Investment in IT Stocks in BSE: A Performance Analysis

KHUSHBU AGARWAL AND UDAYAN DAS

The ultimate aim of any stock market investor is to get better returns by investing in stocks. This research is basically a study revolving around stock market and investments. Stock market is a complex mechanism and investors therefore, have to be very cautious about their moves. Many a times, it has been seen that lack of proper knowledge and information and lack of expertise result in wrong decision making. It is true that the stock market investment offers more return as compared to the conventional practices, but it is equally true that a hasty decision can spoil it all. Many investors lose their hard earned money by investing in wrong stocks at the wrong time. The stock market is so dynamic and volatile that it is nearly impossible for the investors to be on the right track all the times. They might take wrong decisions at times, but the frequency and intensity of the losses can be considerably reduced if they are a little more careful. This study highlights the fact that optimum gains by investing in the stock market come through a rational path. It encompasses a fundamental analysis of different stocks to finally arrive at the optimum choice for investment. This study will definitely try to reduce the ambiguity in the minds of the investors regarding various facets of investments in the stock market.

Keywords: *Return on equity %, Market capitalisation, Dividend payout, Profit growth %, Dividend yield %, Beta*

Introduction

The Bombay Stock Exchange

Established in 1875, BSE (formerly known as Bombay Stock Exchange Ltd.), is Asia's first & the fastest Stock Exchange in the world with the speed of 6 micro seconds and one of India's leading exchange groups. Over the past 140 years, BSE has facilitated the growth of the Indian corporate sector by providing with an efficient capital-raising platform.

Khushbu Agarwal, Graduating Student, PGDM 2014-16, Asian School of Business Management, Bhubaneswar. E-mail: khushbuagarwal33@yahoo.com

Udayan Das, Professor, Asian School of Business Management, Bhubaneswar. E-mail: prof.udayandas@gmail.com

More than 5500 companies are listed on BSE making it world's No. 1 exchange in terms of listed members. The companies listed on BSE command a total market capitalisation of USD 1.64 Trillion as of September 2015. It is also one of the world's leading exchanges (5th largest in September 2015) for Index options trading (Source: World Federation of Exchanges).

The S&P BSE SENSEX (S&P Bombay Stock Exchange Sensitive Index) also called as the BSE 30 or simply the SENSEX is a free-float market-weighted stock market index of 30 well-established and financially sound companies listed on Bombay Stock Exchange. These companies are from varied sectors like Finance, FMCG, Transport Equipments, Healthcare, Information Technology, Capital Goods, Metal, Metal Products and Mining, Oil and Gas, Power, Telecom, etc. These different sectors have different impacts in the market that goes without saying.

Nowadays investing in financial securities such as shares, debentures, bonds, and other marketable instruments are considered to be the most profitable avenues when compared to other types of investments. However, these securities not only ensure higher return but also bear risk. Therefore, the combination of these two characteristics in each and every security has created a challenging task for the investors to identify the optimum choice. Hence with the objective of getting success in the investment activity, the investors try to predict the future behaviour of the stocks by using different techniques.

Review of Literature

Nabhi Kumar Jain (1992) specified certain tips for buying shares for holding and also for selling shares. He advised the investors to buy shares of a growing company of a growing industry.

Pattabhiram. V. (1995) emphasised the need for doing fundamental analysis and doing Equity Research (ER) before selecting shares for investment. He opined that the investor should look for value with a margin of safety in relation to price. He concluded that in such inefficient market, equity research will produce better results as there will be frequent mismatch between price and value that provides opportunities to the long-term value oriented investor. He added that in the Indian stock market investment returns would improve only through quality equity research.

Debjit Chakraborty (1997) in his study attempts to establish a relationship between major economic indicators and stock market behaviour. It also analyses the stock market reactions to changes in the economic climate. The factors considered are inflation, money supply, and growth in GDP, fiscal deficit and credit deposit ratio. The study shows that stock market movements are

largely influenced by, broad money supply, inflation, C/D ratio and fiscal deficit apart from political stability.

Avijit Banerjee (1998) reviewed Fundamental Analysis and Technical Analysis to analyse the worthiness of the individual securities needed to be acquired for portfolio construction. He also stated that the modern portfolio literature suggests 'beta' value p as the most acceptable measure of risk of scrip. The securities having low p should be selected for constructing a portfolio in order to minimise the risks.

