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FINANCIAL PERFORMANCE OF SELECTED DURABLE COMPANIES IN INDIA

Dr. Ranjith Kumar. S

Associate Professor, School of Economics and Commerce, CMR University, Bengaluru, India.

Vyshak VK

IV Semesters M.Com. Department of Management & Commerce, Amrita Vishwa Vidyapeetham, Mysuru, India.

Abstract— Long-term investment in equity shares are the most opted form of investment by investors who takes risk to earn high returns. The investing decision like selecting a company and investing for long-term requires high knowledge, curiosity and analytical intelligence. Fundamental analysis and various other tools are the key methods in identifying and interpreting the risk involved. In this article equity share of selected 5 companies under consumer durable sector has been analysed. Five years consolidated balance sheet, profit and loss account, and cash flow statement of the selected companies are collected for this purpose. To start with, Ratio analysis is done on the variables from the financial information. 17 ratios categorised into Four ratios namely Profitability ratio, Leverage ratio, Valuation ratio and Operating ratio has been done. From the result obtained, on ratio analysis, PCA analysis has been carried out. PCA method was then used to provide the most acceptable ratios for better describing the companies' success. This analysis aimed to discuss and help stakeholders who observe the industries' financial performance efficiently. From 2017 to 2021, PCA examined 17 ratios of five Indian consumer durables companies. This study finds that there are eight main financial ratios in the consumer durable industry in India, which are classified as profitability ratio, P/E ratio, P/by ratio, Inventory turnover ratio, and Working capital turnover ratio as primary performance indicators for the industry, using the PCA analysis approach. Honeywell Automation Limited is clearly the best-performing company among the five corporations based on the data collected and analysis performed on them.

Keywords— **Fundamental analysis, investment, risk, equity, ROI and ROCE.**

I. INTRODUCTION

Fundamental analysis is most commonly used to assess the quality of long-term investments in a wide range of securities. Fundamental analysis can assist an individual in determining their fair value of securities. Fundamental securities research aids in forecasting future price movements and determining if a stock is valued, it helps in the evaluation of a company's performance. Equity shares are non-redeemable long-term financing sources of a company, issued to the general public.

Fundamental analysis may involve the examination of financial data, management, and business. In fundamental analysis, investors can develop a forecast of future price movement and profit. In this study, we are analysing the company's five years period from 2017 to 2021

performance with the help of quantitative and qualitative data. The quantitative data is analysed with the help of four ratios: profitability ratio, leverage ratio, valuation ratio, and operating ratio. This is done with the help of secondary data. At last, we conclude whether the company is good for long-term investment or risky, is the company's shares are underrated or overrated, and how effective and efficient the management is.

CONSUMER DURABLE SECTOR

The Consumer Durables industry consists of durable goods and appliances for domestic use such as televisions, refrigerators, air conditioners and washing machines. Instruments such as cell phones and kitchen appliances like microwave ovens are also included in this category. The demand for a wide range of consumer durable goods is growing as disposable income continues to rise and technology advances. As a result, there is fierce competition among the various consumer durable brands available in the market. Consumer durables have been growing at a rate of 5% in both rural and urban areas. On average, around 15% is used. When a new durable item is first introduced, only a small percentage of the population will buy it. Its value will gradually rise, as will the number of potential buyers. This will continue until all of the potentials have been exhausted.

COMPANY PROFILE

HAVELLS INDIA

Havells India Ltd is listed in Bombay stock exchange (BSE), as founded in August 1983 as Havell's Pvt Ltd and became a public limited company in March 1992. In the year 1984, the company began by manufacturing micro circuit breakers and distribution boards.it is a Noida based company Havells India Limited is a prominent power distribution equipment manufacturer and a leading Fast Moving Electrical Goods (FMEG) company with a strong global presence. Havells has an enviable market share in a wide range of products, including Industrial and Domestic Circuit Protection Devices, Cables & Wires, Motors, Fans, Modular Switches, Home Appliances, Air Conditioners, Electric Water Heaters, Power Capacitors, and Luminaires for Domestic, Commercial, and Industrial Use.

