

A MAJOR PROJECT
ON
A STUDY ON FUNDAMENTAL ANALYSIS OF WIPRO, INFOSYS,
TCS, HCL COMPANIES

Submitted in partial fulfillment

of the requirement for

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UNDER THE ESTEEMED GUIDANCE OF

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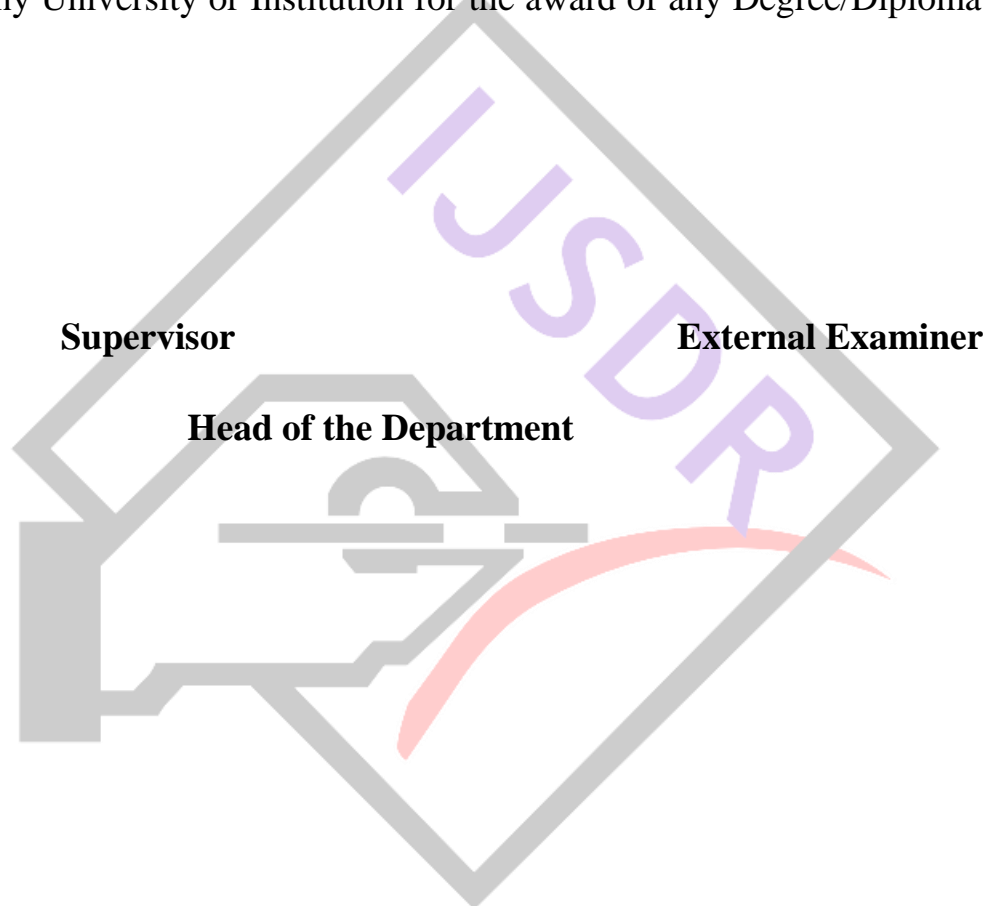
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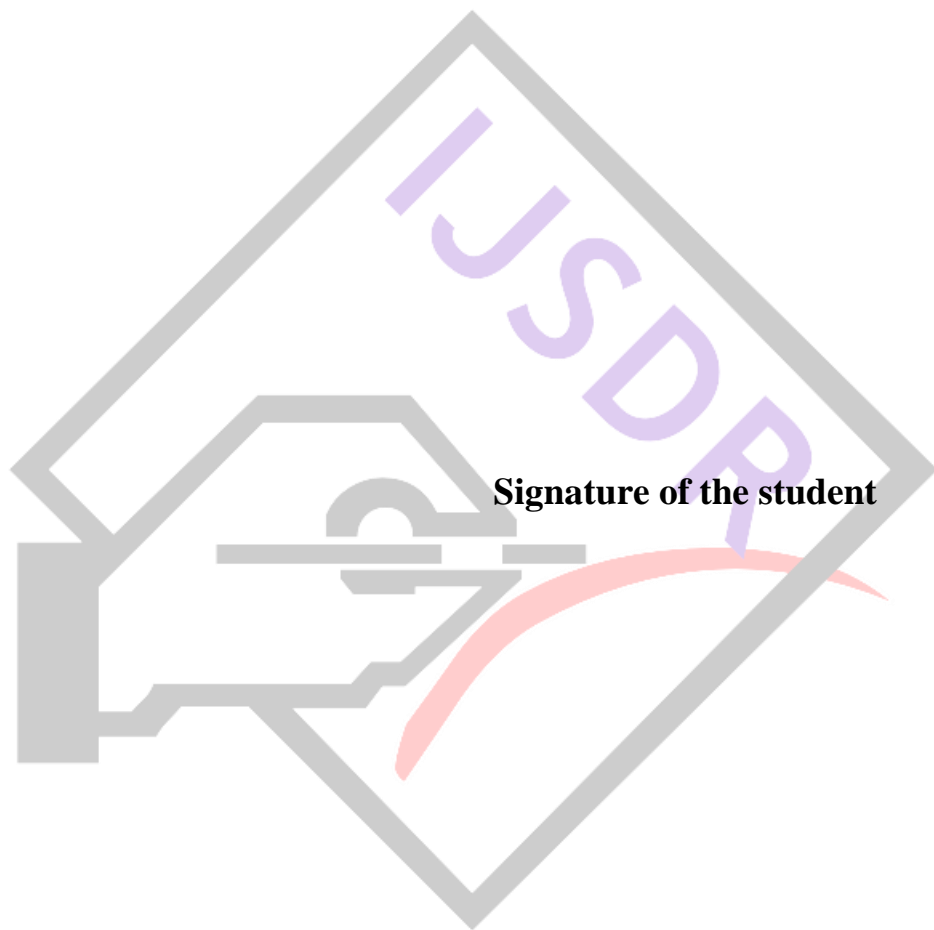
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DECLARATION

I **SUNKOJU SANTOSH KUMAR**, hereby declare that the “**A STUDY ON FUNDAMENTAL ANALYSIS OF WIPRO, INFOSYS, TCS, HCL COMPANIES**” Submitted by me to the School of Business Management, **ANURAG GROUP OF INSTITUTIONS**, Hyderabad is a bonafide work undertaken by me and it is not submitted to any other University or Institution for the award of any other degree or diploma/certificate or published any time before.

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PLACE:



ABSTRACT

Every investor is advised to have enough knowledge about the stock market before making any investment decisions. Analysis of capital market can be done either by Fundamental analysis or by Technical analysis. This paper aims to study on Fundamental analysis of selected IT companies listed at NSE. Fundamental analysis is studied in three parts. Economic analysis deals with fundamental factors like GDP, IIP, fiscal deficit, inflation, current account deficit etc. Industry analysis Indian IT sector is analyzed based on entry barriers, type of industry, government interference, Porter's five force model. Finally, Company analysis deals with various ratios such as dividend payout ratio, EPS, P/E ratio, Debt-Equity ratio are used. It also focuses on the calculation of intrinsic value of shares and compared with Market value. If intrinsic value is greater than market value the share is said to be undervalued whereas if market value is greater than intrinsic value, the share is overvalued. From the study Wipro, TCS and Infosys shares are undervalued and suggested to buy and hold the shares.

