A COMPREHENSIVE FUNDAMENTAL ANALYSIS OF SELECTED NSE-LISTED BANKS IN INDIA

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Abstract- **This study is an endeavour to find out the fundamental analysis of selected five banks i.e. Axis, Kotak, HDFC, INDUSIND and ICICI, in NSE which is explicated through PEG, EBITDA, and PB-ROE models. The data has been sourced from money control and the timeframe of this study is 10 years i.e. from 2013 to 2022.The study provides an overview of the fundamental analysis conducted on the five banks and emphasizes the importance of complementing fundamental analysis with other analyses for a holistic perspective. It acknowledges the challenges of predicting future performance precisely and underscores the need for investors to conduct thorough due diligence. Kotak, HDFC, and Axis are considered solid investment options, while ICICI and IndusInd may carry higher risks. The assessment provides insights into the fundamentals and performance of the banks.**

Keywords: **PEG, EBITDA, NSE, PB-ROE.**

1. INTRODUCTION

Analysing a company's fundamentals entails looking at its rivals, markets, management, financial statements, and competitive advantages. Focussing on the general status of the economy i.e. - interest rates, and currency exchange, production, revenue, and administration. There are two main methods you may employ when employing fundamental analysis to analyse a stock, futures contract, or currency: bottom-up analysis and top-down analysis. The word is used to set such a study apart from other kinds of investment analysis, such as technical analysis and quantitative analysis. In summary, studying fundamental analysis is crucial for investors aiming to make rational, well-informed decisions based on a thorough understanding of the financial markets, individual securities, and the broader economic environment. It provides a solid foundation for successful long-term investing.

II. LITERATURE REVIEW

A literature review is a type of study that includes gathering material in a particular subject of study where the researcher has little experience, critically analysing it, and comparing it to other literature to gain a deeper knowledge. It also aids in the updating of historical data sources, findings, and locating any study gaps. As a result, the review for this study focused on the sources listed below and shows that there aren't many studies in India that emphasise fundamental examination of the banking industry.

A Review of Fundamental Analysis Accounting Research was a research done by **Mark P. Bauman in 1996**. This essay emphasised the basic development value concept and evaluated pertinent empirical research. An accounting first in a robust theoretical framework, the statement of a firm's equity value has been developed. They checked the accuracy of its description by converting accounting data into stock prices. The prediction of future returns, the length of the suitable forecast horizon, and the choice of the suitable discount rate were highlighted as the three main issues with the practise of applying the model in this article.

Basic analysis for stock prices first appeared in the evaluation traced back to a **1998 paper by Yu-Hon Lui and David Mole** on the use of foreign exchange traders in Hong .They use the results of fundamental and technical analysis to create their projections for changes in exchange rates.

A study titled "Fundamental Analysis Using the Internet" was carried out by **Jim Burg in 1999**. This study investigated how basic analysis looks at the underlying problems that determine a company's worth. These concerns relate to its financial standing, industrial sector, and the current financial situation. To make the appropriate investments, the goal was to find businesses that the market could deem to be undervalued. in the Jim Berg provided more information regarding fundamental analysis and how it might be applied in this study.

The results of an interview and questionnaire poll on respondents' perceptions of the significance of technical and fundamental analyses are presented by **Thom**as **Oberlechner (2001).** In Frankfurt, London, Vienna, and Zurich, there are currency dealers and financial journalists. Exchange dealers attest that, of the two forecasting methods, technical analysis is more prominent.

According to Doron Nissim and **Stephen H. Penman's (2001**) research, financial statement analysis has historically been considered to be a component of Equity value requires a fundamental investigation. In this essay, financial statement analysis for equity appraisal is presented.

d technical analysis, are described in this article along with their differences. A According to **a study by Jon Lynch** entitled "Stock Market Analysis-Fundamental vs. Technical Analysis," there has recently been more emphasis on stock market research undertaken by private persons. That was doable. through the extensive information about the Australian stock market that is now accessible to any subscription online. The two most popular approaches used to do research on stock market performance, fundamental and study named "Improving Security Selection in the Australian Stock Market Using Fundamental Analysis and Neural Network" was carried out by **Vanstone B., Finnie G., and Tan C. in 2004.** In this work, the topic of security selection in financial transactions is examined. The use of fundamental analysis is also examined in this research, along with examples of how neural networks.

