

## Assignment No. 1 – Creating Corporate Values

Comparison of Values in the Healthcare Segment for listed entities:

Sr. No.	Company	Price	BV	P/BV	EPS	P/EPS
1	Fortis Healthcare Ltd	149.85	121.89	1.23	8.87	16.89
2	Apollo Hospitals Enterprises Ltd	1,159.45	257.25	4.51	20.50	56.56
3	Healthcare Global Enterprises Ltd	271.25	64.41	4.21	2.85	95.18
4	DM Aster Healthcare Ltd	181.55	57.74	3.14	1.01	179.75

**P/BV Ratio:** A lower P/B ratio could mean the stock is undervalued. However, it could also mean something is fundamentally wrong with the company. This ratio also indicates whether you're paying too much for what would remain if the company went bankrupt immediately.

**P/EPS Ratio:** The price/earnings ratio (P/E) is the best known of the investment valuation indicators. The P/E ratio is the most widely reported and used valuation by investment professionals and the investing public. The financial reporting of both companies and investment research services use a basic earnings per share (EPS) figure divided into the current stock price to calculate the P/E multiple.

Analyzing the above companies:

**Fortis Healthcare:** P/BV shows a figure of 1.23 and P/EPS shows 16.89, which gives us a fair picture that there is something wrong with the company and this would not be the right time to invest in this company as both the ratios are below as compared to the other mentioned companies.

Since the data is for last financial year i.e., FYE 2017 and if we correlate the same with the events which happened during the end of 2018, this clearly shows that the data stands perfectly right as the company's management underwent complete change and a new investor and taken over the company.

**Apollo Healthcare:** P/BV shows a figure of 4.51 and P/EPS shows 56.56, this gives a picture that the company is stable however the growth is also quite consistent in comparison to Fortis, however, it will give positive returns but not great returns.

**Healthcare Global:** P/BV shows a figure of 4.21 and P/EPS shows 95.18, giving the understanding that the company is in the growth phase and the earning per share is pretty good as well. The P/BV also shows that the company is moving in the right direction and is a good share to invest.

**DM Aster Healthcare:** P/BV shows a figure of 3.14 and P/EPS shows 179.75, tells that the company is going to give good return on the investments and has a decent price to book value ratio. However, in my opinion since the company has been listed around 6 months back this would not be a right ratio to compare with other companies in the above group.

#####