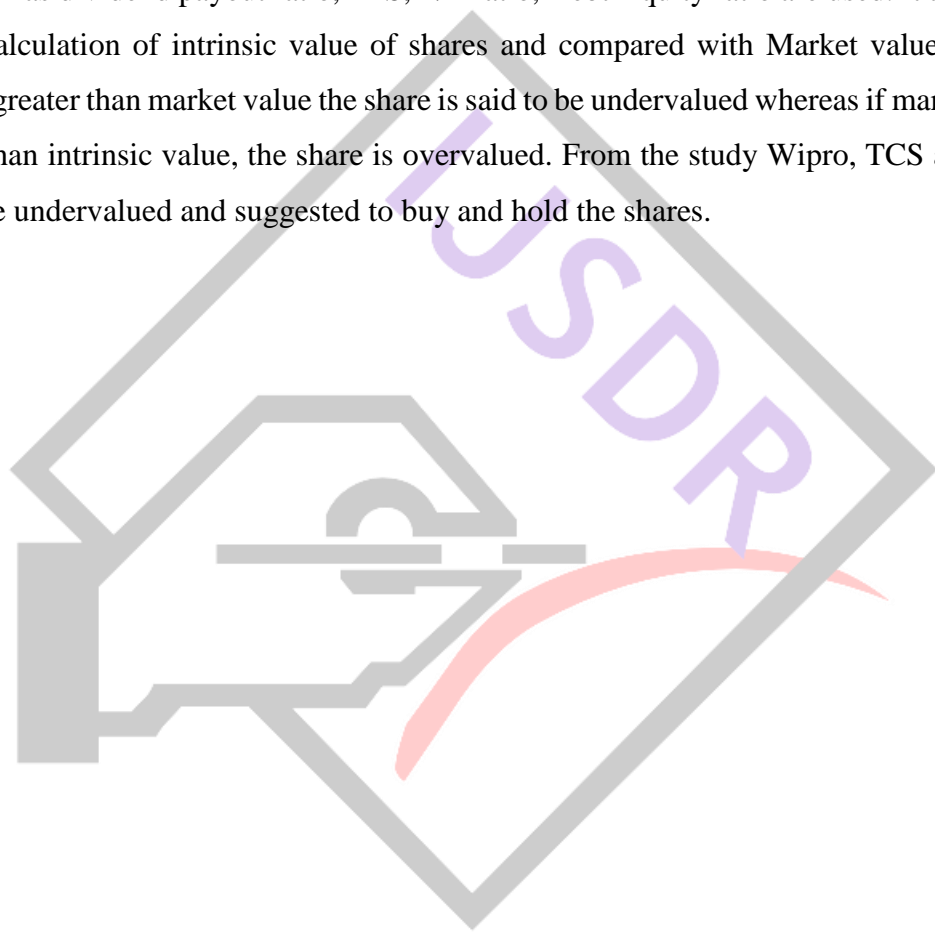


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CHAPTER -1

A STUDY ON FUNDAMENTAL ANALYSIS OF WIPRO, INFOSYS, TCS, HCL COMPANIES

1.1 INTRODUCTION:

The basic analysis is the study of economic, industrial and corporate conditions to determine the value of a company's shares. Basic analysis typically focuses on key statistics from a company's annual financial statements to determine whether the share price is properly valued. After determining the state and outlook of the economy, industry and business, the base analyst determines whether the company's shares are overvalued, undervalued or properly valued. The basic analysis covers various financial and non-financial aspects such as the assessment of the economic and industrial scenario, corporate governance and the financial situation of the company and soon.

The Indian IT sector is one of the bright sectors in progress of the Indian economy showcase with rapid development and promises. According to a NASSCOM report entitled "Perspective 2020: Transform India", the export component of Indian industry is expected to reach US\$175 billion in revenue by 2020.

India is considered the birthplace of a large number of potential IT professionals who could pool the demands and expectations of the global industry with their importance and expertise. The IT sector in India is very profitable in terms of qualified professionals compared to developed countries. This is also why the growth of IT services such as the outsourcing of knowledge processes and the outsourcing of business processes has spread to the labour market of the Indian economy. The average purchasing power of individual consumers has increased. With this overall demand and total supply increased, resulting in an improvement in gross domestic production of goods and services in India. As a result, the MAN SERVICES sector plays a very important role in the Indian economy as a whole. This paper attempts to study the basic analysis of four MORE SED-listed SERVICES companies in relation to Hedge Equities Ltd.

The basic analysis is the method of evaluating actions, which uses microeconomics and financial data to analyze the movements of actions. The result of the basic analysis is to find

an intrinsic value for a stock for better wealth creation. For a fundamental investor, the market price of a stock tends to return to its intrinsic value.

If the intrinsic value of a stock is higher than the current market price, the investor will buy the stock because he believes that the share price will rise and move towards its intrinsic value. If the value of a stock is lower than the market price, then the investor would sell the stock because he believes that the share price will fall and move closer to its intrinsic value.

Fundamental analysis uses both the financial and non-financial aspects of the company as well as the macros of the industry as a whole. The financial aspect can be done by analyzing the financial data of the company, which can be found in the company's annual reports. The non-financial aspect uses information such as growth estimates, demand for products sold by the company, comparisons with industry, changes in the economy as a whole, changes in government policy, etc.

IT services companies provide, as the name suggests, IT services such as software development, software maintenance and support, product development and other related services to domestic and foreign customers. 70% of all IT companies in India are in the small and medium-sized enterprises (SMEs) sector. For the purposes of this study, an IT services company in the small sector would generally be 40 to 200 people with a turnover ranging from rupees 1 core to rupees 20 crores. India's IT industry ecosystem consists of large Tier 1 and Tier 2 companies, a number of mid-sized companies and a plethora of small businesses and start-ups. Industry has played a key role in transforming India's image from a government-controlled economy into a global player in providing technology solutions and services to world-class companies.

People are the most important asset in any service-based organization. People Management therefore acquires particular importance in service companies. The IT industry generally suffers from high attrition rates in all segments. Attrition rates are more pronounced in small services companies in SERVICES ENI. High attrition has a negative impact on the continuity of project staffing and project deliverables, on consistency of quality and productivity. Uncertain and unpredictable schedules and the quality of delivery make customers environmentally wary of doing business with these companies.

Large organizations have adopted Human Resources Management (HRM) to improve their national and international competitive position. Over the past two decades, Strategic HRM (HRM) has grown in importance as a mechanism to provide a sustainable competitive

advantage to organizations. Shrm is the global direction that the organization wants to pursue to achieve its goals through people. Many industries have successfully linked staff function to strategic management processes to provide competitive advantages and quality of life.

Want to be a stock market analyst? Maybe not, but by reading this, we'll assume that you want to at least understand the stocks. Whether it's your burning desire to be a hotshot analyst on Wall Street, or you just like to be practical with your own wallet, you're in the right place. Basic analysis is the cornerstone of investment. In fact, some will say that you don't really invest if you don't do a basic analysis. However, because the subject is so broad, it is difficult to know where to start. There are an infinite number of investment strategies that are very different from each other, but almost everyone uses the basics. The purpose of this tutorial is to create a basis for understanding the basic analysis. It is aimed primarily at new investors who do not have a balance sheet from a statement of income. While you may not be an "extraordinary stock-picker" at the end of this tutorial, you will have a much more solid understanding of the language and concepts behind security analysis and be able to use it to advance your knowledge in other areas without feeling completely lost. The most of the basic analysis is to delve into the accounts. Also known as quantitative analysis, it examines income, expenses, assets, liabilities and all other financial aspects of a business. Basic analysts review this information to better understand a company's future performance.

The global supply market in India continues to grow at a faster pace compared to the IT BPM industry. India is the world's leading supply destination, accounting for about 55% of the global services supply market share of US\$185 billion to US\$190 billion in 2017-18. India's IT and ITeS companies have set up more than 1,000 global delivery centers in approximately 80 countries around the world.

India has become the global hub of digital capabilities with about 75 percent of the country's global digital talent present.

Market size

India's IT-BPM sector was US\$177 billion in 2019, with growth of 6.1% in one year and estimated that the size of the industry is expected to reach US\$350 billion by 2025. India's computer and ITeS industry reached US\$181 billion in 2018-2019. Industrial exports reached \$137 billion in FY19, while domestic revenues (including equipment) reached \$44 billion. The IT industry employs 4.1 million people in 2019.

Spending on information technology in India is expected to reach \$90 billion by 2019.

Digital revenues are expected to account for 38 per cent of the industry's projected revenues of \$350 billion by 2025.

Investment/Development

The skills and fundamental strengths of the Indian IT industry have attracted significant investment from large countries. India's software and hardware sector attracted cumulative inflows of US\$43.58 billion in foreign direct investment between April 2000 and December 2019 and ranks second in the FDI inflow, according to data published by the Department for Industry Promotion and Internal Trade (DPIIT).

India's largest IT companies such as Infosys, Wipro, TCS and Tech Mahindra are diversifying their offerings and presenting leading ideas in the blockchain, artificial intelligence to customers using innovation centers, research and development centers to create differentiated offerings.

Here are some of the most important developments in the Indian IT and ITeS sectors:

- In January 2020, Japanese technology Nippon Telegraph and Telephone announced plans to invest a significant portion of its \$7 billion global commitment to data centers in India over the next four years.
- In February 2020, Tata Consultancy Services won a contract worth 10,650 rs crore (US\$1.5 billion) from the pharmaceutical company Walgreens Boots Alliance.
- The industry's total export earnings are expected to increase 8.3 percent year-over-year to \$136 billion.
- The British technology consulting firm Contino was acquired by Cognizant.
- In May 2019, Infosys acquired a 75% interest in Stater, the subsidiary of ABN AMRO Bank, for \$143.08 million.
- June 2019
- Nasscom has launched an online platform that aims to upskill more than 2 million technology professionals and ten hundred additional 2 million potential employees and students.
- BFSI's revenue growth was 6.80% y-o-y between July and September 2018.
- As of November 2019, there were 417 approved SEZs across the country, including 274 IT and ITeS and 143 exportez.
- PE investments in the sector amounted to USD 3.6 billion in the third quarter of 2019.

