81	31,545.41	31,381.96	26,651.19
Deferred Tax Liabilities [Net]	8,684.15	8,087.57	8,517.78	5,862.28	7,807.00
Other Long Term Liabilities	10,436.32	11,824.25	12,602.79	3,325.34	2,798.63
Long Term Provisions	2,555.25	2,685.00	2,572.23	2,113.56	1,918.18
Total Non-Current Liabilities	**52,556.61**	**42,887.63**	**55,238.21**	**42,683.14**	**39,175.00**
CURRENT LIABILITIES					
Short Term Borrowings	7,298.12	11,984.66	984.68	7,857.27	8.09
Trade Payables	18,082.40	21,091.14	13,426.21	10,600.96	10,969.56
Other Current Liabilities	19,975.84	19,506.61	14,579.80	11,749.21	13,837.77
Short Term Provisions	1,080.94	1,082.42	1,076.91	663.86	778.23
Total Current Liabilities	**46,437.30**	**53,664.83**	**30,067.60**	**30,871.30**	**25,593.65**
Total Capital And Liabilities	**233,791.42**	**221,986.22**	**180,490.93**	**150,392.56**	**137,498.36**
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	90,422.42	93,484.40	96,287.55	70,505.66	70,416.82
Intangible Assets	763.87	806.03	855.73	727.72	805.20
Capital Work-In-Progress	21,091.92	14,159.32	10,499.49	8,070.41	5,686.02
Intangible Assets Under Development	514.96	382.64	408.79	176.64	110.27
Fixed Assets	**112,793.17**	**108,832.39**	**108,051.56**	**79,480.43**	**77,018.31**
Non-Current Investments	44,138.90	43,401.43	29,087.33	46,860.91	38,929.25
Long Term Loans And Advances	32,779.08	30,195.27	7,570.10	199.26	231.16
Other Non-Current Assets	10,130.75	8,267.56	6,507.54	3,842.77	4,284.06
Total Non-Current Assets	**199,841.90**	**190,696.65**	**151,216.53**	**130,383.37**	**120,462.78**
CURRENT ASSETS					
Current Investments	2,050.40	96.11	7,096.80	3,235.16	477.47
Inventories	20,795.56	19,942.94	12,857.51	10,716.66	11,255.34
Trade Receivables	3,351.72	3,280.30	2,878.58	1,016.73	1,363.04
Cash And Cash Equivalents	1,077.33	2,855.29	2,396.90	1,226.87	718.11
Short Term Loans And Advances	3,191.21	2,368.01	1,564.37	1,607.32	55.92
OtherCurrentAssets	3,483.30	2,746.92	2,480.24	2,206.45	3,165.70

Total Current Assets	**33,949.52**	**31,289.57**	**29,274.40**	**20,009.19**	**17,035.58**
Total Assets	**233,791.42**	**221,986.22**	**180,490.93**	**150,392.56**	**137,498.36**
OTHER ADDITIONAL INFORMATION					
CONTINGENT LIABILITIES, COMMITMENTS					
Contingent Liabilities	43,817.56	37,797.38	33,426.07	32,650.32	34,622.43
CIF VALUE OF IMPORTS					
Trade/Other Goods	42,522.99	29,071.56	13,408.18	12,381.28	14,519.26
EXPENDITURE IN FOREIGN EXCHANGE					
Expenditure In Foreign Currency	799.51	505.33	412.85	509.47	450.04
REMITTANCES IN FOREIGN CURRENCIES FOR DIVIDENDS					
Dividend Remittance In Foreign Currency	-	-	-	-	-
EARNINGS IN FOREIGN EXCHANGE					
FOB Value Of Goods	-	-	-	-	-
Other Earnings	8,612.98	17,187.78	13,241.53	6,314.97	6,497.94
BONUS DETAILS					
Bonus Equity Share Capital	252.97	252.97	252.97	252.97	252.97
NON-CURRENT INVESTMENTS					
Non-Current Investments Quoted Market Value	988.94	1,182.53	537.85	204.31	448.61
Non-Current Investments Unquoted Book Value	42,787.49	13,051.52	352.37	20,078.19	34,042.88
CURRENT INVESTMENTS					
Current Investments Quoted Market Value	-	-	-	-	-
Current Investments Unquoted Book Value	2,050.31	96.11	7,096.80	3,235.16	477.47

BONUS DETAILS					
Bonus Equity Share Capital	252.97	252.97	252.97	252.97	252.97
NON-CURRENT INVESTMENTS					
Non-Current Investments Quoted Market Value	988.94	1,182.53	537.85	204.31	448.61
Non-Current Investments Unquoted Book Value	42,787.49	13,051.52	352.37	20,078.19	34,042.88
CURRENT INVESTMENTS					
Current Investments Quoted Market Value	-	-	-	-	-
Current Investments Unquoted Book Value	2,050.31	96.11	7,096.80	3,235.16	477.47

