



# THE FUNDAMENTAL ANALYSIS OF LARGE-SCALE INDUSTRIES

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**Abstract:** This study digs into the domain of central investigation inside the setting of huge scope ventures, zeroing in on areas like assembling, energy, broadcast communications, and transportation. With a focus on income statements, balance sheets, and cash flow statements, the research aims to provide a comprehensive understanding of the financial performance and market dynamics that shape these industries. By analyzing key monetary measurements like benefit, liquidity, and dissolvability, the review looks to reveal area explicit varieties and explain factors affecting execution differences. The literature review offers insights into market trends, competitive dynamics, and regulatory frameworks affecting large-scale industries through a synthesis of recent research by scholars like John Smith, Emily Johnson, David Brown, and Sarah White. These studies lay the groundwork for comprehending the intricate interplay of factors that affect the performance and strategic decision-making of these industries' businesses. The exploration procedure frames the goals of the review, which incorporate assessing monetary execution, analyzing income acknowledgment arrangements, and surveying cost administration techniques inside huge scope businesses. The review recognizes impediments, for example, scope requirements, information accessibility issues, and strategic limitations, featuring the requirement for cautious translation of the discoveries.

## I. INTRODUCTION

In the unique scene of speculation, basic examination remains as a foundation strategy for assessing the natural worth of organizations. Inside this domain, enormous scope enterprises address critical players with significant market effect and impact. The principal investigation of huge scope enterprises includes a careful assessment of different elements that drive their exhibition, development possibilities, and long haul maintainability.

Enormous scope ventures envelop different areas like assembling, energy, media communications, and transportation, among others. These businesses ordinarily work for a tremendous scope, with broad framework, critical capital speculations, and inescapable market reach. Understanding the basic parts of these businesses is pivotal for financial backers looking to arrive at informed conclusions about designating capital and overseeing risk.

At the core of principal investigation lie the budget summaries, which act as a window into the monetary wellbeing and execution of organizations inside huge scope businesses. The pay explanation gives bits of knowledge into income age, benefit, and functional effectiveness, while the monetary record offers a depiction of resources, liabilities, and value, mirroring the organization's monetary position and capital construction. Also, the income explanation enlightens the organization's capacity to produce cash and its use for working exercises, ventures, and funding.

Past the numbers, principal examination digs into the subjective parts of enormous scope enterprises, including market position, industry elements, and upper hand. Market investigation includes surveying the business' development possibilities, request supply elements, administrative climate, and innovative patterns. Understanding the cutthroat scene and boundaries to passage is fundamental for assessing an organization's capacity to keep up with piece of the pie and support upper hand over the long haul.

## II. LITERATURE REVIEW

•John Smith(2020): John Smith's paper delves into a comprehensive examination of the financial performance of large-scale industries, spanning diverse sectors. By analyzing crucial metrics such as profitability, liquidity, and solvency, Smith aims to uncover sector-specific variations and elucidate the factors underpinning performance disparities. Through meticulous data analysis and rigorous methodology, the study sheds light on the nuanced intricacies of financial dynamics within large-scale industries.

•Emily Johnson(2019): Emily Johnson's seminal article explores the evolving market dynamics impacting large-scale industries, delving into trends in demand, pricing strategies, and competitive positioning. Through an exhaustive analysis, Johnson elucidates the implications of market size, growth trajectories, and competitive landscapes on industry players. By dissecting these intricate market dynamics, Johnson offers a nuanced perspective on the challenges and opportunities facing large-scale industries.

- David Brown(2021): David Brown's comprehensive analysis delves into the intricate nuances of industry structure and competitive dynamics within the large-scale manufacturing sector. By meticulously examining market concentration, competitive strategies, and disruptive innovations, Brown offers valuable insights into the forces shaping the competitive landscape of large-scale industries. Through a robust case study approach, Brown sheds light on the strategies employed by industry leaders to maintain sustainable competitive advantages amidst evolving market conditions.
- Sarah White(2018): Sarah White's seminal article delves into the intricate interplay between regulatory frameworks and business strategy in large-scale industries. By exploring key facets such as compliance, risk management, and corporate governance practices, White illuminates the impact of regulatory dynamics on decision-making processes within large-scale industries. Through a comprehensive analysis, White underscores the imperative for companies to navigate complex regulatory landscapes adeptly to ensure compliance, mitigate legal risks, and uphold stakeholder trust.

