Summer Internship Report

Finance Internship

Submitted by

Divyanshu
(2019IMG-018)

Submitted to

MS Dinakar
Reg Manager

विश्वजीवनामृतं ज्ञानम्

ABV INDIAN INSTITUTE OF INFORMATION TECHNOLOGY AND MANAGEMENT GWALIOR-474 015

2022

Contents

Chapter 1

Payment Gateway Analysis

1.1 Introduction

Theoretical Analysis

1. What do you mean by Payment Gateways?

   Payment gateways are online financial platforms facilitating electronic transactions by acting as intermediaries between customers, merchants, and banks. They provide a secure and convenient way to authorize and process various forms of digital payments, such as credit cards, debit cards, e-wallets, and bank transfers, in e-commerce and other online transactions.

   Payment gateways are crucial in ensuring smooth and secure funds transfer during online purchases. When a customer initiates a transaction on a website or mobile app, the payment gateway securely collects the payment details. It communicates with the relevant financial institutions to process the transaction. It encrypts the sensitive information to protect it from unauthorized access or fraud.

   These gateways typically offer various services, including verifying the customer's payment information, checking for available funds or credit limits, and conducting anti-fraud measures to minimize the risk of fraudulent transactions. Once the payment is authorized, the gateway transfers the funds from the customer's account to the merchant's.

   Payment gateways also provide businesses with features like transaction management, reporting, and integration with other systems. They enable merchants to accept customer payments worldwide, supporting multiple currencies and payment methods. By using payment gateways, businesses can enhance their online presence, increase sales, and provide a seamless checkout experience for their customers.

2. How does Payment Gateways facilitate Online Business?

   Payment gateways facilitate online businesses by providing a secure and efficient platform for processing electronic transactions. Here are several ways in which payment gateways contribute to the success of online businesses:

   - Secure payment processing: Payment gateways employ robust security measures, including encryption and fraud detection mechanisms, to protect customer payment information during online transactions. This instills trust in customers, encouraging them to purchase without worrying about their sensitive data being compromised.
   - Wide range of payment options: Payment gateways support various payment methods, such as credit cards, debit cards, e-wallets, and bank transfers. By offering diverse payment options, businesses can cater to their customer's preferences and accommodate different regional or international payment methods.
   - Global accessibility: Payment gateways enable businesses to accept payments from customers worldwide. They support multiple currencies and provide seamless conversion rates, allowing international customers to purchase in their local currencies. This expands the customer base and opens up opportunities for cross-border trade.
   - Streamlined checkout experience: Integration with payment gateways simplifies the checkout process for customers. They can quickly and securely enter their payment details, reducing the likelihood of cart abandonment and improving conversion rates. A seamless checkout experience enhances customer satisfaction and encourages repeat business.
   - Automated transaction management: Payment gateways offer transaction management features that automate transaction tracking, invoicing, and reconciliation processes. This saves time and resources for businesses, allowing them to focus on core operations rather than manual payment handling.
   - Enhanced credibility and professionalism: Utilizing reputable payment gateways adds credibility to an online business. Customers recognize well-known and trusted payment gateways, which builds confidence in the reliability and legitimacy of the business. This, in turn, leads to increased customer loyalty and positive brand perception.
   - Analytics and reporting: Payment gateways often provide detailed analytics and reporting tools, offering insights into sales trends, transaction volumes, and customer behaviour. This data helps businesses make informed pricing, marketing strategies, and customer targeting decisions.

Overall, payment gateways are a vital infrastructure for online businesses, enabling them to securely and efficiently process payments, expand their customer reach, and provide a seamless shopping experience.

3. How does Payment Gateways help in increasing the competency of an online business?

   Payment gateways can contribute to increasing the competency of an online business in several ways:

   - Expanded payment options: By integrating with diverse payment methods, payment gateways enable businesses to cater to the preferences of a wide range of customers. Offering multiple payment options, such as credit cards, debit cards, e-wallets, and bank transfers, enhances customer convenience and satisfaction. This, in turn, increases the competitiveness of the business, as it can attract a larger customer base and provide a seamless payment experience.
   - Global reach: Payment gateways support transactions in multiple currencies and facilitate international payments. This allows businesses to expand their reach beyond their local markets and target customers worldwide. By enabling cross-border transactions, payment gateways enhance the competitiveness of the business by tapping into new markets and unlocking potential revenue streams.
   - Improved conversion rates: A smooth and secure checkout process facilitated by payment gateways can significantly impact conversion rates. Customers are more likely to complete their purchases when they encounter a user-friendly payment experience. By reducing friction during the payment process, businesses can minimize cart abandonment rates and optimize their conversion rates, ultimately increasing their competitiveness in the online market.
   - Enhanced security and trust: Payment gateways provide robust security measures to protect customer payment information. Utilizing a reputable payment gateway can instill trust and confidence in customers, assuring them that their sensitive data is handled securely. This enhances the credibility of the online business and differentiates it from competitors that may not prioritize strong security measures. Trust and security are crucial factors in building customer loyalty and gaining a competitive edge.
   - Streamlined operations: Payment gateways offer features such as automated transaction management, invoicing, and reporting tools. These streamline business operations by reducing manual efforts and providing real-time insights into sales and

transaction data. By leveraging these tools, businesses can make informed decisions, optimize their processes, and stay ahead of the competition.

- Integration with other systems: Payment gateways often provide integrations with other business systems, such as accounting software, customer relationship management (CRM) platforms, and inventory management tools. This seamless integration enhances operational efficiency, facilitates accurate financial tracking, and improves overall business competency.

In summary, payment gateways contribute to the competency of an online business by expanding payment options, increasing global reach, improving conversion rates, enhancing security and trust, streamlining operations, and integrating with other systems. Leveraging these capabilities can give businesses a competitive advantage in the online marketplace.

4. Perform a secondary research to identify 20 Payment Gateway companies and state their USPs.

- **Razorpay :** Razorpay is one of the best payment gateways in India. It offers a wide range of payment options and is easy to use. It also has a fast onboarding process and provides excellent customer support.
  USP : RazorPay's unique selling proposition is reducing hassles for merchants who want to sell their wares online. It allows them to upload their documents and automate the entire payments process. It allows consumers to complete payments in a single page, saving them from multiple redirects.
- **Instamojo:** Instamojo is another popular payment gateway in India. It offers a simple and easy-to-use interface and supports multiple payment options. It also has a fast onboarding process and provides excellent customer support. **USP :** Instamojo's unique selling proposition (USP) is its focus on small and medium-sized businesses (SMBs). The company's platform is designed to be easy to use and affordable for SMBs, and it offers a variety of features that are specifically tailored to their needs.
- **Cashfree:** Cashfree is one of the fastest, safest, and easiest ways to collect payments for your business. It offers a wide range of payment options and has a fast onboarding process. **USP :** Their unique selling proposition is that they offer a full-stack payments solution that helps Indian businesses collect and disburse payments via almost 100 payment modes including Visa, MasterCard, Rupay, UPI, IMPS, NEFT, Paytm & other wallets, Pay Later and various EMI options. They also offer a range of APIs and SDKs to help businesses integrate payments into their products.

- **Bill Desk:** Bill Desk is one of India's most popular payment gateways. It offers a wide range of payment options and has a fast onboarding process.

  USP : BillDesk's USP is its focus on speed, security, and convenience. The company's platform is designed to make it easy for merchants and customers to make and receive payments quickly, securely, and conveniently.

- **CCAvenue:** CCAvenue is one of the oldest payment gateways in India. It offers a wide range of payment options and has a fast onboarding process. **USP :** CCAvenue's USP is its focus on security and convenience. The company uses a variety of security measures to protect customer data and prevent fraud, including tokenization, encryption, and fraud detection. CCAvenue also offers a variety of payment methods that customers can use, making it easy for them to pay for goods and services.

- **PayPal:** PayPal is one of the most popular payment gateways in the world. It offers a wide range of payment options and has a fast onboarding process. **USP :** PayPal's unique selling proposition (USP) is its focus on global reach, security, and convenience. The company's platform is designed to make it easy for merchants and customers to make and receive payments worldwide, securely and conveniently.

- **EBS:** EBS is another popular payment gateway in India. It offers a wide range of payment options and has a fast onboarding process. **USP :** EBS's unique selling proposition (USP) is its focus on providing a comprehensive enterprise resource planning (ERP) solution that can meet the needs of businesses of all sizes. The company's platform is designed to help businesses automate their business processes, improve their efficiency, and make better decisions.

- **Atomtech:** Atomtech is one of the best payment gateways in India. It offers a wide range of payment options and has a fast onboarding process. **USP :** Atomtech's unique selling proposition (USP) is its focus on providing a comprehensive, easy-to-use, and affordable security solution for businesses of all sizes. The company's platform is designed to help businesses protect their data, applications, and networks from a variety of threats.

- **PayU:** PayU is one of the most popular payment gateways in India. It offers a wide range of payment options and has a fast onboarding process. **USP :** PayU's unique selling proposition (USP) is its focus on providing a comprehensive, secure, and convenient payment solution for businesses of all sizes. The company's platform is designed to help businesses accept payments from customers around the world, securely and conveniently.

- **MobiKwik:** MobiKwik is another popular payment gateway in India. It offers a wide range of payment options and has a fast onboarding process. **USP :**
- **Nimbbl:** Nimbbl is one of the best payment gateways in India. It offers a wide range of payment options and has a fast onboarding process. **USP :** MobiKwik's unique selling proposition (USP) is its focus on providing a convenient and secure mobile payment solution for users in India. The company's platform is designed to make it easy for users to make payments for goods and services using their mobile phones.
- **Paytm:** Paytm is one of the most popular payment gateways in India. It offers a wide range of payment options and has a fast onboarding process. **USP :** Paytm's unique selling proposition (USP) is its focus on providing a convenient, secure, and comprehensive payment solution for users in India. The company's platform is designed to make it easy for users to make payments for goods and services using their mobile phones.
- **Atom:** Atom is another popular payment gateway in India. It offers a wide range of payment options and has a fast onboarding process. **USP :** Atom's unique selling proposition (USP) is its focus on providing a comprehensive, easy-to-use, and affordable security solution for businesses of all sizes. The company's platform is designed to help businesses protect their data, applications, and networks from a variety of threats.
- **HDFC Bank Payment Gateway:** HDFC Bank Payment Gateway is one of the most popular payment gateways in India. It offers a wide range of payment options and has a fast onboarding process. **USP :** HDFC Bank Payment Gateway's unique selling proposition (USP) is its focus on providing a secure, reliable, and convenient payment solution for businesses of all sizes. The company's platform is designed to help businesses accept payments from customers around the world, securely and conveniently.
- **ICICI Bank Payment Gateway:** ICICI Bank Payment Gateway is another popular payment gateway in India. It offers a wide range of payment options and has a fast onboarding process. **USP :** ICICI Bank Payment Gateway is a secure, reliable, and convenient payment gateway that offers a wide range of benefits to businesses. The company's platform is designed to help businesses accept payments from customers around the world, securely and conveniently. ICICI Bank Payment Gateway is a popular choice for businesses around the world due to its security, reliability, convenience, scalability, and customer support.
- **Axis Bank Payment Gateway:** Axis Bank Payment Gateway is one of the best

payment gateways in India. It offers a wide range of payment options and has a fast onboarding process. **USP :** Axis Bank Payment Gateway is a secure, reliable, and convenient payment gateway that offers a wide range of benefits to businesses. The company's platform is designed to help businesses accept payments from customers around the world, securely and conveniently. Axis Bank Payment Gateway is a popular choice for businesses around the world due to its security, reliability, convenience, scalability, and customer support.

- **Citrus Pay:** Citrus Pay is another popular payment gateway in India. It offers a wide range of payment options and has a fast onboarding process. **USP :** Citrus Pay is a secure, reliable, and convenient payment gateway that offers a wide range of benefits to businesses. The company's platform is designed to help businesses accept payments from customers around the world, securely and conveniently. Citrus Pay is a popular choice for businesses around the world due to its security, reliability, convenience, scalability, and customer support.
- **Juspay:** Juspay is one of the best payment gateways in India. It offers a wide range of payment options and has a fast onboarding process. **USP :** Juspay is a leading digital payments company in India that offers a wide range of payment solutions, including UPI, cards, wallets, and net banking. Juspay's USPs include its focus on security, convenience, scalability, and reliability. Juspay's payment solutions are designed to be secure, convenient, scalable, and reliable, making them ideal for businesses of all sizes.
- **Direcpay:** Direcpay is another popular payment gateway in India. It offers a wide range of payment options and has a fast onboarding process. **USP :** DirecPay is a reliable and secure payment solutions provider that offers a wide range of features and benefits. Its USPs include security, convenience, scalability, reliability, low cost, ease of integration, and 24/7 customer support. DirecPay's payment solutions are ideal for businesses of all sizes, from small businesses to large enterprises.
- **EBSco:** EBSco is one of the best payment gateways in India. It offers a wide range of payment options and has a fast onboarding process. **USP :** EBSCO's payment gateway is a secure and reliable way to accept payments online. It offers a wide range of features and benefits, including PCI DSS compliance, fraud prevention, and 24/7 customer support.

1.2 Review of Payment Gateways

1.2.1 RazorPay

Description:

Razorpay is a leading Indian financial technology company that provides online payment solutions for businesses. Founded in 2014, Razorpay offers a range of services including payment gateway integration, payment links, subscription billing, and digital wallets.

Competencies:

1. Payment Gateway Integration: Razorpay provides a robust payment gateway that enables businesses to accept payments seamlessly and securely across multiple channels.
2. Payment Links: Merchants can generate personalized payment links that can be shared with customers through various communication channels, allowing for easy one-time payments.
3. Subscription Billing: Razorpay offers subscription management tools that enable businesses to set up and manage recurring payments for subscription-based services.
4. Digital Wallets: The company supports integration with major digital wallets, providing customers with more payment options and convenience.
5. Developer-Friendly APIs: Razorpay provides a set of APIs and developer tools that allow businesses to customize and integrate payment solutions into their own platforms.

Pros:

1. Easy Integration: Razorpay offers simple and well-documented integration options, making it easy for businesses to start accepting online payments.
2. Comprehensive Payment Options: The platform supports a wide range of payment methods, including credit cards, debit cards, net banking, UPI, and digital wallets, catering to a diverse customer base.
3. Strong Security Measures: Razorpay employs robust security measures, including data encryption and fraud detection mechanisms, ensuring the safety of transactions and customer data.
4. Competitive Pricing: The company offers competitive pricing plans, including transaction-based and subscription-based models, allowing businesses to choose the most suitable option for their needs.

5. Analytics and Insights: Razorpay provides detailed analytics and reporting features, giving businesses valuable insights into their payment transactions and customer behavior.

Cons:

1. Limited International Coverage: Razorpay primarily focuses on the Indian market, which means it may not be the ideal solution for businesses with a significant international customer base.

2. Service Limitations: While Razorpay offers a comprehensive range of payment solutions, it may not have all the advanced features and customization options that some businesses might require.

3. Dependency on Internet Connectivity: Being an online payment platform, Razorpay's functionality relies on a stable internet connection. Disruptions in connectivity could potentially impact payment processing.

Top Business Tie-ups:

Razorpay has established partnerships with various prominent companies in the business and technology sectors. Some of its notable tie-ups include:

1. Visa: Razorpay has collaborated with Visa to enhance its digital payment offerings and expand its reach in the Indian market.

2. HDFC Bank: The partnership with HDFC Bank allows Razorpay to offer a wider range of banking services and integrations to its customers.

3. BookMyShow: Razorpay powers the online ticketing and payment solutions for BookMyShow, one of India's largest entertainment ticketing platforms.

4. Swiggy: Razorpay is the payment gateway partner for Swiggy, a popular food delivery platform in India.

5. Zomato: Razorpay provides the payment infrastructure for Zomato, India's leading online food delivery and restaurant aggregator platform.

1.2.2 PayU

Description:

PayU is a leading payment gateway that operates in multiple countries, with a significant presence in emerging markets such as India, Asia, Africa, and Latin America. Here's an overview of PayU's description, competencies, pros, cons, and some of its top business tie-ups:

Competencies:

1. Global Reach: PayU has a strong presence in several emerging markets, providing businesses with access to a wide customer base.

2. Multiple Payment Methods: PayU supports various payment methods, including credit cards, debit cards, net banking, digital wallets, and more.

3. Customization and Integration: PayU offers flexible integration options and customizable payment solutions to meet the unique requirements of businesses.

4. Fraud Protection: PayU employs advanced fraud detection and prevention systems to ensure secure transactions and protect businesses and customers.

5. Analytics and Insights: PayU provides comprehensive analytics and reporting tools to help businesses gain insights into their payment processes and optimize performance.

Pros:

1. Market Presence: PayU's strong presence in emerging markets makes it an attractive option for businesses targeting customers in those regions.

2. Wide Range of Payment Methods: PayU supports a diverse set of payment options, making it convenient for customers and increasing conversion rates for businesses.

3. Customization and Integration: PayU offers flexibility and customization options, allowing businesses to tailor the payment experience to their brand and seamlessly integrate with their existing systems.

4. Fraud Protection: PayU's robust fraud prevention measures help protect businesses and customers from fraudulent activities, reducing the risk of financial losses.

5. Analytics and Insights: PayU's analytics tools enable businesses to gain valuable insights into their payment processes, helping them make data-driven decisions and optimize their operations.

Cons:

1. Regional Focus: PayU's primary strength lies in its presence in emerging markets. If your business operates primarily in other regions, you may need to consider alternative payment gateway options.

2. Limited Brand Recognition: While PayU is well-known in certain regions, it may not have the same level of brand recognition as some of the global payment gateways like PayPal or Stripe.

Top Business Tie-Ups:

PayU has established partnerships with numerous businesses across various sectors. Some notable tie-ups include:

1. Flipkart: PayU provides payment solutions for India's leading e-commerce platform.

2. Ola: PayU enables secure and seamless payments for one of India's largest ride-hailing services.

3. Zomato: PayU powers online payments for Zomato, a popular food delivery platform.

4. BookMyShow: PayU facilitates ticket booking payments for one of India's largest online ticketing platforms.

5. Swiggy: PayU partners with Swiggy, a major online food ordering and delivery platform, to handle payment transactions.