In their **2005 survey, Sanjay Sehgal and Meenakshi Gupta** sought to shed light on how technical traders interact with and transact in the financial market. the tactics they use. Institutions and lone technical traders having a lengthy history of active trading on the Indian market were included in the survey. Additionally, it was found in this study that sample respondents tended to select securities using both technical and fundamental analysis.

An integrative model of equity valuation is proposed by **Jenni et al. (2008).** They typically understood fundamental and technical analysis and their potential to work better together than separately. Testing supports the complimentary nature of Fundamental and Technical Analysis, demonstrating that models that integrate both have stronger persuasion abilities despite each performing independently.

Arena (2008) found a significant link between bank-level fundamentals and the likelihood of collapse for banks in both regions. They highlight how systemic shocks, encompassing macroeconomic and liquidity factors, served as triggers for the crises, particularly destabilizing banks that were already vulnerable before the onset of these crises, with a notable focus on the situation in East Asia. The study prompts a critical inquiry into the influence of regional disparities on the banking sector's resilience in coping with systemic shocks within the financial and macroeconomic landscapes. Specifically, it raises pertinent questions about how these regional differences impact the ability of banks to withstand and recover from such upheavals.

Mohanram et al. (2017) revealed an affirmative link between BSCORE and future surprises in analyst forecasts, as well as returns during earnings announcement periods. Conversely, there exists a negative association between BSCORE and future instances of performance-based delistings.The overarching conclusion drawn from these findings indicates that utilizing a fundamental analysis-oriented approach offers valuable insights for the comprehensive evaluation of banks, shedding light on potential trends and predictive signals that may not yet be factored into market assessments.

3.1 RESEARCH DESIGN.

The current study uses a descriptive and analytical research design. The information about the sample companies was gathered over a ten-year period, from 2013 to 2022, through the companies' websites, annual reports of the businesses and various other websites like money control, morning star and screener.in

3.2 DATA COLLECTION METHOD

This study purely uses secondary data for the analysis and finding. The information was gathered through annual reports, balance sheets that were made public by the corporations, and company websites. The magazines and newspapers have provided the majority of the economic data.

3.3 SAMPLING TECHNIQUE

Ten banks that are listed on the NSE (NIFTY 50) have been chosen as a finite sample size for the study. A systematic random sampling method has been followed in order to draw the sample.

- KOTAK MAHINDRA BANK.
- HDFC BANK.
- AXIS BANK.
- ICICI BANK.
- INDUSIND BANK.

3.4 DATA ANALASIS TOOLS AND TECHNIQUES

- Balance Sheet Analysis:

The balance sheet is a financial statement that provides a snapshot of a company's financial position at a given point in time. It consists of assets, liabilities, and shareholders' equity. Analyzing the balance sheet involves assessing the company's liquidity, solvency, and overall financial health. Key ratios like the current ratio, debt-to-equity ratio, and quick ratio are often used in this analysis.

- Price to Earnings (P/E) Ratio:

The P/E ratio is a valuation metric that measures a company's current share price relative to its earnings per share (EPS). It's calculated by dividing the market price per share by the EPS. A high P/E ratio may indicate that the stock is overvalued, while a low P/E ratio might suggest it's undervalued. However, it's crucial to consider industry averages and growth prospects when interpreting P/E ratios.

- Forward Price to Earnings (Forward P/E) Ratio:

Similar to the P/E ratio, the forward P/E uses estimated future earnings instead of historical earnings. It gives investors an idea of the expected future performance of a stock. Forward P/E ratios can provide insights into anticipated growth or changes in earnings that might not be reflected in the current price.

- PB-ROE Model:

The PB-ROE (Price-to-Book to Return on Equity) model compares a company's market value (price-to-book ratio) to its return on equity (ROE). A low PB ratio relative to ROE might indicate that the stock is undervalued, while a high ratio could suggest overvaluation. It's a helpful metric, especially for evaluating companies with substantial assets or those in the financial sector.

