

SHARE PRICE ANALYSIS OF CONSTRUCTION INDUSTRIES IN INDIA

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Abstract

An attempt was made to study share price analysis of construction industries in India during 2007-2016. The price parameters prevailing ten years of share price movement. It shows that the changes of price are typically changed time and also to show current trend of the construction industries in India. It resulted that all construction companies was positive growth and share price also significant change in India.

Introduction

The construction industry has long been identified as one of the top four economic sectors in terms of inter-sectoral linkages. Construction is one of the world's biggest industries, and is estimated to account for 13.4 percent of world output as well as 14.6 percent of global gross domestic product by 2020. The Indian Government's decision to allow 100 percent Foreign Direct Investment (FDI) in the real estate industry has stimulated construction activities throughout the country. The construction industry is the second largest industry of the country after agriculture. The construction industry sets in motion the process of economical growth in the country. Indian construction industry is, as stated earlier, a highly heterogeneous one covering many types of construction like transport including roads and highways development, building of multipurpose dams, industrial structures, and construction of skyscrapers and big buildings for homes, offices, warehouses, and the like. Thus products of construction are vital for the development of business, industries and other socio-economic institutions.

The Indian construction industry is an integral part of the economy and is poised for solid growth due to industrialisation, urbanisation and economic development together with people's expectations of improved living standards. The construction sector employs approximately 31 million people, accounts for some 6-8 percent of GDP and, after agriculture, is the largest employment sector in the country.

Research Methodology

The secondary data regarding share price were collected from moneycontrol.com and various journals. 5 construction companies was randomly selected on the basis of those who have Rs.1000 crores capitalization of the company apart from 107 construction companies. Simple random sampling method was used in this paper and all companies are listed in BSE. The temporal analysis is based on the data for the last 10 years starting from 2007-2016. The entire statistical analysis was simulated by SPSS package.

In order to find out variation in share price movement of the construction Industry in India the table 1.1 shows that the maximum and minimum share price.

Table -1, The Maximum and Minimum Share Price of Construction Industries in India

Year	Anantraj	Ashian	Brigade Ent	Delta Corp	Gayatri Project
2016	32.70	134.90	139.90	61.45	561.55
2015	41.80	169.35	152.70	80.25	737.25
2014	46.90	198.85	152.95	90.75	160.55
2013	62.75	70.70	60.00	104.20	59.85
2012	89.80	44.40	93.10	73.40	115.00
2011	39.75	27.08	41.85	55.80	81.36
2010	107.30	31.01	113.65	106.55	270.96
2009	133.35	22.83	130.60	45.70	354.71
2008	88.25	7.83	43.45	29.25	73.85
2007	349.60	41.62	378.55	77.77	490.92
Mini	32.70	7.83	41.85	29.25	59.85
Max	349.60	198.85	378.55	106.55	737.25

Source: moneycontrol.com and computed data

Table 1 depicts the maximum and minimum share price of the construction industries in India. Anantraj construction company share price was decreased during the ten year period. The remaining other companies was a sustainable price prevailing during the overall period. The minimum share price of anantraj construction company was Rs.32.70 in 2016

likewise the maximum 349.60 in the year of 2007. It reflect that the poor performance of the all level analysis.

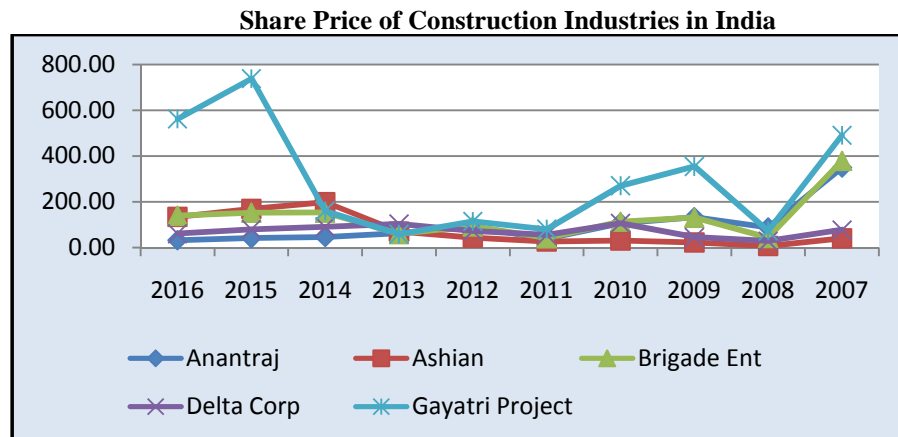


Diagram: 1

Table 2. Descriptive Statistics of Share Price of Construction Industries in India

Sl.No	Construction Companies	Mean	SD	CV
1.	Anantraj	99.22	93.96	94.70
2.	Ashian	74.86	67.79	90.56
3.	Brigade Ent	130.68	97.01	74.24
4.	Delta Corp	72.51	24.89	34.33
5.	Gayatri Project	290.60	237.88	81.86

Source: Computed data.

Table 2 exhibits the descriptive statistics. It is resulted that Gayatri Project Company's mean value is high compare with others. It indicates that for the past 10 years the changes of share value is increase every year. The standard deviation value also high as well as the compound growth rate is high. The overall performance of the Gayatri project was commendable one. Anantraj company was revealed that the negative increase during the overall period. Table 3

Table 3 ,Growth Rate and R² of Share Price of Construction Industries in India

Sl.No	Construction Companies	CGR	R ²
1.	Anantraj	-21.77	0.84
2.	Ashian	24.27	0.83
3.	Brigade Ent	0.03	0.13
4.	Delta Corp	5.07	0.35
5.	Gayatri Project	5.44	0.18

Source: Computed data

It is observed from table 3 the growth rate of all companies are positive except anantraj construction companies. The R² value was also positive in all companies. Thus the present study indicated that the growth and R² of the share price of construction industries in India. Among the above model, the compound growth rate and r value is considering for the measurement of the share price movement. In case normal value of minimum and mimum was resulted that the ebb dispersion of the company.

Conclusion

The share price analysis for construction industries in India shows that a significant growth to economic development. India continues down its path of development, infrastructure is no less important. There are many major factors which restrain the Construction Industry and because of which the industry is caught in a vicious circle, the major issues are detailed above, which create impediments needing correction.

References

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