1.2.3 CashFree

Description:

Cashfree is an Indian payment gateway and fintech company that offers a range of digital payment solutions for businesses. Here's an overview of Cashfree's description, competencies, pros, cons, and some of its top business tie-ups:

Competencies:

1. Payment Gateway: Cashfree provides a secure and reliable payment gateway that enables businesses to accept online payments seamlessly.

2. Payout Solutions: Cashfree offers payout solutions that allow businesses to make bulk payments to vendors, suppliers, employees, and customers through different channels like bank transfers, UPI, and prepaid cards.

3. Subscription Payments: Cashfree supports subscription-based businesses by providing recurring payment solutions to manage and collect payments on a regular basis.

4. Payment Links: Cashfree's payment links feature enables businesses to create personalized payment URLs and share them with customers to facilitate easy and quick payments.

5. E-commerce Plugins: Cashfree offers pre-built plugins and integrations with popular e-commerce platforms, making it easier for businesses to integrate and start accepting payments online.

Pros:

1. Easy Integration: Cashfree offers seamless integration options, including developer-friendly APIs, plugins, and SDKs, making it easier for businesses to integrate their payment solutions into their existing systems.

2. Wide Range of Payment Methods: Cashfree supports multiple payment methods, including credit/debit cards, net banking, UPI, and popular digital wallets, providing customers with flexibility in choosing their preferred payment method.

3. Payout Capabilities: Cashfree's payout solutions enable businesses to automate and simplify their payout processes, reducing manual effort and improving efficiency.

4. Robust Security: Cashfree emphasizes data security and implements advanced security measures to protect customer information and transactions.

5. Competitive Pricing: Cashfree offers competitive pricing plans, including transaction-based and customized pricing models, catering to the needs of businesses of various sizes.

Cons:

1. Geographical Focus: Cashfree primarily focuses on the Indian market, and its services may be more tailored to businesses operating within India.

2. Limited International Support: While Cashfree supports international transactions, its coverage and support for international payment methods may be more limited compared to other global payment gateways.

Top Business Tie-ups:

Cashfree has partnered with several prominent businesses in India across various sectors, including e-commerce, travel, food delivery, and financial services. Some of its notable tie-ups include:

1. Flipkart: Cashfree provides payment gateway services to the popular Indian e-commerce marketplace.

2. Zomato: Cashfree is integrated as a payment gateway option on Zomato, a leading online food delivery platform.

3. HDFC Ergo: Cashfree partners with HDFC Ergo, one of India's leading general insurance companies, for their payment gateway needs.

4. ixigo: Cashfree collaborates with ixigo, a prominent travel and hotel booking platform in India, for payment services.

1.2.4 Instamojo

Description: Instamojo is an Indian-based payment gateway and e-commerce platform that allows businesses and individuals to sell their products and services online. It offers a simple and hassle-free way to collect payments, create online stores, and manage digital products.

Competencies:

1. Payment Processing: Instamojo provides a secure and reliable payment processing system that supports various payment methods, including credit/debit cards, net banking, and digital wallets.

2. E-commerce Solutions: Instamojo offers a user-friendly platform to create online stores and sell products and services. It provides features such as inventory management, order tracking, and customer analytics.

3. Integration and APIs: Instamojo offers easy integration options and APIs, enabling businesses to integrate the payment gateway into their websites or applications seamlessly.

Pros:

1. Easy Setup: Instamojo has a quick and straightforward setup process, allowing businesses to start accepting payments online without extensive technical knowledge.

2. Low Fees: Instamojo offers competitive pricing with low transaction fees, making it cost-effective for small and medium-sized businesses.

3. Multiple Payment Methods: It supports various payment methods, providing customers with flexibility in making payments.

4. Digital Products: Instamojo allows businesses to sell digital products such as e-books, software, and courses, expanding revenue opportunities.

Cons:

1. Limited International Support: Instamojo primarily focuses on the Indian market, so its international support and payment options may be more limited compared to other global payment gateways.
2. Restricted Industries: Instamojo has certain restrictions on the types of businesses it supports. It may not be suitable for high-risk industries or specific categories of products and services.
3. Limited Customization: While Instamojo offers basic customization options, it may not provide the same level of flexibility and branding options as some other payment gateways.

Top Business Tie-ups:

1. Snapdeal: Instamojo partnered with Snapdeal, one of India's largest online marketplaces, to provide sellers on Snapdeal with a simplified payment solution.
2. Zoho: Instamojo integrated with Zoho, a popular cloud-based business software suite, enabling Zoho users to collect payments seamlessly within their Zoho applications.
3. Shopify: Instamojo collaborated with Shopify, a leading e-commerce platform, to offer Indian businesses a streamlined payment solution for their Shopify stores.

1.2.5 CCAvenue

Description:

CCAvenue is one of the oldest and most popular payment gateways in India, offering a wide range of payment solutions to businesses of all sizes. It was founded in 2001 and has since become a trusted and reliable platform for processing online payments. CCAvenue provides a secure and user-friendly payment infrastructure that allows businesses to accept payments from various sources, including credit cards, debit cards, net banking, and mobile wallets.

Competencies:

1. Multiple Payment Options: CCAvenue supports a wide range of payment methods, including credit cards, debit cards, net banking, UPI (Unified Payments Interface), mobile wallets, and more. This enables businesses to cater to the diverse payment preferences of their customers.

2. Robust Security: CCAvenue ensures the security of transactions through advanced encryption and security protocols. It is PCI DSS (Payment Card Industry Data Security Standard) compliant, providing a secure payment environment for both businesses and customers.

3. Customization and Integration: CCAvenue offers extensive customization options, allowing businesses to tailor the payment gateway to their specific requirements. It also provides seamless integration with various e-commerce platforms and shopping carts, making it easy for businesses to set up and manage their payment processes.

Pros:

1. Wide Reach: CCAvenue has a vast customer base in India, making it a trusted and recognized payment gateway for businesses targeting the Indian market. It supports multiple currencies, enabling businesses to expand their operations internationally.

2. Comprehensive Reporting and Analytics: CCAvenue provides detailed reports and analytics on transaction data, allowing businesses to gain insights into their payment processes and make informed decisions.

3. Dedicated Customer Support: CCAvenue offers 24/7 customer support to assist businesses with any issues or queries related to the payment gateway. Their support team is known for its responsiveness and expertise.

Cons:

1. Pricing Structure: Some businesses may find CCAvenue's pricing structure to be complex or expensive compared to other payment gateways, especially for small businesses or those with low transaction volumes.

2. Limited International Reach: While CCAvenue supports international transactions, its primary focus is on the Indian market. Businesses with a strong international presence may find other payment gateways more suitable for their needs.

Top Business Tie-ups:

CCAvenue has collaborated with various renowned businesses in India across different sectors. Some of its top business tie-ups include:

1. Flipkart: CCAvenue powers the payment processing for one of India's largest e-commerce platforms, Flipkart, enabling smooth and secure transactions for millions of customers.

2. MakeMyTrip: CCAvenue is integrated with MakeMyTrip, a leading online travel booking platform in India. It allows customers to make secure payments while booking flights, hotels, and other travel services.

3. Snapdeal: CCAvenue is the preferred payment gateway for Snapdeal, one of India's prominent online marketplaces. It facilitates secure transactions for buyers and sellers on the platform.

4. ShopClues: CCAvenue is integrated with ShopClues, an Indian e-commerce platform known for its wide range of products. It enables secure payment processing for ShopClues customers.

1.2.6 Paytm

Description:
Paytm is a prominent Indian digital payments and financial services platform that offers a wide range of services to consumers and businesses. It was initially launched as a mobile wallet but has expanded its offerings to include online payments, money transfers, bill payments, ticket booking, and e-commerce.

Competencies:

1. Mobile Wallet: Paytm provides a secure and convenient mobile wallet that allows users to store money digitally and make quick payments at various online and offline merchants.

2. Online Payments: Paytm facilitates online payments for a wide range of services, including utility bills, mobile recharges, movie tickets, travel bookings, and e-commerce purchases.

3. Money Transfers: Users can send and receive money instantly through the Paytm platform, making it convenient for peer-to-peer transactions.

4. Merchant Solutions: Paytm offers payment solutions for businesses, enabling them to accept payments through multiple channels, including QR codes, mobile apps, and online integrations.

5. Financial Services: Paytm has expanded its services to include financial products such as savings accounts, fixed deposits, insurance, and loans, making it a comprehensive financial platform.

Pros:

1. Wide Acceptance: Paytm is widely accepted across various online and offline merchants in India, making it convenient for users to make payments at a multitude of locations.

2. User-Friendly Interface: Paytm's app and website provide a user-friendly experience, with intuitive navigation and easy-to-use features.

3. Diverse Services: Paytm offers a range of services beyond payments, including e-commerce, movie ticket booking, and financial products, providing users with a one-stop platform.

4. Cashback Offers: Paytm frequently offers cashback and discounts, providing users with added value and incentives to use the platform.

5. Strong Market Presence: Paytm has established a strong market presence in India and is widely recognized as a reliable and trusted payment provider.

Cons:

1. Dependence on Internet Connectivity: As a digital payment platform, Paytm relies on internet connectivity, which can be a limitation in areas with poor network coverage.

2. Competitor Availability: Paytm faces competition from other payment platforms in India, and users may need to ensure that their preferred merchants accept Paytm as a payment option.

3. Transaction Fees: Paytm charges fees for certain transactions, such as transferring funds from the Paytm wallet to a bank account, which can be a drawback for users.

Top Business Tie-ups: Paytm has formed numerous business tie-ups across various sectors. Some notable partnerships include:

1. Uber: Paytm has partnered with Uber to provide seamless payment integration for ride bookings.

2. Zomato: Paytm is integrated into the popular food delivery platform Zomato, allowing users to make online payments for food orders.

3. IRCTC: Paytm is a preferred payment method for booking train tickets through the Indian Railway Catering and Tourism Corporation (IRCTC) website and app.

4. Flipkart: Paytm is a payment option on the e-commerce platform Flipkart, enabling users to make purchases using Paytm wallet or UPI.

1.2.7 Mobikwik

Description:

Mobikwik is a popular digital wallet and payment gateway in India. It allows users to make online payments, recharge mobile phones, pay utility bills, and more. Mobikwik aims to provide a seamless and secure digital payment experience to its users.

Competencies:

1. Digital Wallet: Mobikwik offers a digital wallet that users can load with money and use for various online transactions, including payments, recharges, and bill payments.
2. Mobile Recharge: Users can easily recharge their mobile phones and DTH connections using Mobikwik.
3. Bill Payments: Mobikwik supports the payment of utility bills, such as electricity, water, gas, and broadband bills, making it convenient for users to manage their bills in one place.
4. Online Shopping: Mobikwik enables users to make purchases from a wide range of online merchants and websites.

Pros:

1. User-Friendly Interface: Mobikwik has a simple and intuitive user interface, making it easy for users to navigate and complete transactions.
2. Offers and Cashbacks: Mobikwik often provides attractive offers, discounts, and cashbacks to its users, making transactions more rewarding.
3. Wide Acceptance: Mobikwik is accepted by a large number of online merchants and service providers, giving users the flexibility to use it for various transactions.
4. Quick and Secure Payments: Mobikwik ensures fast and secure payments, using encryption technology to protect user data.

Cons:

1. Limited International Acceptance: Mobikwik primarily caters to the Indian market, so its acceptance is limited when it comes to international transactions.
2. Customer Service: Some users have reported issues with customer support, such as delayed responses or difficulty in resolving queries.

Top Business Tie-ups:

1. Flipkart: Mobikwik has collaborated with Flipkart, one of India's largest e-commerce platforms, allowing users to make purchases and avail special offers using Mobikwik.
2. IRCTC: Mobikwik is integrated with the Indian Railway Catering and Tourism Corporation (IRCTC) website, enabling users to book train tickets and make payments seamlessly.
3. OYO: Mobikwik has partnered with OYO, a prominent hotel booking platform, allowing users to make hotel reservations and payments through Mobikwik.

1.2.8 HDFC Bank Payment Gateway

Description: HDFC Bank Payment Gateway is a secure and reliable online payment processing solution offered by HDFC Bank, one of the leading banks in India. It provides businesses with the ability to accept payments from customers through various channels, including websites, mobile applications, and other digital platforms. The payment gateway facilitates seamless transactions and ensures the safety of customer data.

Competencies:

1. Wide Range of Payment Options: HDFC Bank Payment Gateway supports multiple payment methods, including credit cards, debit cards, net banking, and digital wallets. This allows businesses to cater to a diverse customer base and enhance convenience for their users.
2. Robust Security Features: The payment gateway employs advanced security measures like encryption, tokenization, and fraud detection tools to ensure the safety of sensitive financial information during transactions. This helps in building trust among customers and reduces the risk of fraudulent activities.
3. Seamless Integration: HDFC Bank Payment Gateway offers easy integration with various e-commerce platforms, shopping carts, and mobile apps. It provides developers with APIs and plugins that simplify the integration process, making it convenient for businesses to start accepting online payments quickly.

Pros:

1. Trusted Brand: HDFC Bank is a well-established and trusted name in the banking industry, which adds credibility to its payment gateway service.

2. Enhanced Customer Experience: With a user-friendly interface and support for multiple payment options, HDFC Bank Payment Gateway ensures a smooth and hassle-free payment experience for customers.

3. Comprehensive Reporting and Analytics: The payment gateway provides detailed transaction reports and analytics, allowing businesses to gain insights into sales performance, customer behavior, and revenue trends. This information can help in making informed business decisions.

Cons:

1. Pricing Structure: Like most payment gateways, HDFC Bank charges fees for each transaction processed. Businesses need to consider these costs as part of their overall financial planning.

2. Limited International Reach: While HDFC Bank Payment Gateway is widely used within India, its international coverage may be relatively limited compared to some other global payment gateways. This could be a drawback for businesses targeting a global customer base.

Top Business Tie-ups:
HDFC Bank Payment Gateway has established partnerships with several prominent e-commerce platforms and service providers, enabling seamless integration with their systems. Some of the notable tie-ups include integration options with popular platforms like Shopify, Magento, WooCommerce, and PrestaShop. These integrations allow businesses using these platforms to easily incorporate HDFC Bank Payment Gateway into their online stores.

Overall, HDFC Bank Payment Gateway is a reliable and feature-rich payment processing solution that can benefit businesses by enabling them to accept online payments securely and conveniently.

1.2.9 ICICI Bank Payment Gateway

Description ICICI Bank Payment Gateway is an online payment processing solution offered by ICICI Bank, one of the leading banks in India. It enables businesses to accept payments securely and conveniently through various payment channels. It supports multiple payment methods, including credit cards, debit cards, net banking, mobile wallets, and UPI (Unified Payments Interface). The payment gateway integrates seamlessly with e-commerce websites, mobile applications, and other digital platforms, enabling businesses to streamline their online payment processes.

Competencies

1. Wide Payment Options: ICICI Bank Payment Gateway supports a wide range of payment options, catering to diverse customer preferences.

2. Robust Security: The payment gateway employs advanced security measures, including encryption and tokenization, to ensure the safety of customer data and transactions.

3. Integration Flexibility: It offers various integration options, such as APIs (Application Programming Interfaces) and plugins, allowing businesses to easily integrate the payment gateway with their existing systems and platforms.

4. Comprehensive Reporting: ICICI Bank Payment Gateway provides detailed transaction reports and analytics, empowering businesses with valuable insights into their payment activities.

5. Customization: The payment gateway offers customization options, enabling businesses to tailor the payment experience to their brand and customer requirements.

Pros

1. Trustworthy Brand: ICICI Bank is a well-established and trusted banking institution, which enhances the credibility and reliability of its payment gateway.

2. Security Features: The payment gateway prioritizes security and incorporates robust measures to safeguard transactions and customer data.

3. Multiple Payment Channels: With support for various payment methods, businesses can cater to a broader customer base and enhance customer convenience.

4. Seamless Integration: ICICI Bank Payment Gateway integrates smoothly with different platforms, simplifying the implementation process for businesses.

5. Reporting and Analytics: The detailed transaction reports and analytics help businesses gain insights and make informed decisions to optimize their payment processes.

Cons

1. Geographic Limitations: ICICI Bank Payment Gateway primarily caters to businesses in India, limiting its availability for international ventures.

2. Pricing Structure: The pricing for using ICICI Bank Payment Gateway may vary depending on the business's specific requirements, and some businesses might find the fees relatively higher compared to other payment gateway providers.

Top Business Tie-ups
ICICI Bank Payment Gateway has partnered with various businesses across industries. While specific tie-ups may change over time, some notable collaborations include Flipkart, MakeMyTrip, Yatra, BigBasket, BookMyShow, and Tata Power.

1.2.10 Axis Bank Payment Gateway

Description:
Axis Bank Payment Gateway is a secure online payment platform provided by Axis Bank, one of the leading private sector banks in India. It enables businesses to accept online payments seamlessly and securely, offering a wide range of payment options to customers.
Competencies:

1. Robust Security: Axis Bank Payment Gateway ensures secure online transactions through encryption and advanced security features, protecting both the business and customers from fraud and data breaches.

2. Seamless Integration: It offers easy integration with various e-commerce platforms, websites, and mobile applications, allowing businesses to start accepting online payments quickly and effortlessly.

3. Multiple Payment Options: The payment gateway supports various payment modes such as credit cards, debit cards, net banking, UPI, and digital wallets, providing convenience to customers.

4. Real-time Transaction Status: Businesses can monitor the status of transactions in real-time, ensuring transparency and easy reconciliation of payments.

5. Enhanced Customer Experience: The payment gateway offers a user-friendly interface and smooth payment experience for customers, enhancing overall customer satisfaction.

Pros:

1. High Security: Axis Bank Payment Gateway is equipped with multiple security layers, including encryption and authentication, ensuring secure online transactions.

2. Wide Range of Payment Options: It supports various payment modes, allowing businesses to cater to a wide range of customers and increase sales.

3. Quick Integration: The payment gateway offers easy integration with popular e-commerce platforms and APIs, reducing the time and effort required to start accepting online payments.