- EV-EVITDA Model:

Enterprise Value (EV) to Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) is a valuation method that compares a company's enterprise value to its EBITDA. It helps assess a company's total value and its ability to generate cash before accounting for non-operating expenses. A lower EV/EBITDA ratio might imply that the company is undervalued.

- PEG Model:

The PEG (Price/Earnings to Growth) ratio evaluates a stock's valuation while considering its growth rate. It's calculated by dividing the P/E ratio by the expected earnings growth rate. A PEG ratio below 1 might suggest that the stock is undervalued relative to its growth prospects. Each of these methods offers a different perspective on a company's valuation and financial health. Investors often use a combination of these metrics to make more informed investment decisions, considering the specific industry, market conditions, and company fundamentals.

4. RESULTS AND DISCUSSIONS:

The most crucial phase of any research is the data analysis. The gathered data are condensed by data analysis. It entails analysing gathered data using logical and analytical reasoning to identify patterns or trends.

TABLE NO.1 BALANCE SHEET ANALYSIS OF KOTAK MAHINDRA BANK

Report Date	Equity Share Capital	Reserves	Borrowings	Reserves/Debt Ratio
Mar-13	373.3	14876.5	85561.1	575.10%
Mar-14	385.2	18690.9	85936.9	459.80%
Mar-15	386.2	21767.1	104258.3	479.00%
Mar-16	917.2	32443.5	179678.6	553.80%
Mar-17	920.5	37570.4	205229.9	546.30%
Mar-18	952.8	49533.2	249839.8	504.40%
Mar-19	954.4	56825.4	291263.2	512.60%
Mar-20	956.5	65677.6	325976.9	496.30%
Mar-21	990.9	83345.5	326610.3	391.90%
Mar-22	992.3	95641.7	365235.2	381.90%

Source: Moneycontrol.com

There's a gradual increase in equity share capital from around 373.3 in Mar-13 to 992.3 in Mar-22, suggesting potential growth and possibly an increase in ownership. Consistent Growth: Reserves have consistently increased over the years, indicating profitability and retained earnings. There's a substantial rise from 14876.5 in Mar-13 to 95641.7 in Mar-22, signifying the bank's ability to generate profits and accumulate reserves. Borrowings have seen substantial growth over the years, rising from 85561.1 in Mar-13 to 365235.2 in Mar-22. This could indicate the bank's strategy of leveraging external funds to support expansion or operational requirements. Volatile Trend: The Reserves/Debt Ratio has fluctuated over the years. It started at 575.1% in Mar-13, peaked at 553.8% in Mar-16, and then fluctuated before

decreasing to 381.9% in Mar-22.Higher ratios suggest a strong financial position with a higher proportion of reserves to debt, indicating lower risk. However, the decreasing trend might indicate a shift in the bank's financial structure or increased reliance on borrowing compared to reserves. The bank exhibits stability and consistent growth in equity and reserves, indicating strong financial performance and potential for further expansion.
Borrowings and Risk Management: While increased borrowing can fuel growth, the decreasing Reserves/Debt Ratio might indicate a shift in the bank's approach towards funding or increased exposure to debt, which could potentially increase risk. Overall, while the bank has shown consistent growth in key financial indicators, the changing ratio of reserves to debt warrants further analysis to understand the bank's risk management strategies and the impact on its financial stability.

TABLE NO. 2 BALANCE SHEET ANALYSIS OF HDFC BANK

Report Date	Equity Share Capital	Reserves	Borrowings	Reserves/Debt Ratio
Mar-13	475.9	36166.8	335588.4	927.90%
Mar-14	479.8	43686.8	416677.1	953.80%
Mar-15	501.3	62652.8	509761.9	813.60%
Mar-16	505.6	73798.5	649587.3	880.20%
Mar-17	512.5	91281.4	741549.9	812.40%
Mar-18	519	109080.1	944817.2	866.20%
Mar-19	544.7	153128	1080235.5	705.40%
Mar-20	548.3	175810.4	1333041.5	758.20%
Mar-21	551.3	209258.9	1511417.6	722.30%
Mar-22	554.6	246771.6	1784969.5	723.30%

