Fundamental Analysis With Reference To Selected Pharmaceutical Companies

*A Project Report Submitted to Chaitanya Bharathi Institute of Technology*

*in partial fulfilment for the award of*

MASTER OF BUSINESS ADMINISTRATION

by

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Batch 2016-2018

Under the guidance of

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DECLARATION

This is to certify that the project titled: “FUNDAMENTAL ANALYSIS WITH REFERENCE TO SELECTED PHARMACEUTICAL COMPANIES” is a bonafidework completed by Uday Kumar Surabhi, Roll Number 160116672117, in partial fulfilment of the requirements of the MBA Programme and submitted to CBIT, Hyderabad. I declare that this project is a result of my own efforts and has not been copied from any source. This work has not been submitted earlier at any other institute or university for the award of any degree.

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It was completed under the guidance of Mrs. J. Mounika Reddy, Assistant Professor, SMS, CBIT and is certified to be the student’s bonafide work.

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ABSTRACT

An investment analysis is essential for the benefit of risk reduction and maximizes the gain. The investment analysis on stock market has two main approaches namely technical analysis and fundamental analysis. This study is focused on fundamental analysis of pharmaceutical companies listed in National Stock Exchange (NSE), which include selected five companies for a period of five years from 2013 to 2017. The fundamental analysis consists of three parts such as economic analysis, industry analysis and company analysis. The economic analysis consists of economic indicators which influence the security market like GDP, inflation, interest rate, foreign reserves, export and agricultural production for the study period. An industry analysis includes industrial compound annual growth rate, sales, revenue and global market share etc. For company analysis, various performance ratios such as EPS, DPS, Net profit Margin, Debt to equity ratio etc., are used. Industry analysis shows that the Indian pharmaceutical industry has high growth rate and company analysis revealed that Aurobindo pharma and Dr. Reddy’s lab are financially viable during the study period.

Key words: Fundamental analysis, Indian Pharmaceutical Industry, GDP, Economic.

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