GOVERNMENT INITIATIVES :

Here are some of the key government initiatives to promote the IT and ITeS sector in India:

- In May 2019, the Ministry of Electronics and Information Technology (MeitY) launched the MeitY Startup Hub (MSH).
- In February 2019, the Government of India released the National Software Products Policy 2019 to develop India as a nation of software products
- The government has identified information technology as one of 12 service areas for which an action plan is being developed. In addition, the government has set up a basic fund Rs 5,000 (US\$745.82 million) to realize the potential of these champion service sectors.
- As part of the EU budget for 2018-2019, NITI Aayog will establish a national programme that will enable AI efforts and help harness AI technology for development work in the country.
- In the preliminary budget for 2019-2020, the Indian government announced its intention to launch a national AI program and create a national AI portal.
- The national software products-2019 policy was adopted by the European Union Cabinet to develop India as a nation of software products.

ACHIEVEMENTS:

Here are the government's achievements in 2017-18:

- About 200 Indian human services companies are present in about 80 countries.
- India's PRODUITS exports are expected to reach the highest --us-wide mark of US\$137 billion in revenues in the year 19, with growth of 8.3%.
- GIC revenue is expected to reach US\$50 billion by 2025.
- In 2018-2019, Indian electricity technology companies achieved the highest revenue ever generated by Indian electricity companies.

ROAD AHEAD:

India is the top destination for technology services industry companies around the world. Having proven its ability to provide onshore and overseas services to global customers, new technologies now offer a whole new range of options for the best IT companies in India. The industry's export earnings are expected to increase by 7% to 9% year-over-year to reach

US\$135 billion to US\$137 billion in fiscal 2019. The industry is expected to reach US\$350 billion by 2025, and BPM is expected to account for US\$50 billion to US\$55 billion of total revenues.

1.2 OBJECTIVE OF THE STUDY:

The purpose of the study is:

1. To study the growth and performance of the IT sector.
2. Analyze intrinsic value and predict future value through baseline analysis.
3. Review the basic analysis of the four recommended companies for a better choice of investments.

1.3 NEED AND IMPORTANCE OF THE STUDY:

Information technology drives innovation, and innovation is part of the company's success. Innovation in the business world has the same impact as steam on the industrial revolution.

1.4 SCOPE OF THE STUDY:

The survey is carried out on the basis of selected IT companies listed in the ENS. Companies are selected based on their market value, turnover, sales and performance.

1.5 RESEARCH METHOD:

Data sources:

Secondary data:

For this project, I used only secondary data, and it is taken from annual reports of selected companies using websites, books, magazines, magazines.

1.6 LIMITATIONS:

1. The survey is limited to listed companies only.
2. It is not possible to collect primary data.
3. In this study, kpi is used as an important analytical tool, which in itself has several limitations to its ease of use.

CHAPTER-2

REVIEW OF LITERATURE:

According to the draft, five articles have been reviewed and summaries of the same are listed below:

Prakash Tiwari (2009) (2009): In their study, "A Fundamental Analysis of Public Sector Banks in India" detailed the growth of the Indian banking sector and the bank's current performance using various ratios.

Ajay raj (2011): In his research paper "A Study of Basic Analysis of ONGC," he explains the relevance of basic analysis and the attempt to find the intrinsic value of equities.

Ahmed Hassan (2015): In their learning entitled "Basic Analysis Models on the Financial Market" presented at the Third Economic and Financial Conference in Rome.

The purpose of this document is to identify a better model for evaluating actions using the basic analysis method. Tiwari (2016): In its research paper "Basic Analysis with special reference to pharmaceutical companies listed in NSE," an investor should analyze the market fundamentally and technically before investing in equities. They also noted a growth in the pharmaceutical industry in India

RESEARCH PROBLEM AND GAP:

Any man or woman who invests his hard-earned money in equities and security should have a proper knowledge of the securities market and securities tax. Investors should be very careful and should use their information and experience skills to choose the financing option. Otherwise, the entire investment can be wasteful. They must choose the under-rated and overpriced securities. The mis-selling of shares allows the investor to acquire the stock or reject the percentage profitably. Therefore, a review of the securities market and the reasons for the movement of securities is essential for any trader who makes investments in his or her equity treasury.

CHAPTER - 3

3.1 INDUSTRY AND COMPANY PROFILE:

Industry analysis examines the information technology industry in the context of its problems and prospects. India is considered the world's leading supply destination for the information technology industry, which it represents about 67 percent of the U.S. market 124-130 billion dollars. The IT industry has shaped an important mastery of the education sector, particularly in the field of engineering and computer science.

Information technology is fragmented and not concentrated. In the fragment of the industry, there is a shortage of large dominant players, so that small businesses also take precedence over the market, but it is difficult for a company to establish an aggressive operation. The information technology industry is a fragmented industry that focuses on open access and withdrawal of businesses from the sector. Although such a situation prevails in the market, the important role is played by the big giant company like IBM, Infosys, TCS, Wipro and others. The government can do its part in the technology sector, which has its own impact in the industry. State intervention and intervention can be explained in two fundamental parts: direct and indirect. The direct method means government support for the development of new technologies and market mechanisms to provide incentives for industry changes. On the other hand, the indirect approach focuses on the persuasion to regulate project standards and direct public procurement in the PUBLIC SERVICES sector.

Porter's five energy models consist of five key indicators for industry analysis, namely the number of jobs and the number of jobs.

Competition for customers, threats from new entrants, the bargaining power of suppliers and the bargaining power of customers.

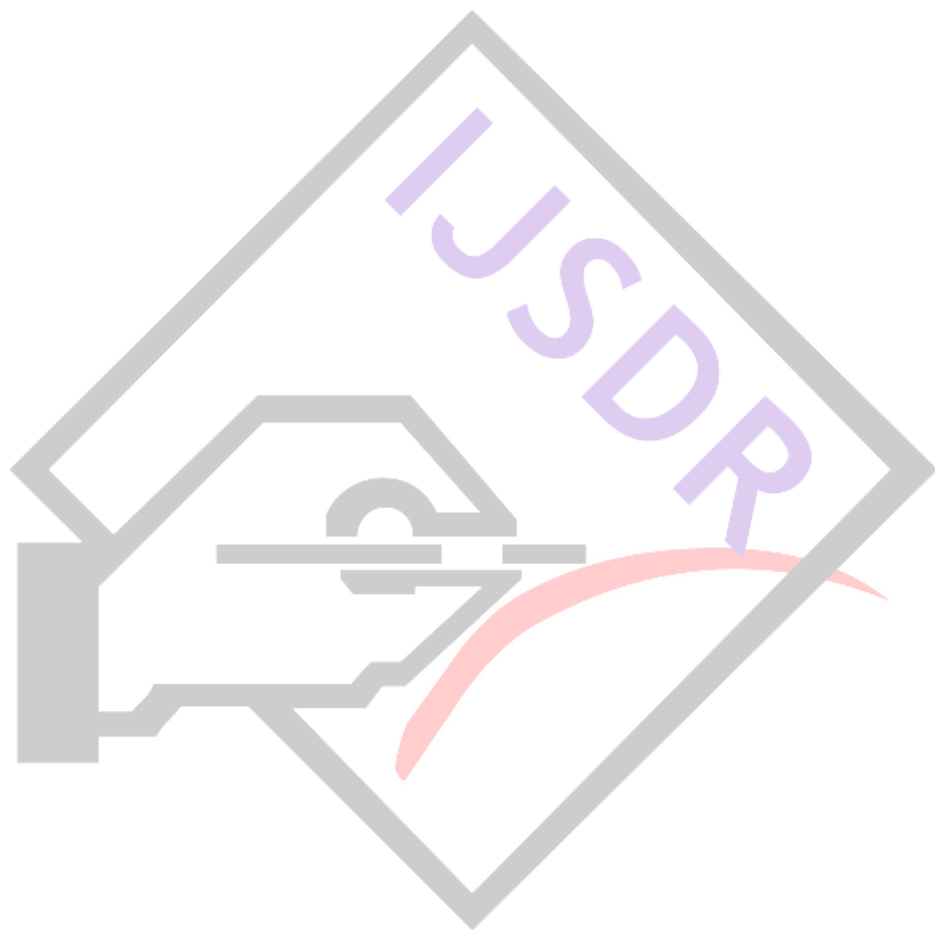
ACTIVE CONCURRENCE: IT services such as network management services, data center Services, infrastructure management services, application development and maintenance, etc., which lead to competition. Many companies in the industry offer the same services and are therefore difficult to differentiate from each other.

CLIENTS NEGOTIATION POWER: Buyers' bargaining power is high and there is a good chance

pressure on rates in the industry. International and Indian human services companies have denied the benefits throughout global delivery and mature sourcing.

SUPPLIERS NEGOTIATION POWER: The bargaining power of the supplier is very low and, as there is a high level of standardization in the industry, suppliers are unlikely to have dunks. THE industry is also highly human dependence and can therefore see veterans isolate themselves from predominant companies to divest new businesses. Innovative technology allows new marginal players to participate in new marginal players who don't rely on experience limitations or size.

THE IT sector has been a mixed bag for new services as well as because internal specialization is low and most work is outsourced in general. Therefore, there is no significant substitute for the information technology industry from an internal point of view and is thinner in number and importance.