Source: Moneycontrol.com

There's a consistent incremental growth in equity share capital over the years, indicating potential expansion and investment. Reserves have shown a steady upward trajectory, reflecting the bank's profitability and ability to retain earnings. The increase from 36166.8 in Mar-13 to 246771.6 in Mar-22 demonstrates robust financial performance. Borrowings have seen substantial growth, rising from 335588.4 in Mar-13 to 1784969.5 in Mar-22. This pattern suggests the bank's reliance on external funding, potentially for lending activities or expansion. The Reserves/Debt Ratio fluctuates but generally remains at relatively high levels. It started at 927.9% in Mar-13, peaked at 953.8% in Mar-14, and ranged between 700-800% in recent years. This indicates a historically strong position in reserves compared to debt. Similar to Kotak Mahindra Bank, HDFC Bank exhibits stability and continuous growth in equity, reserves, and borrowings, indicative of a robust financial position and potential expansion plans. The bank consistently maintains a high ratio of reserves to debt, indicating a strong ability to cover debts through its accumulated reserves. Both banks demonstrate consistent growth and stable financial indicators. However, HDFC Bank showcases a higher reliance on external borrowing compared to Kotak Mahindra Bank, potentially driven by different business strategies or market conditions.

TABLE NO. 3 BALANCE SHEET ANALYSIS OF ICICI BANK

Report Date	Equity Share Capital	Reserves	Borrowings	Reserves/Debt Ratio
Mar-13	1153.6	67604.3	487658.8	721.30%
Mar-14	1155	75268.2	543054.8	721.50%
Mar-15	1159.7	83537.4	597207.3	714.90%
Mar-16	1163.2	92940.9	671455.1	722.50%
Mar-17	1165.1	103460.6	700874	677.40%
Mar-18	1285.8	109338.3	815197.9	745.60%
Mar-19	1289.5	112959.3	891641.1	789.30%

Mar-20	1294.8	121661.8	1014636.2	834.00%
Mar-21	1383.4	156201	1103840	706.70%
Mar-22	1390	180396.1	1252968.5	694.60%

Source: Moneycontrol.com

The bank has shown a gradual increase in equity share capital over the years, possibly indicating a steady infusion of funds or capital raising activities. Reserves have steadily grown from 67604.3 in Mar-13 to 180396.1 in Mar-22, demonstrating the bank's ability to generate profits and retain earnings consistently. Borrowings have increased steadily, reflecting the bank's reliance on external funds for operational activities or expansion. The borrowing amount has risen from 487658.8 in Mar-13 to 1252968.5 in Mar-22.The Reserves/Debt Ratio has fluctuated over the years. It started at around 720%, peaks. d at 834% in Mar-20, and decreased to 694.6% in Mar-22.
Despite fluctuations, the bank has historically maintained a high ratio of reserves to debt, indicating a strong financial position and capacity to cover debts through reserves. Stable Growth: Similar to other banks, ICICI Bank has shown stable growth in equity, reserves, and borrowings over the years, indicative of a consistent financial performance. The bank demonstrates a substantial reliance on borrowings, possibly for funding its operations, which might be a significant aspect of its growth strategy. Despite fluctuations, the bank consistently maintains a relatively high reserves-to-debt ratio, indicating strong financial health and risk management capabilities. Like HDFC and Kotak Mahindra Bank, ICICI Bank portrays a pattern of consistent growth, albeit with fluctuations, showcasing its ability to manage reserves effectively while sustaining reliance on borrowings for business expansion or operational needs.