HONEYWELL AUTOMATION INDIA LIMITED

Honeywell Automation India Limited (HAIL) is a corporation listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) with a market value of more than $350 million (NSE). It was established in India in 1984 and has its registered office in Hadapsar, Pune. HAIL is a market leader in process and building automation and software solutions. It has a wide range of products in environmental and combustion controls, as well as sensing and control, and provides engineering services in the field of automation and control to global clients. Over 3,000 employees work for HAIL, a Fortune India 500 company, in India's main cities, including Pune, Bangalore, Hyderabad, Mumbai, Chennai, Gurgaon, Kolkata, Jamshedpur, and Vadodara.

BAJAJ ELECTRICALS

Bajaj Electricals Ltd is listed on Bombay stock exchange (BSE: 500031), it is founded in 1938. It is a consumer electronics manufacturer situated in Mumbai, Maharashtra, India. It is a subsidiary of the Bajaj Group, which has a market capitalization of 380 billion rupees . Its interests have broadened to include lights, luminaires, appliances, fans, LPG-powered generators, engineering, and projects. Lighting, consumer durables, engineering, and projects are its core domains. Lamps, tubes, and luminaires are examples of lighting. Appliances and fans are examples of consumer durables. Transmission line towers, telecommunications towers, high-mast, poles, and special projects are among the engineering and projects, as are die casting, wind energy, and solar energy.

V-GUARD INDUSTRIES LIMITED

v-guard industries limited is listed on both Bombay stock exchange (BSE) and national stock exchange (NSE). It was founded in 1977 as a major electrical appliances manufacturer in India and the largest in the state Kerala. Its main branch is in Kochi, kerala. Voltage stabilizers, electrical cables, electric pumps, electric motors, geysers, solar water heaters, electric fans, and UPSs are all manufactured by the company. V-Guard is armed with vast network of distributors, direct dealers, retailers and service centres in its endeavor to reach every nook and corner of the country.

BUTTERFLY GHANDIMATHI APPLIANCES LIMITED

The company is listed on both the Bombay stock exchange (BSE) the and national stock exchange (NSE). The company was founded in 1986s a commercial manufacturers of LPG stoves and geysers began. The main branch is in Chennai, Tamil Nādu. From October 1989 forward, commercial manufacture of Mixer/Grinders began. The company's current products include LPG stoves, mixer/grinders, and geysers. Butterfly Gandhimathi Appliances Limited is anIndia-basedd home appliances company, that was established in 1986. Itthe has main officethe as head office in Chennai, Tamil Nadu, India.

	V-GUARD INDUSTRIES		HONEYWELL		BAJAJ ELECTRICALS		BUTTERFLY		HAVELLS	
HOLDERS NAME	no. of shares	percentage	no.of shares	percentage	no.of shares	percentage	no.of shares	percentage	no.of shares	percentage
NO. OF SHARE	430896339	100%	8841523	100%	114313829	100%	17879551	100%	626303067	100%
PROMOTERS	241134952	55.96%	0	0%	71842278	62.85%	11582272	64.78%	372457920	59.57
FOREIGN INSTITUTION	61698486	14.32%	225924	2.56%	13489014	11.80%	158798	0.89%	166004766	26.51%
BANKS AND MUTUAL FUNDS	61622122	14.30%	225924	2.56%	12918493	11.30%	1703263	9.53%	15358023	2.45%
OTHER	3616183	0.84%	122323	1.38%	4902657	4.21%	1703263	4.11%	11538718	0.10%
GENERAL PUBLIC	55559303	12.89%	766683	8.67%	10753834	9.41%	3697608	20.60%	36405347	1.84%
FINANCIAL INSTITUTIONS	7265293	1.69%	114860	1.30%	407553	0.36%	2000	0.01%	23851387	5.81%
GDR	0	0%	0	0%	0	0%	0	0%	41960%	3.81%
CENTRAL GOVT	0	0%	0	0%	0	0%	0	0%	644946	0.01%
FOREIGN PRAMOTERS	0	0%	6631142	75%	0	0%	0	0%	0	0%