TATA STEEL Balance Sheet Analysis

- The company's current liabilities during FY23 stood at Rs 973 billion as compared to Rs 904 billion in FY22, thereby witnessing an increase of 7.6%.
- Long-term debt stood at Rs 514 billion as compared to Rs 448 billion during FY22, a growth of 14.9%.
- Current assets fell 6% and stood at Rs 866 billion, while fixed assets rose 5% and stood at Rs 1,987 billion in FY23.
- Overall, the total assets and liabilities for FY23 stood at Rs 2,854 billion as against Rs 2,824 billion during FY22, thereby witnessing a growth of 1%

Financial Ratio of Tata Steel-

INDUSTRY ANALYSIS

INTRODUCTION-

One of the primary forces behind industrialization has been the use of metals. Steel has traditionally occupied a top spot among metals. Steel production and consumption are frequently seen as measures of a country's economic development because it is both a raw material and an intermediary product. Therefore, it would not be an exaggeration to argue that the steel sector has always been at the forefront of industrial progress and that it is the foundation of any economy. The Indian steel industry is classified into three categories - major producers, main producers and secondary producers.

India is the world's second-largest producer of crude steel, with an output of 125.32 MT of crude steel and finished steel production of 121.29 MT in FY23.

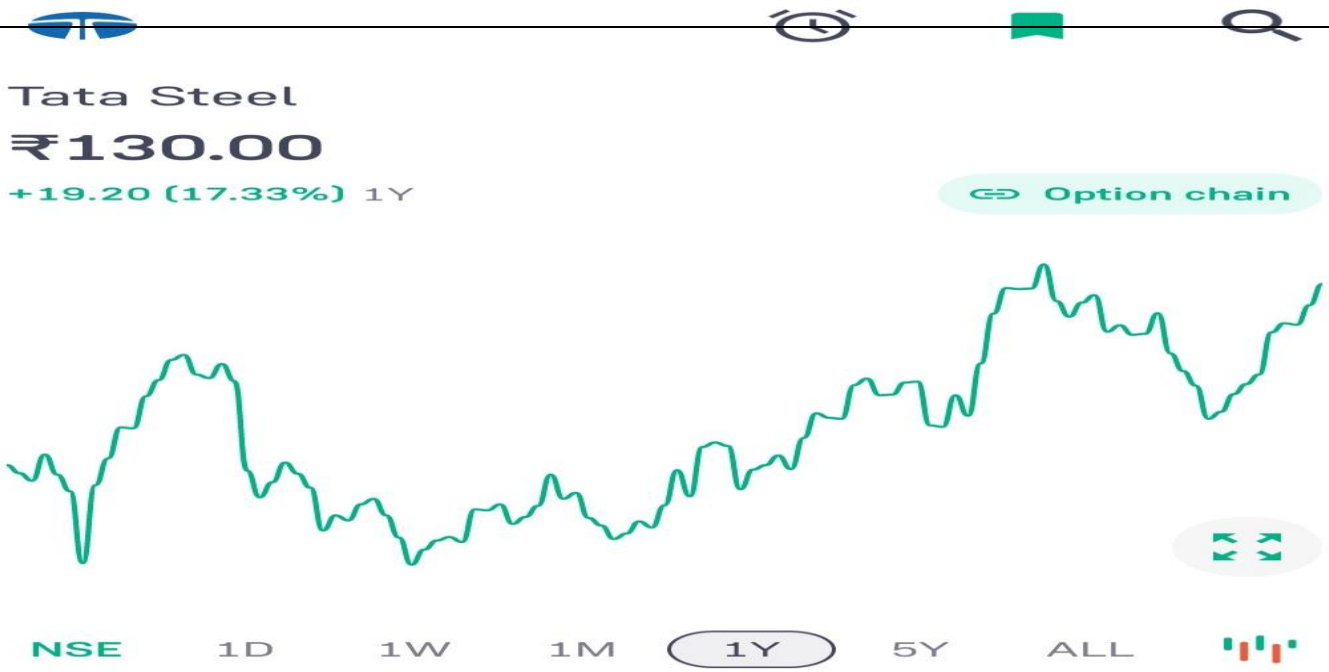
India's steel production is estimated to grow 4-7% to 123-127 MT in FY24.

The growth in the Indian steel sector has been driven by the domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is modern, with state-of-the-art steel mills. It has always strived for continuous modernisation of older plants and up-gradation to higher energy efficiency levels.