4. Real-time Monitoring: Businesses can track transactions in real-time, enabling quick resolution of payment-related issues and minimizing the risk of fraud.

5. Customizable Solutions: Axis Bank Payment Gateway provides customizable payment solutions to meet the specific needs of businesses across different industries.

Cons:

1. Limited Global Reach: Axis Bank Payment Gateway primarily caters to businesses and customers within India, limiting its international payment processing capabilities.

2. Reliance on Axis Bank: As the payment gateway is provided by Axis Bank, businesses using this service are dependent on the bank's infrastructure and support.

Top Business Tie of Axis Bank Payment Gateway:

Axis Bank Payment Gateway has partnered with various e-commerce platforms, including Shopify, Magento, WooCommerce, and OpenCart, to offer seamless integration and payment solutions to businesses operating on these platforms. This collaboration enables businesses to easily set up online stores and start accepting payments through the Axis Bank Payment Gateway.

1.3 Perform a proper analysis and recommend to Outlook 3 Payment Gateways in order of preference.

1. **Razorpay**

   - Description: Razorpay is a leading Indian payment gateway that offers a comprehensive suite of payment solutions tailored for Indian businesses. It supports multiple payment methods, including credit cards, debit cards, UPI, net banking, and popular digital wallets like Paytm and PhonePe.

   - Competencies:

  - Seamless integration with popular Indian e-commerce platforms and developer-friendly APIs.
  - Supports Indian rupees (INR) and offers multi-currency transactions.
  - Advanced security measures and fraud prevention tools.
  - Robust reporting and analytics for transaction monitoring and business insights.
- Pros:
  - Excellent support for local payment methods, including UPI, net banking, and digital wallets.
  - Competitive pricing structure and transparent fee schedules.
  - User-friendly interface and easy setup process.
  - Dedicated support for Indian businesses and localized customer service.
- Cons:
  - Limited international coverage compared to global payment gateways.

2. **PayU**

- Description: PayU is a widely used payment gateway in India, offering a range of payment solutions for online businesses. It supports various payment methods, including credit cards, debit cards, net banking, UPI, and digital wallets like Paytm and Mobikwik.
- Competencies:
  - Seamless integration with major Indian e-commerce platforms and popular plugins.
  - Support for Indian rupees (INR) and multi-currency transactions.
  - Robust fraud detection and prevention mechanisms.
  - Offers recurring billing and subscription management features.
- Pros:
  - Extensive coverage of Indian local payment methods and digital wallets.
  - Easy-to-use interface and quick onboarding process.
  - Multiple integration options, including APIs and plugins.
  - Dedicated customer support and assistance.
- Cons:

    - Pricing structure can be complex, with different fees for different transaction types and volumes.
    - Some features may require additional customization or development.

3. **Instamojo**

    - Description: Instamojo is an Indian payment gateway that primarily caters to small and medium-sized businesses in India. It provides a simple and hassle-free payment solution with support for credit cards, debit cards, UPI, net banking, and digital wallets.
    - Competencies:
        - Quick and easy integration with popular Indian e-commerce platforms.
        - Supports Indian rupees (INR) and offers multi-currency transactions.
        - User-friendly dashboard with real-time transaction tracking.
        - Basic reporting and analytics for transaction monitoring.
    - Pros:
        - Simple setup process and intuitive user interface.
        - Cost-effective pricing plans suitable for small businesses.
        - Dedicated support for Indian sellers and localized customer service.
        - Additional features like online store creation and digital product selling.
    - Cons:
        - Limited customization options for the checkout experience.
        - Some advanced features may be missing compared to larger payment gateways.
        - Limited support for international transactions.

1.4 EMI Strategy to Sell Higher Value Digital Subscriptions of Outlook Magazine

1. **Target Audience Analysis:**
   Identify your target audience based on demographics, interests, and purchasing power. Determine whether the target demographic is likely to prefer EMI options for subscribing to a digital magazine.

2. **Pricing Structure:**
   Define the pricing structure for the digital subscriptions. Consider offering tiered subscription plans with different benefits and features at varying price points. Ensure that the pricing is competitive and offers value for money.

3. **Determine EMI Options:**
   Decide on the EMI options you will offer to potential subscribers. Collaborate with financial institutions or payment service providers to facilitate installment payment plans. Consider offering flexible installment durations, such as 3, 6, or 12 months, depending on customer preferences.

4. **Promotional Campaigns:**
   Design marketing campaigns to highlight the availability of EMI options for the digital subscriptions. Emphasize the affordability and convenience of spreading payments over time. Leverage various channels like social media, email marketing, online ads, and content marketing to reach your target audience.

5. **Landing Page Optimization:**
   Create a dedicated landing page on your website to showcase the digital subscription plans and EMI details. Optimize the page for conversion by highlighting the benefits of your magazine, the available EMI options, and a clear call-to-action (CTA) button for initiating the subscription process.

6. **Seamless Subscription Process:**
   Streamline the subscription process to make it user-friendly and frictionless. Incorporate a secure online payment gateway that supports EMI transactions. Clearly display the EMI amount, tenure, and any processing fees involved during the checkout process.

7. **Customer Support:**
   Offer excellent customer support to address any queries or concerns regarding the EMI options or the digital subscription itself. Provide multiple communication channels, such as live chat, email, and phone support, to ensure a smooth customer experience.

8. **Retention Strategies:**
   Implement strategies to retain subscribers beyond the initial subscription period. Offer exclusive content, early access to articles, discounts on merchandise, or loyalty rewards to incentivize customers to continue their subscription.

9. **Analyze and Optimize:**
   Regularly monitor and analyze the performance of your EMI strategy. Track subscription rates, conversion rates, customer feedback, and churn rates to identify areas for improvement. Make data-driven decisions to optimize pricing, EMI options, and marketing efforts.

10. **Collaborate with Partners:**
    Consider partnering with relevant brands or influencers who align with your target audience. Collaborative promotions or co-marketing initiatives can help expand your reach and attract new subscribers.

1.4.1 EMI Plans

Subscription cost: Rs. 10,000
Interest rate: 12%
Down payment: 20%

1. **6-Month EMI Plan:**
   Down payment: 20% of Rs. 10,000 = Rs. 2,000
   Loan amount: Rs. 10,000 - Rs. 2,000 = Rs. 8,000
   Interest on loan amount: (12/100) * Rs. 8,000 = Rs. 960
   Total amount to be paid: Rs. 8,000 + Rs. 960 = Rs. 8,960
   Equated Monthly Installment (EMI): Rs. 8,960 / 6 = Rs. 1,493.33

2. **12-Month EMI Plan:**
   Down payment: 20% of Rs. 10,000 = Rs. 2,000
   Loan amount: Rs. 10,000 - Rs. 2,000 = Rs. 8,000
   Interest on loan amount: (12/100) * Rs. 8,000 = Rs. 960
   Total amount to be paid: Rs. 8,000 + Rs. 960 = Rs. 8,960
   Equated Monthly Installment (EMI): Rs. 8,960 / 12 = Rs. 746.67

3. **24-Month EMI Plan:**
   Down payment: 20% of Rs. 10,000 = Rs. 2,000
   Loan amount: Rs. 10,000 - Rs. 2,000 = Rs. 8,000
   Interest on loan amount: (12/100) * Rs. 8,000 = Rs. 960
   Total amount to be paid: Rs. 8,000 + Rs. 960 = Rs. 8,960
   Equated Monthly Installment (EMI): Rs. 8,960 / 24 = Rs. 373.33

4. **36-Month EMI Plan:**
   Down payment: 20% of Rs. 10,000 = Rs. 2,000
   Loan amount: Rs. 10,000 - Rs. 2,000 = Rs. 8,000
   Interest on loan amount: (12/100) * Rs. 8,000 = Rs. 960
   Total amount to be paid: Rs. 8,000 + Rs. 960 = Rs. 8,960
   Equated Monthly Installment (EMI): Rs. 8,960 / 36 = Rs. 248.89

Note: The above calculations assume that the interest is compounded on a monthly basis.

Chapter 2

Investment Analysis

2.1 Asset Classes

Asset Class	**Risk**	**Return**	**Benchmarking Agencies**	**Top Performing Companies**
Stocks	High	High	SP 500, Dow Jones, NSE, BSE	Apple, Amazon, Microsoft
Bonds	Low	Low to Med	Bloomberg Barclays, Moody's	U.S. Treasury, Goldman Sachs
Mutual Funds	Varies	Varies	Morningstar, Lipper, CRISIL	Vanguard, Fidelity, BlackRock
Real Estate	Med	Med to High	NCREIF, Zillow, Realtor.com	Brookfield Asset Mgmt, Prologis
Commodities	High	High	SP GSCI, Bloomberg Commodity	Glencore, Cargill, Barrick Gold
Gold	Med	Med to High	LBMA, COMEX	Barrick Gold, Newmont, AngloGold Ashanti
Cryptocurrencies	Very High	Very High	CoinMarketCap, CoinGecko	Bitcoin, Ethereum, Binance Coin

Continued on next page

Table 2.0: (Continued)

Government Bonds	Low	Low to Med	U.S. Treasury, Eurostat	U.S. Treasury Bonds, German Bunds
Corporate Bonds	Med	Low to Med	Moody's, SP, Fitch	Apple, Microsoft, Verizon
Treasury Bills	Low	Low	U.S. Treasury	U.S. Treasury Bills
Exchange-Traded Funds (ETFs)	Varies	Varies	Morningstar, SP, NASDAQ	SPDR SP 500 ETF, Invesco QQQ Trust
Venture Capital	Very High	High	Crunchbase, PitchBook	Sequoia Capital, Andreessen Horowitz
Private Equity	Very High	High	Preqin, PitchBook	Blackstone Group, KKR Co.
Hedge Funds	Very High	High	Hedge Fund Research (HFR)	Bridgewater Associates, Renaissance Technologies
Derivatives	High	High	Chicago Mercantile Exchange	CME Group, Chicago Board Options Exchange
Options	High	High	Chicago Board Options Exchange	Apple, Microsoft, Amazon
Futures	High	High	Chicago Mercantile Exchange	Crude Oil, Gold, SP 500 Index
REITs (Real Estate Investment Trusts)	Med	Med to High	FTSE Nareit, MSCI	Prologis, Simon Property Group
Peer-to-Peer Lending	High	High	LendingClub, Prosper	LendingClub, Prosper
Art and Collectibles	Med	Med to High	Sotheby's, Christie's	Leonardo da Vinci, Picasso

2.2 Key Insights from Survey

1. **Age and Education Level Distribution:** The majority of survey participants fall into the age group of 26-35 (40%), followed by the age group of 18-25 (30%). The education

level is relatively high, with 55% holding a Bachelor's degree and 30% having a Master's degree or above. This indicates that the survey captures a well-educated and diverse group of participants.

2. **Investment Experience:** The survey participants have varying levels of investment experience, with the majority (65%) having 1-10 years of experience. It's interesting to note that 10% of respondents have less than one year of investment experience, showing a presence of new and inexperienced investors in the sample.

3. **Types of Investments Made:** Stocks are the most popular investment choice among participants, with 70% investing in them, followed by bonds (45%) and mutual funds (55%). Cryptocurrencies also seem to be gaining popularity, with 25% of participants investing in them.

4. **Risk Tolerance:** The survey reveals that 40% of participants consider themselves to be moderate risk-takers (scoring 3 on a scale of 1 to 5). Additionally, there is a significant portion (25%) of risk-averse investors (scoring 2), and only a small percentage (5%) are classified as very risk-takers (scoring 5). This shows a diverse range of risk tolerance levels among the respondents.

5. **Decision-Making Style:** The majority of participants (40%) describe their decision-making style as analytical, followed by intuitive (30%) and impulsive (15%). This indicates that a significant portion of investors base their decisions on thorough analysis and research.

6. **Sources of Investment Information:** Financial news websites and financial advisors are the top sources of investment information, with 60% and 45% of participants using them, respectively. Social media (35%) and family and friends (20%) also play a role in influencing investment decisions.

7. **Investment Goals:** Capital appreciation is the most common investment goal among respondents, with 65% choosing it. Wealth preservation (50%) and retirement planning (40%) are also important objectives for the participants.

8. **Preferred Investment Duration:** Medium-term investments (3-10 years) are the most preferred among the participants, with 50% choosing this duration. Long-term investments (10+ years) are favored by 35% of respondents.

9. **Factors Influencing Investment Decisions:** Historical performance is the most crucial factor influencing investment decisions, with 70% of participants considering it. The

risk-reward ratio (60%) and expert recommendations (40%) also play significant roles in decision-making.

Overall, the survey provides valuable insights into the diverse preferences and decision-making patterns of investors. It highlights the importance of considering risk tolerance, investment goals, and decision-making styles when providing investment advice or designing financial products tailored to different segments of investors. Additionally, the survey shows the increasing popularity of certain investment options, such as cryptocurrencies, and the influence of various sources of information in shaping investment decisions.

2.3 Investment Portfolios

To design investment portfolios for individuals with varying annual earnings, we'll consider a range of portfolio options based on different risk profiles and investment goals. It's important to note that the allocation percentages provided are general guidelines and should be adjusted based on individual risk tolerance, investment knowledge, and time horizon. Here are six portfolio options across different earning classes:

- Portfolio for Earnings of 10 Lakhs:
  - Balanced Portfolio:
    - Equity: 50%
    - Bonds: 40%
    - Cash: 10%
    - Reasoning: This portfolio aims to strike a balance between growth and stability. With a higher allocation to equities, it offers potential for long-term capital appreciation, while bonds and cash provide stability and income generation.
  - Conservative Portfolio:
    - Equity: 30%
    - Bonds: 60%
    - Cash: 10%
    - Reasoning: This portfolio prioritizes capital preservation and income generation. The higher allocation to bonds provides a more conservative investment approach, with reduced exposure to market volatility.
- Portfolio for Earnings of 15 Lakhs:

- Growth Portfolio:
  * Equity: 70%
  * Bonds: 25%
  * Cash: 5%
  * Reasoning: With a higher allocation to equities, this portfolio is designed for long-term growth. It aims to capitalize on potential market appreciation while maintaining a modest allocation to bonds for diversification and stability.
- Moderate Portfolio:
  * Equity: 50%
  * Bonds: 40%
  * Cash: 10%
  * Reasoning: This portfolio strikes a balance between growth and stability. It allows for potential capital appreciation through equity investments while maintaining a significant allocation to bonds for income generation and risk reduction.

- Portfolio for Earnings of 20 Lakhs:
  - Aggressive Growth Portfolio:
    * Equity: 80%
    * Bonds: 15%
    * Cash: 5%
    * Reasoning: This portfolio focuses on long-term growth and capital appreciation. With a higher allocation to equities, it assumes a higher level of risk but aims to capture market opportunities for potentially higher returns.
  - Income and Growth Portfolio:
    * Equity: 60%
    * Bonds: 30%
    * Cash: 10%
    * Reasoning: This portfolio balances income generation and growth. The allocation to bonds provides stability and income, while equities offer potential for capital appreciation over the long term.
- Portfolio for Earnings of 30 Lakhs:

- Growth and Income Portfolio:
  * Equity: 60%
  * Bonds: 25%
  * Real Estate: 10%
  * Cash: 5%
  * Reasoning: This portfolio focuses on both capital appreciation and income generation. It diversifies across equities, bonds, and real estate to provide a combination of growth potential, stability, and passive income.
- Diversified Portfolio:
  * Equity: 50%
  * Bonds: 30%
  * Real Estate: 15%
  * Cash: 5%
  * Reasoning: This portfolio offers a balanced mix of asset classes for diversification. It aims to provide growth through equities, stability through bonds, and potential income through real estate investments.

• Portfolio for Earnings of 50 Lakhs:
  - Capital Growth Portfolio:
    * Equity: 70%
    * Bonds: 20%
    * Real Estate: 7%
    * Cash: 3%
    * Reasoning: This portfolio emphasizes long-term capital growth with a higher allocation to equities. The inclusion of real estate provides diversification and potential additional income streams.
  - Income and Diversification Portfolio:
    * Equity: 60%
    * Bonds: 20%
    * Real Estate: 20%
    * Cash: 10%

        * Reasoning: This portfolio balances income generation, diversification, and growth. It includes a mix of equities, bonds, and real estate to provide potential for capital appreciation, stability, and income generation.

- Portfolio for Earnings of 1 Crore:
    - High-Growth Portfolio:
        * Equity: 80%
        * Real Estate: 15%
        * Cash: 5%
        * Reasoning: This portfolio is designed for long-term capital growth. It focuses on equities and real estate, which have historically offered higher growth potential, while maintaining a small cash allocation for liquidity.
    - Income and Diversification Portfolio:
        * Equity: 50%
        * Bonds: 20%
        * Real Estate: 20%
        * Cash: 10%
        * Reasoning: This portfolio allows for customization based on the investor's risk tolerance and investment goals. It offers a mix of asset classes for growth, stability, income, and diversification.

Chapter 3

Stock Market Analysis

3.1 The Significance of Stock Market Investment in Current Financial Scenario

The stock market is a significant part of the financial system, and it can be a good way to grow your wealth over time. In the current financial scenario, there are a few reasons why stock market investment is important:

- **To hedge against inflation:** Inflation is a general increase in prices and a decrease in the purchasing value of money. When inflation happens, the value of your money decreases. Stock market investments can help you protect your wealth from inflation by increasing in value over time.

- **To generate income:** Stocks can provide income in two ways: dividends and capital gains. Dividends are payments that companies make to their shareholders out of their profits. Capital gains are the profits you make when you sell a stock for more than you paid for it.

- **To achieve your financial goals:** If you have specific financial goals, such as saving for retirement or a down payment on a house, stock market investments can help you reach those goals. By investing over time, you can grow your wealth and reach your financial goals.

However, it is important to remember that the stock market is volatile, and there is always the risk of losing money. If you are considering investing in the stock market, it is important to do your research and understand the risks involved. You should also talk to a financial advisor to get personalized advice.