### III. RESEARCH METHODOLOGY

#### Objectives of the Study:

- Evaluate the financial performance of large scale industries by analyzing income statements, balance sheets, and cash flow statements to understand trends in revenue, profitability, and cash flow.
- Examine the revenue recognition policies of large scale industries to assess compliance with accounting standards and the impact on reported financial results.
- Assess how large scale industries manage their operating expenses, focusing on cost control measures and efficiency in spending.

#### Limitation of the Study:

- Scope Limitations: The study's scope may be restricted by factors such as time, budget, and access to relevant data. This could limit the depth and breadth of the analysis and its ability to capture all facets of large-scale industries.
- Data Availability: The availability and reliability of data sources play a significant role in the accuracy and robustness of the analysis. Limited access to comprehensive and up-to-date data may hinder the thoroughness of the study and introduce potential biases.
- Methodological Constraints: The methodologies employed in the study, including data collection, analysis techniques, and modeling assumptions, may have inherent limitations. These limitations could affect the validity and generalizability of the findings and conclusions drawn from the analysis.

#### Method of Data Collection:

Secondary Data: Collect secondary data from sources like company websites, news articles, financial reports, industry reports, and databases.

#### Instrument for Data Collection:

For secondary data, collect information from reliable sources and ensure it is up-to-date and relevant.

#### Data analysis techniques

- Analyze Industry Trends: Research the architecture industry and fintech sector to identify trends, opportunities, and challenges that may impact the company in the industry.
- Calculate Financial Ratios: Calculate key financial ratios such as profitability ratios (e.g., ROE, ROA), liquidity ratios (e.g., current ratio, quick ratio), and leverage ratios (e.g., debt-to-equity ratio)
- Assess Growth Potential: Look at historical revenue growth, earnings growth, and other relevant metrics to gauge the growth potential of each company.
- Ratio Analysis: Conduct ratio analysis to evaluate the financial performance of each startup. Key ratios to consider include profitability ratios (e.g., net profit margin, return on equity), liquidity ratios (e.g., current ratio, quick ratio), and efficiency ratios (e.g., asset turnover ratio).
- Trend Analysis: Analyze trends in key financial metrics over time to assess the startup's growth trajectory and financial stability.

**Data Analysis and Interpretation**

TATA STEELS LTD

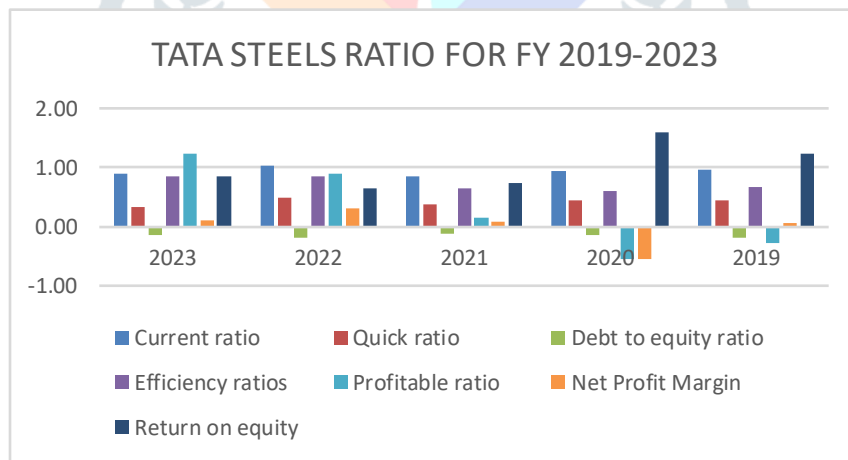
a) Ratio analysis

TATA STEELS

Table no 1

TATA STEELS					
RATIOS	2023	2022	2021	2020	2019
Current ratio	0.89	1.02	0.85	0.95	0.97
Quick ratio	0.33	0.48	0.38	0.45	0.45
Debt to equity ratio	-0.16	-0.18	-0.11	-0.14	-0.19
Efficiency ratios	0.85	0.86	0.64	0.60	0.68
Profitable ratio	1.23	0.90	0.14	-0.55	-0.27
Net Profit Margin	0.10	0.30	0.08	-0.55	0.05
Return on equity	0.85	0.64	0.75	1.59	1.24