3.2 COMPANY PROFILE:

3.2.1.INFOSYS:

Infosys Limited is an Indian information technology company that provides global business consulting and information technology services. Infosys helps customers in 45 countries create and implement different digital transformation strategies. Infosys helps companies innovate and improve existing conditions so that their business can achieve greater efficiency and remain relevant to the applicable deadlines. Infosys has more than 200,000 employees and, through its hard work and dedication, Infosys has grown into a US\$10.9 billion company (2018 revenue) with a market value of US\$39 billion.

Infosys History

Infosys Limited, formerly known as Infosys Technologies Limited, was founded in 1981 by N. R. Narayana Murthy and a team of six other engineers in Pune, India, with an initial investment of only 250 \$US.

- In 1993, Infosys went public and introduced the employee stock option program.
- In 1994, Infosys moved its headquarters from Pune to Bangalore, India.
- In 1999, Infosys became the first Indian IT company to be listed on the NASDAQ, making it the most expensive market share in India at the time. In 1999, Infosys was one of the 20 largest market value companies on the NASDAQ.
- In 1999, Infosys's annual turnover reached US\$100 million, US\$1 billion in 2004 and US\$10 billion in 2017.

Infosys products and services offered

Infosys provides software development and maintenance services to a wide range of companies in different fields such as insurance, finance, production, etc. Some of the important work-related platforms used at Infosys are

- Mana, now called the NIA "next generation iA platform"
- Edge verve systems, which include finacle, banking solution with various modules related to investment and retail banking.

- Infosy's analytics platform called Infosy's information platform.
- Infosys Consulting is a global management consulting service.

Geographic presence

In 2017, Infosys had 116 development centers around the world, as well as 84 sales and marketing offices. Its largest presence is in India, the United States, China, Australia, Japan and Europe.

Infosys branches in India are in

- Bangalore
- Bhubaneswar
- Chandigarh
- Chennai Chennai
- Gurgaon Gurgaon
- Hyderabad
- Mysore
- Mumbai
- Jaipur
- Mangalore
- Pune
- Thiruvananthapuram

3.2.2. TCS (TATA CONSULTANCY SERVICES):

TCS is one of the best recruiters in India in information technology, so it is imperative for aspirants to know basic but important information about the company before entering the interview. This blog provides some basic information about tcs such as its history, organizational leaders, company slogan, products and services offered, etc., which should be kept in mind by candidates before entering the interview. Fresher's is generally offered the role of "software engineer intern" at TCS.

introduction

Tata Consultancy Services Limited (TCS) is a subsidiary of Tata Group, an Indian information technology and business solutions consulting firm operating in 46 countries around the world. TCS Limited was founded in 1968 by a division of Tata Sons Limited. Its first contracts included perforated card services for TISCO (now Tata Steel), which is working on a reconciliation system between branches of the Indian central bank. In 1975, TCS set up an electronic custody and trading system called SEMCOM for Swiss companies. TCS also established India's first software research and development centre called Tata Research Development and Design Centre in Pune, Maharashtra. On August 25, 2004, TCS became a listed company.

Some important aspects of the SDC are mentioned below.

- TCS is one of the largest employers for women with 35.3% of employees.
- TCS became the first Indian alcohol technology services company to achieve a \$100 billion market value of \$102.6 billion on the Bombay Stock Exchange and another Indian company after Reliance's industries achieved the same target in 2007.
- TCS is ranked 10th on the Fortune India 500 list in 2018.
- It is the 9th largest provider of IT in the world by turnover.
- TCS ranks 64th in the world's most innovative companies, making it the highest-ranked environmental TECHNOLOGIES services company of all time.
- More recently, TCS, the largest software services company, added 12,000 jobs in the first quarter of 2019 and sent letters of offer to 30,000 graduates who have built employment levels in the country.

Products and services provided

TCS offers a wide range of information TECHNOLOGY products and services, including application development, business process outsourcing, capacity planning, consulting, enterprise software, hardware size, payment processing, software management and technology training services. The software products established by the company are TCS BANCS and TCS Master Craft.

Geographic presence

TCS is a global leader in technology and consulting services. It enables customers in 46 countries to create and execute strategies for their digital transformation.

TCS is part of the Tata Group and has 3,95,000 subsidiaries (including subsidiaries) representing 131 nationalities in 46 countries as of March 31, 2018. The Company generated consolidated revenue of \$19.09 billion (up 8.6% from the previous year) for the year ended March 31, 2018, and is listed on the National Stock Exchange and the Bombay Stock Exchange in India.

TCS branches in India

- 
- Jaipur
 - Chennai Chennai
 - Ahmedabad
 - Baroda
 - Mysore
 - Hyderabad
 - Pune
 - New Delhi
 - Gurgaon Gurgaon
 - Mumbai
 - Lucknow
 - Nagpur

3.2.3 WIPRO:

The third largest company in India, Bangalore-based Wipro Limited is a growing and diversified global company that manufactures and sells products and services ranging from cooking oil and soaps to health instruments and information technology (IT) consulting. Although Wipro's President and CEO, Azim Hasham Premji, is committed to the company's diversified business model, his future clearly lies in his continued success in software and IT services, which accounting for nearly half of the company's sales and have consistently outpaced the growth of Wipro's other businesses. Wipro's world-class technology division offers a range of high-tech services such as global IT consulting, electronic business integration and maintenance of existing systems to clients such as Cisco Systems, Thomas Cooke and NEC. Wipro's IT efforts are so reliable that in 1998, the company became the first in the world to receive the coveted Level 5 certification from the Institute of Software Engineering (ISE) for quality. After an impressive debut on the New York Stock Exchange in 2000, Premji, which owns 75 percent of Wipro, has become one of the best billionaires in the world.

Humble beginnings: from the mid-1940s to the early 1970s

Western India Vegetable Products Ltd. (Wipro Limited) was founded in 1945 by M.H. Premji. The company sold Vanaspati solidified sunflower oil to retailers who sold it in bulk, marking 50 and 100 grams to customers who brought their own containers. In 1947, the same year that India gained independence from British rule, Premji, 32, laid the foundations for a vegetable oil plant in Amalner, Maharashtra. When the Pakistani Prime Minister offered him a position as Finance Minister, Premji rejected him, citing his loyalty to India and its young cooking oil company. None of them knew that, later in the new millennium, the value of Wipro would eclipse Pakistan's gross domestic product. Wipro went public in 1997 for about \$30,000.

Premji continued his political career with his company in India. He became the first Indian Chairman of the Bombay Electricity Board and a member of the Board of Directors of the Reserve Bank of India, the State Bank of India and the Life Insurance Corporation of India. But Premji's untimely death occurred in 1966, due to a heart attack. Soon after, his son Azim, 21, left his unfinished engineering studies at Stanford University in the United States and returned to India to take over the company. What was a dormant business run by various family members has now become very professional, leaving Azim Premji as the only one in the family working on the Wipro—a property that would still hold real decades later.

Premji intended to professionalize, diversify and expand his father's business, which was already valued at about \$3 million. He immediately recruited senior executives from the famous Indian Institute of Management (IIM), where the best candidates are also courted by top-notch companies in the West. "We pioneered packaging for the mass market," says Premji. "We've gone from Vanaspati bulk packaging to single-use consumer packages." Innovation in packaging has accelerated and the marketing and distribution network has been extended to rural areas. At present, the company had no intention of going global. In 1971, activity almost doubled since the takeover of Azim Premji.

Globalizing in the 21st century

Wipro appears to have survived the effects of the U.S. economic slowdown in 2000, with mass layoffs and profit warnings, and increased in 2001 amid its own rising growth rates and a huge expansion of operating margins. Given that 60 per cent of India's computer services and software exports were tied to the United States, Wipro's emergence was remarkable. At the end of March 2001, the company's net income reached a record \$138 million (up 106 percent from the previous year), and operating margins increased from 18 percent to 24 percent that year. While U.S. customer sales fell from 70 percent to 64 percent, revenue from Europe rose 24 percent to 29 percent, and Japan's revenues did the same from 5 percent to 6 percent. With a fleet of 150 Japanese-language engineers and about 800 engineers dedicated to Japanese clients including Fujitsu, NEC, Daiwa, Sony, Toshiba and NTT DoCoMo, Wipro's Japanese business has promised to grow with further ongoing investments in a diverse customer base. Wipro decided to establish a regional base in the Asia-Pacific region of Singapore in 2001. At that time, Wipro had a total of 209 active customers, the first five of which were: Nortel Networks Major Fibre Optic Network Equipment; British gas transport company Transco; US conglomerate GE; telecommunications equipment manufacturer Lucent Technologies; and French telecommunications equipment manufacturer Alcatel.

3.2.4. HCL (HINDUSTAN COMPUTERS LIMITED):

HCL is an Indian consulting and services company headquartered in Noida, Uttar Pradesh. It is a subsidiary of HCL Enterprise. Originally a research and development department of HCL, it emerged as an independent company in 1991 when HCL entered the software services industry. ¹The company has offices in 44 countries, including the United Kingdom, the United States, France and Germany with a global network of research and development, "innovation laboratories" and "delivery centers" and 147,123 employees and its clients include 250 fortune 500 and 650 of the 2000 global companies.