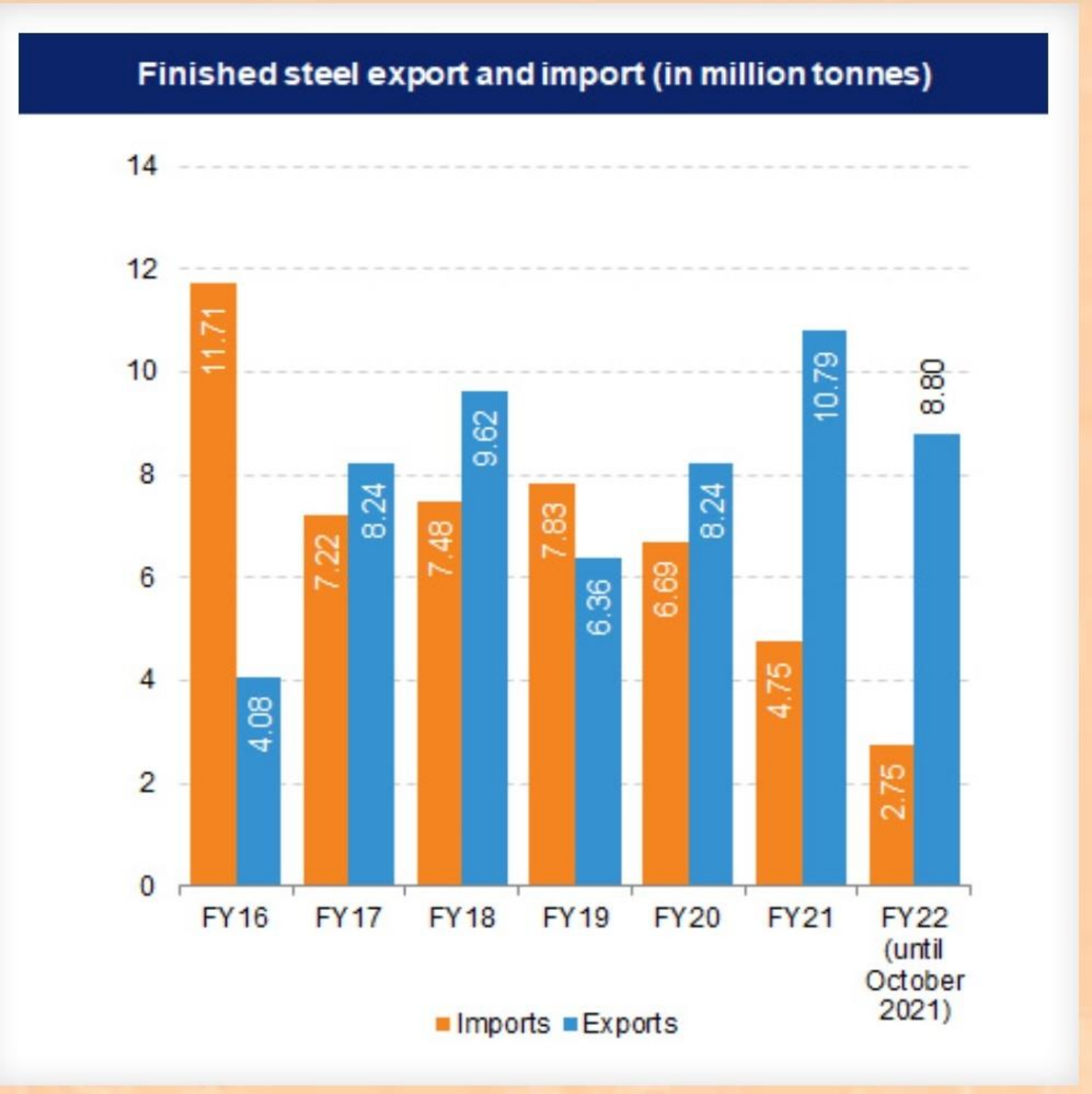
DEMAND AND GROWTH-

- India's finished steel consumption is anticipated to increase to 230 MT by 2030-31 from 119.17 MT in FY23.
- India is the world's second-largest producer of crude steel, with an output of 125.32 MT of crude steel and finished steel production of 121.29 MT in FY23.
- The industry is witnessing consolidation of players, which has led to investment by entities from other sectors. The ongoing consolidation also presents an opportunity to global players to enter the Indian market.
- India's steel production is estimated to grow 4-7% to 123-127 MT in FY24.
- Easy availability of low-cost manpower and presence of abundant iron ore reserves make India competitive in the global set up.
- India is home to fifth-highest reserves of iron ore in the world.