Madhusudan (1998) found that BSE sensitivity and national indices did not follow random walk by using correlation analysis on monthly stock returns data over the period January 1981 to December 1992.

Arun Jethmalani (1999) reviewed the existence and measurement of risk involved in investing in corporate securities of shares and debentures. He commended that risk is usually determined, based on the likely variance of returns. He also revealed that too many diversifications tend to reduce the chances of big gains, while doing little to reduce risk.

Bharadwaj et al (2007) analyses how firms are penalised by the market when they experience unforeseen operating or implementation-related IT failures. Their findings show that IT failures result in a 2% average cumulative abnormal drop in stock prices over a 2-day event window.

Bahrami (2008) in her findings suggest that all indicators of ICT development have been significant effect on Securities Exchange development indexes. In addition, in two group's countries, effect of ICT on economic growth is positive.

Juhi Ahuja (2012) presents a review of Indian Capital Market & its structure. In last decade or so, it has been observed that there has been a paradigm shift in Indian capital market. Now, the market features a developed regulatory mechanism and a modern market infrastructure with growing market capitalization, market liquidity, and mobilization of resources.

Ashish Kumar (2013) in his studies clearly states that "The computer has been called 'the machine that changed the world.'" He believed that Information Technology has and will continue to revolutionise all aspects of human life.

Objectives

The study will try to achieve the following aims:

- To study the information technology sector with reference to its historic trends during last ten years.
- To undertake a comparative analysis involving major IT stocks based on the performance of the company and risk and return on investment

factors to identify the optimum choice of stocks from the view point of an equity investor.

Methodology

- Keeping in view the objectives, the entire study is based upon Fundamental Analysis.
- A detailed study on the Macro Economic environment of the last ten years has depicted the ups and downs of equity investing in Indian stock markets.
- Sixteen stocks have been identified from the IT sector for the study.
- Six factors have been identified as the basis of comparison.
- All the stocks are ranked separately based on each factor and these rankings have been considered as ranking score. All six such scores are added and then averaged for each company which ultimately has been considered as the final basis of comparison.

Sources of Data

Entire information is collected through secondary sources. Some of the sources of secondary data are:

- Information collected from various sites on internet.
- Articles from Magazines like Business World, Financial Express etc.

Analysis of the work

Selection of IT Sector

Though most of the investors want a safe and secure return on their investment, they also look for maximising it. The pure debt investment brings an average return with lesser liquidity as compared to the equity investments. So, in search of higher return (keeping the risk factor in mind), investors move towards equity investment based on analysis of recent trends. The main attraction of equity among investors are-

1. Higher return
2. Higher Liquidity
3. Investments as per capacity
4. Daily trading (though it is not a proper investment activity and involves maximum risk)

With these benefits, equity has a risk factor of poor dividend payout (as against fixed "interest" income in debt) or the negligible capitalisation. Moreover, sometimes the investment in equity goes to bottom level and nothing is expected in return. Still, the attraction of equity remains high in investors mind because of higher return & liquidity factor. This perception has led the investment trends from debt to equity led investment.

To finally arrive at the optimum choice of stocks to invest in, it is needed to start the journey from the very basics. The first step is to conduct the fundamental analysis. The fundamental analysis has been done in three phases. These phases are:

- Economic analysis
- Industry analysis
- Company analysis.

The economic analysis encompasses all those studies which reveal the strength of Indian economy for equity investments.

According to the CRISIL report, Indian economy may grow at a faster rate due to the following reasons:

- Visible signs of acceleration of the economic reform process
- Faster than anticipated clearance of major projects
- Removal of bottlenecks in the mining sector
- Recovery in export demand, led by a growth in global economy

This report is strongly supported by an optimistic global outlook. Analysts expect US GDP to grow at an accelerated rate compared to the previous years. The European economy is also expected to expand modestly, for the first time, after two recession hit years. India had registered a growth rate of 7.6% for almost a decade between 2001-02 and 2009-10 largely due to steady value of rupee and steady growth of the service sector, apart from many other favourable factors. Indian economy though suffered a setback with a low growth rate of 5% during 2011-12 mainly due to global recession, it has the potential to enter a high growth trajectory of 8% to 9% within three years time.