TABLE NO. 4 BALANCE SHEET ANALYSIS OF AXIS BANK

Report Date	Equity Share Capital	Reserves	Borrowings	Reserves/Debt Ratio
Mar-13	468	32690.4	296254.2	906.20%
Mar-14	469.8	37926.2	333280.3	878.80%
Mar-15	474.1	44475.5	406637.7	914.30%
Mar-16	476.6	53082.2	472149.9	889.50%
Mar-17	479	55901.3	527437.4	943.50%
Mar-18	513.3	63694.1	611424.9	959.90%
Mar-19	514.3	67288.3	711995.8	1058.10%
Mar-20	564.3	85776.1	797337.4	929.60%
Mar-21	612.8	102981	850551.4	825.90%
Mar-22	614	117495.9	1020692.3	868.70%

Source: Moneycontrol.com

There's a consistent but gradual increase in equity share capital over the years, signifying potential expansion or consistent capital infusion. Reserves have continuously increased from 32690.4 in Mar-13 to 117495.9 in Mar-22, indicating sustained profitability and ability to retain earnings. Borrowings have shown a consistent upward trend, suggesting reliance on external funding to support the bank's operations and growth. The borrowing amount increased from 296254.2 in Mar-13 to 1020692.3 in Mar-22. The Reserves/Debt Ratio fluctuated over the years. It started around 900%, peaked at 1058.1% in Mar-19, and fluctuated thereafter, reaching 868.7% in Mar-22.
Despite fluctuations, Axis Bank maintains a historically high reserves-to-debt ratio, signifying robust financial health and the capacity to cover debts through reserves. Similar to other banks, Axis Bank demonstrates steady growth in equity, reserves, and borrowings, indicative of a consistent financial performance. The bank relies significantly on borrowings to support its operations or growth strategies. Despite fluctuations, the bank consistently maintains a relatively high reserves-to-debt ratio, indicating strong financial stability and risk management capabilities. Axis Bank, like its peers, showcases stable growth but has a relatively higher reliance on external borrowings compared to reserves.

Nevertheless, its consistent increase in reserves and strong reserves-to-debt ratio indicate prudent financial management and a healthy financial position.

TABLE NO. 5 BALANCE SHEET ANALYSIS OF INDUS IND BANK

Report Date	Equity Share Capital	Reserves	Borrowings	Reserves/Debt Ratio
Mar-13	522.9	7096.7	63576.3	895.90%
Mar-14	525.6	8506.3	75264.3	884.80%
Mar-15	529.5	10101	94752.4	938.00%
Mar-16	595	17087.2	117996.2	690.60%
Mar-17	598.2	20032.8	149025.9	743.90%
Mar-18	600.2	23226.9	189928.3	817.70%
Mar-19	602.7	26072.1	242189	928.90%
Mar-20	693.5	33329.7	262793.4	788.50%
Mar-21	773.4	42586.6	307527.8	722.10%
Mar-22	774.7	46906.5	341004.6	727.00%

Source: Moneycontrol.com

There's a consistent but gradual increase in equity share capital over the years, signalling potential expansion or steady capital infusion. Reserves have continuously increased from 7096.7 in Mar-13 to 46906.5 in Mar-22, indicating sustained profitability and ability to retain earnings. Borrowings have shown a consistent upward trend, suggesting a reliance on external funding to support the bank's operations and growth. The borrowing amount increased from 63576.3 in Mar-13 to 341004.6 in Mar-22.
The Reserves/Debt Ratio has fluctuated over the years. It started around 890%, peaked at 938% in Mar-15, declined significantly in Mar-16, and fluctuated afterward, reaching 727.0% in Mar-22.Historically Strong Position: Despite fluctuations, IndusInd Bank maintains a historically high reserves-to-debt ratio, indicating strong financial health and the capacity to cover debts through reserves. Consistent Growth: IndusInd Bank demonstrates steady growth in equity, reserves, and borrowings over the years, showcasing a consistent financial performance. Reliance on Borrowings: The bank significantly relies on borrowings to support its operations or growth strategies. Despite fluctuations, the bank maintains a relatively high reserves-to-debt ratio, indicating strong financial stability and risk management capabilities. Like other banks analyzed previously, IndusInd Bank portrays stable growth, with a reliance on external borrowings compared to reserves. Nonetheless, its consistent increase in reserves and a strong reserves-to-debt ratio signify prudent financial management and a healthy financial position.

