

Comparative Analysis Of Top 5 Indian It Stocks: Performance Trends From 2019 To 2024

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ABSTRACT

This study conducts a comparative analysis of the top 5 Indian IT stocks, namely TCS, INFOSYS, HCL TECHNOLOGIES, WIPRO & TECH MAHINDRA from 2019 to 2024. The analysis examines the performance trends of these stocks in terms of financial metrics, such as revenue growth, profit margins, and return on equity (ROE). Additionally, the study evaluates the impact of macroeconomic factors, industry trends, and company-specific initiatives on the stock performance. The findings of this study provide valuable insights for investors, analysts, and stakeholders seeking to understand the Indian IT sector's performance and growth prospects.

Keywords: *Indian IT sector, Stock performance analysis, Comparative study, financial metrics, Macroeconomic factors, Industry trends, Company-specific initiatives, Infosys, TCS, HCL Technologies, Tech Mahindra & Wipro.*

INTRODUCTION

Finance is art of managing money or cash and monetary economy is that branch of political economics that studies the inter relation between financial variables like costs and interest rates as hostile merchandise and services. It manages risk with in the monetary markets are in different words considers investment underneath uncertainty.

A stock market square measure usually thought about because of the prime indicators of a country's economic strength and development. Participants with -in the stock market usually move plus costs off from their true price. However, financial economists argue that monetary markets square measure economical and this LED to the emergence of the economical market hypothesis.

A stock market, equity market, or share market is the aggregation of buyers and sellers of stocks (also called shares), which represent ownership claims on businesses; these may include securities listed on a public stock exchange, as well as stock that is only traded privately, such as shares of private companies which are sold to investors through equity crowdfunding platforms. Investment in the stock market is most often done via stock exchanges and electronic trading platforms. Investment is usually made with a strategy in mind.

STOCK

A stock also known as "shares" and "equity". It is a kind of security that signifies ownership of the organization and represents a claim a neighborhood of the corporation's assets and earnings. Common stock usually entitles the owner to vote at shareholders' meetings and to receive dividends.

The word "stock exchange" contains two words "stock" and "exchange". Stock means part of the capital of an organization. And exchange means transferring or exchanging proprietorship. It is an opportunity in business for purchasing and selling. In a systematic manner, we can say the stock market as a market or a place where diverse

sorts of securities are purchased and sold.

Securities traded in the stock market are;

- Equity
- Derivatives
- Bonds

TYPES OF STOCKS

Investors have completely different objectives, like growth or financial gain, and completely different investment horizons. Hence, they search out stocks that have the qualities that they appear for. To satisfy this would like, stocks are categorized per their investment characteristics. the foremost common classes are listed below.

- Blue-Chip Stocks
- Income Stocks
- Cyclical Stocks
- Defensive Stocks
- Growth Stocks
- Tech Stocks
- Speculative Stocks
- Large-Cap Stocks
- Mid-Cap Stocks
- Small-Cap Stocks

SECURITIES EXCHANGE BOARD OF INDIA (SEBI)

The securities exchange board of India is the controller of the securities market in India. It came in to existence in 1988, was legal authority on 12 April 1992. According to SEBI act 1992. The SEBI must be approachable for the investor of the securities and market intermediaries. SEBI has the power of order and investigate the books of accounts of the exchanges and if the SEBI found any corruption in the exchange activities SEBI has the authority to cancel registration of the intermediaries. All regulations passed by SEBI only. SEBI has the full be in charge of over the securities market.

OBJECTIVES OF THE STUDY

1. To study the evaluation of stock market and IT sector in India.
2. To identify the risk and return analysis of selected IT companies.
3. To analyze the price appreciation of 5 IT companies in selected period.

REVIEW OF LITERATURE

1. **Roni Bhowmik and Shouyang (2020)**, In order to prevent uncertainty and risk in the stock market, it is particularly important to measure effectively the volatility of stock index returns. the main purpose of this review is to examine effective GARCH models recommended for performing market returns and volatilities analysis. The secondary purpose of this review study is to conduct a content analysis of return and volatility literature reviews over a period of 12 years (2008–2019) and in 50 different papers. The study found that there has been a significant change in research work within the past 10 years and most of researchers have worked for developing

stock markets.