Many investors continue to be bullish on the Indian economy on a long term basis. It continues to be one of the fastest growing economies, next only to the Chinese economy, on a long term outlook. It is the ninth largest economy in the world. It is also one of the globally preferred destinations of the international investors, as per the findings of a survey conducted by

the consulting firm EY (formerly called Ernst & Young). The advantages are: the abundant availability of skilled labour force as well as the support of a healthy domestic market demand. The survey conducted by EY indicates that Indian sectors such as information technology, telecom, communication media and infrastructure along with other industry sectors continue to be preferred by foreign investors.

In July 2013, the Indian Government approved an increase in Foreign Direct Investment limits in 12 of the 20 crucial sectors, which includes aviation and defence for the first time. For the fast growing telecom sector the FDI limit has been raised to 100%. For the multi-brand retail, FDI limits have been raised to 51% under certain conditions (subject also to approval of respective states). Simplification of approval procedures has been undertaken for gas refineries, stock exchanges, power trade, and commodity exchanges bringing them under an automatic approval route.

Some promising sectors of the Indian economy with high growth potential are discussed below:

1. Engineering

The engineering sector has remained a high potential business which has played a crucial role in boosting the economy and supporting the growth of other key sectors of the economy. It contributes almost 8 percent to the annual GDP. India is the largest exporter of machinery and other engineering products in the third world countries. India competes successfully in the global capital goods market, catering to the needs of steel plants, power plants, cement, petrochemical units as well as mining. It also exports farm equipment, such as tractors and harvesters, construction machinery, passenger cars, electrics, electronics and pollution control equipment.

2. Transportation

The transportation industry is an evergreen sector in India, with very large potential for growth. This sector comprises roadways, ports, super highways, rail as well as aviation. It is a high growth sector contributing to 8.5% of GDP. This sector has unique opportunities of foreign investments in highway construction and management but is also bogged down by issues of land acquisition and environmental clearances. Aviation too has good potential under new FDI norms. Railways are yet to open up for private investment, but will offer tremendous opportunities as and when it gets restrictions are lifted.

3. Information Technology Industry

This sector has made significant contributions to India's economic growth in terms of GDP increase, foreign exchange earnings as well as employment generation. Its contribution to GDP has increased tenfold in last decade, from 0.6% to 6% till 2009-10. The sector has helped India transform from a rural and agriculture-based economy to a knowledge-based economy. This sector covers software, computers, networks, intranets, websites, servers, databases and telecommunications under the IT umbrella. Information technology helps companies store, process and flow data within an organisation and it ultimately serves other sectors like Banking, Manufacturing, Telecom, Hotels, Hospitals, etc. to improve their efficiency and increase their revenues via customer satisfaction.

India is the world's largest sourcing destination for the IT industry, accounting for approximately 67 per cent of the US$ 124-130 billion market. In the last ten years the IT sector in India has grown at an average annual rate of 28%. India has emerged as the preferred destination for IT services owing to the cost advantage and talent pool. The industry employs about 10 million workforces and accounts for almost 25% of the total exports. India, the home to over 3,100 tech start-ups, is set to increase its base to 11,500 tech start-ups by 2020, as per a report by NASSCOM and Zinnov Management Consulting Pvt. Ltd. India's internet economy is expected to touch Rs 10 trillion (US$ 151.6 billion) by 2018, accounting for 5 per cent of the country's gross domestic product (GDP), according to a report by the Boston Consulting Group (BCG) and Internet and Mobile Association of India (IAMAI).

With the above study about the Information Technology sector, it may be concluded that it is one of the better choices for the investors to invest in. The next step is the selection of particular stocks.

Selection of companies and the parameters for evaluation

For the purpose of limiting the study to some good performing stocks of the IT sector, only sixteen IT stocks which are listed in the Bombay stock exchange have been selected. These sixteen stocks are as follows:

1) CMC Ltd
2) Cyient Ltd
3) Eclerx Services
4) Geometric Ltd
5) Hexaware Technologies

6) Infosys Ltd
7) KPIT Technologies
8) Mindtree Ltd
9) NIIT Technologies
10) Nucleus Software
11) Persistent Systems
12) Polaris Consulting
13) Sasken Comm
14) TCS
15) Tech Mahindra
16) Wipro

In order to have a complete performance evaluation, the following leading six factors have been identified:

F-1. Return on equity %

F-2. Market capitalisation

F-3. Dividend payout

F-4. Profit growth %

F-5. Dividend yield %

F-6. BetaThe last parameter i.e., Beta is the risk factor while the rest are factors to measure return.