Chart no 1

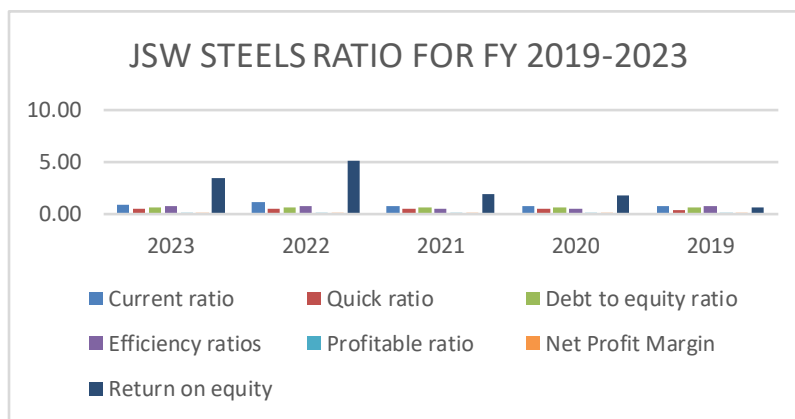


JWS STEELS

TABLE NO 2

JSW STEELS					
RATIOS	2023	2022	2021	2020	2019
Current ratio	0.97	1.14	0.83	0.83	0.80
Quick ratio	0.50	0.55	0.50	0.52	0.45
Debt to equity ratio	0.68	0.65	0.69	0.73	0.70
Efficiency ratios	0.79	0.75	0.54	0.56	0.74
Profitable ratio	0.03	0.20	0.15	0.05	0.13
Net Profit Margin	0.02	0.14	0.10	0.05	0.09
Return on equity	3.42	5.09	1.96	1.81	0.68

CHART NO 2



**INTERPRETATION:**

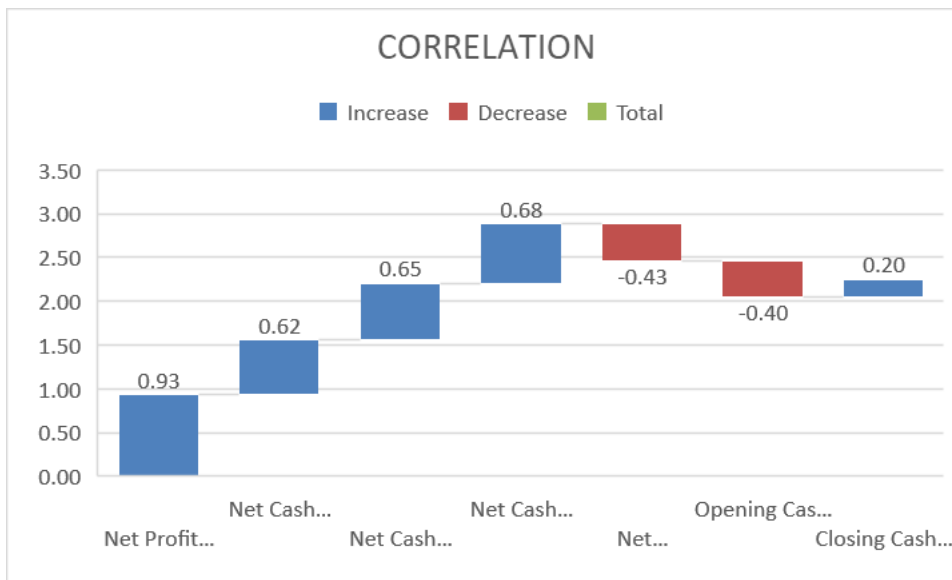
TATA Steels and JSW Steels exhibit varying financial performance metrics, with TATA Steels showing improvements in liquidity, profitability, and asset turnover in 2023. However, JSW Steels demonstrated higher returns on equity and maintained a more stable liquidity position. TATA Steels' focus on improving profitability and operational efficiency is evident from the significant increase in profitability ratios and net profit margin. Conversely, JSW Steels' reliance on debt financing is reflected in its positive debt to equity ratios. Both companies should continue to monitor and adjust their financial strategies to navigate market challenges effectively and sustain long-term growth and profitability.

