

# A Study on Investment Analysis of Space Elements Intex LLP

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**Abstract:** An investment is an asset or object purchased with the expectation of earning money or appreciating in value in the future. An investment always entails the current expenditure of some asset (time, money, effort, etc.) with the expectation of a higher return in the future than what was first invested. The purpose of investment analysis is to figure out how a certain investment will perform and whether it is appropriate for a particular investor. It could contain both current and historical information. The research is carried out using a variety of data collection methods, depending on the nature and scope of the study. The secondary data is the data which have already been collected by someone else, used for some purpose and stored. Government reports, Web information, Journal articles, Historical data and information, Official statistics, Dissertations, Biography, Newspaper articles, and so on. While doing analysis, the experts can easily research the securities and can also evaluate the sustainability and the growth of it in the near future. Through this study, the investors can have a clear idea of the securities he wishes to invest in.

**Keywords:** Investment analysis, company, earnings per share, financial performance, profitability.

## 1. Introduction

A value investor invests in assets that are undervalued in his or her opinion (and sells overvalued ones). A value investor evaluates a security by analyzing the issuer's financial records in order to find cheap stocks. Value investors look for stocks that are selling at a discount to their inherent value using accounting indicators like profits per share and sales growth. Any technique used to generate future income, such as bonds, stocks, real estate property, or a business, is referred to as an investment. The price to earnings ratio (P/E), often known as the earnings multiple, is a widely used and well-known fundamental statistic that is calculated by dividing the stock's share price by its earnings per share. This will produce a value that represents the amount of money investors are willing to put up for each dollar of corporate profits. Taking into consideration the same level of financial performance, a company with a lower P/E ratio will cost less per share than one with a higher P/E; thus, a low P/E is the favored alternative.

### *Space Elements Intex LLP:*

Space Elements Intex LLP was formed on December 7, 2016, as a Limited Liability Partnership. It is registered with the Bangalore Registrar of Companies. It has a total contribution

obligation of Rs. 100,000.

Dinesh Kumar Raman and Bhagya Lakshmi Loganathan are the designated partners of Space Elements Intex LLP.

The last financial year end date for which Statements of Accounts and Solvency were filed by Space Elements Intex LLP is N/A, and the date of the last financial year end date for which Annual Returns were filed by Space Elements Intex LLP is N/A, according to records from the Ministry of Corporate Affairs (MCA).

The Space Elements Intex LLP is categorized as NA and belongs to the LLP company class. This company is registered with the Registrar of Companies (ROC) in Bangalore with a paid-up capital of 0 and an authorized share capital of 0 rupees.

The company Space Elements Intex LLP is currently active.

### *Vision:*

To shape spaces with "Timeless Designs".

### *Mission:*

Our mission is to provide our clients with a pleasurable experience and value that integrates functionality, excellent quality, and innovation. We want each partner and client interaction to be a once-in-a-lifetime event. Also, in each and every exterior and interior design, to establish the most advanced and outstanding degree of quality.

### *Swot Analysis:*

#### *Strength:*

- The proven ability to establish excellent personalized client service.
- Strong supplier relationships that provide flexibility and respond to unique product requirements.
- Good referral relationships with architects, complementary vendors, and local retailer.
- Client loyalty developed through a solid reputation among repeat, high-dollar purchase clients.

#### *Weakness:*

- The owner is still climbing the "retail experience learning curve."
- Not well-established in a market with a wide range of interior design possibilities.
- Challenges of the seasonality of the business.

#### *Opportunity:*

- A significant portion of our target market is desperately looking for the services Space Elements

Intex LLP will offer.

- Strategic alliances offering sources for referrals and joint marketing activities to extend our reach.
- Promising activity from new home construction activity.
- Changes in design trends might spur home renovations and, as a result, sales.

*Threats:*

- Continued price pressure due to competition or the weakening market reducing contribution margins.
- Dramatic changes in design, including fabric colors and styles can present challenges to keep paced with what is desired by what is expected to be a leading-edge client base.
- Expansion of products and services offered by other sources including national discount stores into the local market including Target, Wal-Mart, and Home Depot.

*Advantages of Investment Analysis:*

- The investment analysis is a means that assists stakeholders in making sound financial decisions.
- As a consequence, investors are well aware of market trends and investing techniques. Deriving a proper plan from an expert or on one's own could provide a significant number of advantages.
- While doing analysis, professionals can rapidly explore securities and assess their long-term viability and potential for growth. Investors can find out a lot of the securities in which they want to invest by conducting this research.
- Investment analysis can assist all firms organize their portfolio management, not just individuals.

*Limitation:*

As investment analysis is effective, the following limitations should also be considered before using this method to promote a business:

- It necessitates investment plans, which are quite complex. It also necessitates a great deal of financial understanding. Some small or medium investors are unable to do justice to the situation, and as a result, they may make poor decisions and suffer significant losses instead of gains.
- It necessitates knowledge, and risk-averse investors may hire professionals to assist them. Experts provide them with good advice, but they charge a fee for it. Many medium and small traders may incur increased costs as a result of this.
- When it comes to financial planning, one must consider market risk, which is unpredictably unpredictable. No one in the world, not the finance minister, can foresee the exact level of risk that any transaction will entail. As a result, risk concerns are an inescapable part of investment analysis.
- If this issue is not taken into account, government action can be a hindrance in this investment analysis.