The above-mentioned table shows the shareholding pattern of the selected five companies under the consumer durable sector in India. Here v-guard is having 430896339 shares out of which 55.96% is with the promoters, 14.32% is with financial institutions, 14.30% is with banks and mutual funds, 12.89 with the general public, 1.69 with the financial institutions and the rest 0.84% with others. Honeywell automation limited is having a total share of 8841523 out of most of the share that is 75% other f share is with foreign promoters , 2.56% is with foreign investors, 2.56% with banks and mutual funds, 8.67% with general public, 1.30% with financial institution and rest with others. Bajaj electrical are having a total of 114313829 number of shares were, 62.85% is with the promoters, 11.80% and 11.30% is with foreign institutions and banks, 4.21% with others, 9.41% with general public and the rest 0.36% with financial institutions. Butterfly Company is having a total of 17879551 shares. Promoters are holding most number of shares that is 64.78%, 20.60% is with the general public 9.53% with banks and mutual funds, 0.01% with financial institutions, 0.89% with foreign institutions, and rest 4.11% with others. Havells is having a total of 626303067 shares. 59.57% with promoters, 26.51% with foreign institutions, 5.81% with financial institutions, 3.81% with GDR, 2.45% with banks and mutual funds, 0.01% with central government and rest with others.

II. LITERATURE REVIEW

1. Bernard N conducted a research titled, (2012) 'Fundamental Analysis of stock return of non-financial firms listed at the Nairobu securities exchange'. The data used for the experiment was obtained from Nairobi Securities Exchange authorized vendors. From the results it was observed that there was a positive yet weak relationship between the stock returns and change in total assets.

2. Abbas,Saman Farshad and Ramin,(2013) conducted a research titled 'Fundamentals and Stock Return in Pharmaceutical Companies: A panel data model of Iranian Industry'. The stock data for 22 pharmaceutical companies in Tehran Stock Exchange is used as the dataset for the experiment. The results showed that Eighty percent of variation in the stock returns can be explained with 9 fundamental variable factors.

3. Jeffery S. Abarbanell and Brian J. Bushee, (2016) conducted a research titled 'Abnormal Returns to a Fundamental Analysis Strategy'. They investigate whether basic analysis can produce considerable abnormal returns. They form portfolios that earn an average 12-month cumulative size-adjusted abnormal return of 13.2 percent using a collection of signals that reflect traditional fundamental analysis rules related to contemporaneous changes in inventories, accounts receivables, gross margins, selling expenses, capital expenditures, effective tax rates, inventory methods, audit qualifications, and labour force sales productivity. After one year of return accumulation, significant abnormal returns to the fundamental approach are not earned, giving little support for the concept that the signals collect information regarding multiple-year-ahead earnings not immediately.

4. Joost C. Wal raven, (2016) conducted a research titled 'Fundamental Analysis of Aggregate Interlock'. Based on the behaviour of micro scale, a model for aggregate interlock has been constructed. At the particle level, the relationship between displacements and stresses across crack faces is characterised as a function of deformation and sliding. This relationship is developed for a single particle with an arbitrary diameter and embedment depth projecting from one of the fracture faces. A statistical analysis is used to determine the most likely distribution of aggregate particles, as well as their positions in relation to the plane of cracking. Integrating all particle contributions yields the general relationships between stresses and displacements for a unit crack area. When compared to experiments on various types of (cracked) concrete, the model produces satisfactory results.

5. Messod D. Beneish, Charles M. C. Lee and Robin L. Tarpley, (2017) 'Contextual Fundamental Analysis through the Prediction of Extreme Returns'. This research investigates the utility of contextual fundamental analysis in predicting extreme stock returns. We employ a two-stage approach to identify companies that are about to see a significant (up or down) price movement in the coming quarter. We define the context for study in the first stage by identifying extreme performers, and we create a context-specific forecasting model in the second stage to sort winners from losers. We show that extreme performers share a number of market-related characteristics, and that adjusting for these characteristics improves the incremental predicting capability of accounting variables in terms of future returns. The value of undertaking fundamental analysis in context is demonstrated by these findings.