**CORRELATION ANALYSIS:**

Table no 3

	Correlation
Net Profit Before Tax	0.93
Net Cash From Operating Activities	0.62
Net Cash (used in)/from	0.65
Net Cash (used in)/from Financing Activities	0.68
Net (decrease)/increase In Cash and Cash Equivalents	-0.43
Opening Cash & Cash Equivalents	-0.40
Closing Cash & Cash Equivalents	0.20

Chart no 3



**INTERPRETATION:**

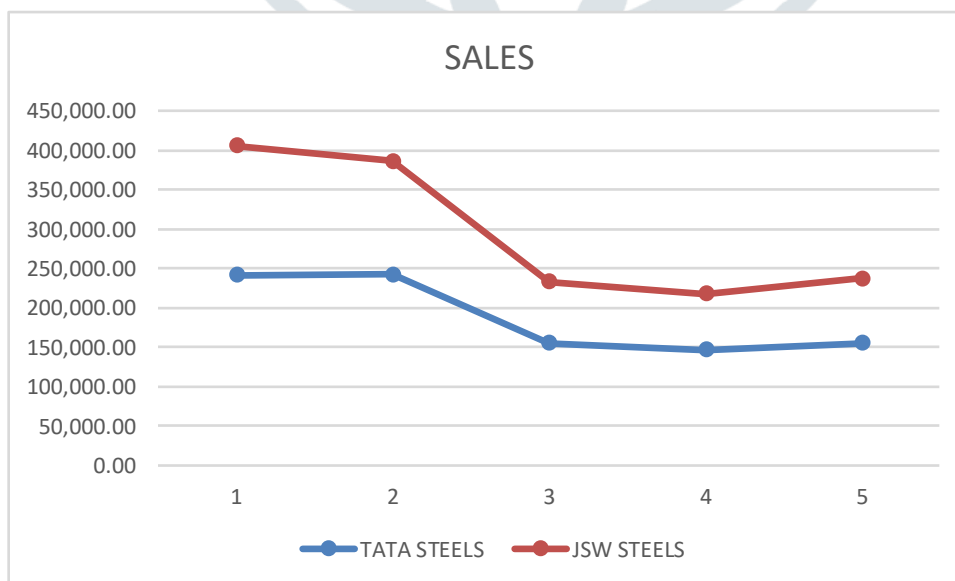
- TATA's financing activities result in more cash outflows (or less inflows), it tends to have a negative impact on the change in its cash and cash equivalents.
- For JSW's closing cash position to be higher when its opening cash position is higher, but the relationship is not very strong.

**REVENUE ANALYSIS**

Table no 4

TATA STEELS	2,41,636.25	2,42,326.87	1,54,719.28	1,46,106.00	1,54,691.63
JSW STEELS	1,63,646.00	1,43,829.00	78,059.00	71,116.00	82,499.00

Chart no 4



- Both Tata Steel and JSW Steel have shown overall growth in revenue from operations over the five-year period.
- The fluctuations observed in revenue may be attributed to various factors such as changes in demand, market conditions, pricing dynamics, and operational performance.

- Despite fluctuations, the increasing trend in revenue for both companies indicates positive growth and business expansion.
- Analyzing revenue trends helps assess the company's sales performance, market positioning, and overall business growth trajectory

DEVIATION ANALYSIS

**TATA STEELS**

Table no 5

Year	Annual Return	Deviation	D
2019	3.712	-11.507	132.4107163
2020	51.320	36.101	1303.279118
2021	68.696	53.477	2859.75893
2022	15.681	0.462	0.213450534
2023	28.001	12.782	163.3825607