2. **Suparna Nandy (Pal), Arup Kr. Chattopadhyay (2019)**, The objectives of the study are to address the following issues in relation with the Indian stock market: Is there any evidence of interdependence between the stock market and different other components of domestic financial system (namely, foreign exchange market, bullion market, money market and change in gross volume of FII trade) in India and foreign stock markets. To understand the causal relationship between the returns in financial variables in pairs we carry out test for Granger causality. For explaining economic significance over and above the statistical significance we also analyze impulse response function and variance decomposition.
3. **Piyali Roy Chowdhury and Anuradha. A (2018)**, In this study, one of the macroeconomic variables, exchange rate, is studied along with Indian Stock Market (BSE Index). The linkage between exchange rate and stock market index is considered as one of the important contributors to predict the growth/ business cycle of any economy. This dynamic linkage between exchange rate and stock market has been analyzed considering 5 years of data (from 2019 to 2024) on exchange rate and stock market index related to Indian Economy. A stock index or stock market index is a measurement of the value of a section of the stock market. It is computed from the prices of selected stocks (typically a weighted average). It is a tool used by investors and financial managers to describe the market, and to compare the return on specific investments.
4. **Sameer Yadav (2017)**, Volatility is a statistical measure of the dispersion of returns for a given security or Market Index. Commonly, the higher the volatility greater the risk associated with the security. Volatility estimation is important for several reasons associated with different people in the market. Developed markets continue to provide over long period of time with higher returns constituting low volatility. Indian market has started becoming informational more efficient compared to developed countries. The study would facilitate the reader to understand the past, current and future aspects of Indian Stock Market.

COLLECTION OF DATA

The study is completely based on secondary data mainly collected from the website of NSE (<https://www.nseindia.com/>). In addition to that, the data has been collected from published sources and also from websites (<https://www.moneycontrol.com/>), newspapers (economic times), and report by management, scholars, researchers etc.

Data collected contains opening price, closing price and dividend of the below mentioned companies of IT STOCKS which were selected from NSE (national stock exchange).

The data analysis is conducted by using 5 years historical data of the companies.

List of IT companies selected from NSE:

1. TCS
2. INFOSYS
3. HCL TECHNOLOGIES
4. WIPRO
5. TECH MAHINDRA

TOOLS FOR DATA ANALYSIS

The collected data have properly been analyzed with the assistance of Microsoft excel, Screener, Chart patterns Etc. The researcher has mainly used the subsequent techniques for analyzing the collected data.

Mean (expected return): Expected return is the profit or loss an investor anticipates on an investment that has known or expected rates of return. It is calculated by multiplying potential outcomes by the chances of them occurring and then summing these results.

Average risk: Risk implies future uncertainty about deviation from expected earnings or expected outcome. Risk measures the uncertainty that an investor is willing to take to realize a gain from an investment.

Standard deviation: The standard deviation is a measure that is used to quantify the amount of variation or dispersion of a set of data values. A low standard deviation indicates that the data points tend to be close to the mean (also called the expected value) of the set, while a high standard deviation indicates that the data points are spread out over a wider range of values.

Variance: Variance is a statistical measure of how much a set of observations differ from each other. In accounting and financial analysis, variance also refers to how much an actual expense deviates from the budgeted or forecast amount.

FINDINGS

S.NO	COMPANY NAME	AVERAGE RETURN %	AVERAGE RISK %
1	TCS	18.88 %	13.74
2	INFOSYS	26.28 %	16.21
3	HCL TECHNOLOGIES	13.99 %	11.83
4	WIPRO	18.60 %	13.64
5	TECH MAHINDRA	20.00 %	14.14

INTERPRETATION

- Infosys has the highest average return (26.28%), but it also has the highest risk (16.21%).
- HCL Technologies, with the lowest return (13.99%), has the lowest risk (11.83%), indicating a safer but lower-growth option.
- TCS and Wipro have moderate returns (18.88% and 18.60%) with similar risk levels (13.74% and 13.64%). These stocks could be suitable for moderate-risk investors looking for stability with decent returns.
- Tech Mahindra (20.00% return, 14.14% risk) falls between high-risk/high-return (Infosys) and low-risk/low-return (HCL Technologies).
- TCS (18.88% return, 13.74% risk) offers lower risk than Infosys (16.21%), making it a safer option with less volatility. However, Infosys provides a higher return, which could be attractive for aggressive investors.

- With the lowest risk (11.83%), HCL Technologies is the safest among the five companies.
- It may be a good choice for conservative investors who prioritize stability over high returns.
- All five companies fall within a reasonable risk range (11.83% - 16.21%), showing that IT stocks offer relatively stable investment options.
- Companies with higher returns (Infosys, Tech Mahindra) tend to have slightly higher risk, which aligns with market expectations.

CONCLUSION

In order to achieve the objective of maximizing the return, the investors need to consider both risk factor and return potential of various companies under consideration. That will be differing from companies to companies. Equity analysis is one of the most important techniques used to measure the risk and return factor of equities of different companies. Based on my study TCS will be preferred to invest on the basis of risk and return management.

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