Findings

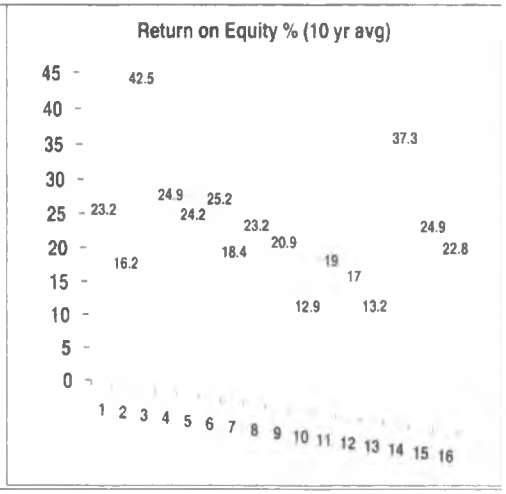
Followings are the analysis to see how these companies have performed during last ten years on the above mentioned risk and return parameters.

Factor 1: Return on equity % (F-1)

Return on equity measures a company's profitability by mapping the profit a company generates with the capital shareholders have invested. The ROE is useful for comparing the profitability of a company to that of other firms in the same industry. ROEs in the level of 18-20% are generally considered good.

Figures and Ranking for Return on Equity % (F-1)

Sl. No.	Company	Return on Equity%	Ranking
1	CMC Ltd	23.2	7.5
2	Cyient Ltd	16.2	14
3	Eclerx Services	42.5	1
4	Geometric Ltd	24.9	4.5
5	Hexaware	24.2	6
6	Infosys Ltd	25.2	3
7	KPIT Technologies	18.4	12
8	Mindtree Ltd	23.2	7.5
9	NIIT Technologies	20.9	10
10	Nucleus Software	12.9	16
11	Persistent Systems	19.0	11
12	Polaris Consulting	17.0	13
13	Sasken Comm	13.2	15
14	TCS	37.3	2
15	Tech Mahindra	24.9	4.5
16	Wipro	22.8	9



Source: www.stockscreener.in

From the above graph, it is seen that all the companies have not done well on this parameter. Companies like Sasken Comm, Nucleus software, Polaris Consulting etc. could not exhibit an ROE % greater than 18%.

Factor 2: Market Capitalisation (F-2)

Market capitalisation (market cap) is the total market value of the shares outstanding of a publicly traded company. It is equal to the product of share price and the number of shares outstanding. As outstanding stock is bought and sold in public markets, capitalisation could be used as a proxy for the public opinion of a company's net worth and is a determining factor in some forms of stock valuation. The investors' community uses this figure to determine a company's size in place of sales or total asset figures. The stocks of large, medium and small companies are referred to as large-cap, mid-cap, and small-cap respectively.

Figures and Ranking for Market Capitalisation (F-2)

Sl. No.	Company	Market Cap. (in Million	Rankin g
1	CMC Ltd	61624	7
2	Cyient Ltd	54686	9
3	Eclerx Services	54873	8
4	Geometric Ltd	10711	14
5	Hexaware	71200	6
6	Infosys Ltd	2473596	2
7	KPIT	34140	12
8	Mindtree Ltd	125760	5
9	NIIT	36496	11
10	Nucleus	8408	16
11	Persistent	52780	10
12	Polaris	20532	13
13	Sasken Comm	10117	15
14	TCS	4652375	1
15	Tech Mahindra	499158	3
16	Wipro	1379833	4

Source: www.stockscreener.in

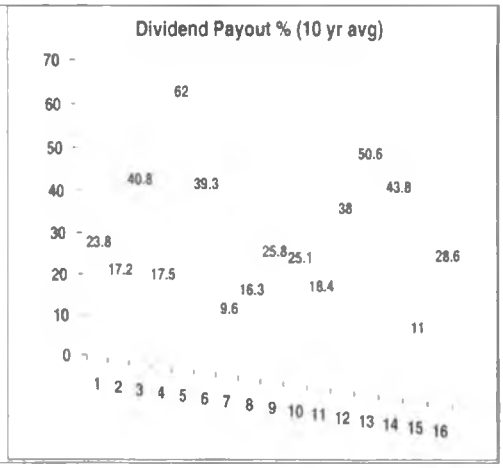
The above graph clearly depicts the Large Cap companies are limited to TCS, Infosys Ltd., Tech Mahindra and Wipro. The rest all others are either mid cap or small cap.