It operates in all sectors, including aerospace and defence, automotive, banking, financial markets, chemical and process industries, energy and utilities, health care, high technology, industrial manufacturing, consumer goods, insurance, life sciences, manufacturing, media and entertainment, mining and natural resources. , oil and gas, retail, telecommunications and travel, transportation, logistics and hospitality.

HCL Technologies is on the Forbes Global 2000 list. It is one of the 20 largest publicly traded companies in India with a market value of \$21.5 billion in May 2019. As of September 2019, the company and its subsidiaries had total revenues of \$9.3 billion.

CHAPTER - 4

DATA ANALYSIS

4.1 ECONOMIC ANALYSIS:

Its main objective is to determine whether the economic climate is a leader and capable of promoting business growth, particularly the capital market. As the economy grows, most industries and businesses are expected to grow. When the economy falls, most industries and businesses face survival problems. Therefore, to predict the share price, an analysis is required even if the overall selection of the country's economy for investment must focus on a study of the national economic scenario.

In this study, the variables used for economic analysis are:

Gross domestic product

inflation

Exports to India (foreign direct investment in the IT industry)

interest

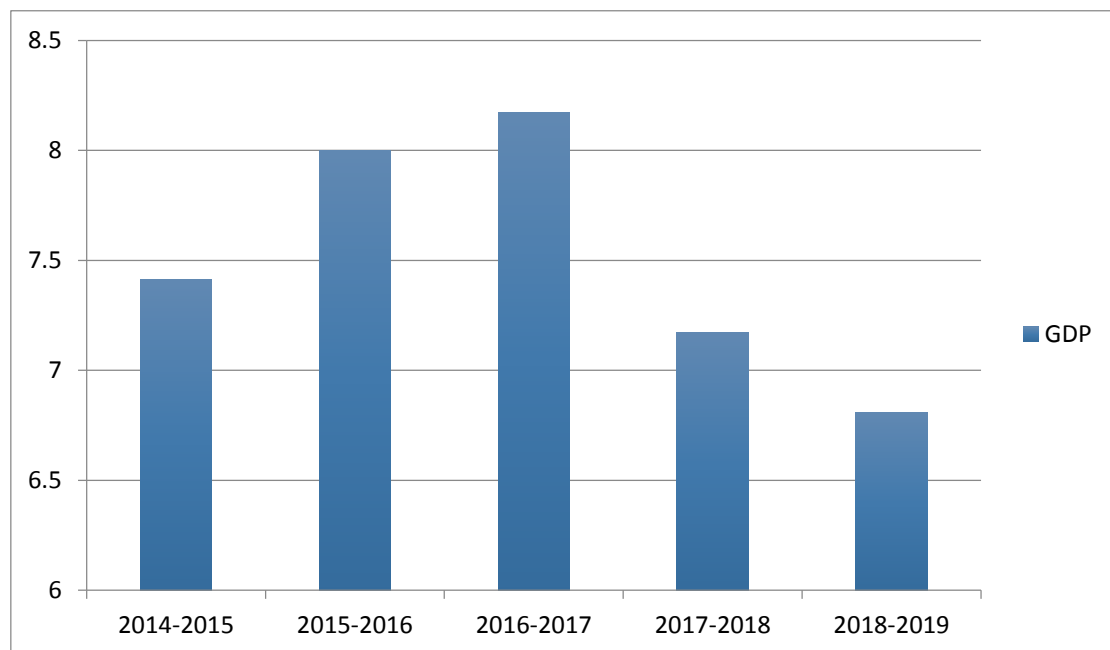
Foreign direct investment in India (foreign direct investment in the IT industry)

4.1.1 India's GDP table (growth rate) from 2011-12 to 2018-2019:

years	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
GDP (%)	7.41	8.00	8.17	7.17	6.81

Source: calculated from secondary data

Figure 4.1.1 graphic representation of India's P GDP growth rate from 2014-15 to 2018-2019



Source: calculated from secondary data

interpretation:

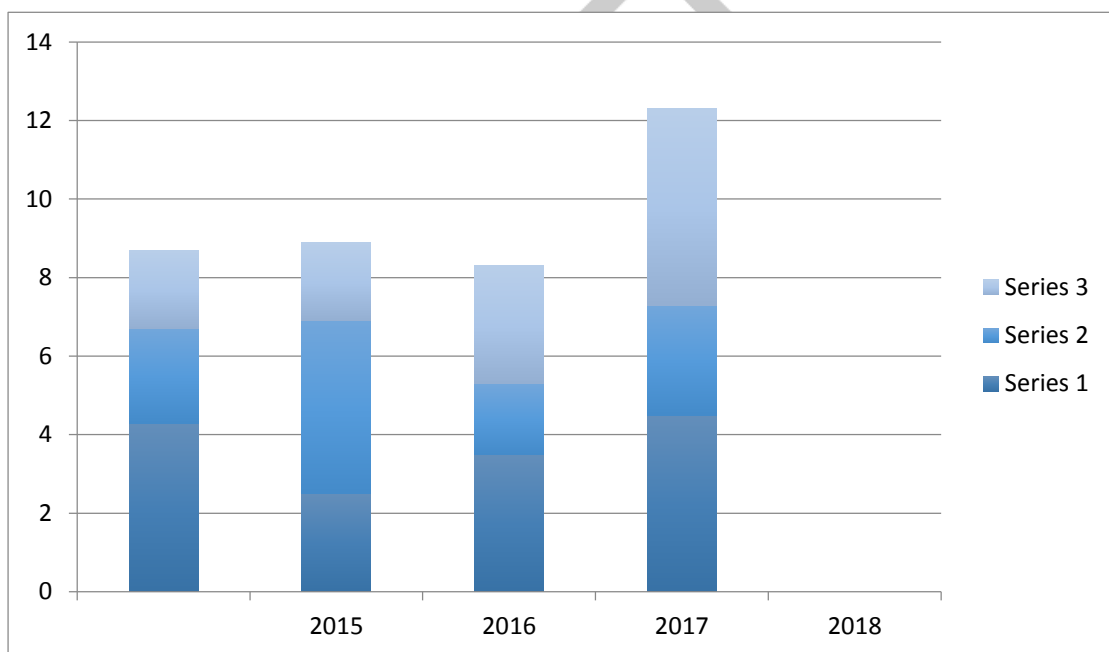
The growth rate was high in 2016-17 with a value of 8.17 and low in 2018-2019 with a value of 6.81.

4.1.2 Table of inflation in India from 2011-12 to 2018-2019:

years	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
PERCENTAGE OF INERT	5.61	3.41	5.21	2.11	7.35

Source: calculated from secondary data

Figure 4.1.2 graphic representation of inflation rates in India from 2014-15 to 2018-2019



Source: calculated from secondary data

interpretation:

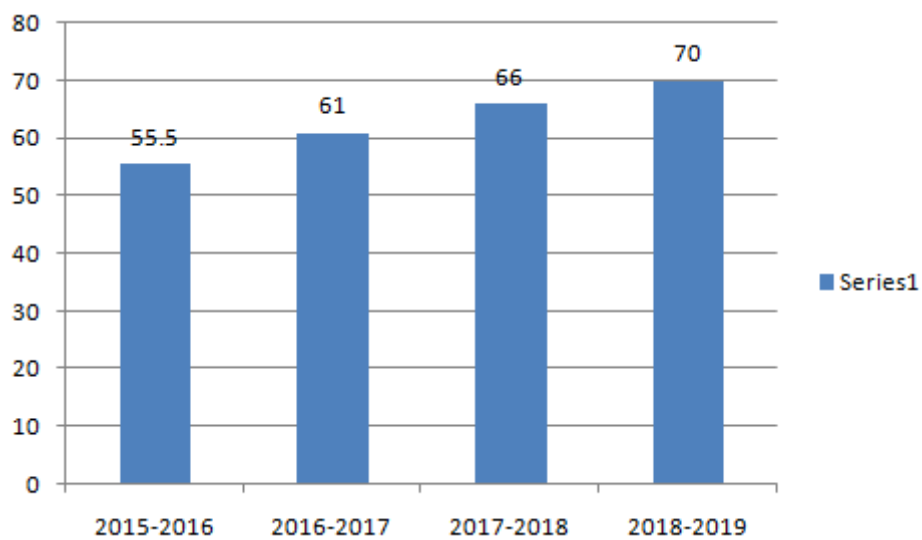
Inflation was low in 2017-18 with a value of 2.11 and high in 2018-2019 with a value of 7.35

4.1.3 Table of Indian Exports from 2011-12 to 2018-2019:

years	%
2015-2016	55.5
2016-2017	61
2017-2018	66
2018-2019	70

Source: calculated from secondary data

4.1. 3 graphic representation of India's export rate from 2014-15 to 2018-2019



Source: calculated from secondary data

Interpretation of the data:

According to the table above, GDP in 2015-16 was 55.5% in 2016-17, and GDP improved again to 61% in 2017-18, rising to 66%. And in 2018-2019, it was at its peak with 70%.