MARKET SIZE-

- In the past 10–12 years, India's steel sector has expanded significantly. Production has increased by 75% since 2008, while domestic steel demand has increased by almost 80%. The capacity for producing steel has grown concurrently, and the rise has been largely organic.
- In FY23, the production of crude steel and finished steel stood at 125.32 MT and 121.29 MT respectively.
- In FY24 (until July 2023), the production of crude steel and finished steel stood at 45.39 MT and 43.01 MT respectively.
- In FY23, crude and finished steel production stood at 125.32 MT and 121.29 MT respectively. In July 2023, crude steel production in India stood at 11.52 MT. In July 2023, finished steel production stood at 10.53 MT.
- In FY24 (until July 2023), the consumption of finished steel stood at 41.15 MT.
- The per-capita consumption of steel stood at 86.7 kgs in FY23.
- In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. The consumption of finished steel stood at 105.751 MT in FY22. In FY23, the consumption of finished steel stood at 119.17 MT. In April-July 2022, the production of crude steel and finished steel stood at 40.95 MT and 38.55 MT respectively.
- In FY23, exports and imports of finished steel stood at 6.7 MT and 6.02 MT, respectively. In FY22, India exported 11.14 MT of finished steel. In April 2023 exports of steel stood at 8.55 lakh metric tonnes (LMT), while imports stood at 4.60 LMT. In FY24 (until July 2023), the exports and imports of finished steel stood at 2.56 MT and 1.98 MT, respectively.
- The annual production of steel is anticipated to exceed 300 million tonnes by 2030-31. By 2030-31, crude steel production is projected to reach 255 million tonnes at 85% capacity utilisation achieving 230 million tonnes of finished steel production, assuming a 10% yield loss or a 90% conversion ratio for the conversion of raw steel to finished steel. With net exports of 24 million tonnes, consumption is expected to reach 206 million tonnes by the years 2030–1931. As a result, it is anticipated that per-person steel consumption will grow to 160 kg.


Finished steel export and import (in million tonnes)
14
12
10
8
6
4
2
0
11.71
4.08
7.22
8.24
7.48
9.62
7.83
6.36
6.69
8.24
4.75
10.79
2.75
8.80
FY16
FY17
FY18
FY19
FY20
FY21
FY22 (until October 2021)
Imports
Exports

INVESTMENTS/ DEVELOPMENTS

The steel industry and its associated mining and metallurgy sectors have seen major investments and developments in the recent past.

According to the data released by the Department for Promotion of Industry and Internal Trade (DPIIT), between April 2000-March 2023, Indian metallurgical industries attracted FDI inflows of US$ 17.23 billion.

In FY22, demand for steel was expected to increase by 17% to 110 million tonnes, driven by rising construction activities.

Some of the major investments in the Indian steel industry are as follows:

- In July 2023, Union Minister Mr. Jyotiraditya Scindia announced that Japan is eager to invest ¥ 5 trillion (US$ 36 billion), in various sectors in India, including steel.
- As announced in May 2023, INOX Air Products will invest Rs. 1,300 crore (US$ 157.5 million) to set up two air separation units having a capacity of 1,800 tonnes a day each at Tata Steel's plant in Dhenkanal, Odisha.
- In May 2023, the industry body Indian Steel Association (ISA) announced signing an agreement with the ASEAN Iron and Steel Council (AISC) to unlock new avenues of growth and sustainability in the steel sector.
- Mr. Jyotiraditya M. Scindia, the Union Minister of Steel, and Mr. Nishimura Yasutoshi, the Minister of Economy, Trade, and Industry of Japan, held a bilateral meeting on July 20, 2023, in New Delhi to discuss collaboration in the steel sector and issues relating to decarbonisation.
- AMNS India is planning to spend US$ 7.4 billion on expanding capacity and increasing its value-added investments in both its upstream and downstream capacities and enhancing its iron ore capabilities.
- In May 2023, JSW Steel and JFE Steel, signed an agreement to set up a JV company to manufacture the entire range of cold rolled grain-oriented electrical steel (CRGO) products at Vijaynagar in Karnataka.
- In April 2023, AMNS India, a joint venture between ArcelorMittal and Nippon Steel, received approval from India’s regulatory body (NCLT) to acquire Indian Steel Corporation.
- Tata Steel in April 2023, informed that it has signed an agreement with A&B Global Mining to harness new business development opportunities and deliver mine technical services. The steel major will closely work with ABGM India which will interface with their South African entity to explore business opportunities in India and abroad besides utilising each other's technical and strategic strengths to deliver projects across the mining and metals, including the steel value chain.
- 67 applications from 30 companies have been selected under the Production Linked Incentive (PLI) Scheme for Specialty Steel. This will attract committed investment of Rs. 42,500 crore (US$ 5.19 billion) with a downstream capacity addition of 26 million tonnes and employment generation potential of 70,000.
- In September 2022, Steel Authority of India Limited (SAIL), a Maharatna PSU, supplied 30,000 tonnes of the entire DMR grade specialty steel for the nation’s first indigenously built Aircraft Carrier INS Vikrant.
- In August 2022, Tata Steel signed an MoU with Punjab Government to set up a steel scrap based electric arc furnace steel plant.
- In May 2022, Tata Steel announced a CAPEX of Rs. 12,000 crore (US$ 1.50 billion).

