FACILITATING INDUSTRIAL FINANCING FUNDING THROUGH PRIVATE SECTORS (SHARES)

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ABSTRACT

Government of India objective in second five year plan mainly heavy industries, manufacturing industrial goods by public sector. Later on shifted to private sector as per company act 2013, define private company as a company which by its article restore the rights to transfer of its shares with number of its member to two hundreds public company limited raises its capital by issuing shares to the public as preference shares and equity shares. Here 3 types of shares and each with two categories has been analyzed. Top capital stock and worst capital stock shares have been considered. It has been analyzed to look which shares are trading with attractive valuations indicating scope for growth by statistical analysis, scope for growth has been deducted.

KEYWORDS*: Capital Sectors, Shares, Valuation, Trading, Growth Funding, Private Sectors, Industries.*

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Introduction

More or less for stable economic set up down the years 5 year plan are introduced. Second five year plan effective from 1956-61 with objectivity mainly on heavy industries boosting manufacturing of industrial goods in the country, primarily to develop public sectors by Mahalanabis model proposed in the year 1953, the model assume economy in closed. It has two segments. i.e. consumption goods and capital goods. Government is optimistic of assignment of funds among the various productive and consumption segments by private sector. Government later on introduces industries in private sectors. Company act 2013 define private company which by its article respect the right to transfer of its shares, except in case of one person company limited the number of its members re restricted to two hundred. A public company Act 2013 is registered with any amount of paid up capital. A public company limited by shares raises its capital by issuing shares to the public. The shares to the public is of two types preferential shares and equity shares.

Now here 2 categories of capital sector shares and each with 3 types has been taken into consideration. They are top 5 small capital stock shares and worst 5 small capital stock shares, Top 5 mid capital stock shares and worst 5 mid capital stock shares, Top 5 large capital stock shares and worst 5 large capital stocks, shares has been taken and subjected to statistical analysis to see the scope for growth in trading. Share Market Company discovered by Anuradha chatterjee.

Methodology

YTD market performance data has been taken for stock indices preference of Top 5 small capital stocks and worst 5 small capital stocks, Top 5 mid capital stocks and worst 5 mid capital stocks, and worst 5 mid capital stocks, Top 5 large capital stocks and worst 5 large capital stocks has been taken into consideration. They have been subjected to statistical analysis for comparing which share is trading high with market value with high index. Statistical data like mean, standard deviation, and variance and standard error has been taken.

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Result

Growth potentials with good valuation is the key to value; pickkering Foram parekh. In case of Top 5 small capital share mean is 8.86 variance 33.51, S.D.9.089, S.E.4.064. For worst 5 small capital stocks mean is 82.704. S.D. 1.561, variance 9.949, S.E.0.698. In case of Top 5 mid capital stock mean is 105.8, S.D. 36.468 variance is 5319.9 Se.16.309 In case of worst 5 mid capital sectors mean is 43.87, SD 11,306 variance 511.33. SE 5.056. In case of Top 5 large capital sectors mean 135.39 SD 3.877, variance-300.692 SE1.733. In case of worst 5 large capital stocks mean is 36.75 SD-4.067, variance 66.189 SE1.819 (Table 1, 2, 3 Graph 1,2).

Growth potential with good valuation is the key to value pickering (foram parkeh). The valuation of the mid cap index is certainly trading higher than the large cap. But the mid cap index has corrected. Significantly from its peak as a result mid cap valuation has fallen. The index is trading at descent valuation which is higher than the ideal valuation. They are many stocks in the mid cap universe which are still trading at the attractive valuation indicating growth for scope. Very high probability showing mid cap index with so better than large cap index. In future mid cap, small cap have the tendency of giving exponential returns on the other hand large cap not have the tendency of delivering exponential return as they are index stocks mixed cap got the opportunity to become large cap.
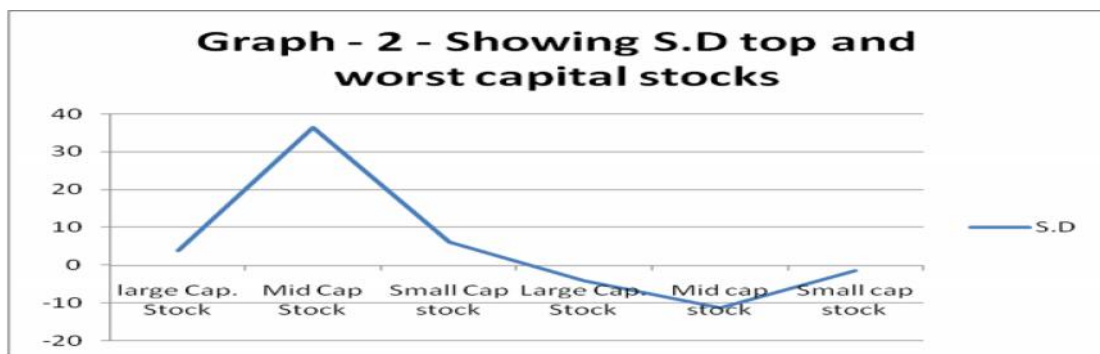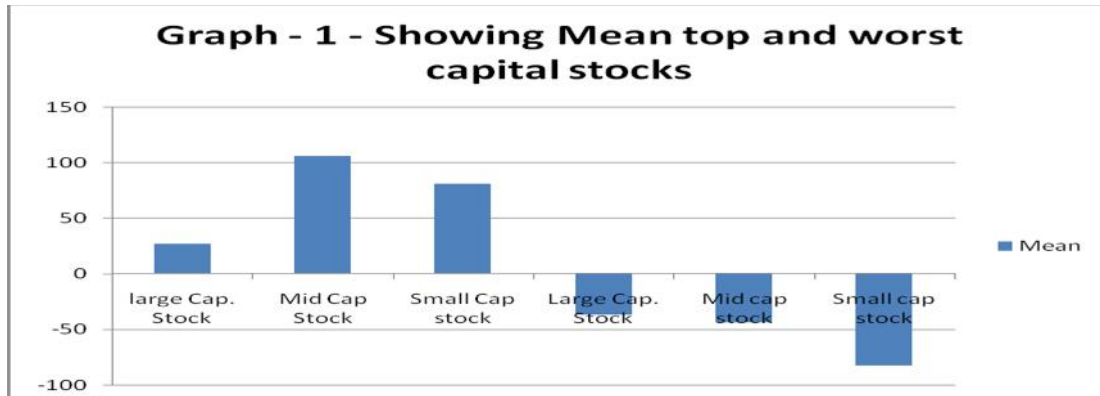
Table 1: Top Cap Stocks