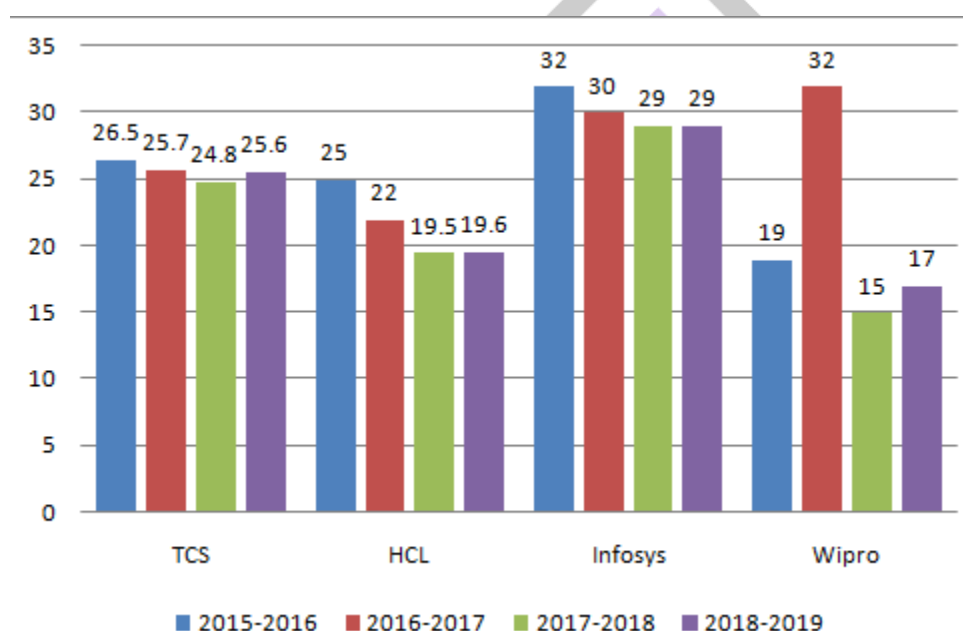
4.2 Business analysis:

4.2.1 Table of operating income for four companies from 2015-16 to 2018-2019:

years	Tcs	hcl	Infosys	Wipro
2015-2016	26.5	25	32	19
2016-2017	25.7	22	30	32
2017-2018	24.8	19.5	29	15
2018-2019	25.6	19.6	29	17

Source: calculated from secondary data

Figure 4.2.1: Graphic representation of operating margin in India from 2015-16 to 2018-2019:



Source: calculated from secondary data

Interpretation of the data:

SDC: TCS' operating income decreased from 2015-16 to 2017-18, from 26.5 to 24.8, and in 2018-19, it increased to 25.6

HCL: HCL's operating profit decreased from 2015-16 to 2017-18, from 25 to 19.5, and in 2018-19, it increased slightly to 19.6.

Infosys: Infosys' operating profit increased from 2015-16 to 2018-2019, compared to a value of 32 to 29

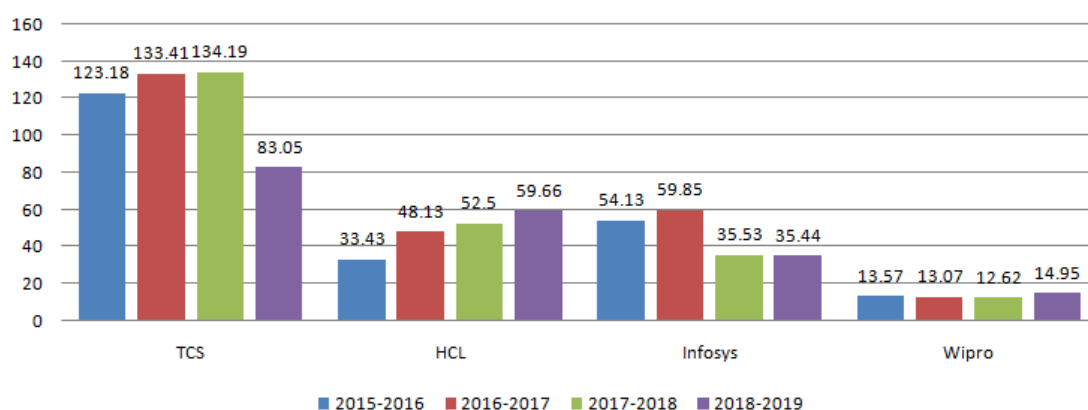
Wipro: Wipro's operating profit rose from 2015-16 to 2016-17 from 19 to 32, and 2018-2019 fell to 17

4.2.2 Table of CPE for four companies from 2015-2016 to 2018-2019:

years	Tcs	hcl	Infosys	Wipro
2015-2016	123.18	33.43	54.13	13.57
2016-2017	133.41	48.13	59.85	13.07
2017-2018	134.19	52.50	35.53	12.62
2018-2019	83.05	59.66	35.44	14.95

Source: calculated from secondary data

Figure 4.2.2: Graphic REPRESENTATION of EPS in India from 2015-16 to 2018-2019:



Source: calculated from secondary data

Interpretation of the data:

TCS: SDC EPS was low in 2018-2019 with a value of 83.05 and a high in 2017-18 with a value of 134.19

HCL: HCL EPS was low in 2015-16 with a value of 33.43 and a high in 2018-2019 with a value of 59.66

Infosys: Infosys EPS was low in 2017-18 with a value of 35.53 and a high in 2016-17 with a value of 59.85

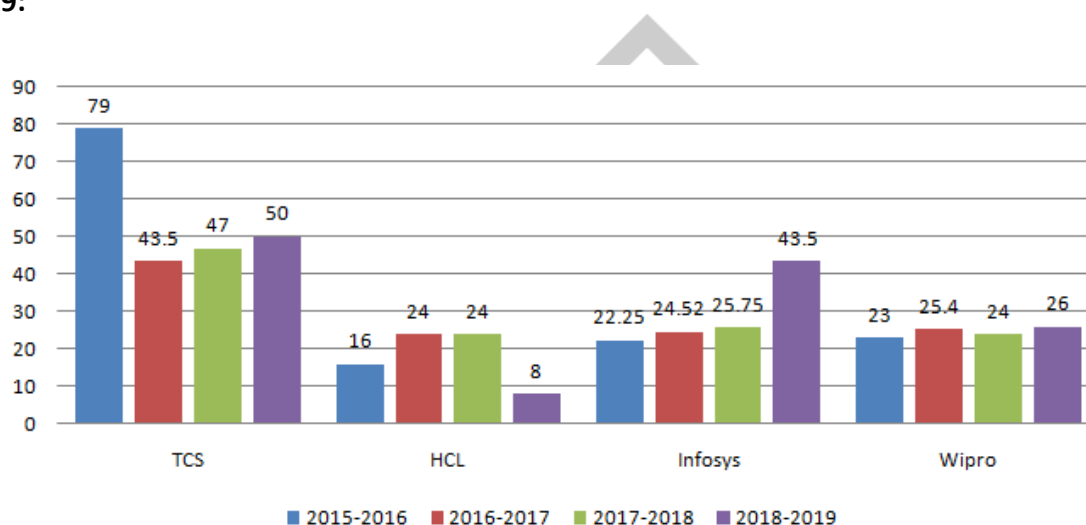
Wipro: WIPRO's EPS was low in 2017-18 with a value of 12.62 and a high in 2018-2019 with a value of 14.95

4.2.3 Table of dividend purchases by four companies from 2015-16 to 2018-2019:

years	Tcs	hcl	Infosys	Wipro
2015-2016	79	16	22.25	23
2016-2017	43.5	24	24.52	25.4
2017-2018	47	24	25.75	24
2018-2019	50	8	43.5	26

Source: calculated from secondary data

Figure 4.2.3: Graphic representation of dividend purchases in India from 2015-16 to 2018-2019:



Source: calculated from secondary data

Interpretation of the data:

SDC: SDC purchases were low in 2016-17, with a value of 43.5 and a high in 2015-16 with a value of 79

HCL: HCL dividend purchases were low in 2018-2019 with a value of 8 and a high in 2016-2017 and 2017-2018 with a value of 24

Infosys: Infosys' dividend purchases were low in 2015-16 with a value of 22.25 and a high in 2018-2019 with a value of 43.5