6. Jonathan Lewellen, (2017) 'Accounting anomalies and fundamental analysis: An alternative view'. Accounting anomalies and fundamental analysis literature provide valuable insights into stock market behaviour and the relationship between accounting figures and business value. In this review, I discuss five key topics from the literature: (1) distinguishing between risk and mispricing explanations for return anomalies; (2) estimating the implied cost of capital; (3) inferring investors' perceptions of the earnings process; (4) appreciating the importance of trading costs and firm size; and (5) improving the construction of characteristic-based trading strategies. My talk focuses on the literature's major difficulties and gives recommendations for enhancing empirical tests.

7. Sunita Chaudhary, Dr. Priyanka Vijay, (2017) 'The Study on Fundamental Analysis Through Analysing the Financial Performance of Selected Pharmaceutical and Healthcare Companies'. This article focuses on a fundamental study of the pharmaceutical industries on the New York Stock Exchange (NSE), as well as selected firms listed for the five-year period 2011-2015. Economic, industrial, and company analysis are three components of the basic analysis. Throughout the assessment, the economic analysis includes economic elements that affect the defence industry, such as GDP, inflation, interest rate, foreign reserves, exports, and agricultural output. The sector is studied in terms of yearly industrial growth rate, employment, income, and

foreign market position. For corporate valuation, many efficiency measures such as EPS, DPS, Net Income Margin, and Debt to Equity Ratio are used.

8. Pudji Astuty (2017) researched the topic 'The Influence of Fundamental Factors and Systematic Risk to Stock Prices on Companies Listed in the Indonesian Stock Exchange'. A data analysis model named Test panel data regression was used for analysing the data obtained from the studies. The observations indicated that factors like Price Earnings Ratio, Earnings per share, Net Profit Margin, Price to Book Value have a significant effect on stock prices.

9. Narissara Eiamkanitchat, Theerasak Moontuy and Sakgasit Ramingwong (2017) researched on 'Fundamental analysis and technical analysis integrated system for stock filtration'. The system utilized several data mining techniques to perform analysis of stock information to create a logical model. The Stock exchange data of Thailand in the year 2015 is used for the experiment. The paper proposes a new decision support system for investors using fundamental and technical analysis. From the experiment, it was observed that the proposed framework showed a promising performance.

10. Aty Herawati1 and Angger Setiadi Putra (2018) conducted research titled 'The Influence of Fundamental Analysis on Stock Prices: The Case of Food and Beverage Industries'. The objective of the study was to determine the effect of fundamental factors such as Debt to equity ratio, Return on Assets, Current Ratio, Price Earnings Ratio, and Total assets turnover on stock prices. The dataset used for the study included financial statements and a summary of company performance. From the observations, it was found that the DER had no negative effect on stock prices whereas ROA and TATO variables have a positive effect on the stock prices. It was also found that CR and PER did not affect the stock prices of the food and beverage companies.

11. Taufiq Akbar and Adam Afiezan (2018) researched 'Determination of Sharia Stock price through an analysis of fundamental factors and macroeconomic factors. The objective of the study was to analyse the influence of corporate fundamentals and macroeconomic factors on Islamic stock prices listed in the Kajarta Islamic indexes. From the study, it was found that the fundamental factors such as EPS, DER, ROA, and the exchange rate had significant effects on the stock prices. Whereas interest rate did not affect the stock prices.

12. Shakeel Muhammad and Gohar Ali (2018) conducted research titled 'The relationship between fundamental analysis and stock returns based on the panel data analysis' using the stock exchange data obtained from the Karachi stock exchange. The results of the experiment proved that the fundamental analysis can be used to predict future stock returns in the Pakistani listed companies.

13. Piyush Kumar, (2018) 'Fundamental Analysis of a Selected Stock in Capital Goods Industry'. The study's choice of capital-goods business is intriguing because a country's long-term development and appropriate employment rely on developing capital rather than boosting current conspicuous spending. We may enjoy today at the expense of tomorrow if the nation focuses on creating pizzas rather than making pizza-making machines. The power sector is a very important section of the capital goods industry, thus BHEL, which manufactures turbines, is an excellent pick. A qualified individual in the field of finance has validated the computations and technicalities involved in this work.