Here are some additional reasons why stock market investment is important in the current financial scenario:

- **Low-interest rates:** Interest rates are currently at historic lows, which means that there are not many other attractive investment options. Stock market investments can offer a higher potential for growth than other types of investments, such as bonds.
- **Globalization:** The global economy is becoming increasingly interconnected, which means that there are more opportunities for investors to participate in the stock market. This can help to diversify your portfolio and reduce your risk.
- **Technology:** Technology is changing the way that businesses operate, which can lead to new investment opportunities. For example, the rise of e-commerce has created new opportunities for investors to invest in companies that sell products and services online.

Overall, the stock market is a significant part of the financial system, and it can be a good way to grow your wealth over time. In the current financial scenario, there are a number of reasons why stock market investment is important. However, it is important to remember that the stock market is volatile, and there is always the risk of losing money. If you are considering investing in the stock market, it is important to do your research and understand the risks involved.

3.2 Macroeconomic Factors that Influence Stock Prices

Here are some of the macroeconomic factors that can influence stock prices:

- **Interest rates**: Interest rates are the cost of borrowing money, and they can have a significant impact on stock prices. When interest rates are low, it is cheaper for businesses to borrow money, which can lead to increased investment and economic growth. This can boost stock prices. Conversely, when interest rates are high, it is more expensive for businesses to borrow money, which can lead to decreased investment and economic growth. This can weigh on stock prices.
- **Economic growth**: Economic growth is the increase in the size of an economy over time. It is measured by the gross domestic product (GDP), which is the total value of goods and services produced in a country in a given year. When economic growth is strong, it can lead to increased corporate profits and stock prices. Conversely, when economic growth is weak, it can lead to decreased corporate profits and stock prices.

- **Inflation**: Inflation is the rate at which prices for goods and services are rising. When inflation is high, it can erode the purchasing power of investors' money, which can lead to lower stock prices. Conversely, when inflation is low, it can make stocks more attractive as an investment, which can lead to higher stock prices.

- **Government policies**: Government policies, such as tax rates and regulations, can also have an impact on stock prices. For example, when tax rates are low, it can leave more money in the hands of consumers and businesses, which can lead to increased spending and investment. This can boost stock prices. Conversely, when tax rates are high, it can leave less money in the hands of consumers and businesses, which can lead to decreased spending and investment. This can weigh on stock prices.

- **Political stability**: Political stability is important for investors because it creates an environment where businesses can operate and grow without fear of government interference. When a country is politically stable, it can lead to increased investment and economic growth, which can boost stock prices. Conversely, when a country is politically unstable, it can lead to decreased investment and economic growth, which can weigh on stock prices.

- **Global economic conditions**: The global economy is interconnected, so events that happen in one part of the world can have an impact on stock prices in other parts of the world. For example, if there is a financial crisis in one country, it can lead to a sell-off in stocks around the world.

These are just some of the macroeconomic factors that can influence stock prices. It is important to keep an eye on these factors when making investment decisions.

3.3 Key Financials that Influence Stock Price

Here are some of the key financials that can influence stock price:

- **Earnings per share (EPS)**: EPS is a measure of a company's profitability per share of stock. When EPS is high, it can lead to higher stock prices. Conversely, when EPS is low, it can lead to lower stock prices.

- **Revenue growth**: Revenue growth is a measure of how much a company's sales are increasing over time. When revenue growth is strong, it can lead to higher stock prices. Conversely, when revenue growth is weak, it can lead to lower stock prices.

- **Profit margin**: Profit margin is a measure of how much profit a company makes after paying for its costs. When profit margins are high, it can lead to higher stock prices. Conversely, when profit margins are low, it can lead to lower stock prices.
- **Free cash flow**: Free cash flow is a measure of how much cash a company has available after paying for its operating expenses and capital expenditures. When free cash flow is high, it can lead to higher stock prices. Conversely, when free cash flow is low, it can lead to lower stock prices.
- **Debt-to-equity ratio**: Debt-to-equity ratio is a measure of how much debt a company has compared to its equity. When the debt-to-equity ratio is high, it can lead to lower stock prices because it indicates that the company is more risky. Conversely, when the debt-to-equity ratio is low, it can lead to higher stock prices because it indicates that the company is less risky.
- **Dividend yield**: Dividend yield is a measure of how much a company pays out in dividends each year relative to its share price. When dividend yields are high, it can lead to higher stock prices because it indicates that the company is profitable and has a history of paying dividends. Conversely, when dividend yields are low, it can lead to lower stock prices because it indicates that the company is not as profitable or does not have a history of paying dividends.

These are just some of the key financials that can influence stock price. It is important to consider all of these factors when making investment decisions.

3.4 Stock Market Crashes and Booms

Stock markets are volatile, and they can experience periods of both crashes and booms. Here are two descriptive examples of each:

Stock market crashes:

Black Monday (October 19, 1987): The Dow Jones Industrial Average (DJIA) fell by 22.6%, or 508 points, on this day. This was the largest one-day percentage decline in the DJIA's history. The crash was caused by a number of factors, including concerns about the rising federal budget deficit and the increasing volatility of the stock market. **2008 financial crisis:** The crisis began in 2007 with the collapse of the subprime mortgage market. This led to a wave of defaults on mortgages and other loans, which in turn led to a decline in the value of assets. The stock market crash was a major contributing factor to the financial crisis, and it led to a significant loss of wealth for investors.

Stock market booms:

In 1920s: The Dow Jones Industrial Average more than doubled in value during this decade, and many investors made a lot of money. However, the boom came to an end in 1929 with the Great Depression. **In 1990s:** The Dow Jones Industrial Average more than tripled in value during this decade, and many investors made a lot of money. However, the boom came to an end in 2000 with the dot-com bubble.

These are just two examples of stock market crashes and booms. There have been many others throughout history, and they can have a significant impact on the economy and the lives of investors.

3.5 Financial Terms

Here are some more details about the financial terms mentioned above:

1. **Net interest income (NII):**
    - Net interest income is a measure of the profitability of a financial institution.
    - It is calculated by taking the difference between interest income and interest expense.
    - Interest income is the amount of money that a financial institution earns by lending money to customers.
    - Interest expense is the amount of money that a financial institution pays to depositors and other creditors.
2. **Profit after tax (PAT):**
    - Profit after tax is the profit that a company has after paying taxes.
    - It is a measure of the company's overall profitability.
    - PAT is calculated by taking the company's net income and subtracting the amount of taxes that the company has paid.
3. **Net interest margin (NIM):**
    - Net interest margin is a measure of the profitability of a financial institution's interest-earning assets.
    - It is calculated by taking the net interest income and dividing it by the average earning assets.

- The average earning assets are the average of the company's interest-earning assets over a period of time.

4. **Earnings per share (EPS):**

    - Earnings per share is the amount of profit that a company makes per share of its common stock.
    - It is a measure of the company's profitability on a per-share basis.
    - EPS is calculated by taking the company's net income and dividing it by the number of outstanding shares of common stock.

5. **Revenue:**

    - Revenue is the amount of money that a company generates from its sales.
    - It is a measure of the company's top-line performance.
    - Revenue is calculated by taking the total sales of the company and subtracting the returns and allowances.

6. **EBITDA:**

    - Earnings before interest, taxes, depreciation, and amortization is a measure of a company's profitability before taking into account these non-cash expenses.
    - EBITDA is calculated by taking the company's net income and adding back the interest expense, taxes, depreciation, and amortization.

7. **Return on equity (ROE):**

    - Return on equity is a measure of how well a company is using its shareholders' equity to generate profits.
    - It is calculated by dividing net income by shareholders' equity.
    - ROE is a measure of how much profit a company is able to generate from its shareholders' investment.

3.6 Regulating Bodies and Indices for Stock Markets

The regulating body for stock markets varies from country to country. Here are some examples:

- **United States:** The **Securities and Exchange Commission (SEC)** is the primary regulator of the stock market in the United States.
- **United Kingdom:** The **Financial Conduct Authority (FCA)** is the primary regulator of the stock market in the United Kingdom.
- **India:** The **Securities and Exchange Board of India (SEBI)** is the primary regulator of the stock market in India.
- **China:** The **China Securities Regulatory Commission (CSRC)** is the primary regulator of the stock market in China.

The indices followed also vary from country to country. Some of the most popular indices include:

- **S&P 500:** The **S&P 500** is a stock market index that tracks the performance of 500 large-cap companies listed on stock exchanges in the United States.
- **Dow Jones Industrial Average (DJIA):** The **Dow Jones Industrial Average** is a stock market index that tracks the performance of 30 large-cap companies listed on stock exchanges in the United States.
- **NASDAQ Composite Index:** The **NASDAQ Composite Index** is a stock market index that tracks the performance of all stocks listed on the NASDAQ stock exchange.
- **Nifty 50:** The **Nifty 50** is a stock market index that tracks the performance of 50 large-cap companies listed on the National Stock Exchange (NSE) in India.
- **Shanghai Composite Index:** The **Shanghai Composite Index** is a stock market index that tracks the performance of all stocks listed on the Shanghai Stock Exchange in China.

3.7 Top 10 Stocks for FY 2022-23

Reliance Industries, Motherson Sumi Systems, Gail India, Ipca Laboratories, Mahindra and Mahindra, Paras Defence, Zen Technologies, Tata Consultancy Services, Hero MotoCorp and Bharti Airtel are among the top 10 picks of CapitalVia Global Research.

Benchmark indices Sensex and Nifty rose over 20 percent each in the year 2021 led by the strong economic recovery . All the sectoral indices ended the year in the green with power and metal indices adding over 60 percent each. Here are the top ten chart picks by CapitalVia Global Research for the the upcoming year 2022.

3.7.1 Reliance Industries (RIL)

Reliance Industries Limited (RIL) is a conglomerate with interests in petrochemicals, refining, oil and gas exploration, retail, and telecommunications. The company recently released its Q4 results, which exceeded expectations due to several key factors.

Firstly, RIL's petrochemicals business saw a recovery in demand and margins, which helped to offset the impact of lower refining margins. Additionally, the company's oil and gas exploration business benefited from higher gas volumes and prices. Finally, RIL's retail and telecommunications businesses continued to grow aggressively, with plans to expand further in the coming years.

Looking ahead, RIL has several growth drivers that are expected to continue to fuel its success. The company plans to invest heavily in its retail and telecommunications businesses, with a focus on expanding its e-commerce platform and increasing its customer base. RIL also plans to continue to invest in its petrochemicals business, with a focus on high-value specialty chemicals.

In addition to these growth drivers, RIL is also taking steps to address potential challenges that it may face in the future. For example, the company is investing in renewable energy and is exploring new technologies to reduce its carbon footprint. RIL is also working to diversify its revenue streams, with a focus on expanding its presence in international markets.

Overall, RIL's strong Q4 results and aggressive growth plans make it an attractive investment opportunity. As such, we recommend a buy rating for RIL's stock. However, it is important to note that investing in the stock market carries risks, and investors should carefully consider their investment goals and risk tolerance before making any investment decisions.

3.7.2 Motherson Sumi Systems

Samvardhana Motherson International (SMIL) is a leading global automotive supplier that provides innovative solutions to the automotive industry. The company operates in four main business segments: Wiring Harnesses, Mirrors, Polymer Processing, and Tooling. SMIL has a strong presence in Europe, Asia, and North America, and serves a wide range of customers, including major OEMs such as Volkswagen, BMW, and Ford.

The company has a strong financial track record, with consistent revenue growth and profitability over the past few years. According to the report, SMIL's revenue is projected to increase from Rs 635.4bn in FY22 to Rs 987.2bn in FY25E, driven by growth in all four business segments. The company's net income is also expected to increase from Rs 22.5bn in FY22 to Rs 44.5bn in FY25E, reflecting strong operating leverage and cost efficiencies.

In addition to its financial performance, SMIL has a strong ESG disclosure score, which reflects its commitment to sustainability and responsible business practices. The company has implemented several initiatives to reduce its carbon footprint, improve energy efficiency, and promote diversity and inclusion. SMIL has also received several awards and recognitions for its ESG performance, including the CDP A-List for Climate Change and the Dow Jones Sustainability Indices.

Based on these factors, the we recommends a "Buy" for SMIL. SMIL's strong financial performance, diversified business model, and commitment to sustainability make it an attractive investment opportunity for long-term investors. The company's inorganic growth strategy, which has helped it expand its product portfolio and customer base. SMIL has made several strategic acquisitions in recent years, including Reydel Automotive and PKC Group, which have contributed to its revenue growth and profitability.

Overall, SMIL is a well-managed company with a strong financial track record, a diversified business model, and a commitment to sustainability. The company's projected revenue and net income growth, strong ESG disclosure score, and inorganic growth strategy make it an attractive investment opportunity for long-term investors.

3.7.3 Gail India

Gail (India) is a leading natural gas company in India that operates in the areas of natural gas transmission, marketing, and processing. The company is headquartered in New Delhi and has a significant presence in the natural gas industry in India.

The first factor is based on the expectation that domestic gas production in India will increase, which will lead to an increase in gas transmission volume. This is a positive development for Gail (India) as it is a major player in the natural gas transmission business in India.

The second factor is based on the completion of major pipelines in eastern and southern India, which will improve the company's ability to transport natural gas to different parts of the country. This is expected to increase the company's revenue and profitability.

The third factor is based on the expectation of improvement in earnings from the petchem segment. The petchem segment of Gail (India) is involved in the production of petrochemicals, which are used in a wide range of industries such as plastics, textiles, and packaging. The expectation is that the demand for petrochemicals will increase in the coming years, which will lead to an increase in earnings for Gail (India).

However, the Q4FY23 reported EBITDA/PAT at INR 3.1/6bn, well below the estimates, impacted by one-offs amounting to INR 12bn in the gas transmission segment and inventory loss of INR 2.3bn in the marketing segment. Despite this, higher-than-expected other income of INR 10.1bn in Q4 supported earnings.

In terms of financial performance, The company has a P/E ratio of 11.2x and an EV/EBITDA ratio of 10.4x. The company's RoE is 12.0%.

Expectation of an increase in gas transmission volume, completion of major pipelines, and improvement in earnings from the petchem segment.

3.7.4 Ipca Laboratories

IPCA Laboratories is a leading pharmaceutical company in India that specializes in the production of active pharmaceutical ingredients (APIs) and formulations. The company has a strong presence in both domestic and international markets, with exports accounting for over 50% of its revenue. IPCA Laboratories has a diversified product portfolio that includes anti-malarial, anti-inflammatory, and anti-cancer drugs, among others.

The company has a strong track record of growth, with revenue and net profit growing at a CAGR of 14% and 20%, respectively, over the past five years. IPCA Laboratories has a robust pipeline of new products, which is expected to drive future growth. The company has a strong focus on research and development, with over 500 scientists working on developing new products and improving existing ones.

IPCA Laboratories has a strong balance sheet, with a debt-to-equity ratio of 0.2 and a current ratio of 2.2. The company has a healthy cash balance of INR 1,500 crore, which provides it with the financial flexibility to pursue growth opportunities. IPCA Laboratories has a strong return on equity (ROE) of 20%, which is higher than the industry average of 15%.

The company has a strong competitive advantage in the API segment, with a market share of over 20%. IPCA Laboratories has a strong presence in the anti-malarial segment, with a market share of over 30%. The company has a strong distribution network, with over 3,000 stockists and 60,000 retailers across India.

IPCA Laboratories is trading at an attractive valuation, with a P/E ratio of 18x, which is lower than the industry average of 22x. The company has a dividend yield of 1.5%, which provides investors with a steady stream of income.

The company has a strong track record of growth, a robust pipeline of new products, and a strong competitive advantage in the API segment. IPCA Laboratories has a strong balance sheet and is trading at an attractive valuation. The company has a healthy dividend yield, which provides investors with a steady stream of income. We believe that IPCA Laboratories is well-positioned to benefit from the growth opportunities in the pharmaceutical sector and is a good long-term investment.

3.7.5 Mahindra and Mahindra

M&M has been focusing on consistent improvement in its operating performance, market share expansion via new launches, and aim to attain scale in its operating areas. The company has recently launched XUV 700 in Australia and Swaraj Target 630 in the domestic lightweight tractor market, which are expected to drive growth. M&M also shows strong order book position, which is expected to support its growth momentum in the coming quarters.

M&M's financial performance, including its revenue, EBITDA, and net profit margins, have been improving consistently over the past few quarters. The company's revenue grew by 60% YoY in Q4FY2021, driven by strong demand for its tractors and SUVs. Its EBITDA margin improved by 300 bps YoY to 14.7%, while its net profit margin improved by 200 bps YoY to 6.7%. The report also highlights M&M's strong balance sheet, with a net cash position of Rs. 3,000 crore as of March 2021.

M&M's valuation, which is currently trading at a P/E multiple of 17.3x and EV/EBITDA multiple of 10.7x its FY2025 estimates. The M&M's valuation is attractive compared to its peers in the industry, which are trading at higher multiples.

Based on the above analysis, M&M's strong growth prospects, improving financial performance, and attractive valuation make it an attractive investment opportunity for investors. The report also highlights the risks associated with investing in M&M, including the impact

3.7.6 Paras Defence and Space Technologies

PDSTL is a leading player in India's Defence & space industry, with specialized technology competencies like Optics and EMP protection. The company provides products and services to five key product verticals, including Defence Electronics, Defence Communication, Space, Electro-Optics, and Critical Infrastructure Security.

One of the most impressive aspects of PDSTL's business is its strong order book of INR 1,100 cr, which provides visibility for the next two to three years. The company's revenue growth has also been impressive, with INR 183 cr revenues at +27% growth YoY in FY22. This suggests that PDSTL is a company with strong growth potential.

PDSTL's Optics division is particularly noteworthy, with a strong competency in hyperspectral imaging opto-mech systems. The company has developed a range of products in this area, including airborne imaging systems, ground-based imaging systems, and handheld imaging systems. PDSTL's Optics division has been growing at a CAGR of 30% over the last three years, and the company has a strong pipeline of orders in this area.

In addition to its Optics division, PDSTL has a range of other products and services that are in high demand in India's Defence & space industry. The company's Defence Electronics division provides a range of products, including communication systems, radar systems, and electronic warfare systems. PDSTL's Space division provides satellite components and subsystems, as well as ground support equipment and services. The company's Critical Infrastructure Security division provides a range of security solutions, including perimeter security, access control, and surveillance systems.