Factor 3: Dividend Payout (F-3)

The dividend payout ratio provides an indication of how much a company is returning to its shareholders versus how much it is keeping in hand to reinvest for growth, pay off debt or add to cash reserves. The latter portion is known as retained earnings. A number of considerations go into interpreting the dividend payout ratio, most importantly the company's level of maturity. A new, growth-oriented company that aims for expansion, developing new products and winning new markets is expected to reinvest most or all of its earnings. They may exhibit a low or even zero payout ratio. On the other hand, an older, established company that gives a lower return to its shareholders may generate a lot of question marks in the investors' community. This is because a company which has moved past its initial growth stage is expected to exhibit a high payout ratio. Following is the comparative picture on the basis of dividend payout.

Figures and Ranking for Dividend Payout (F-3)

Sl. No.	Company	Dividend Payout %	Ranking
1	CMC Ltd	23.8	10
2	Cyient Ltd	17.2	13
3	Eclerx Services	40.8	4
4	Geometric Ltd	17.5	12
5	Hexaware	62	1
6	Infosys Ltd	39.3	5
7	KPIT Technologies	9.6	16
8	Mindtree Ltd	16.3	14
9	NIIT Technologies	25.8	8
10	Nucleus Software	25.1	9
11	Persistent Systems	18.4	11
12	Polaris Consulting	38	6
13	Sasken Comm	50.6	2
14	TCS	43.8	3
15	Tech Mahindra	11	15
16	Wipro	28.6	7



Source: www.stockscreener.in

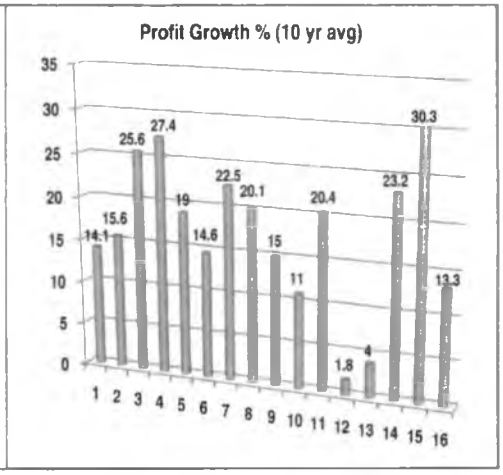
The above graph shows that companies like Tech Mahindra, Persistent Systems, KPIT Technologies, Geometric Ltd and Cyient Ltd have shown comparatively lesser dividend payout ratio than their peers.

Factor 4: Profit Growth % (F-4)

Companies normally want their profits to grow. Profit growth percentage shows how the profit has grown from one period to another. Generally, it is done Y-O-Y basis.

Figures and Ranking for Profit Growth % (F-4)

Sl. No.	Company	Profit Growth %	Ranking
1	CMC Ltd	14.1	12
2	Cyient Ltd	15.6	9
3	Eclerx Services	25.6	3
4	Geometric Ltd	27.4	2
5	Hexaware	19	8
6	Infosys Ltd	14.6	11
7	KPIT Technologies	22.5	5
8	Mindtree Ltd	20.1	7
9	NIIT Technologies	15	10
10	Nucleus Software	11	14
11	Persistent Systems	20.4	6
12	Polaris Consulting	1.8	16
13	Sasken Comm	4	15
14	TCS	23.2	4
15	Tech Mahindra	30.3	1
16	Wipro	13.3	13



Source: www.stockscreener.in

The above graph shows that the profit growth has been considerably high for almost all the IT companies except Sasken Comm, and Polaris consulting. These are much lower than the rest of the evaluated companies at 1.85% and 4 % for Polaris consulting and Sasken Comm respectively.