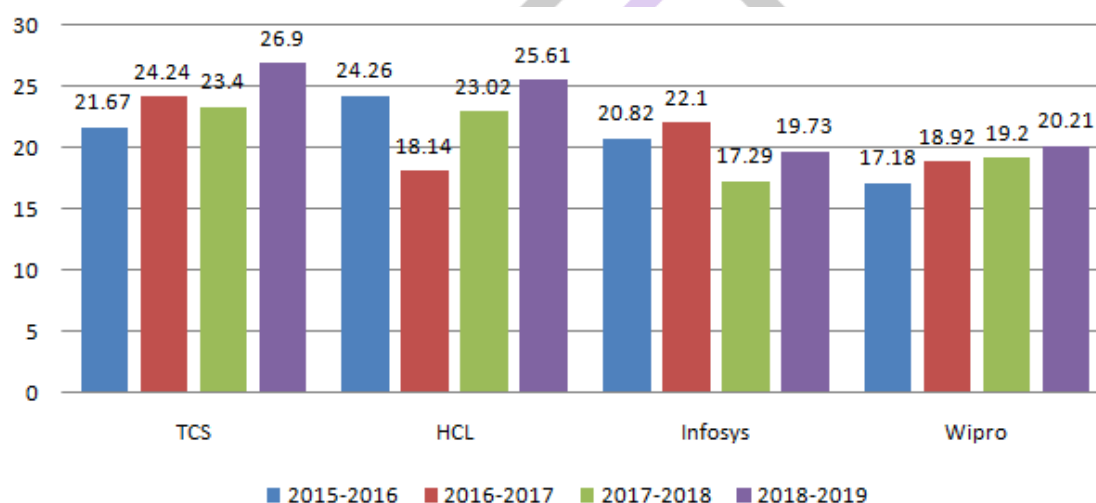
Wipro: Wipro dividend purchases were low in 2015-16 with a value of 23 and a high in 2018-2019 with a value of 26

4.2.4 Table showing the price-to-earnings ratio of four companies from 2015-16 to 2018-2019:

years	Tcs	hcl	Infosys	Wipro
2015-2016	21.67	24.26	20.82	17.18
2016-2017	24.24	18.14	22.1	18.92
2017-2018	23.4	23.02	17.29	19.2
2018-2019	26.9	25.61	19.73	20.21

Source: calculated from secondary data

Figure 4.2.4: Graphic representation of the price-to-earnings ratio in India from 2015-16 to 2018-2019:



Source: calculated from secondary data

Interpretation of the data:

SDC: The price-to-earnings ratio of the SDC was low in 2015-16, with a value of 21.67 and a peak in 2018-2019, at a value of 26.9

HCL: HCL's price-to-earnings ratio was low in 2016-17 at a value of 18.14 and high in 2018-2019 at a value of 25.61

Infosys' price-to-earnings ratio was low in 2017-18 with a value of 17.23 and a high in 2016-17 with a value of 22.1

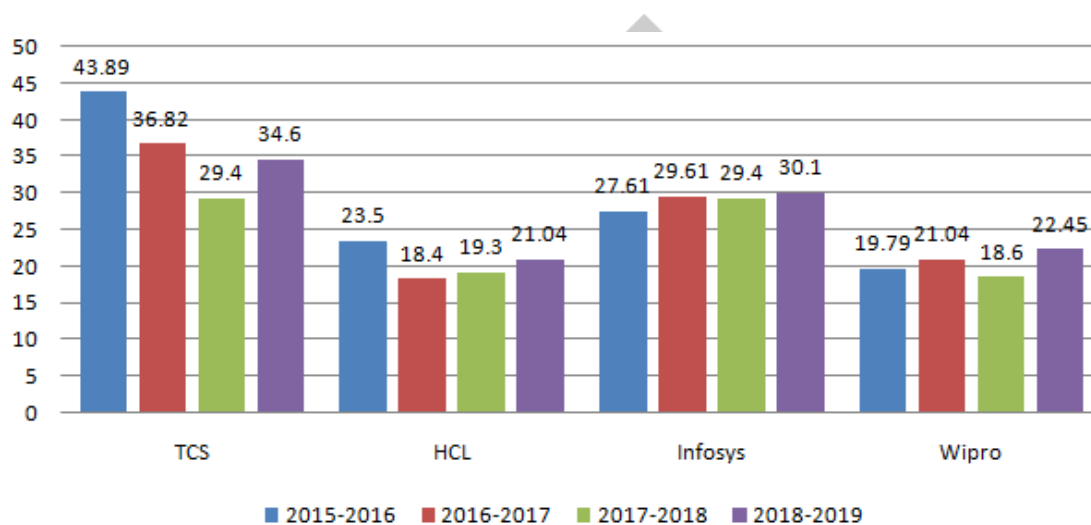
Wipro: Wipro's price-to-earnings ratio was low in 2015-16 with a value of 17.18 and a high in 2018-2019 with a value of 20.21

4.2.5 Table of return on equity in four companies from 2015-16 to 2018-2019:

years	Tcs	hcl	Infosys	Wipro
2015-2016	43.89	23.5	27.61	19.79
2016-2017	36.82	18.4	29.61	21.04
2017-2018	29.4	19.3	29.4	18.6
2018-2019	34.6	21.04	30.1	22.45

Source: calculated from secondary data

4.2. 5:Graphic representation of return on equity in India from 2015-16 to 2018-2019:



Source: calculated from secondary data

Interpretation of the data:

SDC: The SDC's return on equity was low in 2017-18, with a value of 29.4 and over in 2015-16 with a value of 43.89

HCL: HCL's share performance was weak in 2016-17 with a value of 18.14 and a high in 2015-16 with a value of 23.5

Infosys Equity return on Infosys was weak in 2015-16 with a value of 27.61 and a high in 2018-2019 with a value of 30.1

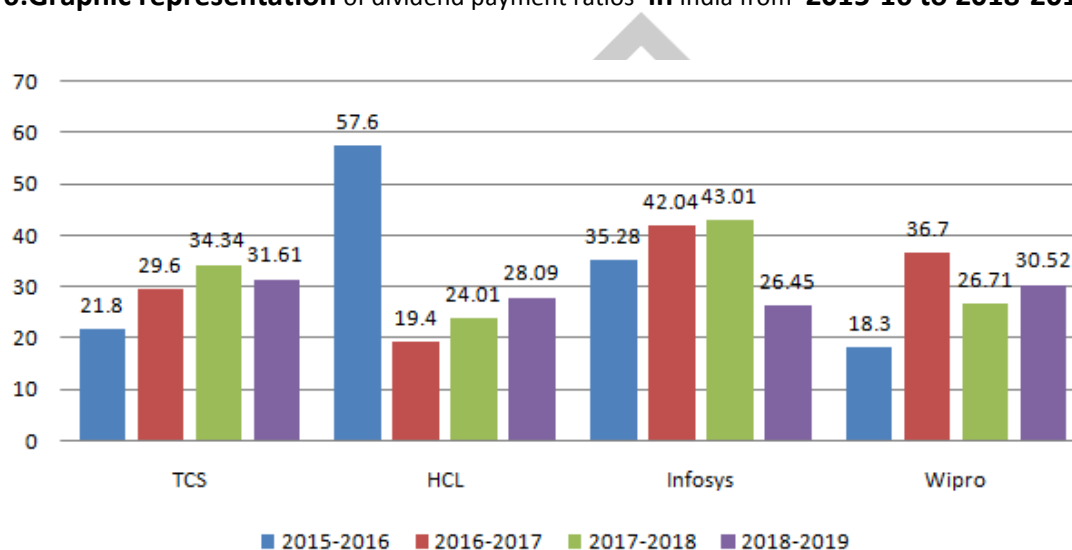
Wipro: Wipro's rate of return was low in 2017-18 with a value of 18.6 and a high in 2018-2019 with a value of 22.45

4.2.6 Table showing the ratio of dividend payments to four companies from 2015-16 to 2018-2019:

years	Tcs	hcl	Infosys	Wipro
2015-2016	21.8	57.6	35.28	18.3
2016-2017	29.6	19.4	42.04	36.7
2017-2018	34.34	24.01	43.01	26.71
2018-2019	31.61	28.09	26.45	30.52

Source: calculated from secondary data

4.2. 6:Graphic representation of dividend payment ratios in India from 2015-16 to 2018-2019



Source: calculated from secondary data

Interpretation of the data:

SDC: The dividend payout ratio for tcs was low in 2015-16, with a value of 21.8 and a high in 2017-18 with a value of 34.34

HCL: The dividend payout ratio for HCL was low in 2016-17 with a value of 19.4 and a high in 2015-16 with a value of 57.6

Infosys: The Infosys dividend payment ratio was low in 2018-2019 with a value of 26.45 and a high in 2017-18 with a value of 43.01

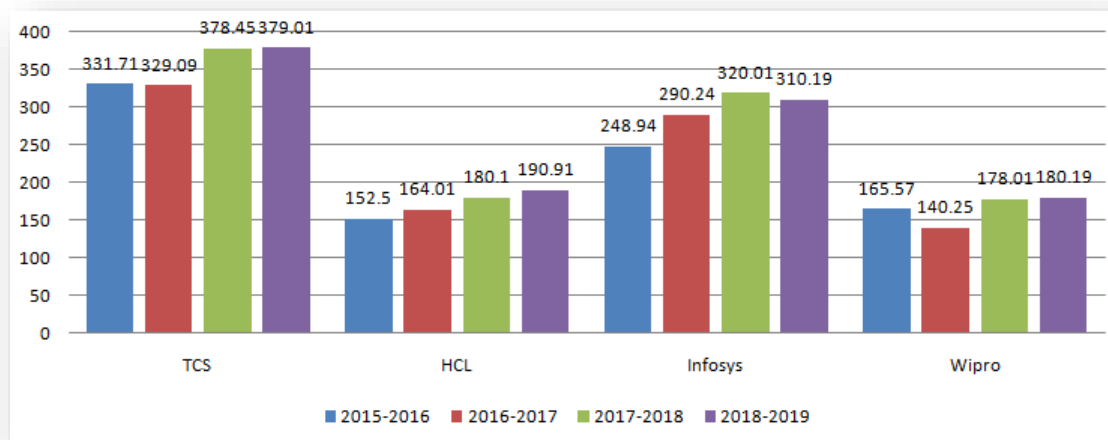
Wipro: The Wipro dividend payment ratio was low in 2015-16 at 18.3 and high in 2016-17 at 36.7