PDSTL appears to be a promising company with strong growth potential. With its specialized technology competencies, strong order book, and impressive revenue growth, PDSTL appears to be a company with strong growth potential in India's Defence & space

3.7.7 State Bank of India (SBI)

State Bank of India (SBI) is one of the largest banks in India, with a strong presence in both retail and corporate banking. The bank has been on a growth trajectory in recent years, driven by a combination of factors such as improving asset quality, expanding loan book, and focus on technology as a growth enabler.

SBI's financial performance has been improving steadily over the past few years, with the bank reporting a net profit of INR 20,410 crore in FY 2021, up from INR 14,488 crore in FY 2020. The bank's net interest income (NII) has also been growing at a healthy pace, driven by a combination of higher loan growth and improving net interest margins (NIMs). SBI's NIMs improved from 2.81% in FY 2020 to 3.06% in FY 2021, driven by a reduction in cost of funds and a shift in the loan mix towards higher-yielding retail loans.

SBI's asset quality has also been improving, with the bank reporting a gross non-performing asset (GNPA) ratio of 4.98% in FY 2021, down from 6.15% in FY 2020. The bank's provision coverage ratio (PCR) has also improved from 83.62% in FY 2020 to 86.32% in FY 2021, indicating a higher level of provisioning for potential loan losses.

In terms of valuations, SBI is currently trading at a price-to-book (P/B) ratio of 0.8x, which is lower than the industry average of 1.2x. This suggests that the stock is undervalued relative to its peers and presents a good buying opportunity for investors.

SBI has been focusing on technology as a growth enabler, with the aim of improving customer experience, reducing costs, and increasing operational efficiency. The bank has been investing in digital channels such as internet banking, mobile banking, and digital wallets, which has helped it expand its customer base and increase transaction volumes.

SBI has also been using technology to improve its loan book and reduce stressed assets. SBI's undervaluation relative to its peers presents a good buying opportunity for investors.

3.7.8 Tata Consultancy Services (TCS)

Tata Consultancy Services Limited (TCS) is a leading global IT services, consulting, and business solutions organization. The company recently released its Q1FY24 results, which showed a 12.6% YoY growth in revenue and a 16.8% YoY growth in profit. Despite a slight QoQ decline in operating margins, demand drivers remain intact and there are visible signs of operational recovery.

One of the key drivers of TCS's revenue growth in Q1FY24 was the continued demand for digital transformation services. The pandemic has accelerated the need for businesses to adopt digital technologies, and TCS has been at the forefront of this trend. The company's digital revenue grew by 42.1% YoY and accounted for 44.5% of total revenue in Q1FY24. TCS's strong capabilities in areas such as cloud, analytics, and automation have helped it win new business and expand existing relationships with clients.

Another factor contributing to TCS's growth is its focus on innovation. The company has a strong R&D program and invests heavily in emerging technologies such as AI, blockchain, and IoT. TCS's innovation labs and centers of excellence help it stay ahead of the curve and provide cutting-edge solutions to clients. This has helped the company win several awards and accolades, including being named the #1 IT services brand in the world by Brand Finance.

TCS's Q1FY24 performance was in line with analyst expectations, with revenue and profit growth beating estimates. The company's management has expressed confidence in its ability to sustain this growth momentum going forward. TCS has a strong pipeline of deals and a robust order book, which should support revenue growth in the coming quarters. The company is also focused on improving its operating margins through cost optimization measures and productivity improvements.

The company has a solid track record of delivering consistent growth and has a diversified client base across industries and geographies. TCS's strong balance sheet and cash position provide it with the flexibility to invest in growth opportunities and return value to shareholders through dividends and buybacks. The stock is currently trading at a reasonable valuation, with a P/E ratio of 28.5x and a P/B ratio of 9.2x. We believe that TCS is well-positioned to benefit from the ongoing digital transformation trend and should continue to deliver strong returns to investors over the long term.

3.7.9 Hero MotoCorp

Hero MotoCorp is a leading two-wheeler manufacturer in India, with a market share of over 35%. The company has a strong brand presence and a wide distribution network, which has helped it maintain its leadership position in the industry.

Hero MotoCorp has been focusing on digitalization, premiumization, and frugal engineering to drive growth. The company has been investing in digital technologies to enhance the customer experience and improve operational efficiency. It has also been launching premium products to cater to the growing demand for high-end motorcycles and scooters. Additionally, Hero MotoCorp has been focusing on frugal engineering to reduce costs and improve margins.

The company has a strong product portfolio, which includes motorcycles, scooters, and electric vehicles. Hero MotoCorp has been launching new models and variants to cater to the changing customer preferences. The company has also been expanding its presence in the international markets, which has helped it diversify its revenue streams.

Hero MotoCorp has been investing in research and development to develop new technologies and products. The company has been working on developing electric vehicles and has set a target of achieving 10% of its sales from EVs by 2025. Hero MotoCorp has also been working on developing connected vehicles, which will enhance the customer experience and improve safety.

The Indian two-wheeler industry is expected to grow at a CAGR of 7% over the next five years. The growth will be driven by factors such as rising disposable incomes, increasing urbanization, and growing demand for personal mobility. Hero MotoCorp is well-positioned to benefit from this growth, given its strong brand presence and wide distribution network.

In conclusion, we believe that Hero MotoCorp is well-positioned to benefit from the growth in the Indian two-wheeler industry. The company's focus on digitalization, premiumization, and frugal engineering, along with its strong product portfolio and wide distribution network, will help it maintain its leadership position in the industry.

3.7.10 Bharti Airtel

Bharti Airtel Limited is a leading telecommunications company in India, with a strong presence in the mobile, home, and enterprise segments. The company has shown impressive growth across all segments in Q4FY23, with consolidated revenue growing by 14.3% YoY. The sustained growth in margins is driven by cost optimization, resulting in a rise in gross profit and EBITDA.

In the mobile services India business, the company has added 9.4 million customers in Q4FY23, taking the total customer base to 355.2 million. The company has been able to maintain its market share in the highly competitive Indian telecom market, which is a positive sign for investors. The company has also shown growth in the home services segment, with revenue growing by 7.5% YoY. The company has been able to leverage its strong fiber network to provide high-speed broadband services to customers.

In addition to its core businesses, Bharti Airtel is also focusing on emerging revenue streams such as IoT and cloud services. The company has launched Airtel IoT, which is a platform that enables businesses to connect and manage IoT devices. The company has also launched Airtel IQ, which is a cloud-based communication platform that enables businesses to engage with customers across multiple channels. These emerging revenue streams have the potential to drive growth for the company in the future.

Based on our analysis, we have given a BUY rating with a target of Rs. 926 and a return of 16% over the next 12 months. We believe that Bharti Airtel is well-positioned to benefit from the growth in the Indian telecom market, which is expected to continue in the coming years. The company has a strong balance sheet and has been able to generate positive free cash flow in the past few years. The company has also been able to reduce its debt levels, which is a positive sign for investors.

In conclusion, Bharti Airtel is a leading telecommunications company in India, with a strong presence in the mobile, home, and enterprise segments. The company has shown impressive growth across all segments in Q4FY23, and is well-positioned to benefit from the growth in the Indian telecom market. The company is also focusing on emerging revenue streams such as IoT and cloud services, which have the potential to drive growth in the future.

3.8 Analyze the performance of below stocks and forecast the performance for next 2 years

3.8.1 Indusind Bank

1. In the fourth quarter of FY23, the Net Interest Income (NII) experienced a growth of 3.9% quarter-on-quarter (QoQ) and 17.2% year-on-year (YoY), reaching INR 46,695 million. This growth indicates a positive trend in the bank's interest-earning activities. The Net Interest Margins (NIMs) for Q4FY23 were 4.28%, which represents an expansion of 8 basis points (bps) YoY and 1 bps QoQ. This expansion in NIMs suggests an improvement in the bank's interest spread and efficiency in managing its interest-bearing assets and liabilities.

2. For the entire fiscal year 2023 (FY23), the NII amounted to INR 175,921 million, exhibiting a YoY growth of 17.3%. The margins for the full year were reported at 4.3%, indicating a consistent performance in interest income generation.

3. The Pre-Provision Operating Profits (PPOP) witnessed a YoY growth of 11.1% and a

QoQ growth of 1.9% in Q4FY23, reaching INR 37,575 million. PPOP for the entire fiscal year amounted to INR 144,190 million, reflecting a YoY growth of 10.6%. This growth in PPOP indicates the bank's ability to generate profits from its core operations before accounting for provisions for loan losses and other contingencies.

4. The net profit for Q4FY23 stood at INR 20,434 million, representing a significant YoY growth of 45.9% and a modest QoQ growth of 4.1%. The net profit for the full fiscal year 2023 grew by 54.9% YoY, amounting to INR 74,431 million. These figures highlight the bank's improved profitability and efficiency in managing its expenses and credit quality.

5. As of March 31, 2023, the Gross Non-Performing Assets (GNPA) and Net Non-Performing Assets (NNPA) ratios were reported at 1.98% and 0.59%, respectively. These figures demonstrate an improvement compared to the GNPA of 2.06% and NNPA of 0.62% reported as of December 31, 2022. The declining NPA ratios indicate better asset quality and a lower proportion of non-performing loans in the bank's loan portfolio.

6. The bank experienced a YoY growth of 21.3% and a QoQ growth of 6.3% in advances, which reached INR 28,99,237 million as of March 31, 2023. This growth in advances suggests an increase in the bank's lending activities and its ability to attract borrowers. On the other hand, deposits grew by 14.6% YoY and 3.3% QoQ, amounting to INR 33,61,202 million as of the same date. The growth in deposits indicates the bank's ability to gather funds from customers and maintain a stable funding base.

7. In terms of capital adequacy, the bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines was reported at 17.86% as of March 31, 2023. Additionally, the Tier 1 Capital to Risk-Weighted Assets Ratio (CRAR) stood at 16.37%. These ratios indicate that the bank maintains a strong capital position, complying with regulatory requirements and having a sufficient cushion to absorb potential losses.

Overall, the bank showcased positive financial performance in various aspects, including net interest income, profitability, asset quality, loan growth, deposit growth, and capital adequacy. These results signify the bank's resilience and sound financial management in a challenging economic environment. The bank's net interest income is expected to grow at a compound annual growth rate (CAGR) of 8% over FY23-25E. This suggests that the bank's lending activities are expected to generate a consistent income in the coming years.

3.8.1.1 Key Financial

Table 3.1: Profit & Loss Statement

INR Mn	FY21	FY22	FY23	FY24E	FY25E
Interest Income	2,89,998	3,08,224	3,63,679	4,47,508	5,34,398
Interest Expense	1,54,719	1,58,216	1,87,758	2,40,551	2,78,549
Net Interest Income	1,35,279	1,50,008	1,75,921	2,06,957	2,55,849
Non interest income	65,586	73,971	81,728	96,439	1,13,798
Operating income	2,00,865	2,23,979	2,57,649	3,03,396	3,69,646
- Employee expense	22,135	24,883	41,787	52,179	63,424
- Other operating expense	61,463	70,710	71,672	81,917	97,956
Operating Expense	83,598	95,593	1,13,459	1,34,096	1,61,380
PPOP	1,17,267	1,28,386	1,44,190	1,69,300	2,08,266
Provisions	79,425	66,650	44,868	45,596	51,317
PBT	37,841	61,737	99,322	1,23,704	1,56,950
Tax Expense	9,478	15,625	24,887	30,926	39,237
PAT	28,364	46,111	74,435	92,778	1,17,712
Diluted EPS (INR)	38.8	59.5	96.0	119.6	151.7

Table 3.2: Balance Sheet

INR Mn	FY21	FY22	FY23	FY24E	FY25E
Source of Funds	NaN	NaN	NaN	NaN	NaN
Share capital	7,734	7,747	7,759	7,759	7,759
Reserves Surplus	4,25,866	4,69,065	5,41,844	6,16,279	7,09,057
Networth	4,33,600	4,76,812	5,49,603	6,24,038	7,16,816
ESOP	54	161	443	443	443
Borrowings	5,13,228	4,73,232	4,90,112	5,50,229	5,78,081
Deposits	25,62,050	29,36,814	33,61,202	39,30,210	46,24,649
Other liabilities provisions	1,20,796	1,32,728	1,77,006	2,59,154	3,79,428

Continued on next page

Table 3.2: Balance Sheet (Continued)

Total Equity Liabilities	36,29,728	40,19,746	45,78,366	53,64,075	62,99,417
Uses of Funds	NaN	NaN	NaN	NaN	NaN
Balances w/ banks others	5,63,272	6,82,745	1,38,019	5,10,927	6,01,204
Investments	6,96,947	7,09,708	8,30,757	9,82,553	11,56,162
Loans advances	21,25,954	23,90,515	28,99,237	34,32,485	41,20,070
Fixed assets	18,094	18,487	20,789	23,908	27,494
Other assets	2,25,461	2,18,291	2,59,816	2,37,343	1,86,377
Total Assets	36,29,728	40,19,746	45,78,366	53,64,075	62,99,417

Table 3.3: Ratio Analysis

Key Ratio	FY21	FY22	FY23	FY24E	FY25E
Growth Rates	NaN	NaN	NaN	NaN	NaN
Advances (%)	2.8%	12.4%	21.3%	18.4%	20.0%
Deposits (%)	26.8%	14.6%	14.6%	16.9%	17.7%
Total assets (%)	18.2%	10.7%	13.9%	17.2%	17.4%
NII (%)	12.2%	10.9%	17.3%	17.6%	23.6%
Pre-provisioning profit (%)	8.9%	9.5%	10.6%	17.4%	23.0%
PAT (%)	-35.8%	62.6%	54.9%	24.6%	26.9%
B/S Ratios	NaN	NaN	NaN	NaN	NaN
Credit/Deposit (%)	83.0%	81.4%	86.3%	87.3%	89.1%
CASA (%)	41.8%	38.7%	40.1%	32.8%	29.7%
Advances/Total assets (%)	58.6%	59.5%	63.3%	64.0%	65.4%
Leverage - Total Assets to Equity	8.37	8.43	8.33	8.60	8.79
Operating efficiency	NaN	NaN	NaN	NaN	NaN
Cost/income (%)	41.6%	42.7%	44.0%	44.2%	43.7%
Opex/total assets (%)	2.7%	2.4%	2.5%	2.5%	2.6%

Continued on next page

Table 3.3: Ratio Analysis (Continued)

Opex/total interest earning assets	3.0%	3.2%	3.3%	3.3%	3.3%
Profitability	NaN	NaN	NaN	NaN	NaN
NIM (%)	4.6%	4.4%	5.0%	4.7%	4.7%
RoA (%)	0.8%	1.1%	1.6%	1.7%	1.9%
RoE (%)	6.5%	9.7%	13.5%	14.9%	16.4%
Asset quality	NaN	NaN	NaN	NaN	NaN
Gross NPA (%)	2.7%	2.3%	2.0%	2.0%	1.9%
Net NPA (%)	0.7%	0.6%	0.6%	0.6%	0.6%
PCR (%)	75.0%	71.7%	70.6%	71.0%	71.0%
Slippage (%)	1.9%	1.0%	1.0%	1.0%	1.0%
Credit cost (%)	2.9%	2.3%	1.3%	1.3%	1.3%
Per share data / Valuation	NaN	NaN	NaN	NaN	NaN
EPS (INR)	36.7	59.5	95.9	119.6	151.7
BVPS (INR)	560.7	615.5	708.3	804.3	923.9
ABVPS (INR)	527.9	595.8	686.2	778.8	893.5
P/E (x)	32.5	20.0	11.7	9.4	7.4
P/BV (x)	2.1	1.9	1.6	1.4	1.2
P/ABV (x)	2.3	2.0	1.6	1.4	1.3

3.8.2 Axis Bank

1. The consolidated ROE (excluding exceptional items) for FY23 was 19%, led by all-round outperformance across NIMs, fees, costs, and asset quality metrics. Axis Bank Ltd (AXSB) delivered a growth of 68% in Profit After Tax (excluding exceptional items) driven by a 30.0% growth in net interest income and 25% growth in fee income. The NIMs for the entire year improved by 55 bps YoY to 4.02%, while credit costs declined by 32 bps YoY to 0.40%.

2. The focus on building a quality and granular liability franchise resulted in a 21% YoY growth in granular CASA deposits. AXSB achieved an 870 bps YoY increase in the share of the premium segment in the Retail SA deposits portfolio and a 550 bps YoY reduction in the overall deposits' outflow rates.

3. AXSB continued to grow faster than the industry with a domestic loan book growth of 23% YoY. The focus segments comprising Mid Corporate, SME, and Small Business Banking (SBB) grew at a much higher pace of 32% YoY and constituted 20% of the overall loan book in FY23.

4. The bank's retail advances book grew 22%, aided by several large transformation and technology initiatives. AXSB strengthened its market share in retail cards and payments businesses through innovative product propositions and partnerships driven by the Known to Bank (KTB) strategy.

5. AXSB's positioning in the credit cards business improved, with its card advances market share increasing by 450 bps to 16.3%, supported by the acquisition of a quality and complementary credit card franchise. The liability franchise received a boost with over 100 bps improvement in CASA ratio and access to over 1,600 Suvidha corporate relationships through integration.

6. The acquired CITI business, while running at a higher cost, is ROE accretive post-integration and strengthens AXSB's market presence in the retail space. The integration between the two institutions enables AXSB to create the gold standard in the retail segment.

7. The MSME segment remains a key growth driver for the bank, with the combined loan portfolio of Mid Corporate and SME doubling in the last three years. This has brought higher granularity and supported the Priority Sector Lending (PSL) agenda of the bank.

8. Axis Finance achieved a 30% YoY growth in net profit with an ROE of 16.9%, a capital adequacy ratio of over 20%, and superior asset quality. Axis AMC delivered a PAT growth of 16% YoY, while the retail brokerage subsidiary delivered a PAT of INR 2,030 Mn despite a volatile market environment. Axis Capital continued to maintain its dominance in equity capital markets.

9. The Board recommended a dividend of INR 1 per equity share of face value INR 2 each for FY23, considering the bank's overall performance and capital retention for future growth.

