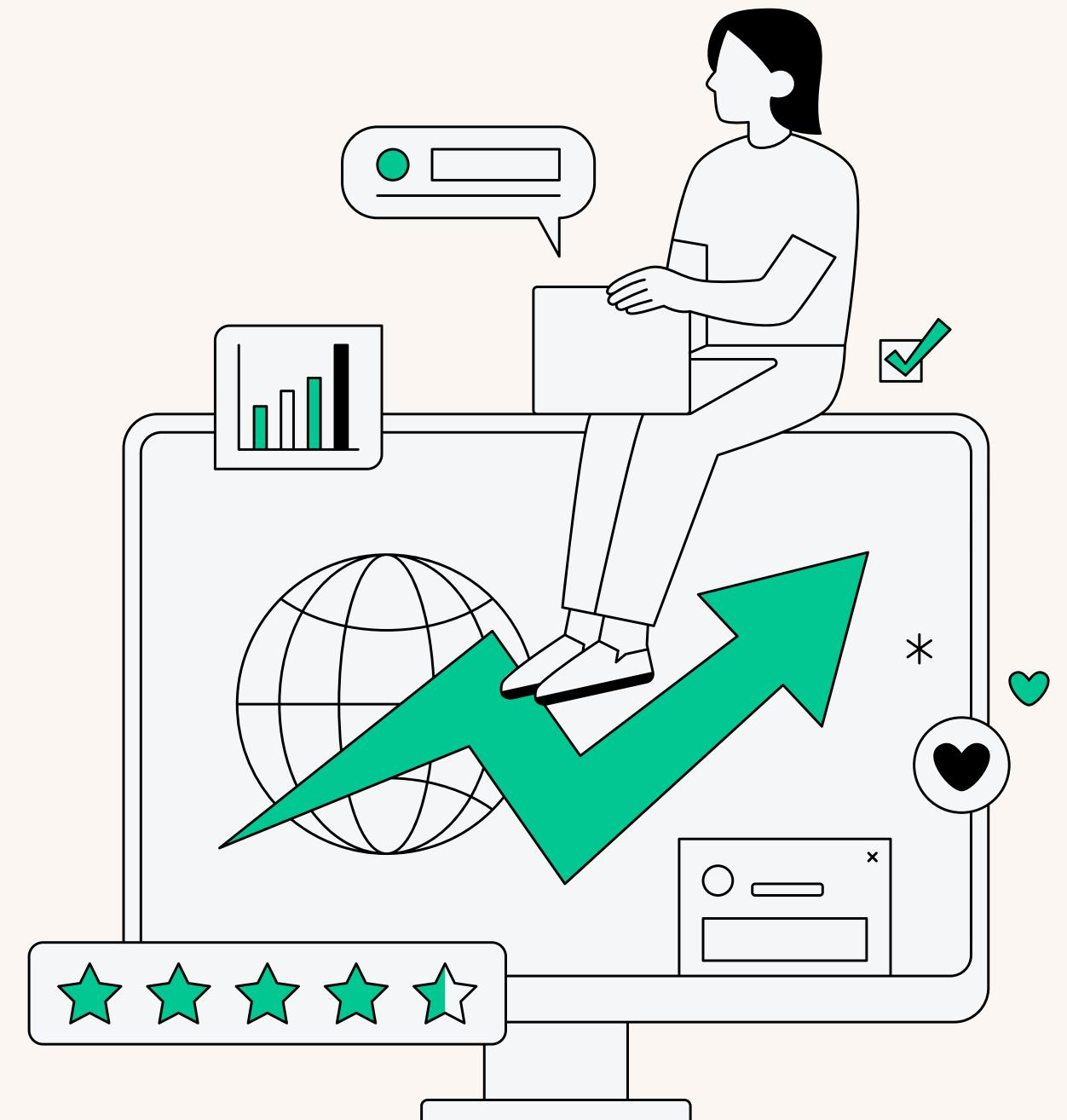


Comparative Performance Analysis of Major Indian Companies Using Financial Ratio

Presented by:

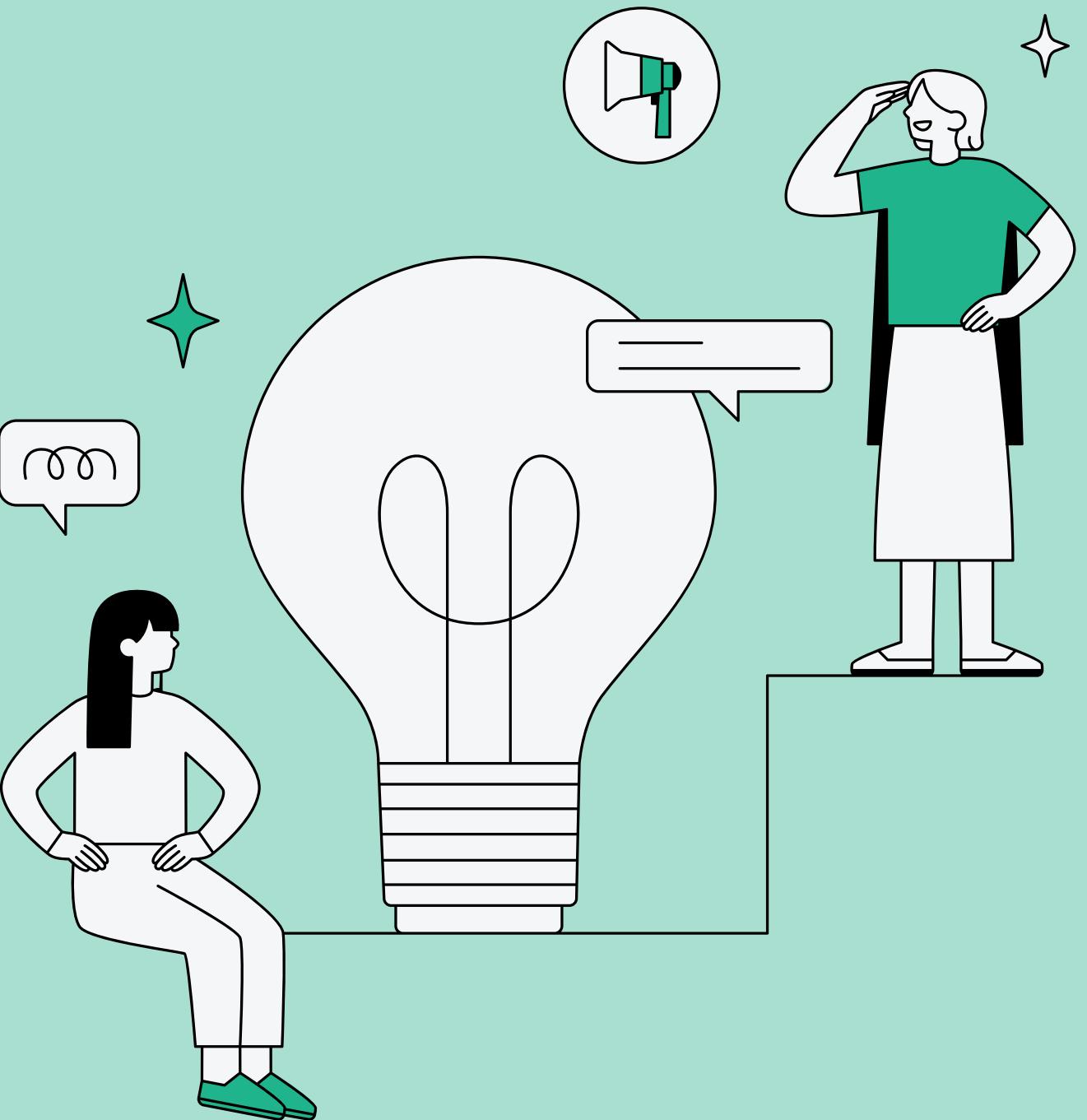
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Introduction

10 COMPANIES , 5 YEARS DATA (2019 -2024)

- RELIANCE
- HDFC
- TCS
- INFY
- HUL
- ICICI
- AIRTEL
- LT
- ASIAN PAINTS
- MARUTHI



Methodology used

1.FAMA French

2.Financial ratios

- sharpe
- treynor
- jenson

3.Portfolio return

- conservative
- balanced
- aggressive



FAMA French model comparison

	fama return
RELIANCE	0.02027
HDFC_RETURNS	0.02015
TCS_RETURNS	0.01999
INFY_RETURNS	0.02
HUL_RETURNS	0.0199
ICICI_RETURNS	0.02027
AIRTEL_RETURNS	0.02024
LT_RETURNS	0.0203
AP_RETURNS	0.0199
M_RETURNS	0.02028

- Highest Expected Return:

M_RETURNS has the highest expected return (0.02028). This implies that, based on the Fama-French factors, this stock is expected to have the highest return among the listed stocks.