14. Anthony C Greig, (2018) 'Fundamental analysis and subsequent stock returns. The conclusion of Ou and Penman (1989) that fundamental analysis discovers equity values not currently reflected in stock prices and so systematically predicts abnormal returns is re-examined in this work. Pr, the anticipated probability of an earnings growth, is also a proxy for business size and CAPM risk in their fundamental summary measure. Pr has no meaningful incremental predictive ability after correcting for cross-sectional changes in CAPM beta and firm size. Instead of new evidence of a systematic market under reaction to the future earnings signal embedded in current financial statements, the Pr metric is regarded as a proxy for projected return discrepancies.

15. Natthinee Thampanya, (2019) 'Fundamental and behavioural determinants of stock return volatility in ASEAN-5 countries. The influence of fundamental and behavioural determinants on stock return volatility in the Association of Southeast Asian Nations-5 countries (ASEAN-5) for the period of January 1995 to December 2018 is investigated in this article, which covers three regimes (before Asian, between Asian and Global, and after Global financial crises). In Malaysia, Thailand, and Singapore, fundamental variables have a major impact on stock market volatility; however, in Indonesia and the Philippines, behavioural factors have a greater impact on stock market volatility than fundamental causes.

16. Yuh-Jen Chen, (2019) 'Enhancement of stock market forecasting using an improved fundamental analysis-based approach'. The objectives of this research are to (1) develop techniques related to fundamental analysis-based stock market forecasting, (2) demonstrate and evaluate the proposed fundamental analysis-based approach to stock market forecasting, and (3) demonstrate and evaluate the proposed fundamental analysis-based approach to stock market forecasting. Techniques like calculating the weight of financial indicators, evaluating and selecting individual stocks, selecting financial news features, determining stock trading signals based on financial news, and forecasting stock price trend are all part of the improved fundamental analysis-based approach to stock market forecasting.

17. Ching-Hsue Cheng, (2019) 'Fundamental Analysis of Stock Trading Systems using Classification Techniques'. This article uses classification approaches to anticipate the revenue growth rate of corporations in stock trading systems. It is a critical tool for

investors who wish to correctly predict future rising corporations using data from fundamental research in trading systems, as successful RGR predictions will result in significant profits for investors in the future. The decision tree C4.5, Bayes net, Multilayer perceptron, and Rough sets techniques are used in this study to estimate firm RGR. Furthermore, the research illustrates the proposed process using the actual RGR dataset from the Taiwan stock market. Based on the findings, we recommend the rough set as an analytical tool because it outperforms listing approaches and produces easily understood rules.

18. Andam Dewi Syarif (2019) researched the topic 'Fundamental factors and stock prices: Evidence from Indonesia oil and gas companies'. The objective of the study was to track the influence of fundamental factors such as PER, EPS, DER, and PBV in determining the stock prices of oil and gas companies that were listed on the Indonesia Stock Exchange during the period 2012-2012. From the observations, it can be concluded that the fundamental factors have a significant impact on the stock prices of oil and gas companies.

19. Meiliani Luckieta, Ali Amran, and Doni Purnama Alamsyah (2020) researched 'The Fundamental Analysis of Stock Prices'. The objective was to analyze the fundamental factors in financial ratios. For data analysis, the Simple Linear Regression analysis method was adopted. The results proved that the fundamental factors affected the stock prices.

20. Sri Rahayu (2021) conducted research titled 'Fundamental Analysis of Share Prices in Coal Mining Subsector Companies'. The objective of the study was to prove the influence of fundamental factors on the share price of coal mining subsector companies. From the results obtained from the study, it was observed that Fundamental analysis has a significant effect on stock prices of coal mining sub-sector companies.

III. RESEARCH GAP

This research is done on the financial statements of selected five companies of the consumer durables sector and as visible from the review of literature no previous research was done on the same. Fundamental analysis using various tools done in this paper, such tools is used for the first time for such a paper, this gives a more elaborate and detailed insight into the financial capability of equity shares of the company.

IV. OBJECTIVES

1. To analyze the factors which influence the market price-earnings of stock.
2. To analyze the value of equity using fundamental analysis techniques.