3.8.2.1 Key Financials

Table 3.4: Profit & Loss Statement

INR Mn	FY 21	FY 22	FY 23	FY 24E	FY 25E
Interest Income	6,36,453	6,73,768	8,51,638	10,63,599	12,45,211
Interest Expense	3,44,062	3,42,446	4,22,180	5,41,168	6,33,312
Net Interest Income	2,92,391	3,31,322	4,29,458	5,22,432	6,11,899
Non-interest income	1,48,382	1,52,205	1,65,009	1,91,938	2,26,487
Operating income	4,40,773	4,83,528	5,94,466	7,14,369	8,38,386
- Employee expense	61,640	76,126	87,974	93,233	1,02,376
- Other operating expense	1,22,111	1,59,982	1,86,009	2,28,598	2,64,092
Operating Expense	1,83,752	2,36,108	2,73,983	3,21,832	3,66,467
PPOP	2,57,022	2,47,420	3,20,483	3,92,538	4,71,919
Provisions	1,68,963	73,595	26,526	47,019	60,977
PBT	88,058	1,73,826	2,93,957	3,45,519	4,10,941
Tax Expense	22,173	43,571	73,262	86,380	1,02,735
Exceptional Expenses	0	0	1,24,898	0	0
PAT	65,885	1,30,255	95,797	2,59,139	3,08,206
Diluted EPS (INR)	21.5	42.5	31.1	84.2	100.2

Table 3.5: Balance Sheet

INR Mn	FY 21	FY 22	FY 23	FY 24E	FY 25E
Source of Funds	NaN	NaN	NaN	NaN	NaN
Share capital	6,120	6,140	6,154	6,154	6,154
Reserves Surplus	10,09,225	11,45,601	12,48,013	15,07,152	18,15,358
Networth	10,15,345	11,51,741	12,54,167	15,13,305	18,21,511
Borrowings	14,28,732	18,51,339	18,63,000	21,46,650	24,51,765
Deposits	69,79,853	82,19,716	94,69,452	1,10,08,464	1,29,04,024
Other liabilities provisions	4,44,051	5,31,493	5,86,636	9,08,330	9,71,239

Continued on next page

Table 3.5: Balance Sheet (Continued)

Total Equity					
Liabilities	98,67,981	1,17,54,288	1,31,73,255	1,55,76,750	1,81,48,540
Uses of Funds	NaN	NaN	NaN	NaN	NaN
Cash					
Balance with RBI	6,17,303	20,50,212	17,25,286	21,04,023	22,32,138
Other Bank and					
Call Money	22,61,196	27,55,972	28,88,148	33,57,581	40,00,248
Net investments	61,43,994	70,79,466	84,53,028	99,94,191	1,17,79,977
Loans advances	42,450	45,724	47,339	50,339	53,339
Fixed assets	8,03,038	7,63,257	7,20,632	7,64,853	8,11,787
Other assets	98,67,981	1,17,54,288	1,31,73,255	1,55,76,750	1,81,48,540
Total Assets	4,53,44,296	4,98,75,974	5,51,69,785	6,18,29,896	6,89,86,107

Table 3.6: Ratio Analysis

Key Ratio	FY 21	FY 22	FY 23	FY 24E	FY 25E
Growth Rates	NaN	NaN	NaN	NaN	NaN
Advances (%)	7.5%	15.2%	19.4%	18.2%	17.9%
Deposits (%)	9.0%	17.8%	15.2%	16.3%	17.2%
Total assets (%)	7.8%	19.1%	12.1%	18.2%	16.5%
NII (%)	16.0%	13.3%	29.6%	21.6%	17.1%
Pre-provisioning profit (%)	9.7%	-3.7%	29.5%	22.5%	20.2%
PAT (%)	304.9%	97.7%	-26.5%	170.5%	18.9%
B/S Ratios	NaN	NaN	NaN	NaN	NaN
Credit/Deposit (%)	88.0%	86.1%	89.3%	90.8%	91.3%
CASA (%)	38.5%	45.0%	47.2%	47.3%	47.4%
Advances/Total assets (%)	62.3%	60.2%	64.2%	64.2%	64.9%

Continued on next page

Table 3.6: Ratio Analysis (Continued)

Leverage - Total Assets to Equity	9.7	10.2	10.5	10.3	10.0
Operating efficiency	NaN	NaN	NaN	NaN	NaN
Cost/income (%)	41.7%	48.8%	46.1%	45.1%	43.7%
Opex/total assets (%)	1.9%	2.0%	2.1%	2.1%	2.0%
Opex/total interest earning assets	2.2%	2.4%	2.4%	2.4%	2.3%
Profitability	NaN	NaN	NaN	NaN	NaN
NIM (%)	3.7%	3.5%	3.8%	4.0%	4.0%
RoA (%)	0.7%	1.2%	0.8%	1.8%	1.8%
RoE (%)	7.1%	12.0%	8.0%	18.7%	18.5%
Asset quality	NaN	NaN	NaN	NaN	NaN
Gross NPA (%)	3.7%	2.82%	2.0%	2.0%	1.9%
Net NPA (%)	1.1%	0.73%	0.4%	0.3%	0.3%
PCR (%) (excl. AUCA)	71.6%	75.0%	80.7%	82.7%	83.9%
Slippage (%)	3.2%	2.4%	1.8%	1.4%	1.3%
Credit cost (%)	2.8%	1.1%	1.0%	0.3%	0.5%
Per share data / Valuation	NaN	NaN	NaN	NaN	NaN
EPS (INR)	21.5	42.4	31.1	84.2	100.2
BVPS (INR)	331.8	375.2	407.6	491.8	592.0
ABVPS (INR)	308.9	357.2	396.0	480.8	580.1
P/E (x)	41.6	20.3	27.6	10.2	8.6
P/BV (x)	2.7	2.3	2.1	2.0	1.7
P/ABV (x)	2.9	2.4	2.2	2.0	1.7

3.8.3 RBL Bank

1. In Q4FY23 and FY23, the bank achieved its highest-ever quarterly and annual Profit After Tax (PAT) levels. Additionally, the Return on Assets (RoA) improved by 22 basis points (bps) both year-on-year (YoY) and quarter-on-quarter (QoQ), reaching 1%. The bank's advances growth for FY23 surpassed initial targets, with a YoY growth of 17% and a QoQ growth of 5%. The retail segment witnessed a robust YoY growth of 21%

and a QoQ growth of 8%. Housing and tractors disbursements accounted for significant portions of the quarterly performance.

2. The core business of the bank includes commercial banking, credit cards (which is expected to continue growing at a rate of 20-25%), and microfinance. Moreover, the bank plans to include the housing business as part of its core operations within the next six months. Given its relatively low market share (0.5%), the bank is positioned for higher-than-industry growth rates.

3. The bank has implemented new practices and processes in the retail segment, and the benefits of these initiatives are expected to materialize in FY24. The bank maintained a strong deposit position, with Current Account and Savings Account (CASA) at 37.4% and Retail Liquidity Coverage Ratio (LCR) at 42.8%. Deposits below Rs20 million experienced a YoY growth of 19% and a QoQ growth of 5%.

4. In terms of asset quality, the bank observed a decline in Gross Non-Performing Assets (GNPA) and Net Non-Performing Assets (NNPA) in Q4FY23. The Provision Coverage Ratio (PCR) remained flat QoQ at 68%. Provisions amounted to Rs2.84 billion compared to Rs3.39 billion QoQ. The bank's credit cost for FY24 is estimated to be in the range of 1.5%-2%, and it aims to maintain a PCR between 68% and 70%. Overall, the bank exhibited stable asset quality and a positive recovery trend.

5. The bank reported gross slippages of Rs6.81 billion, recoveries and upgrades of Rs3.85 billion, and net slippages of Rs2.95 billion. Wholesale gross slippages accounted for Rs1.16 billion, with recoveries and upgrades at Rs1.3 billion, resulting in negative net slippages. The microfinance segment experienced gross slippages of Rs0.71 billion, recoveries and upgrades of Rs0.32 billion, and net slippages of Rs0.39 billion. The cards segment reported gross slippages of Rs2.38 billion, recoveries and upgrades of Rs0.37 billion, and net slippages of Rs2 billion (flat QoQ). Other retail slippages amounted to Rs2.57 billion, with net slippages of Rs0.7 billion (including Rs0.96 billion upgraded from the out-of-order circular of regulators).

6. Looking ahead to FY24-FY26, the bank aims to achieve 20% growth in advances and deposits. Additionally, an average CASA growth of 1-2% annually, a rise of 10-20 per annum in RoA, and an increase of 100-150 bps in RoE are targeted. The bank also plans to double its customer count to 26 million, focus on building granularity in the retail deposit franchise, and improve market positions in credit cards and microfinance.

7. Regarding margins, the fixed-to-floating mix is 45:55. The rise in margins over the past three quarters can be attributed to changes in the loan and deposit mix, utilization of excess liquidity, and the lead-lag impact of deposit rates and lending yields. The bank expects stable margins, with any increase in deposit costs likely to be offset by changes in the loan mix.

8. In the cards segment, a change in strategy was implemented for Zomato. The bank witnessed tremendous year-on-year growth in actual spend for FY23 due to the use of credit cards for various non-conventional purposes. Revolve rates are expected to increase by 100-200 bps in FY24. The bank aims for a 20% growth in granular deposits and remains confident in achieving this goal. Credit card provisions were at 29 bps compared to 39 bps previously. During the quarter, the bank issued 550,000 cards. The credit card portfolio is expected to grow in the range of 20-24%.

9. In terms of miscellaneous factors, the bank expects a small bump-up in two-wheelers and car segments, while overall operating expenses have been largely reduced for other segments. The bank is comfortable with its current capital buffers and does not anticipate the need to raise capital in the next 18 months.

Table 3.7: Profit and Loss statement

Year ended 31 Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Interest income	82,145	81,758	91,299	1,11,037	1,31,032
Interest expense	-44,270	-41,491	-46,784	-57,742	-69,586
Net interest income	37,876	40,267	44,515	53,294	61,446
growth (%)	4.4	6.3	10.5	19.7	15.3
Non-interest income	18,840	23,405	24,894	29,716	35,242
Operating income	56,716	63,673	69,409	83,010	96,688
Operating expenses	-27,546	-36,220	-47,384	-55,771	-65,263
- Staff expenses	-8,454	-10,015	-13,403	-16,497	-19,295
Pre-provisions profit	29,170	27,453	22,025	27,239	31,425
Core operating profit	26,449	24,961	20,425	25,539	29,625
growth (%)	2.0	-5.6	-18.2	25.0	16.0

Continued on next page

Table 3.7: Profit and Loss statement (Continued)

Provisions	-22,279	-28,604	-10,219	-12,698	-14,398
Pre-tax profit (before non-recurring items)	6,891	-1,151	11,805	14,541	17,027
Pre-tax profit (after non-recurring items)	6,891	-1,151	11,805	14,541	17,027
Tax (current + deferred)	-1,813	404	-2,978	-3,664	-4,291
Net profit	5,078	-747	8,827	10,877	12,736
Adjusted net profit	5,078	-747	8,827	10,877	12,736
growth (%)	0.4	-114.7	n/a	23.2	17.1
Net income	5,078	-747	8,827	10,877	12,736

Table 3.8: Balance sheet

Year ended 31 Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Investments	2,32,304	2,22,744	2,88,755	3,10,619	3,36,345
Advances	5,86,225	6,00,218	7,02,094	8,09,711	9,33,160
Interest earning assets	9,52,771	9,98,439	10,76,048	12,53,875	13,89,482
Fixed assets (Net block)	4,665	5,481	5,740	8,545	12,465
Other assets	49,070	58,166	76,974	1,02,386	1,37,517
Total assets	10,06,506	10,62,086	11,58,762	13,64,807	15,39,464
Deposits	7,31,213	7,90,065	8,48,865	9,92,162	11,53,547
Other interest bearing liabilities	1,12,259	1,10,930	1,33,313	1,20,712	1,09,370
Total Interest bearing liabilities	8,79,880	9,35,903	10,22,996	12,20,549	13,85,263
Other liabilities and provisions	36,409	34,908	40,818	1,07,676	1,22,346

Continued on next page

Table 3.8: Balance sheet (Continued)

Share capital	5,980	5,995	5,996	5,996	5,996
Reserves	1,20,646	1,20,187	1,29,770	1,38,262	1,48,205
Shareholders' funds	1,26,626	1,26,182	1,35,766	1,44,258	1,54,201
Total equity	10,06,506	10,62,086	11,58,762	13,64,807	15,39,464

Table 3.9: Key Ratios

	FY21	FY22	FY23	FY24E	FY25E
Valuation Ratios					
Adjusted EPS (Rs)	9.3	-1.3	14.7	18.1	21.2
BVPS (Rs)	211.7	210.5	226.4	240.6	257.2
Adjusted Book NAV/share (Rs)	196.2	200.4	216.8	231.7	248.0
PER (x)	18.5	NM	11.7	9.5	8.1
Price/Book (x)	0.8	0.8	0.8	0.7	0.7
Price/Adjusted book (x)	0.9	0.9	0.8	0.7	0.7
Dividend Yield (%)	0.0	0.0	0.9	2.4	2.8
Du-Pont Ratios					
NII/Avg. Assets (%)	4.0	3.9	4.0	4.2	4.2
Non-interest income/Avg Assets (%)	2.0	2.3	2.2	2.4	2.4
- Fee income / Avg Assets (%)	1.7	2.0	2.1	2.2	2.3
- Trading gains / Avg Assets (%)	0.3	0.2	0.1	0.1	0.1
Cost / Avg Assets (%)	2.9	3.5	4.3	4.4	4.5
Non-tax Provisions / Avg Assets (%)	2.3	2.8	0.9	1.0	1.0
Tax Provisions / Avg Assets (%)	0.2	0.0	0.3	0.3	0.3
ROA (%)	0.5	-0.1	0.8	0.9	0.9
Leverage	8.2	8.2	8.5	9.0	9.7
ROE (%)	4.4	-0.6	6.7	7.8	8.5

Continued on next page

Table 3.9: Key Ratios (Continued)

Balance Sheet Ratios					
Loan growth (%)	1.0	2.4	17.0	15.3	15.2
Deposit growth (%)	26.5	8.0	7.4	16.9	16.3
Loans/Deposits (%)	80.2	76.0	82.7	81.6	80.9
Investments/Deposits (%)	31.8	28.2	34.0	31.3	29.2
CASA ratio (%)	31.8	35.3	37.3	36.7	36.3
Profitability Ratios					
NIMs (%)	4.3	4.2	4.3	4.6	4.7
Interest spread (%)	3.7	3.7	3.9	4.1	4.1
Yield on advances (%)	11.4	10.8	11.1	11.6	12.0
Cost of deposits (%)	5.5	4.7	5.2	5.7	5.9
Efficiency/Other P/L Ratios					
Non-interest income/Net income (%)	33.2	36.8	35.9	35.8	36.4
Trading income/Net income (%)	4.8	3.9	2.3	2.0	1.9
Cost/Income (%)	48.6	56.9	68.3	67.2	67.5
Asset Quality Ratios					
Gross NPLs (%)	4.3	4.4	3.4	2.9	2.6
Net NPLs (%)	2.1	1.3	1.1	0.9	0.8
Net NPLs/Net worth (%)	9.5	6.1	5.4	4.7	4.5
Loan provisions/Avg loans (%)	3.7	4.7	1.5	1.6	1.6
Provisions cover (%)	52.3	70.4	68.1	70.0	70.0
Capitalisation Ratios					
Tier I Cap. Adequacy (%)	16.6	16.2	15.3	13.6	12.7
Total Cap. Adequacy (%)	17.5	16.8	16.9	15.0	13.9

3.8.4 Motherson

1. Samvardhana Motherson (SAMIL) has recently entered into an agreement with Honda Motors to acquire an 81% stake in Yachiyo Industry's 4W component business. Currently, Honda group owns a 51% stake in Yachiyo Industry, which is a publicly listed entity.

The equity consideration for this acquisition amounts to Euro 145 million, and Yachiyo Industry is a net cash entity. This strategic move is expected to strengthen SAMIL's presence among Japanese Original Equipment Manufacturers (OEMs), particularly Honda, as about 90% of Yachiyo's revenue comes from Honda itself.

2. Through this acquisition, SAMIL will not only add fuel tanks and sunroofs to its portfolio but also gain opportunities to cross-sell other key products, such as plastic parts, wiring harnesses, and vision systems, across major Japanese OEMs, including Honda. The revenue mix from Honda for SAMIL is anticipated to rise significantly, increasing from 1% to 6% after the deal is finalized.

3. Yachiyo Industry's 4W business delivered revenues of Euro 824 million and EBITDA of Euro 92 million in FY23, with an EBITDA margin of approximately 11%. About half of its revenue is derived from plastic and metallic fuel tanks, while the other half comes from sunroofs, including panoramic sunroofs for premium models. Yachiyo has a significant 9% share in the global sunroof market and serves various large OEMs globally, extending beyond Honda. The sunroof business is expected to witness growth, driven by increasing sunroof penetration and improved access to clients through SAMIL. Additionally, Yachiyo is actively developing plastic fuel tanks for hydrogen-powered vehicles, which could present further growth opportunities.

4. With Honda accounting for almost 90% of Yachiyo's revenue and holding a sunroof capacity of 2.5 million units, the deal opens doors for SAMIL to explore sunroof business prospects in India and the EU with more OEMs. Japan constitutes 18% of Yachiyo's revenue, while China and the US account for 43% and 33%, respectively. This acquisition is likely to provide SAMIL with the chance to cross-sell its existing products more effectively in the Japanese market, including to Honda, resulting in a significant boost in revenue share from Honda for SAMIL.

5. The equity consideration for the 81% stake in Yachiyo's 4W component business stands at Euro 145 million, whereas the FY23 EBITDA was Euro 92 million. The attractive valuation of this deal reflects Honda's willingness to associate with the diversified global component supplier, SAMIL. The deal is expected to enhance SAMIL's consolidated Return on Capital Employed (RoCE) from the current sub-10% levels. The acquisition is scheduled to be completed in Q1FY25E, taking SAMIL one step closer to its target revenue of around US$30 billion by FY26, compared to the current level of approximately US$12 billion.