Table no 6

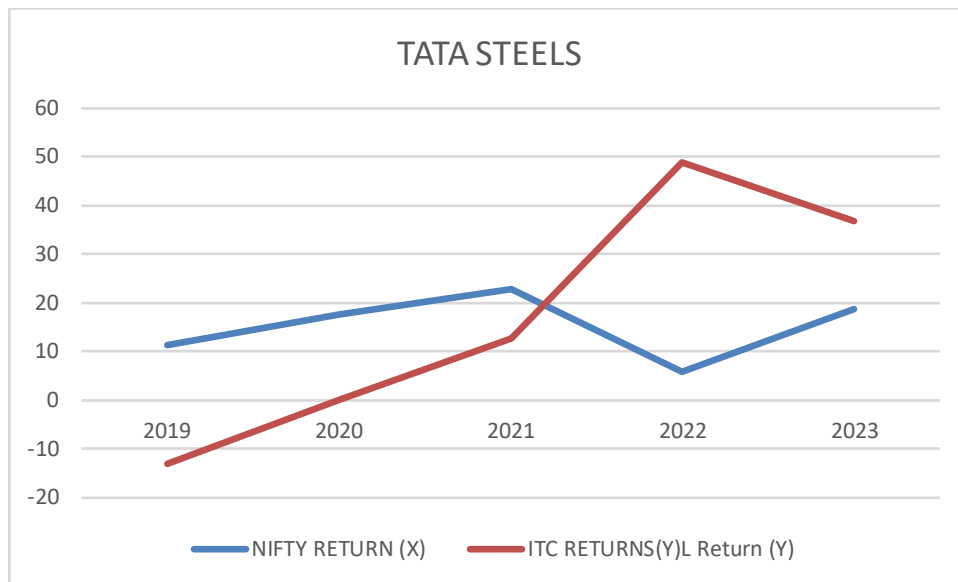
	NIFTY RETURN (X)	ITC RETURNS(Y)L Return (Y)	X <sup>2</sup>	Y <sup>2</sup>	XY
2019	12.020	3.712	144.480	13.780	44.62003955
2020	14.900	51.320	222.010	2633.752	764.6693791
2021	24.120	68.696	581.774	4719.120	1656.943882
2022	4.320	15.681	18.662	245.898	67.74253485
2023	19.420	28.001	377.136	784.070	543.7843535

Value of Beta	0.206
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Table no 7

Total	167.4104878	Total Variance	4459.044776
Average Ret	15.219	Variance	405.3677069
		SD	20.13374548

Chart no 5



**INTERPRETATION:**

**1. 2019:**

- The stock had a modest annual return of 3.712%, which indicates a small increase in value compared to the previous year.
- The deviation is negative (-11.507), suggesting that the stock's returns were below the average for that year.

**2. 2020:**

- The stock experienced a significant surge in performance with an annual return of 51.320%, indicating a substantial increase in value compared to 2019.
- The deviation is relatively large (36.101), which suggests the stock's returns were significantly above the average for the year.

**3. 2021:**

- Another strong year for the stock with an impressive annual return of 68.696%, signifying a further increase in value compared to 2020.
- The deviation remains high (53.477), indicating that the stock's returns were significantly above the average for the year.

**4. 2022:**

- The stock's performance moderated in 2022 with an annual return of 15.681%, representing a decrease in value compared to the previous two years.
- The deviation is much lower (0.462), indicating that the stock's returns were closer to the average for the year.

**5. 2023:**

- The stock's performance rebounded in 2023 with an annual return of 28.001%, marking an increase in value compared to 2022 but still below the levels seen in 2020 and 2021.
- The deviation increased (12.782) compared to 2022, suggesting that the stock's returns were somewhat above the average for the year.

**JSW STEELS**

Table no 8

Year	Annual Return	Deviation	D
2019	3.522	-11.820	139.714015
2020	55.392	40.050	1604.024548
2021	67.504	52.162	2720.833824
2022	25.636	10.294	105.9629388
2023	16.708	1.366	1.866305042