Factor 5: Dividend Yield % (F-5)

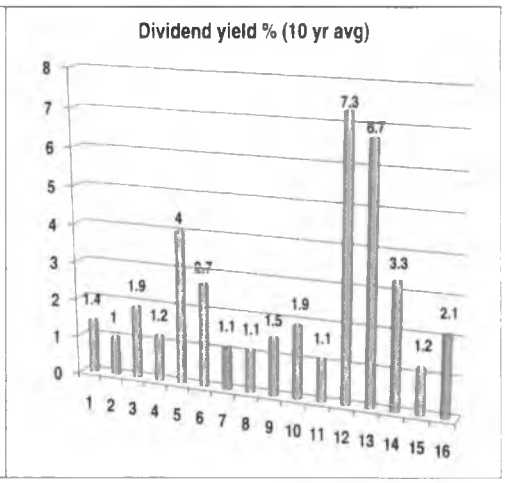
The dividend yield or dividend-price ratio of a share is the dividend per share, divided by the price per share. It is also a company's total annual dividend payments divided by its market capitalisation, assuming the number of shares is constant. It is often expressed as a percentage.

Dividend yield is used to calculate the earnings on investment (shares) considering only the returns in the form of total dividends declared by the company during the year. It is a financial ratio that indicates how much a company pays out in dividends each year relative to its share price. In other words, it measures how much the investors are getting from dividends. In the absence of any capital gains, the dividend yield is effectively the return on investment for a stock.

Investors who require a minimum stream of cash flow from their investment portfolio can secure this cash flow by investing in stocks paying relatively high and stable dividend yields.

Figures and Ranking for Dividend Yield % (F-5)

Sl. No.	Company	Dividend Yield %	Ranking
1	CMC Ltd	1.4	10
2	Cyient Ltd	1	16
3	Eclerx Services	1.9	7.5
4	Geometric Ltd	1.2	11.5
5	Hexaware	4	3
6	Infosys Ltd	2.7	5
7	KPIT Technologies	1.1	14
8	Mindtree Ltd	1.1	14
9	NIIT Technologies	1.5	9
10	Nucleus Software	1.9	7.5
11	Persistent Systems	1.1	14
12	Polaris Consulting	7.3	1
13	Sasken Comm	6.7	2
14	TCS	3.3	4
15	Tech Mahindra	1.2	11.5
16	Wipro	2.1	6



Source: www.stockscreener.in

From the above graph, it may be identified that only two companies maintaining comparatively higher dividend yield are the Polaris Consulting and the Sasken Comm. These companies are providing good short term returns on investments. But this comes at a cost. This clearly indicates that they are not investing enough on their growth. As a result of that, their growth percentage is much lower as compared to the peer companies (Ref. the previous graph).

Factor 6: Beta coefficient (F-6)

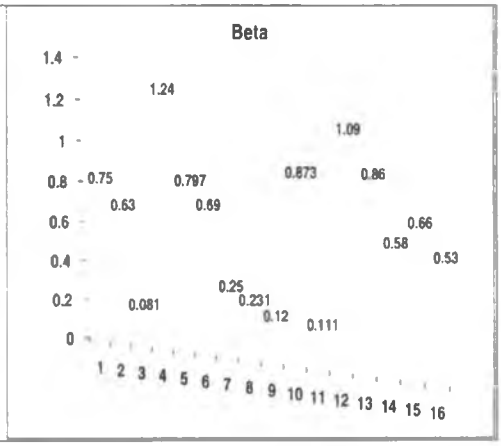
Beta, also known as "Beta coefficient" is a measure of the volatility or systematic risk of a security or a portfolio in comparison to the market as a whole. Beta is used in the capital asset pricing model (CAPM), a model that calculates the expected return of an asset based on its beta and expected market returns.

The market portfolio of all investable assets has a beta of exactly one. A beta below one can indicate either an investment with lower volatility than the market, or a volatile investment whose price movements are not highly correlated with the market. An example of the first is a treasury bill whose price does not go up or down a lot resulting a low beta. An example of the second is gold. The price of gold does go up and down a lot, but not in the same direction or at the same time as the market.

Beta value more than one indicates higher volatility than the market and the asset is expected to move up and down more than the market. An example is a stock of a big technology company. Negative betas are possible for investments that tend to go down when the market goes up and vice versa. There are few fundamental investments with consistent and significant negative betas but some derivatives like equity put options can have large negative betas.