6. However, there are certain downside risks associated with the deal. A slowdown in the global car market could impact SAMIL's cash flow and pose challenges in funding the deal through debt. Moreover, Yachiyo's past profitability might not be replicated going forward, making the deal valuation appear cheap only in the short term. SAMIL's ability to generate synergistic benefits from Honda and other Japanese OEMs as expected from the deal, and the pressure on the fuel tank business due to the faster adoption of Electric Vehicles (EVs) globally are additional risks to consider.

3.8.4.1 Key Financials

Table 3.10: Profit and loss statement

	FY22	FY23	FY24E	FY25E
Net Sales	6,35,360	7,87,007	9,06,289	9,81,486
Raw material expenditure	3,67,363	4,53,174	5,18,186	5,69,116
Staff cost	1,53,746	1,79,314	2,08,446	2,15,927
Other expenses	69,637	92,442	99,837	1,07,824
Operating expenditure	5,90,746	7,24,929	8,26,470	8,92,867
EBITDA	44,614	62,077	79,819	88,619
EBITDA Margin (%)	7.0%	7.9%	8.8%	9.0%
Depreciation	29,582	31,358	34,648	37,350
EBIT	15,032	30,719	45,171	51,269
Interest expenditure	5,426	7,809	7,000	7,000
Non-operating income	4,957	2,570	3,084	3,701
Adj. PBT	14,562	25,480	41,256	47,971
Tax	6,275	7,650	12,377	14,391
Adj. PAT	8,287	17,830	28,879	33,580
Discontinued PAT	3,642	-	-	
Adj. PAT (cont. + discontinued)	11,929	17,830	28,879	33,580
Minority Interest/Share of JVs	2,917	2,178	2,000	2,400
Adj. consol PAT after MI	9,012	15,652	26,879	31,180

Continued on next page

Table 3.10: Profit and loss statement (Continued)

Exceptionals	481	995	-	-
Reported PAT after MI	8,531	14,657	26,879	31,180

Table 3.11: Cashflow statement

	FY22	FY23	FY24E	FY25E
Operating cashflow before WC changes	43,181	55,864	70,527	77,930
(Incr) / decr in net working capital	(31,159)	246	10,522	824
Cashflow from operations	12,022	56,110	81,049	78,754
Capex (net)	(47,032)	(50,397)	(31,720)	(34,352)
(Incr) / decrease in investments	-	-	-	-
Cashflow from investments	(47,032)	(50,397)	(31,720)	(34,352)
Net borrowings	39,347	(5,952)	-	-
Interest paid	(5,426)	(7,809)	(7,000)	(7,000)
Dividend paid	(2,937)	(4,111)	(8,064)	(8,870)
Others	(7,287)	10,110	-	-
Issue of Equity	1,360	(1)	-	-
Cashflow from financing	25,058	(7,763)	(15,064)	(15,870)
Net change in cash	(9,952)	(2,050)	34,265	28,532
Free cashflow	(35,010)	5,713	49,329	44,402

Table 3.12: Balance sheet

	FY22	FY23	FY24E	FY25E
Shareholders' equity	4,518	6,325	6,325	6,325
Reserves surplus	2,01,365	2,18,191	2,37,006	2,59,316
Total networth	2,05,883	2,24,516	2,43,331	2,65,640
Minority Interest	17,763	19,254	21,254	23,654

Continued on next page

Table 3.12: Balance sheet (Continued)

Debt	1,27,609	1,21,657	1,21,657	1,21,657
Deferred tax liability	(8,322)	(8,428)	(8,428)	(8,428)
Total liabilities	3,42,932	3,56,998	3,77,814	4,02,523
Gross block	3,59,032	4,07,746	4,39,467	4,73,819
Net block	2,14,113	2,31,469	2,28,541	2,25,543
CWIP	13,097	14,779	14,779	14,779
Investments (non-current)	64,617	62,899	62,899	62,899
Cash equivalents	49,994	46,987	81,252	1,09,783
Debtors	80,247	98,379	99,319	1,07,560
Inventory	64,417	78,228	79,455	86,048
Loans advances	62,449	72,133	87,179	94,390
Total current assets	2,57,107	2,95,726	3,47,206	3,97,782
Current liabilities	1,94,373	2,37,248	2,60,713	2,82,345
Provisions	11,629	10,627	14,898	16,134
Total current liabilities	2,06,002	2,47,875	2,75,611	2,98,479
Net current assets	51,105	47,852	71,595	99,302
Total assets	3,42,932	3,56,998	3,77,814	4,02,523

Table 3.13: Key ratios

	FY22	FY23	FY24E	FY25E
Per Share Data (in Rs)	,	,		
EPS (Rs)	1.4	2.5	4.2	4.9
Diluted EPS (Rs)	1.4	2.5	4.2	4.9
CEPS (Rs)	6.0	7.3	9.7	10.8
Dividend per share (Rs)	0.5	0.7	1.3	1.4
Book value per share (Rs)	32.6	35.5	38.5	42.0

Continued on next page

Table 3.13: Key ratios (Continued)

Growth Ratios (%)	,	,		
Total Op. Income (Sales)	10.7	23.9	15.2	8.3
EBITDA	2.3	39.1	28.6	11.0
Net Income (Adjusted)	38.7	4.1	5.8	6.5
EPS (Adjusted)	(18.5)	73.7	71.7	16.0
Cash EPS	(4.0)	20.7	33.7	11.4
BVPS (Adjusted)	63.9	9.1	8.4	9.2
Valuation Ratios (x)	,	,		
P/E (x)	59.7	34.3	20.0	17.2
P/BV (x)	2.6	2.4	2.2	2.0
EV/Sales (x)	1.0	0.8	0.7	0.6
EV/EBITDA (x)	13.8	9.9	7.7	6.9
Return/Profitability Ratios (%)	,	,		
EBITDA Margin	7.0	7.9	8.8	9.0
Net Income Margin (Adjusted)	1.4	2.0	3.0	3.2
RoCE	3.3	6.5	8.9	9.6
RoNW	4.4	7.0	11.0	11.7
Dividend Payout Ratio	32.6	26.3	30.0	28.4
Dividend Yield	0.5	0.8	1.5	1.6
Solvency/Wkg. Cap. Ratios (x)	,	,		
Net D/E	0.4	0.3	0.2	0.0
Debt/EBITDA	2.9	2.0	1.5	1.4
EBIT/Interest	2.8	3.9	6.5	7.3
Inventory (days)	33	33	32	32
Receivables (days)	44	41	40	40
Payables (days)	117	100	105	105

3.8.5 Camlin Fine Sciences

Est. Vs. Actual for Q4FY23: In Q4FY23, the company's revenue was in line with estimates, but EBITDA and PAT missed expectations. Revenue saw a 1.4% increase compared to estimates and a 10% year-on-year and quarter-on-quarter growth. However, EBITDA declined significantly by 12% quarter-on-quarter and missed estimates by 22% due to a Forex loss, resulting in an EBITDA margin of 10.3%. The company's PAT stood at Rs 3.48 Cr, down 74% year-on-year and 85% quarter-on-quarter, mainly due to an exceptional impairment loss of Patent in the nature of Process Technical Knowhow for the manufacture of Vanillin owned by CFS Wanglong (Chinese Joint Venture).

Change in Estimates post Q4FY23: Following Q4FY23 results, the company's estimates for FY24E and FY25E have been adjusted. Revenue is expected to grow by 7% in FY24E and 1% in FY25E, while EBITDA is projected to decrease by 7% in FY24E and then recover with a 6% growth in FY25E. PAT is estimated to decline by 10% in FY24E and further decrease by 22% in FY25E.

Recommendation Rationale: The company's strong growth momentum in Blends and Performance Chemicals is a positive indicator. Additionally, focusing on HQ derivatives (MEHQ) with sales set to begin in the coming quarters adds to its potential. The expectation of CFS Brazil and CFS North America turning EBITDA positive is encouraging, and the Lockheed Martin order, which will be supplied in H2FY24 and onwards, will further contribute to growth. The strengthening of promoter holding to reduce free float can lead to a probable multiple expansion in the future, backed by strong operational performance and improvement in return ratios.

Company Outlook & Guidance: The company anticipates monetizing its Vanillin inventory in the upcoming quarters. CFSs have demonstrated strong performance in domestic entities, supported by robust growth in performance chemicals, which is expected to lead to higher earnings in the coming years. The company remains optimistic about global demand for CFS products, as a significant portion (80-85%) of their products are directly or indirectly used in food consumption. Furthermore, efforts to debottleneck the MEHQ facility and develop new downstream products will enhance the product basket and revenue generation.

Current Valuation and Recommendation: The company's current valuation stands at 15x FY25E earnings. Despite reducing the FY24/25E EBITDA estimates due to a slower-than-expected ramp-up in the Vanillin facility, the valuation is deemed comfortable at ~12x FY25E earnings. Based on this assessment, the revised target price (TP) is set at Rs 210/share, implying a 25% upside from the current market price (CMP).

Recommendation Rationale & Key Presentation Highlights: The Vanillin Facility commenced production on Jan 22, 2023, but sales from Vanillin have been flattish Q-o-Q. However, the company expects to monetize the Vanillin inventory in Q1 FY24. Going forward, the focus on HQ derivatives (mainly MEHQ) is anticipated to gain momentum as HQ prices normalize globally. CFS Brazil and CFS North America are expected to turn EBITDA positive, with Lockheed Martin order supply starting in Q2-Q3FY24, leading to potential growth in these markets. The recent co-operation agreement between the Promoter & Managing Director, Mr. Ashish Dandekar, and other stakeholders is expected to strengthen the company's position and benefit from diverse promoter experience.

Key Risks to our Estimates and TP: Several risks could impact the company's estimates and target price, including global slowdown affecting demand in the coming quarters, any adverse outcomes of the ongoing Russia-Ukraine crisis on international gas prices, and potential delays in approval from customers, leading to slower volume ramp-up of new products.

3.8.5.1 Key Financials

Table 3.14: Profit & Loss

Y/E March	**FY22**	**FY23**	**FY24E**	**FY25E**
Total Net Sales	1,412	1,682	2,251	3,029
Sales Growth %	19.0%	19.1%	33.9%	34.6%
Total Raw Material Consumption	759	813	1,058	1,424
Staff costs	145	163	214	288
Other Expenditure	355	500	630	818
Total Expenditure	1,259	1,476	1,902	2,529
EBITDA	153	205	349	500
% Change	-16.0%	34.3%	70.0%	43.3%
EBITDA Margin %	10.8%	12.2%	15.5%	16.5%
Depreciation	56	63	85	93
EBIT	97	143	263	406
% Change	-29.6%	47.4%	84.4%	54.3%
EBIT Margin %	6.9%	8.5%	11.7%	13.4%
Interest	36	59	71	95

Continued on next page

Table 3.14: Profit & Loss (Continued)

Other Income	33	6	34	30
PBT	94	80	226	341
Tax	34	41	75	119
Tax Rate %	35.8%	50.5%	33.0%	35.0%
PAT	60	40	151	222
PAT Growth %	-7.6%	-34.1%	280.4%	46.3%

Table 3.15: Balance Sheet

Y/E March	**FY22**	**FY23**	**FY24E**	**FY25E**
Share Capital	16	16	16	16
Reserves Surplus	732	804	955	1,177
Total Shareholders Funds	765	824	976	1,197
Non-Current Liabilities				
Long Term Borrowings	387.6	408.1	506.4	817.8
Deferred Tax Liability (Net)	10.3	15.1	15.1	15.1
Total Non-Current Liabilities	439.8	443.0	529.3	843.3
Current Liabilities				
Short Term Borrowings	234.9	371.5	506.4	545.2
Trade Payables	233.8	288.4	289.8	390.0
Other Financial Liability	69.7	63.9	103.7	139.5
Other Current Liability	34.8	37.9	21.2	28.5
Total Current Liability	595.3	793.0	955.2	1,141.9
Total Liabilities	1,035.0	1,236.0	1,484.5	1,985.2
Total Equity Liability	1,800.1	2,060.1	2,460.1	3,182.3
Assets				
PPE	481.8	752.5	833.6	789.9
Intangible assets	76.0	66.2	76.3	76.3

Continued on next page

Table 3.15: Balance Sheet (Continued)

Capital Work in Progress	214.7	40.8	40.8	40.8
Total Non-Current Assets	906.5	972.3	1,072.9	1,037.0
Current Assets:				
Inventories	370.9	568.1	555.0	746.9
Trade Receivable	299.7	304.6	400.8	539.4
Cash and Cash Equivalents	107.8	93.7	156.4	476.4
Bank Balance	34.3	5.5	35.5	65.5
Other Current Assets	73.2	101.6	225.1	302.9
Total Current Assets	893.5	1,087.8	1,387.1	2,145.3
Total Assets	1,800.1	2,060.1	2,460.1	3,182.3

Table 3.16: Cash Flow Statement Data

Y/E March	**FY22**	**FY23**	**FY24E**	**FY25E**
PBT	94	80	226	341
Depreciation Amortization	56	63	86	94
Chg in Working cap	4	-139	-209	-290
Direct tax paid	-30	-20	-75	-119
Cash flow from operations	145	51	65	90
Chg in Gross Block	-214	-144	-102	-50
Chg in Investments	28	29	0	0
Proceeds on redemption of Fin. Assets	0	0	0	0
Cash flow from investing	-249	-125	-167	-27
Proceeds / (Repayment) of Short Term Borrowings (Net)	-30	52	135	39
Proceeds from issue of Equity Instruments of the company	1	1	0	0
Loans	106	81	98	311

Continued on next page

Table 3.16: Cash Flow Statement Data (Continued)

Finance Cost paid	-25	-52	-71	-95
Dividends paid	-1	-14	0	0
Cash flow from financing	136	60	165	257
Chg in cash	32	-14	63	320
Cash at start	76	108	94	156
Cash at end	108	94	156	476

Table 3.17: Financial Ratios and Performance Data

Y/E March	**FY22**	**FY23**	**FY24E**	**FY25E**
	Growth (%)			
Net Sales	19.0%	19.1%	33.9%	34.6%
EBITDA	-16.0%	34.3%	70.0%	43.3%
APAT	-7.6%	-34.1%	280.4%	46.3%
	Per Share Data (Rs.)			
Adj. EPS	3.8	2.5	9.6	14.1
BVPS	48.7	52.5	62.1	76.2
DPS	0.0	0.0	0.0	0.0
	Profitability (%)			
EBITDA Margin	10.8%	12.2%	15.5%	16.5%
Adj. PAT Margin	4.3%	2.4%	6.7%	7.3%
ROCE	9.0%	12.3%	20.0%	26.6%
ROE	7.9%	4.8%	15.5%	18.5%
ROIC	9.0%	12.3%	20.0%	26.6%
	Valuations (X)			
PER	43.9	66.7	17.5	12.0
P/BV	3.5	3.2	2.7	2.2
EV / EBITDA	20.7	16.3	10.1	7.1

Continued on next page

Table 3.17: Financial Ratios and Performance Data (Continued)

EV / Net Sales	2.2	2.0	1.6	1.2
		Turnover Days		
Asset Turnover	2.2	1.9	2.0	2.5
Inventory days	89.3	101.9	90.0	90.0
Debtors days	73.7	65.6	65.0	65.0
Creditors days	94.2	117.2	100.0	100.0
Working Capital Days	68.8	50.3	55.0	55.0
		Gearing Ratio		
Total Debt to Equity (x)	0.7	0.8	0.9	0.7

3.8.6 Ramkrishna Forgings

Ramkrishna Forgings Ltd (RKFL) is the second-largest forging company in India and is well-positioned to benefit from the resurgence in the Indian automotive sector. Additionally, the company is experiencing increasing demand for forging equipment from non-automotive segments, including railways, oil & gas, and mining/earthmoving industries. RKFL's growth trajectory is expected to be boosted by timely capacity expansions, diversification of its product mix, exploring export opportunities, and strategic acquisitions and joint ventures.

Over the next few years (FY23-26E), we anticipate RKFL's standalone sales volumes to grow at a Compound Annual Growth Rate (CAGR) of 15.4%, reaching 2,06,943 tons, compared to the 8.5% CAGR achieved during FY17-23. This growth projection is expected to drive revenue, EBITDA, and PAT at a CAGR of 15.6%, 15.8%, and 26.0%, respectively, reaching INR 4,635 crore, INR 1,038 crore, and INR 471 crore by FY26E. Furthermore, the company is likely to see an improvement in EBITDA and PAT margins, rising by 14 basis points (bps) to 22.4% and 232 bps to 10.2%, respectively, over the same period. These improvements are also anticipated to positively impact the return ratios, with RoE and RoIC expected to rise by 192 bps to 19.7% and 266 bps to 21.2%, respectively, by FY26E.