- In October 2021, Tata Steel was planning to set up more scrap-based facilities that will have a capacity of at least a billion tonnes by 2025.
- In October 2021, JSW Steel invested Rs. 150 billion (US$ 19.9 million) to build a steel plant in Jammu and Kashmir and boost manufacturing in the region.
- In October 2021, ArcelorMittal and Nippon Steel Corp.'s joint venture steel firm in India, announced a plan to expand its operations in the country by investing ~Rs. 1 trillion (US$ 13.34 billion) over 10 years.
- In August 2021, Tata Steel announced to invest Rs. 8,000 crore (US$ 1.08 billion) in capital expenditure to develop operations in India in FY22.
- In August 2021, ArcelorMittal announced to invest Rs. 1 lakh crore (US$ 13.48 billion) in Gujarat for capacity expansion.
- In August 2021, Tata Steel announced to invest Rs. 3,000 crore (US$ 404.46 million) in Jharkhand to expand capacities over the next three years.
- In August 2021, Jindal Steel & Power Ltd. announced plans to invest US$ 2.4 billion to increase capacity over the next six years to meet the rising demand from customers.
- In the next three years from June 2021, JSW Steel is planning to invest Rs. 47,457 crore (US$ 6.36 billion) to increase Vijayanagar's steel plant capacity by 5 MTPA and establish a mining infrastructure in Odisha.

GOVERNMENT INITIATIVES

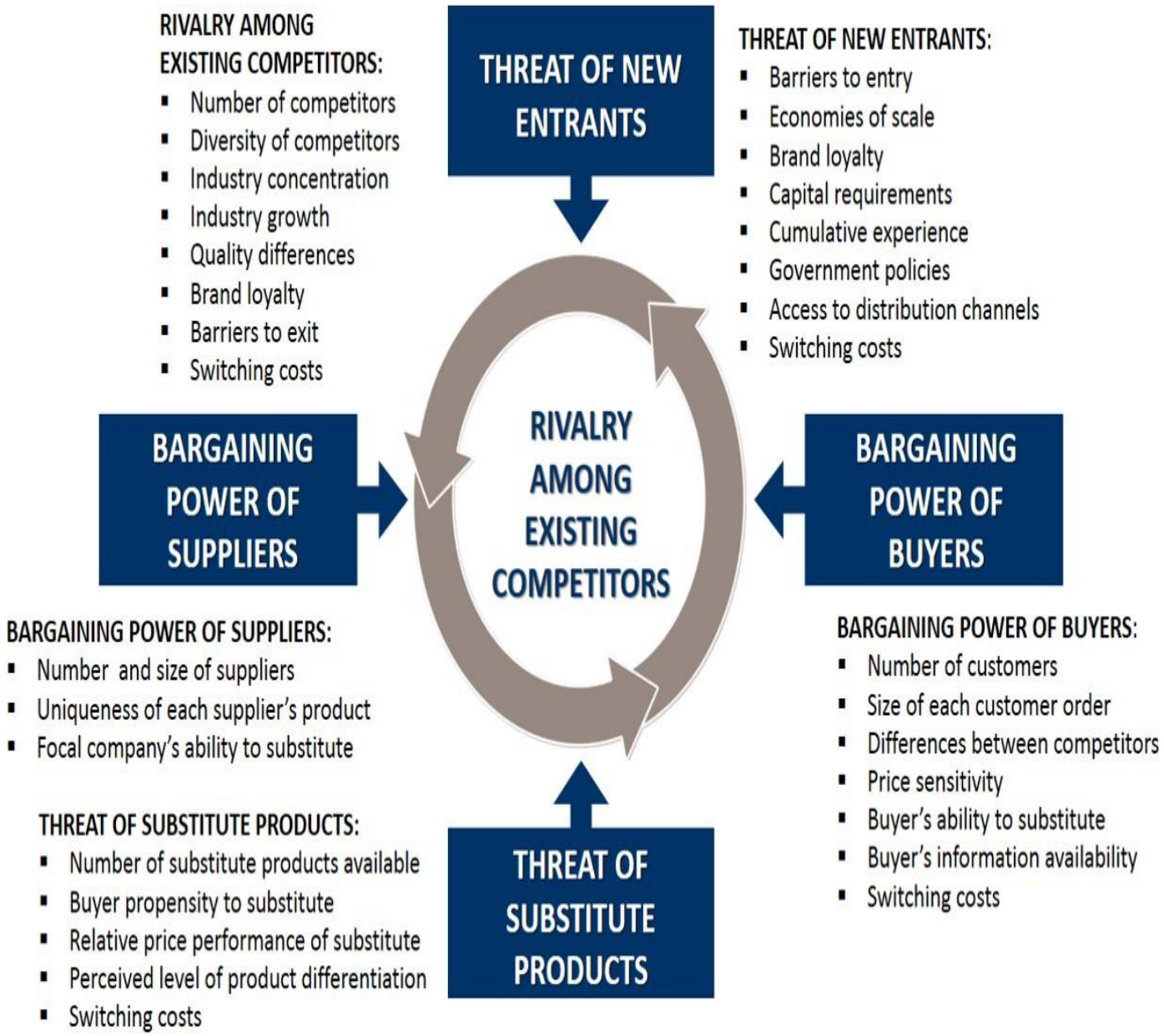
Some of the other recent Government initiatives in this sector are as follows:

- In October 2021, the government announced guidelines for the approved specialty steel production-linked incentive (PLI) scheme.
- In October 2021, India and Russia signed an MoU to carry out R&D in the steel sector and produce coking coal (used in steel making).
- In July 2021, the Union Cabinet approved the production-linked incentive (PLI) scheme for specialty steel. The scheme is expected to attract investment worth ~Rs. 400 billion (US$ 5.37 billion) and expand specialty steel capacity by 25 million tonnes (MT), to 42 MT in FY27, from 18 MT in FY21.
- In June 2021, Minister of Steel & Petroleum & Natural Gas, Mr. Dharmendra Pradhan addressed the webinar on 'Making Eastern India a manufacturing hub with respect to metallurgical industries', organised by the Indian Institute of Metals. In 2020, 'Mission Purvodaya' was launched to accelerate the development of the eastern states of India (Odisha, Jharkhand, Chhattisgarh, West Bengal and the northern part of Andhra Pradesh) through the establishment of an integrated steel hub in Kolkata, West Bengal. Eastern India has the potential to add >75% of the country's incremental steel capacity. It is expected that of the 300 MT capacity by 2030-31, >200 MT can come from this region alone.
- In June 2021, JSW Steel, CSIR-National Chemical Lab (NCL), Scottish Development International (SDI) and India H2 Alliance (IH2A) joined forces to commercialise hydrogen in the steel and cement sectors.
- Under the Union Budget 2023-24, the government allocated Rs. 70.15 crore (US$ 8.6 million) to the Ministry of Steel.
- In addition, an investment of Rs. 75,000 crore (US$ 9.15 billion) (including Rs. 15,000 crore (US$ 1.83 billion) from private sources) has been allocated for 100 critical transport infrastructure projects for last and first mile connectivity for various sectors such as ports, coal, and steel.

- In January 2021, the Ministry of Steel, Government of India, signed a Memorandum of Cooperation (MoC) with the Ministry of Economy, Trade and Industry, Government of Japan, to boost the steel sector through joint activities under the framework of India–Japan Steel Dialogue.
- The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intends to create a globally competitive steel industry in India. NSP 2017 envisage 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31.
- The Ministry of Steel is facilitating the setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs. 200 crore (US$ 30 million).
- The Government of India raised import duty on most steel items twice, each time by 2.5% and imposed measures including anti-dumping and safeguard duties on iron and steel items.

Porter's Five force Model

Porter's five forces is a simple but powerful tool for understanding the competitiveness ofyour business environment, and for identifying your strategy's potential profitability.



Porter's five forces Analysis of Tata Steel Limited

- ❖ Competitor
- ❖ New Entrants Threat
- ❖ Threat to Substitutes
- ❖ Bargaining Power of Customers

- ❖ Bargaining Power of Suppliers

Competitor

- Jindal steels
- Reliance steels
- Aditya Birla group
- Coal junction
- Essar
- Micom
- ISPAT
- ArcelorMittal

New Entrants Threat

The Tata steel authority members had been said in a recent interview that they see no threat to their business. The words said by administration are-the quality of steel we produce and the technology along with cost efficiencies and product mix at their best.

Threat to Substitutes

- Plastics and composites
- Aluminium waste
- steel

Bargaining Power of Customers

Some of the steel consumption sectors like automobiles, oil and gas, shipping consumer's durable and power generation enjoy high bargaining power and get favourable deals.

However, small and retail Consumers who are scattered and consume a significant part do not enjoy these benefits.

Bargaining Power of Suppliers

The bargaining power of suppliers is low for the fully integrated steel plants as they have their own mines of key raw materials like iron ore coal fit. Tata steel is also one of the least cost markers of steel in the world.

For limestone Tata steel has entered into a joint venture with the Al Bahja group of Oman.

NMDC is a major supplier to standalone and non-integrated still mills. In order to safeguard itself from high bargaining power of buyers, Tata steel has forayed much earlier in it the strategy of "backward integration'

ENVIRONMENTAL POLICY

Tata Steel's environmental responsibilities are driven by our commitment to preserve the environment and are integral to the way we do business.

We are committed to deal proactively with climate Change issue by efficient use of natural resources & energy; reducing and preventing pollution; promoting waste avoidance and recycling measures; and product stewardship.

- We shall identify, assess and manage our environmental impact.
- We shall regularly monitor, review and report publicly our environmental performance.
- We shall develop & rehabilitate abandoned sites through a forestation and landscaping and shall protect and preserve the bio-diversity in the areas of our operations.
- We shall enhance awareness, skill and competence of our employees and contractors so as to enable them to demonstrate their involvement, responsibility and accountability for sound environ mental performance.
- We are committed to continual improvement in our environmental performance.

- We shall set objective-targets, develop, implement and maintain management standards and system, and go beyond compliance of the relevant industry standards

legal and other requirements.

- We will truly succeed when we sustain our environmental achievement and are valuedby the communities in which we work.

COMPITITOR ANALYSIS

SWOT ANALYSIS OF TATA STEEL LIMITED

STRENGTH

- Strong Brand name of TSL and Tata Group.
- India operations capable of meeting its Own iron ore requirements.
- Raw material security building through global operations.
- Leading Sales and Distribution capability.
- Low wage labour availability.