- Lowest Expected Return:

HUL_RETURNS and **AP_RETURNS** have the lowest expected returns (0.0199). This suggests that these stocks are expected to have the lowest return according to the model.

Sharpe ratio

Treynor ratio

Jenson ratio

.	sharpe ratio	Rank	Treynor ratio	Rank2	Jensens ratio	Rank3
RELIANCE	0.600436889	3	0.796693866	7	13.94%	5
HDFC	0.138591311	9	0.375615036	9	4.39%	9
TCS	0.470920073	6	1.356659425	4	12.09%	6
INFY	0.539051466	4	1.939329378	2	15.75%	4
HUL	0.055451173	10	0.470167379	8	1.50%	10
ICICI	0.659802924	2	1.446723433	3	22.22%	2
AIRTEL	1.056459536	1	12.29907037	1	32.24%	1
LT	0.534109542	5	1.317326444	5	16.06%	3
ASIAN PAINTS	0.390784304	7	0.826991494	6	10.95%	7
MARUTHI	0.139775511	8	0.236715571	10	5.56%	8

**higher returns per unit of risk.
risk-adjusted returns**

**higher returns per unit of market risk
market adjusted returns**

higher abnormal returns

Top Performers: Consider maintaining or increasing investments in **AIRTEL** and **ICICI** due to their strong performance across all metrics.

Moderate Performers: **RELIANCE**, **TCS**, and **INFY** show good potential but might require more scrutiny regarding market conditions and strategic decisions.

Low Performers: **HUL**, **HDFC**, and **MARUTHI** may need to be reviewed for potential risks and reconsidered for portfolio rebalancing or divestment.

Balanced Portfolio

VARIABLES	RELIANCE	HDFC	TCS	INFY	HUL	ICICI	AIRTEL	LT	ASIANPAINTS	MARUTI	SUM
invested amount	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000	1000000
WEIGHTS	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
MEAN	0.000929541	0.000500241	0.000761456	0.000836597	0.000420117	0.001128479	0.001451611	0.000991003	0.00070944	0.000632235	
STANDARD DEVIATION	0.018918687	0.016925477	0.015416229	0.017811143	0.014870781	0.020340623	0.019097785	0.018058564	0.016358551	0.019442156	
PORT FOLIO RETURN	0.133523452	0.064911554	0.100719119	0.121569225	0.054314483	0.151959429	0.18936233	0.122359814	0.096711997	0.078721988	0
WEIGHTS^2	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
SD^2	0.000357917	0.000286472	0.00023766	0.000317237	0.00022114	0.000413741	0.000364725	0.000326112	0.000267602	0.000377997	
PORT FOLIO SD	3.1706E-05										
RANK	3	9	6	5	10	2	1	4	7	8	
amount of return	13352.34523	6491.155386	10071.91186	12156.92247	5431.448349	15195.94294	18936.233	12235.98143	9671.199737	7872.198775	111415.339

Performance Comparison:

- Airtel has the highest return (18,936.23) and is ranked 1st, suggesting it is the best performing stock in this portfolio.
- HUL has the lowest return (5,431.45) and is ranked 10th, indicating it is the least performing stock.

Risk and Return:

- ICICI, with a high return of 15.20%, also has a high standard deviation (0.020340623), indicating higher risk.
- HUL, with a lower return of 5.43%, has a lower standard deviation (0.014870781), indicating lower risk.

Diversification:

- The combined portfolio return and standard deviation are calculated to assess the overall performance and risk.