V. RESEARCH METHODOLOGY

In this article-secondary data for 5-year financial statements (2016-17 to 2020-21) i.e., consolidated balance sheet, profit, and loss statement, and cash flow statement of 5 consumer durable companies have been collected. The researcher has analysed the collected data through Ratio analysis. On the result obtained from ratio analysis PCA approach was then applied. PCA was utilized to reduce the dimension and isolate the function with a lower error rate and less data loss than previous dimensional reduction approaches. It has been utilized to provide the most significant ratio suitable for better describing the company's performance.

Here, the researcher focuses on four categories of ratios:

TABLE 2

PROFITABILITY RATIO	LEVERAGE RATIO	VALUATION RATIO	OPERATING RATIO
PAT margin	Interest coverage ratio	P/E ratio	Fixed asset turnover ratio
ROE	Debt to equity ratio	P/BV ratio	Total asset turnover ratio
ROCE	Debt to asset ratio	P/S ratio	Working capital turnover ratio
ROA	Asset to equity ratio		Inventory turnover ratio
EBITDA margin			Inventory number of days.

VI. PCA ANALYSIS

Large datasets are becoming more frequent, and they might be challenging to decipher. PCA is a method for lowering the dimensionality of such datasets, boosting interpretability while minimizing information loss. It accomplishes this by generating new uncorrelated variables that optimize variance in a sequential manner. Finding additional variables, such as principal components, boils down to solving an eigenvalue problem, and the new variables are specified by the dataset at hand rather than a priori, thereby making the process more efficient. Hence, PCA an adaptive data analysis technique. PCA is a technique for adapting data analysis. It's adaptable in another way, too, because several variants of the approach have been developed for different data kinds and architectures. This article will begin by outlining the fundamental concepts of PCA, as well as what it can and cannot perform. It will then go over a few different types of PCA and how they can be used.

RESULT AND DISCUSION

To begin, the Kaiser-Mayer-Olkin Measure of Sampling Adequacy (KMO MSA) and Bartlett's Test of Sphericity (Sig) were used, with the KMO MSA value of 0.494 and a significance of 0.000, respectively, based on the results of the tests conducted on 17

ratios. The research could proceed to the next level because the KMO MSA value was greater than 0.5 and the Sig was less than 0.05.

TABLE 4

Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.712	39.483	39.483	6.712	39.483	39.483
2	3.818	22.458	61.941	3.818	22.458	61.941
3	1.936	11.387	73.328	1.936	11.387	73.328
4	1.408	8.280	81.608	1.408	8.280	81.608
5	.852	5.009	86.617			
6	.653	3.839	90.456			
7	.509	2.996	93.452			
8	.352	2.072	95.524			
9	.231	1.358	96.882			
10	.160	.944	97.826			
11	.137	.808	98.634			
12	.095	.559	99.193			
13	.064	.378	99.571			
14	.042	.248	99.819			
15	.021	.126	99.945			
16	.008	.047	99.992			
17	.001	.008	100.000			

Extraction Method: Principal Component Analysis.

Fig1. Chart representing total variance

We Ithas been observed that Variance Explained. The findings of the eigenvalues with a score >1 show this. The eigenvalue of the first component with the most variation is 6.712, which represents 39.483 percent of the variance. These four criteria, when combined with the other three, will cover 81.608 percent of possible variants. This diagram shows a substantial amount of data coverage. The larger the proportion, the less data leakage there is from those four components.

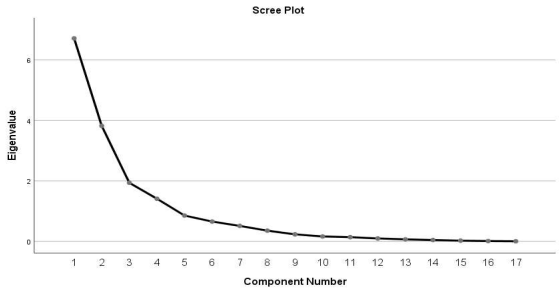


Fig1. Chart representing total variance

The Table 5 shows the results of the performance analysis component extraction in the consumer durable sector in Indian stock market. If we relate to the ratios in Table 5, we will find that each component include the ratio:

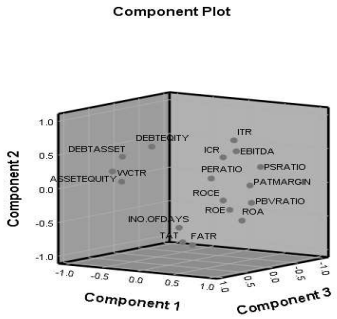
a. Component 1: PAT margin, Return on equity, P/BV ratio, return on asset
b. Component 2: Inventory turnover ratio, earnings before interest and tax
c. Component 3: working capital turnover ratio
d. Component 4: P/E ratio

TABLE 5
Component Matrix

	Component			
	1	2	3	4
PAT MARGIN	.909	.116	.166	.238
Earning before interest and tax	.667	.589	.095	-.244
return on equity	.819	-.216	.443	.174
return on capital employed	.780	-.069	.518	.010
return on asset	.796	-.417	.164	.184
interest coverage ratio	.411	.458	-.009	-.487
DEBT/EQITY	-.437	.561	.208	.386
DEBT/ASSET	-.716	.412	.395	.184
ASSET/EQUITY	-.712	.222	.599	.093
P/E RATIO	.161	.102	-.127	.737
P/BV RATIO	.838	-.167	.034	.173
P/S RATIO	.777	.320	-.234	.244
fixed asset turnover ratio	.205	-.817	.312	-.128
working capital turnover ratio	-.513	.105	.700	-.013
total asset turnover ratio	.064	-.791	.307	-.261
inventory turnover ratio	.580	.731	.017	-.197
I NO. OF DAYS	-.417	-.713	-.311	.208

Extraction Method: Principal Component Analysis.
a. 4 components extracted.

Profitability ratio and valuation ratio are higher on the first principal component. The Profitability ratio has the greatest worth of component 1. The Operating ratio with the significant value above 0.7 along with Profitability ratio. Operating ratio play' key role on the third. The forth is represented by Valuation ratio.



In the given graph first component is plotted in x-axis, second component is plotted in y-axis and third component is plotted in z-axis. The 3D graph represents 17 ratios from 2017 to 2021 of 5 consumer durable companies reduced to 0 to 1. In this graph we can say less than 0 is less significant and more than 0 more significant. Here in this graph asset to equity, working capital turnover ratio, debt to asset ratio, debt to equity ratio, interest turnover, interest coverage, EBITDA, and P/E ratio are more than 0 and other ratios are less than 0.

VII. CONCLUSION AND SUGGESTION

This research presents the PCA analysis carried on 17 ratios of five Indian consumer durable companies from 2017 to 2021. By using the PCA analysis approach, this study finds that there are eight main financial ratio in the consumer durable industry in India which are pat margin, ROE, ROA, EBITDA which comes under profitability ratio, P/E ratio, P/by ratio which comes under valuation ratio, inventory turnover ratio and working capital turnover ratio comes under operating ratio as the primary performance indicators for the industry. The profitability ratio tells how profitable the company is. The above mentioned companies are performing well with their profit margin under this sector. p/e ratio is the ratio of a company's share price to the company's earnings per share. The p/e ratio here is high which indicates high return in the future. The price to book value here indicates that the shares are currently trading at a premium amount, it is very expensive. Inventory turnover ratio shows rate that inventory stock is sold, or used, and replaced, the inventory turnover ratio is good in the sector. Working capital turnover ratio indicates how much revenue the company generates for every unit of working capital. Only Honeywell automation is having a good working capital turnover ratio in the selected companies under this industry Sustain these will move ahead in propitious yields to the shareholders of the industry.

The consumer durable industry has been grown 15% from last 5 years. From the data obtained and analysis done on the five selected companies it is very clear that Honeywell automation limited is the top performing company among them. The company is having a very good profit

margin and all other ratios are performing very well. The company is fundamentally strong and very good at its managerial level. According to the result obtained, the research suggests that the investors to invest in Honeywell automation limited under consumer durable sector.

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