## 2. Review of Literature

B.N. Panda, J. K. Panda (2012) The study analyses the difference in perception of investors in decision of investing on the basis of age and gender. Various investment options are examined in this research such as Secured deposits, Life insurance policies, Provident fund, Pension schemes, Bonds, Debentures, Equity shares, Mutual funds, Real estate, postal schemes etc. investment decisions are to be taken by self and has to wait to see the results of it, which fascinates some investors.

Bhatt, Kaushal (2013) Investment is the use of resources in order to improve revenue or manufacturing output in the future. According to data analysis, graduates are more likely to save money and are aware of various investment options. In comparison to paid workers, businessmen are more likely to invest. Respondents want their money to be safer and more secure.

## 3. Objectives of the Study

- The objective of the project is to make an analysis of various investment decisions. The aim is to compare the returns given by various investment decision
- It evaluates the earning capacity of the company. Assisting in addressing the disputes that may arise during the investment process.

## 4. Scope of the Study

This study helps to know how to use the financial statement analysis assists organizations in identifying investment opportunities and to find out how increasing investment returns can be achieved using financial statement analysis. Extent to which a company's overall profitability can be hampered.

## 5. Limitations of the Study

- The study was limited to only six investment options.
- Most of the information collected is secondary data.
- The data is compared and analyzed on the basis of performance of investment options over the past few years.
- While considering the returns from mutual funds only top performing schemes were analyzed.
- It was very difficult to obtain data regarding the returns yielded by real estate and hence average was taken.

## 6. Research Methodology

It is a research conducted taking into consideration the secondary data with proper analysis of the data. The secondary data is the data which have already been collected by someone else, used for some purpose and stored. Government reports, Web information, Journal articles, Historical data and information, Official statistics, Dissertations, Biography, Newspaper articles, Mass media reports, Diaries, Encyclopedias, Monographs, Annual reports, Books and Previous research are some examples of secondary sources.

### 7. Data Analysis and Interpretation

The various charts are presented below are the main factors that focus on the objectives of the paper. These graphs are tabulated and the results are shown, which tells us the various factors that are acting as the driving force of investment analysis.

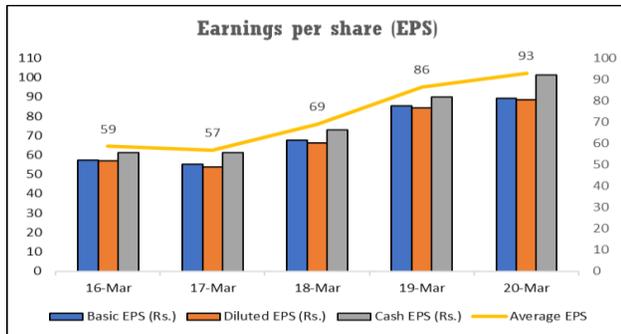


Fig. 1. Factors driving Investment analysis

*Inference:* As per the above table & graph: In the year 2016 - Average EPS is 59 which deteriorated to 57 on 2017 March. Gradually progressing from 69 in the year 2018 March and 86 in the year 2019 March with an increasing progress of 93 Average EPS in the year 2020 March. Which showed up a good progress.

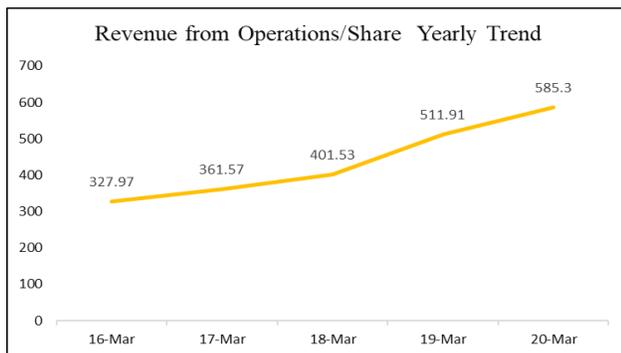


Fig. 2. Revenue from operations/share

*Inference:* In the above table and graph: The Revenue from Operations/Share Yearly Trend varies from 327.97 in the Year 2016, there is a persistent rise seen in the trend from 2017 March that is 361.57, further it increases to 401.53 in the year 2018. Goes on to 511.91 in the year 2019 March and resulted in a great progress in the year 2020 March i.e., 585.3.

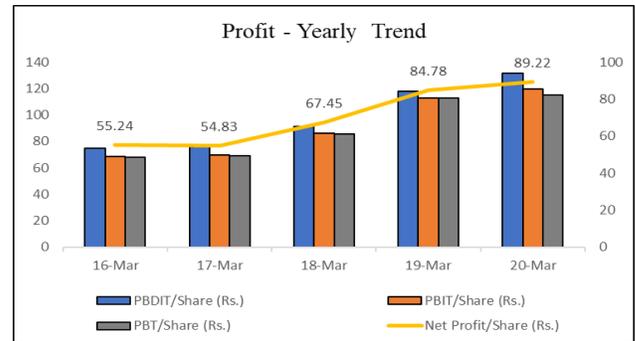


Fig. 3. Profit - Yearly trend

*Inference:* In the above graph - we observe that in the year 2016 March Net Profit varies from 55.24 which gradually reduces to 54.83 in the year 2017 March. After which, showed up progress up from 67.45 in the year 2018, 84.78 in the year 2019 to 89.22 Net Profit/Share in 2020.