Figures and Ranking for Beta (F-6)

Sl.	Company	Beta	Ranking
1	CMC Ltd	0.75	11
2	Cyient Ltd	0.63	8
3	Eclerx Services	0.081	1
4	Geometric Ltd	1.24	16
5	Hexaware	0.797	12
6	Infosys Ltd	0.69	10
7	KPIT Technologies	0.25	5
8	Mindtree Ltd	0.231	4
9	NIIT Technologies	0.12	3
10	Nucleus Software	0.873	14
11	Persistent Systems	0.111	2
12	Polaris Consulting	1.09	15
13	Sasken Comm	0.86	13
14	TCS	0.58	7
15	Tech Mahindra	0.66	9
16	Wipro	0.53	6



www.topstockresearch.com

The above graph shows that only two companies have a beta coefficient greater than 1. These companies are Geometric Ltd and Polaris Consulting. Two more stocks are not far behind with a beta lying between the range of 0.8 – 1.0. These are Nucleus Software & Sasken Comm.

The next stage of analysis is to find out the consolidated impact of all these six factors together. All the sixteen stocks are already ranked based on each factor independently. The ranking positions are considered as ranking score of the company in that factor. Hence, it is obvious that a lower score is a better position. If there is tie rank, the average is considered as the score of each of the companies. All the companies, thus have six ranking scores (F-1 to F-6) which are summed and Total Ranking Score (TRS) is worked out. TRS is then divided by six (a total of six factors are considered) to get the Average Ranking Score (ARS). The degree of choice of a stock for investment consideration is ultimately based on the Final Rank which is derived by taking the ARS in ascending order.

Return on equity % (F-1) Market capitalisation (F-2) Dividend payout(F-3)
Profit growth % (F-4) Dividend yield %(F-5) Beta (F-6)

TRS = ©F-1 .... F-6 and ARS = TRS ÷ 6

Following table shows the calculations:

NO	NAME	RANKING SCORE (1-16)						TRS	ARS	FINAL RANK
		F-1	F-2	F-3	F-4	F5	F-6			
1	CMC Ltd	7.50	7.00	10.00	12.00	10.00	11.00	57.50	9.58	10
2	Cyient Ltd	14.00	9.00	13.00	9.00	16.00	8.00	69.00	11.50	15
3	Eclerx Services	1.00	8.00	4.00	3.00	7.50	1.00	24.50	4.08	2
4	Geometric Ltd	4.00	14.00	12.00	2.00	11.50	16.00	59.50	9.92	11
5	Hexaware	6.00	6.00	1.00	8.00	3.00	12.00	36.00	6.00	3
6	Infosys Ltd	3.00	2.00	5.00	11.00	5.00	10.00	36.00	6.00	4
7	KPIT Technologies	12.00	12.00	16.00	5.00	14.00	5.00	64.00	10.67	13
8	Mindtree Ltd	7.50	5.00	14.00	7.00	14.00	4.00	51.50	8.58	8
9	NIIT Technologies	10.00	11.00	8.00	10.00	9.00	3.00	51.00	8.50	7
10	Nucleus Software	16.00	16.00	9.00	14.00	7.50	14.00	76.50	12.75	16
11	Persistent Systems	11.00	10.00	11.00	6.00	14.00	2.00	54.00	9.00	9
12	Polaris Consulting	13.00	13.00	6.00	16.00	1.00	15.00	64.00	10.67	14
13	Sasken Comm	15.00	15.00	2.00	15.00	2.00	13.00	62.00	10.33	12
14	TCS	2.00	1.00	3.00	4.00	4.00	7.00	21.00	3.50	1
15	Tech Mahindra	5.00	3.00	15.00	1.00	11.50	9.00	44.50	7.42	5
16	Wipro	9.00	4.00	7.00	13.00	6.00	6.00	45.00	7.50	6

The best ARS recorded is 3.50 for TCS while the logical min value possible is 1. It shows the high level of consistency in all evaluating parameters. The poorest score is recorded in case of Nucleus Software with 12.75 while the logical max value possible is 16. A better view is possible if the previous table is reconstructed Final Rank wise.