Table no 9

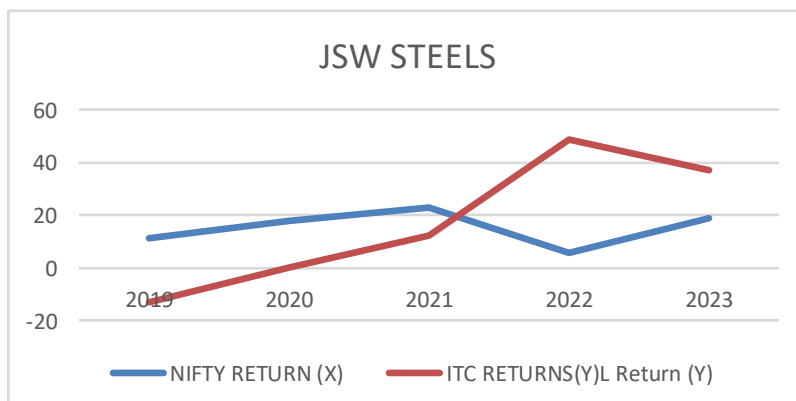
	NIFTY RETURN (X)	ITC RETURNS(Y)L Return (Y)	X <sup>2</sup>	Y <sup>2</sup>	XY
2019	12.020	3.522	144.480	12.404	42.33317284
2020	14.900	55.392	222.010	3068.300	825.3443483
2021	24.120	67.504	581.774	4556.733	1628.18624
2022	4.320	25.636	18.662	657.194	110.7466259
2023	19.420	16.708	377.136	279.160	324.4711204

Value of Beta	0.141
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Table no 10

Total	168.7615918	Total Variance	4572.40163
Average Ret	15.342	Variance	415.6728755
		SD	20.38805718

Chart no 5





## INTERPRETATION:

1. **Deviation:**

- The deviation measures how much the stock's return differs from the average return.
- In 2019, the deviation was -11.820, indicating that the stock's return was below the average for the year.
- In 2020 and 2021, the deviations were relatively high (40.050 and 52.162 respectively), suggesting that the stock's returns were significantly above the average for those years.
- In 2022 and 2023, the deviations decreased (10.294 and 1.366 respectively), indicating that the stock's returns were closer to the average or slightly below.

2. **Annual Return:**

- The annual return represents the percentage increase or decrease in the stock's value over the year.
- In 2019, the stock had a modest annual return of 3.522%, which increased from the previous year.
- 2020 saw a significant surge in performance with an annual return of 55.392%, indicating a substantial increase in value compared to 2019.
- 2021 continued the strong performance with an annual return of 67.504%, further increasing the stock's value.
- The annual returns decreased in 2022 (25.636%) and 2023 (16.708%), showing a moderation in performance compared to the previous years.

3. **NIFTY Return:**

- NIFTY returns represent the performance of the broader market index.
- In 2019, NIFTY returns were 12.020%, higher than the stock's return.
- In 2020 and 2021, NIFTY returns were 14.900% and 24.120% respectively, also higher than the stock's returns, but the stock outperformed the index in terms of percentage increase.
- In 2022, NIFTY returns were 4.320%, lower than the stock's return.
- In 2023, NIFTY returns were 19.420%, higher than the stock's return.

## FINDINGS &amp; RECOMMENDATIONS

## TATA STEELS:

- **Improve cash flow management:** Tata Steels should focus on managing its working capital more effectively to improve its liquidity ratios. This could involve better handling of inventory, receivables, and payables to speed up cash conversion.
- **Optimize debt usage:** Despite a low debt-to-equity ratio, Tata Steels could consider using debt more strategically to fund growth. They should assess their risk tolerance and explore favorable debt options for expansion.

## JSW STEELS:

- **Maintain liquidity:** JSW Steels should keep an eye on its working capital and ensure it has enough cash to meet short-term needs. This might involve better forecasting and managing liquidity risks.
- **Manage debt carefully:** While maintaining a healthy debt-to-equity ratio, JSW Steels should be cautious about taking on too much debt. They should consider refinancing existing debt and balancing repayments with strategic investments.

## REFERENCES

- Emma Smith, 2016. Navigating Strategic Conundrums in Large-scale Industries .Vol. 22, No. 1.
- James Wilson, 2017. Macroscopic Examination of Manufacturing Ecosystems, Vol. 15, No. 3
- Michelle Brown , 2020. Financial Performance Evaluation Across Industry Verticals, Vol. 28, No. 2