TABLE NO. 6 PRICE EARNING RATIO ANALYSIS OF BANKS

Name	Sub-Sector	Market Cap	Share Price	EPS TTM	PE Ratio	Sector PE	Status
Kotak Mahindra Bank Ltd	Private Sector	3,82,065	1925	68.78	27.99	26.23	Overvalued
HDFC Bank Ltd	Private Sector	9,06,480	1626.5	74.88	21.72	26.23	Undervalued
Axis Bank Ltd	Private Sector	2,61,352	850.65	59.76	14.23	26.23	Undervalued
ICICI Bank Ltd	Private Sector	6,23,954	894.95	21.05	42.52	26.23	Overvalued

Source: Moneycontrol.com

HDFC Bank has the highest market capitalization, followed by ICICI Bank, while IndusInd Bank has the lowest among the listed banks. Share Price Diversification: Share prices vary significantly across banks, with HDFC Bank having a higher price per share compared to others.EPS TTM Differences: HDFC Bank and IndusInd Bank have relatively higher EPS TTM compared to other banks. Axis Bank and IndusInd Bank have lower PE ratios, indicating they might be undervalued, while Kotak Mahindra Bank and ICICI Bank have higher PE ratios, suggesting they might be overvalued based on earnings. Sector PE Comparison: All banks' PE ratios are compared against the sector PE of 26.23, indicating the sector's average valuation.HDFC Bank, Axis Bank, and IndusInd Bank are labelled as undervalued, indicating potential value relative to their earnings. On the contrary, Kotak Mahindra Bank and ICICI Bank are labelled as overvalued, implying higher valuation compared to their earnings within the sector. HDFC Bank, Axis Bank, and IndusInd Bank appear relatively undervalued compared to their earnings, suggesting potential investment opportunities. Conversely, Kotak Mahindra Bank and ICICI Bank seem overvalued, potentially indicating higher market expectations compared to their earnings within the sector. Investors might consider this analysis to assess the relative valuation of these banks. However, other fundamental and qualitative factors should also be considered before making investment decisions.

TABLE NO. 7 PB-ROE ANALYSIS OFKOTAK MAHINDRA BANK

Date	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16
Price To Book Value (X)	3.6	4.12	3.72	4.41	3.96	4.17	3.74
Return On Equity/Net worth (%)	12.5	11.84	12.89	12.46	12.28	12.83	10.36

Source: Moneycontrol.com

The decrease in P/B ratio in Mar-22 suggests a potential decrease in market valuation relative to the company's book value, which could be due to various factors such as changes in market sentiment, company performance, or industry trends. Despite this, the consistent ROE reflects the company's ability to generate stable returns on shareholders' equity over the years, indicating efficient management of assets and profitability. Investors might consider these metrics alongside other financial indicators and qualitative factors to gain a comprehensive understanding of the company's performance and market valuation.

TABLE NO. 8 PB-ROE ANALYSIS OF HDFC BANK

Date	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16
Price To Book Value (X)	3.3	3.92	2.68	4.11	4.48	4.03	3.64
Return On Equity/Net worth (%)	15.38	15.17	15.45	14.53	16.88	16.61	17.22

Source: Moneycontrol.com

The decrease in P/B ratio in Mar-22 might indicate a potential decrease in market valuation relative to the company's book value, which could stem from shifts in market sentiment, company performance, or industry dynamics. Despite this, the consistent ROE reflects the company's stable ability to generate returns on shareholders' equity over the years. Investors should consider these metrics alongside other financial indicators and qualitative factors to gain a comprehensive understanding of the company's performance, market valuation, and profitability trends.

TABLE NO. 9 PB-ROE ANALYSIS OF ICICI BANK

Ratio	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16
Price To Book Value (X)	1.97	2.06	1.24	2.94	2.04	2.08	1.98
Return On Equity/Net worth (%)	11.93	6.94	2.14	7.43	0.7	7.01	15.58

Source: Moneycontrol.com

The decrease in P/B ratio in Mar-22 might indicate a potential decrease in market valuation relative to the company's book value, which could be due to shifts in market sentiment, company performance, or industry trends. However, the significant increase in ROE in Mar-22 reflects an improvement in the company's ability to generate profits relative to shareholders' equity compared to the previous year. Investors should consider these metrics alongside other financial indicators and qualitative factors to gain a comprehensive understanding of the company's performance, market valuation, and profitability trends.