WEAKNESS

- Low R&D Investment.
- Unscientific Mining.
- Low Productivity.

OPPURTUNITY

- Unexplored rural markets.
- Growing domestic markets.
- Growing global demands.
- Developing countries not restrained under the Kyoto Protocol.
- Carbon credits trading on the rise.
- High investment in infrastructure development.

THREATS

- World's big producers entering Indian markets.
- China set to becoming a net exporter.
- High duties and taxes by the Government
- Global laws relating to pollution control and high energy cost.
- Global economic slowdown.

COMPITITOR OF TATA STEEL-

SAIL

Steel Authority India Ltd. is one of the largest state-owned steel making companybased in New Delhi, India. It is a public sector undertaking which trades publicly in the market islargely owned by Government of India and acts like an operating company. Incorporated on 24January 1973, SAIL has 93,352 employees (as on 31-Mar-2015). With an annual production of 13.9million metric tons, SAIL is the 24th largest steel producer in the world. SAIL helps keep India's ship of industry afloat. The company's main steel products include flat products (coils, plates, and sheets), structural (angles, bars, and rods), rail products (high conductivity rails, light rails, and heavy rails), and tubular products (welded pipes). SAIL controls about a third of Indian steel production, second only to Tata Steel. In 2010 it formed a joint venture with POSCO. SAIL hopes to raise its production capacity from about 30 million tons to 50 million a year by 2025. SAIL is a public sector company, owned and operated by the Government of India. It has R&D centre for Iron & Steel (RDCIS), Centre for Engineering and Technology (CET),Management Training Institute (MTI) and SAIL Safety Organization (SSO) located at Ranchicapitalof Jharkhand.

JSW Steel

JSW Steel Ltd. is an Indian steel company owned by the JSW Group based in Mumbai, Maharashtra, India. JSW Steel, after merger of ISPAT steel, has become India's largest private sector steelcompany with an installed capacity of 14.3 MTPA. As part of the US $18 billion O. P. Jindal Group,JSW Group has diversified interests in steel, energy, minerals and mining, infrastructure, cementand information technology.

ESSAR

The Essar Group is as strong as steel, as slick as oil, and on the go over sea and the airwaves. One of the largest corporations in India, the conglomerate's holdings includes the country's first independent power plant and its first private steel plant. Other operations include construction, oil and gas production, and telecommunications. Controlled by the Ruia family, which has been in business since the 1800s, the Essar Group was founded by Nand Kishore Ruia and passed to hissons Shashi and Ravi after his death in 1969. Its primary unit, Essar Steel, has manufacturing facilities in India, Indonesia, Canada, and the US, with an annual production capacity of 14 million tons.

JSPL

Jindal Steel and Power is an Indian steel and energy company based in New Delhi,India. With turnover of approx. US$3.3 billion, JSPL is a part of about US$18 billion diversified Jindal Group conglomerate. JSPL is a leading player in steel, power, mining, oil and gas and infrastructure in India. The company produces steel and power through backward integration from its own captive coal and iron-ore mines. In terms of tonnage, it is the third largest steel producer in India. The company manufactures and sells sponge iron, mild steel slabs, Ferro chrome, iron ore, mild steel, structural, hot rolled plates and coils and coal based sponge iron plant.

TATA STEEL LTD PEER COMPARISON

Company Name	LTP (₹)	P/E (%)	Mkt.Cap (₹Cr.)	NP Qtr (₹Cr.)	Div.Yield (%)	Sales Qtr (₹.Cr)	Book Value (₹)
JSW Steel Ltd	761.00	21.73	186,099.05	0.55	2,913.00	33,286.00	291.4
Tata Steel Ltd	120.95	9.54	147,819.44	2.98	-8,530.60	32,793.59	103.1
Jindal Steel & Power Ltd	636.70	11.39	64,949.01	0.31	1,108.57	12,081.79	420.1
APL Apollo Tubes Ltd	1,676.80	80.38	46,502.83	0.30	132.89	3,623.93	98.2
Jindal Stainless Ltd	485.65	16.09	39,990.10	0.51	609.40	9,720.35	152.1

FACTS AND FINDINGS

The purpose of this report is to present the findings of a summer internship project conducted on the basics of stock selection. The study involved analyzing Tata steel Ltd., a prominent Indian multinational diversified steel company, using various parameters of stock selection. The objective was to gain insights into the process of selecting stocks for investment and understand the factors that can influence investment decisions.

Methodology:

The study followed a structured methodology that included data collection, analysis, and interpretation. The research primarily involved the following steps:

1. Data Collection:

a. Historical stock price data of Tata steel Ltd.

b. Financial statements, including income statements, balance sheets, and cash flow statements.

c. Market and industry reports relevant to Tata steel's business.

d. Expert opinions and analyses from financial experts.