Aggressive Portfolio

VARIABLES	RELIANCE	HDFC	TCS	INFY	HUL	ICICI	AIRTEL	LT	ASIANPAINTS	MARUTI	SUM
Invested amount	192960	53480	82960	100130	44750	125180	155980	100780	79670	64110	1000000
WEIGHTS	0.19296	0.05348	0.08296	0.10013	0.04475	0.12518	0.15598	0.10078	0.07967	0.06411	1
MEAN	0.000929541	0.000500241	0.000761456	0.000836597	0.000420117	0.001128479	0.001451611	0.000991003	0.00070944	0.000632235	
STANDARD DEVIATION	0.018918687	0.016925477	0.015416229	0.017811143	0.014870781	0.020340623	0.019097785	0.018058564	0.016358551	0.019442156	
PORT FOLIO RETURN	0.257646854	0.034714699	0.083556581	0.121727265	0.024305731	0.190222814	0.295367362	0.123314221	0.077050448	0.050468666	
WEIGHTS^2	0.037233562	0.00286011	0.006882362	0.010026017	0.002002563	0.015670032	0.02432976	0.010156608	0.006347309	0.004110092	
SD^2	0.000357917	0.000286472	0.00023766	0.000317237	0.00022114	0.000413741	0.000364725	0.000326112	0.000267602	0.000377997	
PORT FOLIO SD	4.13263E-05										
amount of return	25764.68535	3471.469901	8355.658079	12172.72646	2430.573136	19022.28137	29536.73623	12331.42208	7705.04483	5046.866635	1258375.

Performance Comparison:

- Airtel has the highest return (29,536.74) and the highest portfolio return contribution (0.295367362), suggesting it is the best-performing stock in this portfolio.
- HUL has the lowest return (2,430.57) and the lowest portfolio return contribution (0.024305731), indicating it is the least performing stock.

Risk and Return:

- ICICI, with a high return of 19,022.28, also has a high standard deviation (0.020340623), indicating higher risk.
- HUL, with a lower return of 2,430.57, has a lower standard deviation (0.014870781), indicating lower risk.

Diversification:

- Higher weights in stocks like Reliance and Airtel indicate a preference for stocks with higher expected returns.

Conservative Portfolio

VARIABLES	RELIANCE	HDFC	TCS	INFY	HUL	ICICI	AIRTEL	LT	ASIANPAINTS	MARUTI	SUM
invested amount	73040	150230	96840	80230	179570	64160	51510	79690	100840	123890	1000000
WEIGHTS	0.07304	0.15023	0.09684	0.08023	0.17957	0.06416	0.05151	0.07969	0.10084	0.12389	
MEAN	0.000929541	0.000500241	0.000761456	0.000836597	0.000420117	0.001128479	0.001451611	0.000991003	0.00070944	0.000632235	
STANDARD DEVIATION	0.018918687	0.016925477	0.015416229	0.017811143	0.014870781	0.020340623	0.019097785	0.018058564	0.016358551	0.019442156	
PORT FOLIO RETURN	0.09752553	0.097516627	0.097536394	0.097534989	0.097532518	0.09749717	0.097540536	0.097508536	0.097524378	0.097528671	
WEIGHTS^2	0.005334842	0.022569053	0.009377986	0.006436853	0.032245385	0.004116506	0.00265328	0.006350496	0.010168706	0.015348732	
SD^2	0.000357917	0.000286472	0.00023766	0.000317237	0.00022114	0.000413741	0.000364725	0.000326112	0.000267602	0.000377997	
PORT FOLIO SD	3.30412E-05										
amount of return	9752.552955	9751.662737	9753.639445	9753.498894	9753.251801	9749.71699	9754.053616	9750.853601	9752.437815	9752.867063	97524.5

Performance Comparison:

- The amount of return for each stock is very similar, ranging from approximately 9,749.72 to 9,754.05. This indicates that, despite different amounts invested and weights, the portfolio is balanced in terms of returns.

Risk and Return:

- ICICI, with a high return of 9,749.72, also has a high standard deviation (0.020340623), indicating higher risk.
- HUL, with a lower return of 9,753.25, has a lower standard deviation (0.014870781), indicating lower risk.

Diversification:

- Higher weights in stocks like HDFC and HUL indicate a preference for stocks with higher expected returns.

Thank
you very
much!