TABLE NO. 10 PB-ROE ANALYSIS OF AXIS BANK

Ratio	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16

Price To Book Value (X)	2.84	2.6	1.75	2.31	1.66	1.59	1.51
Return On Equity/Net worth (%)	14.04	11.9	7.98	3.82	7.16	10.03	11.15

Source: Moneycontrol.com

The increase in P/B ratio in Mar-22 might indicate a potential increase in market valuation relative to the company's book value, which could stem from shifts in market sentiment, improved company performance, or favourable industry dynamics. Additionally, the significant increase in ROE in Mar-22 reflects an improvement in the company's ability to generate profits relative to shareholders' equity compared to the previous year. Investors should consider these metrics alongside other financial indicators and qualitative factors to gain a comprehensive understanding of the company's performance, market valuation, and profitability trends.

TABLE NO. 11 PB-ROE ANALYSIS OF INDUS IND BANK

INDUSIND BANK. Ratio	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16
Price To Book Value (X)	1.52	1.71	0.71	4.07	4.59	4.16	3.32
Return On Equity/Net worth (%)	10.06	6.78	12.94	12.52	15.35	14.14	13.2

Source: Moneycontrol.com

Fluctuations in P/B ratio indicate varying market valuations concerning the book value across different periods. The decrease in Mar-22 suggests a potential decrease in market valuation relative to the company's book value compared to the previous year. The company has experienced fluctuations in ROE, indicating varying levels of profitability concerning shareholders' equity over the years. The increase in ROE in Mar-22 signifies improved profitability compared to the previous year.

The decrease in P/B ratio in Mar-22 might indicate a potential decrease in market valuation relative to the company's book value, which could be due to shifts in market sentiment, company performance, or industry dynamics. However, the increase in ROE in Mar-22 reflects an improvement in the company's ability to generate profits relative to shareholders' equity compared to the previous year. Investors should consider these metrics alongside other financial indicators and qualitative factors to gain a comprehensive understanding of IndusInd Bank's performance, market valuation, and profitability trends.

TABLE NO. 12 EBITDA MODEL OF BANKS

Stocks	**EBITDA Growth Rate**	**Expected EBITDA**	**Forecasted EV**	**Current EV**
Kotak Mahindra Bank	6%	17673.21	366875.4	660656.3
HDFC Bank	10%	56134.81	912860.2	2444966
Axis Bank	26%	23786.64	414336.2	1141999
ICICI Bank	47%	50206.31	1059769	1577313
IndusInd Bank	6%	6514.15	23229.77	345195.5
Ratio	**No of Shares Outstanding**	**Target Price**	**Entry Price**	**Current Price**
1.8	198	1852.906	1235.271	1929.621
2.7	555	1644.793	1096.529	1633.297
2.8	307	1349.629	899.7528	851.3094
1.5	695	1524.848	1016.565	897.7755
14.9	77	301.6853	201.1235	1165.078

Source: Authors own calculation using excel sheet

Kotak Mahindra Bank: Forecasted EV is higher than the current EV, indicating potential overvaluation based on the expected EBITDA growth.

HDFC Bank: The forecasted EV is considerably higher than the current EV, suggesting a potentially overvalued position.
Axis Bank: The forecasted EV is higher than the current EV, possibly indicating an overvalued position.
ICICI Bank: Forecasted EV is higher than the current EV, possibly indicating an overvalued position based on the expected EBITDA growth.
IndusInd Bank: The forecasted EV is higher than the current EV, indicating potential overvaluation based on the expected EBITDA growth.
Additional Financial Metrics:
Target Price vs. Entry Price vs. Current Price:
For ratios 1.8, 2.7, 2.8, and 1.5, the current price is below both the target and entry prices, suggesting potential entry points or undervaluation based on these metrics.
For the ratio of 14.9, the current price is higher than both the target and entry prices, possibly indicating overvaluation based on these metrics.
Interpretation:
The EV-EBITDA model suggests potential overvaluation for most of the listed banks compared to their forecasted EV. However, the comparison of the target price, entry price, and current price ratios indicates potential undervaluation for some stocks based on these metrics. Investors should consider these metrics alongside other fundamental and qualitative factors before making investment decisions.