NAME	RANKING SCORE (1-16)						TRS	ARS	FINAL RANK
	F-1	F-2	F-3	F-4	F5	F-6			
TCS	2.00	1.00	3.00	4.00	4.00	7.00	21.00	3.50	1
Eclerx Services	1.00	8.00	4.00	3.00	7.50	1.00	24.50	4.08	2
Hexaware	6.00	6.00	1.00	8.00	3.00	12.00	36.00	6.00	3
Infosys Ltd	3.00	2.00	5.00	11.00	5.00	10.00	36.00	6.00	4
Tech Mahindra	5.00	3.00	15.00	1.00	11.50	9.00	44.50	7.42	5
Wipro	9.00	4.00	7.00	13.00	6.00	6.00	45.00	7.50	6
NIIT Technologies	10.00	11.00	8.00	10.00	9.00	3.00	51.00	8.50	7
Mindtree Ltd	7.50	5.00	14.00	7.00	14.00	4.00	51.50	8.58	8
Persistent Systems	11.00	10.00	11.00	6.00	14.00	2.00	54.00	9.00	9
CMC Ltd	7.50	7.00	10.00	12.00	10.00	11.00	57.50	9.58	10
Geometric Ltd	4.00	14.00	12.00	2.00	11.50	16.00	59.50	9.92	11
Sasken Comm	15.00	15.00	2.00	15.00	2.00	13.00	62.00	10.33	12
KPIT Technologies	12.00	12.00	16.00	5.00	14.00	5.00	64.00	10.67	13
Polaris Consulting	13.00	13.00	6.00	16.00	1.00	15.00	64.00	10.67	14
Cyient Ltd	14.00	9.00	13.00	9.00	16.00	8.00	69.00	11.50	15
Nucleus Software	16.00	16.00	9.00	14.00	7.50	14.00	76.50	12.75	16

Conclusion

It is seen clearly the companies placed in the top half include all the giants like TCS, Infosys, Wipro and Tech Mahindra. Hexaware, NIIT and CMC are also placed within top 10. On the contrary, companies like Sasken Comm, KPIT Technologies, Polaris Consulting, Cyient Ltd. and Nucleus software are lacking in majority parameters. As a mark of final destination, the result seems to agree with the market perception. It may be recommended that the above table may act as a potential guide in selecting the investment destination.

Every research has some limitations. This study is also limited to time, selected number of companies and certain specified parameters. It is still expected to fulfill the basic objectives of the study to a large extent.

BIBLIOGRAPHY

Websites:

www.wikepedia.com

www.macroaxis.com

www.investopedia.com

www.moneycontrol.com

www.stockscreener.in

www.topstockresearch.com

www.businesstoday.in

www.economictimes.com

www.profit.ndtv.com

www.myinvestmentideas.com

Articles And Journals:

- Abadi, D. R. H. (2013, January). Impact of Information Technology Development on Stock Market development. Empirical Study in the World's Leading Capital Markets. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, Vol. 3, No. 1, 382-390.
- Ahuja. J. (2012, March). Indian Capital Market: An Overview with Its Growth, *VSRD International Journal of Business & Management Research*, Vol. 2 (7), 386-399.
- Amanulla. S & Kamaiah B. (1995, February), Market Integration as an Alternative test of Market Efficiency: A case of Indian stock Market. *Artha Vijana*, 3, 215-230.
- Arora. A. & Suma. A. (2002, September), The Software Industry and India's Economic Development. *Information Economics and Policy*, 14, 253-273.
- Banerjee. A. (1998, December). A Glimpse of Portfolio Management. *The Management Accountant, Monthly* Vol. 39, No.10, October 1998, p.774.
- Bart. H. & Boyan.J. (2001, December). The Information-Technology Revolution and the Stock Market: Evidence, *The American Economic Review*. VOL. 91 NO. 5.
- Kumar.A. & Jha. S.P. (2013, December). Indian Information Technology Sector - A SWOT Analysis, *International Journal of Commerce & Business Studies*, Volume 1, issue 2, 22-26.
- Malani. A. J. (1999, August). Risky Business. *The Economic Times Daily*, Vol. 39, No. 119, 12.
- Verma. P. & Agarwal K.P. (2012, July). Growth and Promotion of Information Technology in Stock Market in India, *International Journal of Trade and Commerce-IIARTC*, Volume 1, No. 2, 260-268.