2. Parameter Selection:

a. Earnings Growth: Analyzing Tata steel 's historical and projected earnings growth to assess its profitability and potential for future growth.

b. Dividend Yield: Evaluating the company's dividend yield to understand its policy on returning value to shareholders.

c. Price-to-Earnings (P/E) Ratio: Examining Vedanta's P/E ratio to determine if the stock is overvalued or undervalued.

d. Debt-to-Equity Ratio: Assessing the company's financial leverage and its ability to manage debt.

e. Market Capitalization: Understanding the size of Tata steel in the market and its position relative to peers.

f. Industry and Market Trends: Analyzing industry trends and market conditions that may affect Tata steel's stock performance.

3. Data Analysis:

a. Calculation of key financial ratios and metrics, including P/E ratio, debt-to-equity ratio, and dividend yield.

b. Comparison of Vedanta's performance with industry benchmarks.

c. Examination of historical stock price movements and trends.

Findings and Observations:

1. Earnings Growth:

- Tata steel 's earnings have shown significant volatility over the years, influenced by commodity prices and global economic conditions.

- The company's earnings growth is closely linked to the demand for metals and natural resources.

2. Dividend Yield:

- Tata steel has a moderate dividend yield, indicating a commitment to returning value to shareholders, but not a high-yield stock.

3. Price-to-Earnings (P/E) Ratio:

- The P/E ratio of Vedanta has fluctuated, reflecting market sentiment and economic factors.

- It may be considered undervalued during market downturns and overvalued during periods of strong commodity demand.

4. Debt-to-Equity Ratio:

- Vedanta has managed its debt-to-equity ratio prudently, reducing its financial risk and enhancing financial stability.

5. Market Capitalization:

- Tata steel's market capitalization is substantial, placing it among the prominent companies in the industry.

6. Industry and Market Trends:

- Tata steel's stock performance is influenced by global commodity prices and economic conditions.

- Market trends, such as demand for metals and mining resources, significantly affect the company's performance

CONCLUSION

In conclusion, the project on the basics of stock selection, with a focus on Tata steel Limited as a case study, provides valuable insights into the fundamental principles of making informed investment decisions in the stock market. Through a comprehensive analysis of Tata steel Ltd, it becomes evident that stock selection involves a multi-faceted approach, encompassing various financial metrics, industry dynamics, and qualitative factors. The case study underscores the importance of conducting thorough research and due diligence before investing in any company's shares.

Furthermore, the project highlights the significance of understanding the macroeconomic environment and the industry-specific conditions that can significantly impact a stock's performance. In the case of Vedanta Ltd, factors such as the global demand for commodities, regulatory changes, and the company's operational efficiency play a pivotal role in influencing its stock price. This project encourages investors to adopt a well-rounded approach to stock selection by not solely relying on historical performance but also taking into account the company's long-term growth prospects, competitive advantages, and corporate governance practices.

Overall, the project underscores that stock selection is a complex and dynamic process that requires a blend of quantitative and qualitative analysis. The case study of Vedanta Ltd exemplifies the need for investors to consider a wide range of factors and stay informed about the company, industry, and market conditions when making investment decisions. By applying these fundamental principles, investors can enhance their ability to identify promising stocks and build a more robust portfolio that aligns with their financial goals and risk tolerance.

SUGGESTIONS

1. Fundamental Analysis:

Importance of fundamental analysis, which involves evaluating a company's financial health, performance, and growth potential. Suggest using financial statements like the income statement, balance sheet, and cash flow statement to assess the company's fundamentals.

2. Earnings and Revenue Growth:

Historical and projected earnings and revenue growth of the company. Look for consistent and sustainable growth trends.

3. Price-to-Earnings (P/E) Ratio:

Make investors to analyze the P/E ratio, which indicates the valuation of a stock relative to its earnings. A lower P/E ratio might suggest an undervalued stock.

4. Dividend Yield:

Significance of dividend yield for income investors. A higher dividend yield can be attractive for those seeking regular income from their investments.

5. Debt Levels:

Review a company's debt levels, such as its debt-to-equity ratio. Lower debt ratios may indicate a healthier financial position.

6. Competitive Positioning:

Evaluate a company's competitive position within its industry. Look at market share, product differentiation, and competitive advantages.

7. Management Quality:

Importance of assessing the management team's experience and track record. Strong leadership can greatly influence a company's success.

8. Industry and Market Trends:

Keep an eye on broader economic and market trends. The stock's performance can be affected by industry-specific factors and overall market conditions.

9. Risk Tolerance:

Investors should consider their risk tolerance when selecting stocks. High-growth stocks may have higher volatility and risk compared to stable, dividend-paying stocks.

10.Diversification:

Benefits of diversifying a stock portfolio. Suggest spreading investments across different sectors and asset classes to reduce risk.

11. Long-Term vs. Short-Term Goals:

Investors to align their stock selection with their investment goals. Stocks suited for long-term investment may differ from those for short-term trading.

13. Risk Management:

Importance of setting stop-loss orders and having an exit strategy in place to protect against significant losses.

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