TABLE NO. 12 PEG MODEL OF BANKS

STOCKS	EPS GROWTH RATE	PE TTM	RATIO	STATUS
KOTAK MAHINDRA BANK LTD	17	27.59634	1.623314	OVERVALUED
HDFC BANK LTD	17.8	21.40606	1.202588	FAREVALUED
AXIS BANK LTD	30	14.21739	0.473913	UNDERVALUED
ICICI BANK LTD	30	21.24813	0.708271	UNDERVALUED
INDUSIND BANK LTD	6.8	14.93675	2.196582	OVERVALUED

Source: Authors own calculation using excel sheet

Axis Bank and ICICI Bank have higher EPS growth rates of 30%, indicating potentially robust earnings growth compared to the others.
Moderate Growth Rates: Kotak Mahindra Bank and HDFC Bank have decent EPS growth rates around 17%-18%, showing healthy growth but slightly lower than Axis and ICICI banks. IndusInd Bank has a lower EPS growth rate of 6.8%, suggesting relatively slower earnings growth compared to the others.
PE TTM (Price-to-Earnings Trailing Twelve Months):
High PE Ratio: Kotak Mahindra Bank and HDFC Bank have relatively higher PE ratios, indicating higher valuation relative to their earnings compared to the others.
ICICI Bank has a moderate PE ratio, suggesting a balanced valuation concerning its earnings. Axis Bank and IndusInd Bank have notably lower PE ratios, indicating potentially lower valuations relative to their earnings compared to the others.
Kotak Mahindra Bank and IndusInd Bank have ratios above 1, with Kotak Mahindra Bank being slightly overvalued and IndusInd Bank more significantly overvalued based on this metric.
HDFC Bank's ratio around 1.2 suggests it's fairly valued based on this metric.
Undervalued Status: Axis Bank and ICICI Bank have ratios significantly below 1, indicating undervaluation relative to some other banks. Axis Bank and ICICI Bank showcase higher EPS growth rates, indicating potentially robust earnings growth. Kotak Mahindra Bank and HDFC Bank have higher PE ratios, potentially indicating higher valuation compared to others, while Axis Bank and IndusInd Bank appear relatively undervalued. Kotak Mahindra Bank and IndusInd Bank are considered overvalued based on their ratios, while Axis Bank and ICICI Bank appear undervalued. Investors should consider a comprehensive analysis, including other financial metrics and qualitative factors, before making investment decisions, as these metrics provide only a partial view of the stock's valuation and growth prospects.

5. CONCLUSIONS:

Fundamental analysis involves evaluating an asset's intrinsic value through an in-depth examination of its financial records, business model, and core attributes. This method aids investors in making informed decisions by providing a comprehensive assessment of the asset's financial health and potential for future growth.

It's important to note that while fundamental analysis is a valuable tool in the investment process, it should be complemented with other analyses like technical and market analysis to obtain a more holistic perspective on an asset's potential. Since fundamental analysis relies on historical data, predicting future performance with precision is challenging. Investors must conduct their due diligence and be aware of associated risks in any transaction.

Our fundamental analysis of five banks – Kotak, HDFC, AXIS, ICICI, and INDUSIND – revealed that Kotak, HDFC, and AXIS exhibit strong financial performance with robust balance sheets, high profitability, and efficient management. On the contrary, ICICI and INDUSIND showed poorer financial performance with lower profitability and higher debt levels.

In conclusion, Kotak, HDFC, and AXIS seem to be solid investment options, while ICICI and INDUSIND may carry higher risks. It's crucial to recognize that this assessment is based on a snapshot of the financials at a specific time, and future performance may vary. External factors like market conditions, banks' strategic intentions, and the overall economy can significantly influence their performance.

Within fundamental analysis, numerous models provide insights, but a single model can't capture the entire investment landscape. Recognizing that individuals have different risk tolerances complicates providing universal investment advice. This study serves as a tool to understand the fundamentals and performance of these companies rather than offering specific investment recommendations.

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