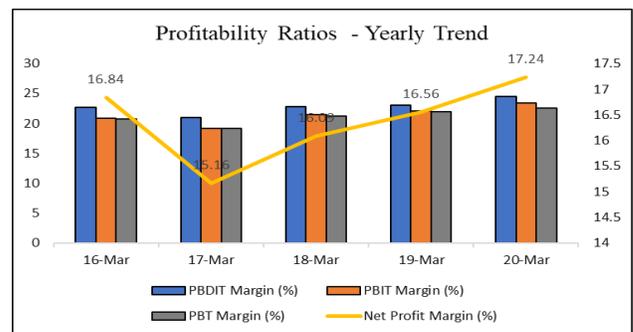


Fig. 4. Profit margin

*Inference:* In the above table the Net Profit Margin % varies

Table 1

Earnings per share					
PER SHARE RATIOS					
Years	2016-Mar	2017-Mar	2018-Mar	2019-Mar	2020-Mar
Basic EPS (Rs.)	57.23	55.11	67.74	85.31	89.31
Diluted EPS (Rs.)	57.1	53.89	66.23	84.11	88.45
Cash EPS (Rs.)	61.33	61.2	72.76	89.84	101.2
Average EPS	59	57	69	86	93

Table 2

Revenue from operations/share					
Revenue from Operations/Share Yearly Trend					
Years	16-Mar	17-Mar	18-Mar	19-Mar	20-Mar
Revenue from Operations/Share (Rs.)	327.97	361.57	401.53	511.91	585.3

Table 3

Profit before depreciation Interest and Tax					
Profit - Yearly Trend					
Years	16-Mar	17-Mar	18-Mar	19-Mar	20-Mar
PBDIT/Share (Rs.)	74.61	75.81	91.48	117.94	131.46
PBIT/Share (Rs.)	68.52	69.44	86.17	112.87	119.48
PBT/Share (Rs.)	67.91	69.25	85.37	112.63	115.34
Net Profit/Share (Rs.)	55.24	54.83	67.45	84.78	89.22

Table 4  
Profit margin

Profitability Ratios - Yearly Trend					
Years	16-Mar	17-Mar	18-Mar	19-Mar	20-Mar
PBDIT Margin (%)	22.74	20.96	22.78	23.03	24.46
PBIT Margin (%)	20.89	19.2	21.46	22.04	23.41
PBT Margin (%)	20.7	19.15	21.26	22	22.61
Net Profit Margin (%)	16.84	15.16	16.09	16.56	17.24

from 16.84 % in the year 2016 March. Deteriorated to 15.16 in the year 2017 March. And showed up a tremendous progress in the next consecutive years that is, 16 % in 2018 March, 16.56 % in 2019 March and 17.24 in 2020 March.

### 8. Findings of the Study

- It was found that there is a basic EPS was 57.23 and for the year 2020 is 89.31 therefore there is a 43.78 % of growth over 4 years.
- It was found that during the year 2016 the cash EPS was 61.33 and for the year 2020 is 101.2 therefore there is a 49.06 % of growth over 4 years.
- It was found that during the year 2016 the PBDIT per Share was 74.61 and for the year 2020 is 131.43 therefore there is a 55.17 % of growth over 4 years.
- It was found that during the year 2016 the PBT per Share was 67.91 and for the year 2020 is 115.34 therefore there is a 51.76 % of growth over 4 years.
- It was found that during the year 2016 the Net profit per share was found to be 55.24 and for the year 2020 is 89.22 therefore there is a 2.37 % of growth over 4 years.
- It was found that during the 2016 the net profit margin was found to be 16.84 and for the year 2020 is 17.24 therefore there is a 44.73 % of growth over 4 years.

### 9. Suggestions for the Study

1. Start by researching the backgrounds of the probable customers and their purchasing habits.
2. The firm high inventory so I suggested that the firm must reduce the stock by increase sales.
3. Debt-to-equity ratios vary by industry, so be sure to research

industry standard D/E ratios before judging whether a company is over-leveraged.

4. The company with an edge over its competition is a promising sign of finding a good stock to invest in.
5. Professional branding is an investment that will elevate every single aspect of the business and will provide a foundation for future investments to build on.

### 10. Conclusion

In today's tumultuous competitive market, investment analysis is an important instrument for supporting the decision-making of diverse stakeholders and is an essential aspect of evaluating the business subject.

It also gives a picture on the overall state of the company issue and its progress, as well as the state of individual operation sections. This research can uncover the aspects that have had the most impact on the company issue and have resulted in unfavorable outcomes. The business subject can anticipate their future growth and potential for bankruptcy using investment-economic analysis prediction models.

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