Top 5 Small - cap stocks			Top 5 Mic-cap			Top 5 Large - cap stocks		
S. No	Company	YTD Returns		Company	YTD Returns		Company	YTD Returns
1	Excel Industries	114.14		Larsen & Tourbro infotech	44.24		Tech Mahindra	39
2	Firstsource Solutions	86.41		Gruth Finance	40.15		Tata Consultancy Services	31.43
3	Merck	70.73		Mphasis	38.62		Avenue supermarts	26.99
4	Niit Technologies	66.67		Ashok Leyland	23.64		HDFC Standard Life Insurance	21.51
5	Indiabulls ventures	66.36		Biocon	21.67		IndusInd Bank Ltd	16.65

Table 2: Worst Cap Stocks

Worst 5 Small - cap stocks			Worst 5 Mic-cap			Worst 5 Large - cap stocks		
S. No	Company	YTD Returns		Company	YTD Returns		Company	YTD Returns
1	Gitanjali Gems	-89.46		VAKRANGEE	-91.45		Punjab National Bank	-50.99
2	Bombay Rayon Fashions	-83.02		Adani Power	-56.62		Idea cellular	-40.15
3	Electrosteel Steels	-81.54		Reliance Communications	-55.51		Power Finance corporation	-33.84
4	Diamond Power Infra	-81.23		Bank of India	-44.31		Bharti Airtel	-29.59
5	IVRCL	-78.35		Reliance power	-43.69		Tata Motors DVR Ordinary	-29.2

Table 3: Statistical Data Analysis for Top and Worst Cap Stocks

		Top Capital Stocks			Worst Capital Stocks		
S. No.	Subject	Large Cap. Stock	Mid Cap Stock	Small Cap Stock	Large Cap. Stock	Mid Cap Stock	Small Cap Stock
1	Mean	27.07	105.8	80.88	-36.75	-43.87	-82.7
2	S.D	3.877	36.46	6.089	-4.067	-11.306	-1.561
3	varience	60.13	5319.9	330.51	-66.18	-511.33	-9.74
4	S.E	1.733	16.309	4.064	-1.814	-5.056	-0.698

Graph – 1 – Showing Mean top and worst capital stocks

Graph – 2 – Showing S.D top and worst capital stocks

Discussions

In the case of mean values Top mid cap perform higher followed by small midcap and least by top large cap Table-3 graph I. In case of S.D. Top mi cap in higher followed by small top mid cap least by large top mid cap. Table-3 Graph-2. In case of variance top mid cap with high variance followed by small top mid cap and least by large top mid cap. In case of standard error also highest value can be seen in top mid cap followed by top small cap and least by top large cap. Table-3. All the above factors clearly indicate that mid cap trade with high index with attractive value followed by small cap and least by large cap. Large cap as they are index stock they won't deliver exponential returns. Systematic trade can be done in case of shares and stocks (Pankry karde). In case of worst shares with negative values mean is higher in cap and lower in case cap higher in small cap indicating the worst market value situation for small cap and better market value situation for the large cap. In case of S.D. negative value higher in mid cap least in small cap shows fluctuation of market while for mid cap and worst situation for small cap. All these ventures fluctuations an market value is for business. In case of small index less market value (Anuruddha Chatterjee). In case of negative variance, highest in mid cap and lowest in small cap clearly indicating fluctuations in mid cap sales and no fluctuation in for small cap shles. In case of natative standard error highest for mid cap and lowest for small cap (Table-3) clearly indicating among stock are important determinant of idiosyncratic volatility, Nam K. Khaksari.S, Kang M. In the case of small cap short term returns can be seen which reveals stock liquidity (Kang.M).

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