4.2.7 Table showing the book value of four companies from 2015-16 to 2018-19:

years	Tcs	hcl	Infosys	Wipro
2015-2016	331.71	152.5	248.94	165.57
2016-2017	329.09	164.01	290.24	140.25
2017-2018	378.45	180.1	320.01	178.01
2018-2019	379.01	190.91	310.19	180.19

Source: calculated from secondary data

4.2. 7:Graphic representation of book value in India from 2015-16 to 2018-2019:



Source: calculated from secondary data

Interpretation of the data:

SDC: The book value of the SDC was low in 2016-17 with a value of 329.09 and high in 2018-2019 with a value of 379.01

HCL: HCL's book value was low in 2015-16 with a value of 152.5 and high in 2018-2019 with a value of 190.91

Infosys: Infosys' book value was low in 2015-16 with a value of 248.94 and a high in 2017-18 with a value of 320.01

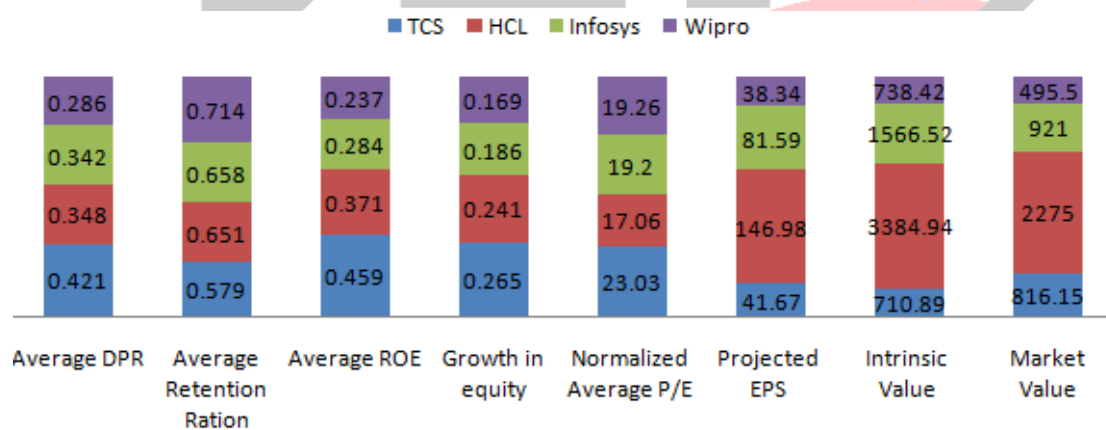
Wipro's book value was low in 2016-17 with a value of 140.25 and a high in 2018-2019 with 180.19

4.2.8 Table showing the valuation of the share of four companies from 2015-2016 to 2018-2019:

Ratios	Tcs	hcl	Infosys	Wipro
Average DPR	0.421	0.348	0.342	0.286
Average storage ration	0.579	0.651	0.658	0.714
Medium beetroot	0.459	0.371	0.284	0.237
Equity growth	0.265	0.241	0.186	0.169
Standard average P/E	23.03	17.06	19.2	19.26
EXPECTED EPS	41.67	146.98	81.59	38.34
Intrinsic value	710.89	3384.94	1566.52	738.42
market	816.15	2275.00	921.00	495.50

Source: calculated from secondary data

4.2. 8:Graphic representation of equity valuation in India from 2015-16 to 2018-2019:



Source: calculated from secondary data

Interpretation of the data:

1. WIPRO: Shares market value, it is undervalued, so it is recommended to buy the stock as the value of the stock may increase in the future.
2. INFOSYS: Shares market value, it is undervalued, so it is recommended to buy the stock as the value of the stock may increase in the future.

3. TCS: Shares - Market value, it is undervalued, so it is recommended to buy the stock as the value of the stock may increase in the future.
4. HCL TECH: Shares and market value, it is overvalued, so it is recommended to sell the stock as the value of the stock may fall in the future.

4.3 INDUSTRY ANALYSIS:

Industry analysis examines the information technology industry in the context of its problems and prospects. India is considered the world's leading supply destination for the information technology industry, which it represents about 67 percent of the U.S. market 124-130 billion dollars. The IT industry has shaped an important mastery of the education sector, particularly in the field of engineering and computer science. Information technology is fragmented and not concentrated. In fragmented industries, there are no large dominant players, so small businesses also take precedence over the market, but it is difficult for a company to establish an aggressive operation. The information technology industry is a fragmented industry that focuses on open access and withdrawal of businesses from the sector. Although such a situation prevails in the market, the important role is played by the big giant company like IBM, Infosys, TCS, Inforte, Wipro and others. The government can do its part in the technology sector, which has its own impact in the industry. State intervention and intervention can be explained in two fundamental parts: direct and indirect. The direct method means government support for the development of new technologies and market mechanisms to provide incentives for industry changes. On the other hand, the indirect approach focuses on the persuasion to regulate project standards and direct public procurement in the PUBLIC SERVICES sector. Porter's five strength models consist of five key indicators for industry analysis: existing competition, the availability of replacements, the threat of new entrants, the bargaining power of suppliers, and the bargaining power of customers.

ACTUALITY CONCURRENCE: IT services such as network management services, data center services, infrastructure management services, application development and maintenance, etc., leading to competition. Many companies in the industry offer the same services and are therefore difficult to differentiate from each other.

Clients' NEGOTIATION POWER: Buyer bargaining power is high and there is a good chance of putting pressure on interest rates in the industry. International and Indian human services companies have denied the benefits throughout global delivery and mature sourcing.

SUPPLIERS' TRADING POWER: The bargaining power of the supplier is very low and, given the high level of standardization in the industry, there is a low chance that suppliers will have dunks.

THE industry is also highly human dependence and can therefore watch veterans isolate themselves from predominant companies and divest themselves of new businesses. Innovative

technology allows new marginal players to participate in new marginal players who don't rely on experience limitations or size.

THE IT sector has also been a mixed bag for new services, as internal specialization is low and most work is outsourced in general. As a result, there is no significant substitute for the information technology industry from an internal perspective and is thinner in number and importance.

CHAPTER - 5

FINDINGS:

1. In the case of BPA, Wipro maintains a steady increase, while Infosys, HCL Technologies On the other hand, TCS shows a growing trend over the five years.
2. In the case of the price earnings ratio, Infosys and HCL Technologies show a downward trend over the first three years and have gradually increased over the next two years. Wipro has shown a downward trend, while tcs has a fluctuating price earnings ratio,
3. TCS, Infosys and HCL Technologies showed a growing trend over the first four years and eventually declined. Wipro has a fluctuating dividend distribution ratio Wipro Book Value maintains a correlation with the minute increase in each year. HCL Technologies, Infosys first showed an increase in book value and has decreased over the past two years. TCS has shown an upward trend over the past five years.
4. TCS shows a downward trend in return on equity. Infosys has a significant consistency line over the past five years. HCL Technologies and Wipro show an upward trend in the first three years and a downward trend over the past two years.

SUGGESTIONS:

1. It is recommended to buy and hold undervalued shares, such as Wipro, TCS and Infosys, as their share prices tend to rise in the future.
2. Each investor is advised to conduct an in-depth analysis of the capital market, business and industry before making investment decisions.
3. It is proposed to sell overvalued shares such as HCL Technologies, as the share price tends to fall in the future.
4. Investing in an action alone is not suggested because returns may not always be favourable. Investing in multiple or diversified equities reduces risk and provides a stable return.

CONCLUSION:

India's information technology sector has contributed significantly to the growth of india's economy in terms of gross domestic product, job production and foreign exchange earnings. In the Indian context, the electricity SERVICES industries contribute significantly to India's GDP. According to the study, Wipro, TCS, Infosys is undervalued because its intrinsic value is greater than its market value and suggested buying the stock because the price of the same could increase in the future. On the other hand, HCL Technologies is overvalued because its market value is higher and prefers to sell the stock because the share price may fall. It is recommended for every investor to have IT companies in their portfolio as they are fastest growing in the industry according to Indian background research. In the near future, the number of investors is expected to visit the capital market, increasing the relevance of basic analyses of different sectors. In conclusion, information technology companies are one of the most promising investment platforms in the capital market and in turn offer a significant return on the risk taken by investors.

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