3.8.6.1 Key Financials

Table 3.18: Income Statement

Y/E March	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
Revenue	**2,285.4**	**3,001.0**	**3,548.9**	**4,090.9**	**4,634.7**
YoY Growth (%)	*77.4*	*31.3*	*18.3*	*15.3*	*13.3*
Raw Material Cost	1,030.8	1,443.8	1,703.5	1,963.6	2,224.7
RM Cost to Sales (%)	*45.1*	*48.1*	*48.0*	*48.0*	*48.0*
Employee Cost	120.3	144.3	178.9	219.4	247.6
Employee Cost to Sales (%)	*5.3*	*4.8*	*5.0*	*5.4*	*5.3*
Other Expenses	604.3	744.8	862.3	993.1	1,124.2
Other Exp to Sales (%)	*26.4*	*24.8*	*24.3*	*24.3*	*24.3*
EBITDA	**530.0**	**668.2**	**804.2**	**914.8**	**1,038.3**
Margin (%)	*23.2*	*22.3*	*22.7*	*22.4*	*22.4*
YoY Growth (%)	*130.5*	*26.1*	*20.4*	*13.7*	*13.5*
Depreciation Amortization	169.1	201.4	232.4	267.1	305.3
EBIT	**360.9**	**466.8**	**571.8**	**647.7**	**733.0**
Margin (%)	*15.8*	*15.6*	*16.1*	*15.8*	*15.8*
YoY Growth (%)	*217.6*	*29.3*	*22.5*	*13.3*	*13.2*
Other Income	2.9	3.8	2.8	4.2	3.8
Finance Cost	93.3	115.0	112.7	111.5	107.2
Interest Coverage (X)	3.9	4.1	5.1	5.8	6.8
Exceptional Item	0.0	0.0	0.0	0.0	0.0
PBT	**270.5**	**355.6**	**461.9**	**540.3**	**629.7**
Margin (%)	*11.8*	*11.9*	*13.0*	*13.2*	*13.6*
YoY Growth (%)	*551.6*	*31.5*	*29.9*	*17.0*	*16.5*
Tax Expense	59.7	120.1	161.7	136.0	158.5
Tax Rate (%)	*22.1*	*33.8*	*35.0*	*25.2*	*25.2*
PAT	**210.8**	**235.6**	**300.2**	**404.3**	**471.2**
Margin (%)	*9.2*	*7.9*	*8.5*	*9.9*	*10.2*

Continued on next page

Table 3.18: Income Statement (Continued)

YoY Growth (%)	*653.4*	*11.8*	*27.4*	*34.7*	*16.5*
Min Int/Sh of Assoc	0.0	0.0	0.0	0.0	0.0
Net Profit	**210.8**	**235.6**	**300.2**	**404.3**	**471.2**
Margin (%)	*9.2*	*7.9*	*8.5*	*9.9*	*10.2*
YoY Growth (%)	*653.4*	*11.8*	*27.4*	*34.7*	*16.5*

Table 3.19: Balance Sheet

Y/E March	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
Share Capital	32.0	32.0	32.0	32.0	32.0
Total Reserves	1,062.1	1,293.0	1,572.1	1,940.1	2,359.4
Shareholders Fund	**1,094.1**	**1,324.9**	**1,604.1**	**1,972.1**	**2,391.4**
Long Term Borrowings	859.5	750.9	600.0	450.0	300.0
Deferred Tax Assets / Liabilities	79.3	117.2	117.2	117.2	117.2
Other Long Term Liabilities	38.5	64.2	75.9	87.5	99.1
Long Term Trade Payables	0.0	0.0	0.0	0.0	0.0
Long Term Provisions	0.0	0.0	0.0	0.0	0.0
Total Liabilities	**2,071.3**	**2,257.2**	**2,397.2**	**2,626.7**	**2,907.7**
Net Block	1,465.6	1,655.3	1,808.0	1,970.2	2,138.0
Capital Work in Progress	125.1	85.1	0.0	0.0	0.0
Intangible assets under developmen	0.0	0.0	0.0	0.0	0.0
Non Current Investments	19.4	19.4	22.9	26.4	29.9
Long Term Loans Advances	65.1	1.4	1.7	1.9	2.2
Other Non Current Assets	6.0	123.6	146.2	168.5	190.9
Net Current Assets	390.0	372.4	418.4	459.6	546.6
Total Assets	**2,071.3**	**2,257.2**	**2,397.2**	**2,626.7**	**2,907.7**

Table 3.20: Cash Flow Statement

Y/E March	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
PBT	270.5	355.6	461.9	540.3	629.7
Adjustments	255.7	384.0	336.0	369.9	402.9
Change in Working Capital	(425.2)	158.2	(193.2)	(155.9)	(156.4)
Less: Tax Paid	(59.7)	(120.1)	(161.7)	(136.0)	(158.5)
Cash Flow from Operations	**41.2**	**777.8**	**443.0**	**618.3**	**717.7**
Net Capital Expenditure	(298.4)	(353.1)	(385.1)	(429.3)	(473.1)
Change in Investments	(55.0)	55.8	81.5	(3.5)	(3.5)
Cash Flow from Investing	**(353.5)**	**(297.3)**	**(303.6)**	**(432.8)**	**(476.6)**
Change in Borrowings	375.2	(343.8)	22.6	(48.6)	(48.3)
Less: Finance Cost	(93.3)	(115.0)	(112.7)	(111.5)	(107.2)
Proceeds from Equity	1.8	0.0	0.0	0.0	0.0
Buyback of Shares	0.0	0.0	0.0	0.0	0.0
Dividend Paid	(4.8)	(11.8)	(21.0)	(36.4)	(51.8)
Cash flow from Financing	**278.8**	**(470.6)**	**(111.1)**	**(196.6)**	**(207.3)**
Net Cash Flow	**(33.4)**	**9.9**	**28.3**	**(11.0)**	**33.8**
Forex Effect	0.0	0.0	0.0	0.0	0.0
Opening Balance of Cash	66.6	31.0	42.5	70.7	59.7
Closing Balance of Cash	**33.2**	**40.9**	**70.7**	**59.7**	**93.5**

Table 3.21: Ratio Analysis

Y/E March	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
Per share data & Yields					
Adjusted EPS (INR)	13.2	14.7	18.8	25.3	29.5
Adjusted Cash EPS (INR)	23.8	27.3	33.3	42.0	48.6
Adjusted BVPS (INR)	68.4	82.9	100.3	123.3	149.6

Continued on next page

Table 3.21: Ratio Analysis (Continued)

Adjusted CFO per share (INR)	2.6	48.6	27.7	38.7	44.9
CFO Yield (%)	0.7	14.0	8.0	11.1	12.9
Adjusted FCF per share (INR)	(11.7)	31.3	8.2	17.0	20.3
FCF Yield (%)	(3.4)	9.0	2.4	4.9	5.8
Solvency Ratio (X)					
Total Debt to Equity	1.3	0.9	0.8	0.6	0.5
Net Debt to Equity	1.2	0.9	0.7	0.6	0.4
Net Debt to EBITDA	2.6	1.8	1.5	1.3	1.0
Return Ratios (%)					
Return on Equity	19.1	17.8	18.7	20.5	19.7
Return on Capital Employed	11.0	12.1	13.0	15.2	15.4
Return on Invested Capital	14.6	18.5	20.4	20.7	21.2
Working Capital Ratios					
Payable Days (Nos)	92	93	90	90	90
Inventory Days (Nos)	109	106	105	105	105
Receivable Days (Nos)	140	88	90	90	90
Net Working Capital Days (Nos)	157	101	105	105	105
Net Working Capital to Sales (%)	43.1	27.6	28.8	28.8	28.8
Valuation (X)					
P/E	26.4	23.6	18.5	13.8	11.8
P/BV	5.1	4.2	3.5	2.8	2.3
EV/EBITDA	13.1	10.1	8.4	7.3	6.4
EV/Sales	3.0	2.3	1.9	1.6	1.4

3.8.7 Titan Company Limited

- Titan Co. Ltd. manufactures and retails jewelry and watches. The company also produces perfumes for men and women.
- In Q4FY23, revenue grew 32.9% YoY to Rs. 10,360cr aided by sharp growth across emerging businesses and watches & wearables.
- EBITDA stood at Rs. 1,203cr, and EBITDA margin remained flat at 11.6% (+40bps YoY) impacted by some actuarial calculations in watches and one time cleanup of old inventory in lens. PAT grew 43.1% YoY to Rs. 730cr.
- With strong recovery in business segments and network expansions in both domestic and overseas markets, Titan emerged as a resilient player. After the upward trend in jewelry demand during Akshaya Tritiya, the management has predicted strong demand during the wedding season in May and June. However, concerns like gold price volatility and exhaustion of lower cost diamond inventory, will remain in the short term.
- The company recorded a healthy revenue growth of 32.9% YoY at Rs.10,360cr in Q4FY23. Jewellery division grew 23.5% YoY over a weak base quarter. Major drivers were the ~15% YoY growth in buyers (both new and repeat)- and ~8% YoY growth average tickets size. Growth of high-value studded mix and solitaires improved due to seasonal activation along-with wedding segment growing marginally higher than overall retail sales growth. Watches & wearables grew 41% YoY – analog watches at 32% YoY and wearables at 170% YoY. For the second consecutive quarter, Fastrack brand outpaced the portfolio brands. Eyecare grew by 22.8% YoY backed by growing volume and partially by average selling price. Emerging businesses clocked 83.9% YoY growth, led by fragrances & fashion accessories (31% YoY) and Indian dress wear (Taneira; 208% YoY). EBITDA grew by 38.3% YoY to Rs. 1,203cr in Q4FY23.
- Watches & wearables achieved the significant milestone Rs. 5,000cr+ of uniform consumer price sales, along with another milestone of 52 new stores, thus crossing 1,000 stores pan-India. This is the fastest quarterly expansion in the division's history.
- Titan plans to set up 40+ new stores in the jewellery division in FY24-25.
- Titan's subsidiary, CaratLane's revenue grew by 58.5% YoY fuelled by the gifting campaigns around Valentine's Day. Key category, studded business recorded a robust growth

of ~57% YoY. Titan Engineering and Automation Limited declined by 6.7% YoY, impacted by slow order deliveries in the automation solutions division (−23% YoY), whereas the manufacturing services division witnessed 33% YoY growth.

- Despite challenging times, Titan achieved landmark milestones in annual retail sales in Q4FY23. After tepid demand in the first half of April, jewellery demand increased in the second half of the month due to Akshaya Tritiya sales. The management is confident of robust demand during the wedding season in May and June. However, several challenges – fluctuating gold prices and unavailability of lower cost diamonds – pose major concerns in the short term. Therefore, we remain cautious and reiterate to HOLD with a target price of Rs. 2,960 based on 55x FY25E adj. EPS.

Table 3.22: PROFIT & LOSS

Y.E March (Rs. cr)	FY21A	FY22A	FY23A	FY24E	FY25E
Revenue	21,644	28,799	40,575	44,659	52,074
% change	2.8	33.1	40.9	10.1	16.6
EBITDA	1,911	3,575	5,187	6,309	7,286
% change	(27.1)	87.1	45.1	21.6	15.5
Depreciation	376	399	441	513	510
EBIT	1,535	3,176	4,746	5,796	6,776
Interest	203	218	300	322	290
Other Income	(5)	(54)	1	1	1
PBT	1,327	2,904	4,447	5,474	6,488
% change	(36.9)	118.8	53.1	23.1	18.5
Tax	353	706	1,173	1,416	1,678
Tax Rate (%)	26.6	24.3	26.4	25.9	25.9
Reported PAT	973	2,173	3,250	4,029	4,775
Adj*	-	54	-	-	-
Adj PAT	973	2,227	3,250	4,029	4,775
% change	(35.2)	128.9	45.9	24.0	18.5

Continued on next page

Table 3.22: PROFIT & LOSS (Continued)

No. of shares (cr)	88.8	88.8	88.8	88.8	88.8
Adj EPS (Rs.)	11.0	25.1	36.6	45.4	53.8
% change	(35.6)	128.9	45.9	24.0	18.5
DPS (Rs.)	4.0	7.5	10.0	13.6	16.1
CEPS (Rs.)	15.2	29.6	41.6	51.2	59.5

Table 3.23: BALANCE SHEET

Y.E March (Rs. cr).1	FY21A.1	FY22A.1	FY23A.1	FY24E.1	FY25E.1
Cash	560	1,573	1,343	2,294	2,758
Accounts Receivable	366	565	674	670	781
Inventories	8,408	13,609	16,584	18,418	21,264
Other Cur. Assets	3,863	1,707	3,806	4,301	4,960
Investments	43	280	352	387	426
Gross Fixed Assets	1,957	2,173	2,593	3,090	3,667
Net Fixed Assets	2,133	2,191	2,628	2,619	2,694
CWIP	19	69	133	120	108
Intangible Assets	379	368	380	385	390
Def. Tax (Net)	105	187	158	283	336
Other Assets	576	645	965	962	960
Total Assets	16,452	21,194	27,023	30,439	34,677
Current Liabilities	3,348	4,598	5,770	5,833	6,406
Provisions	156	198	241	246	251
Debt Funds	5,438	7,059	9,105	9,271	9,327
Other Liabilities	8	6	3	14	17
Equity Capital	89	89	89	89	89
Reserves Surplus	7,408	9,214	11,762	14,903	18,469
Shareholder’s Fund	7,497	9,303	11,851	14,992	18,558

Continued on next page

Table 3.23: BALANCE SHEET (Continued)

Minority Interest	5	30	53	83	118
Total Liabilities	16,452	21,194	27,023	30,439	34,677

Table 3.24: CASH FLOW

Y.E March (Rs. cr)	FY21A	FY22A	FY23A	FY24E	FY25E
Net inc. + Depn.	1,349	2,572	3,691	4,542	5,285
Non-cash adj.	2,970	1,606	857	(534)	(177)
Changes in W.C	(180)	(4,902)	(3,178)	(1,695)	(2,761)
C.F. Operation	4,139	(724)	1,370	2,313	2,347
Capital exp.	(96)	(216)	(420)	(496)	(578)
Change in inv.	-	(153)	(1)	(108)	(114)
Other invest.CF	(2,705)	1,533	(1,390)	(35)	(39)
C.F – Investment	(2,801)	1,164	(1,811)	(640)	(730)
Issue of equity	-	-	-	-	-
Issue/repay debt	(562)	342	1,677	166	55
Dividends paid	(355)	(355)	(666)	(888)	(1,209)
Other finance.CF	(317)	(390)	(554)	-	-
C.F – Finance	(1,234)	(403)	457	(722)	(1,153)
Chg. in cash	104	37	16	951	463
Closing cash	560	1,573	1,343	2,294	2,758

Table 3.25: Ratio Analysis

Y.E March	FY21A.1	FY22A.1	FY23A.1	FY24E.1	FY25E.1	
Profitab.	Return	NaN	NaN	NaN	NaN	NaN
EBITDA margin (%)	8.80	12.40	12.80	14.10	14.00	

Continued on next page

Table 3.25: Ratio Analysis (Continued)

EBIT margin (%)	7.10	11.00	11.70	13.00	13.00	
Net profit mgn.(%)	4.50	7.50	8.00	9.00	9.20	
ROE (%)	13.00	23.40	27.40	26.90	25.70	
ROCE (%)	11.90	19.40	22.60	23.80	24.20	
W.C	Liquidity	NaN	NaN	NaN	NaN	NaN
Receivables (days)	6.20	7.20	6.10	5.50	5.50	
Inventory (days)	187.00	229.50	199.40	204.40	200.80	
Payables (days)	17.50	21.80	14.60	15.00	14.60	
Current ratio (x)	1.70	1.70	1.70	1.90	2.10	
Quick ratio (x)	0.50	0.20	0.30	0.40	0.40	
Turnover	Leverage	NaN	NaN	NaN	NaN	NaN
Gross asset T.O (x)	11.30	13.90	17.00	15.70	15.40	
Total asset T.O (x)	1.40	1.50	1.70	1.60	1.60	
Int. coverage ratio (x)	7.6	14.6	15.8	18.0	23.4	
Adj. debt/equity (x)	0.7	0.8	0.8	0.6	0.5	
Valuation						
EV/Sales (x)	6.6	8.0	5.7	5.6	4.8	
EV/EBITDA (x)	74.9	64.5	44.6	39.8	34.4	
P/E (x)	142.1	101.1	68.7	60.5	51.1	
P/BV (x)	18.4	24.2	18.8	16.3	13.1	

3.8.8 Havells India

- During their interaction with Havells India (Havells), the management displayed confidence in the healthy growth of its core product categories and an improvement in profit margins. The company has been making sustained investments in various aspects like manufacturing, distribution, and marketing to maintain its competitiveness across all categories. Although there has been a slowdown in demand from the business-to-consumer (B-C) segment, the business-to-business (B-B) segment has been largely compensating for it. However, the weak summer season is expected to impact the Lloyd and fan business in the near term.

- Havells has been diligently working on liquidating non-rated fan inventory, which should be completed by Q1FY24. Despite the delayed impact of the weak season, the management anticipates a healthy fan performance for the rest of FY24, supported by a price hike of approximately 5

- Lloyd, a subsidiary of Havells, has made significant strides in the Room Air Conditioner (RAC) segment and is now among the top three players in the industry. Despite the weak summer season, Lloyd has been gaining market share. However, investments in branding, distribution, and manufacturing have impacted profitability. The management believes that the margin has reached its lowest point and will likely improve going forward, thanks to softening commodity inflation and an increase in premium product mix.

- The switchgears segment, which accounts for 13% of revenue and 36% of EBIT mix, has performed well over the past two years, benefiting from its positive correlation with the construction and real estate sectors. Although growth rates may moderate due to a larger base, Havells remains confident in the segment's positive outlook.

- In the cables and wires segment (33% revenue and 34% EBIT mix), wires have experienced faster growth compared to cables, driven by factors such as real estate tailwinds, brand strength, channel expansion, and a shift from the unorganized to organized market.

- The electric consumer durables segment (20% revenue and 27% EBIT mix) faced challenges in FY23, primarily due to energy rating changes impacting fans and weak consumer sentiment. However, the medium-term outlook remains encouraging, supported by increasing premiumization mix, distribution expansion, and traction in appliances and water heaters.

- The lighting segment (9% revenue and 16% EBIT mix) demonstrated strong performance in both consumer and professional lighting, driven by geographical expansion strategies and industry-leading margins. However, optical weakness in revenue performance was attributed to a fall in LED prices.

- Looking at Lloyd's performance (20% revenue and -14% EBIT mix), the RAC industry faced hyper-competition and commodity price volatility in FY23, leading to lower margins. Despite this, Lloyd managed to gain market share and expects to grow ahead of the industry. Margins are likely to remain under pressure in the near term due to competitive forces and increased operating costs, but the benefits of the new manufacturing plant are expected to contribute positively in the future. Lloyd's other products, such as refrigerators, washing machines, and LED TVs, are also gaining traction and complementing its product portfolio.

- Overall, the management maintains a positive outlook for Havells and expects the company to continue its growth trajectory, with margins expected to improve in the coming years.

Table 3.26: Profit and Loss

Year End (March)	FY21	FY22	FY23	FY24E	FY25E	FY26E
Net Revenues	1,04,279	1,38,885	1,68,684	1,88,643	2,12,106	2,37,244
Growth (%)	10.6	33.2	21.5	11.8	12.4	11.9
Material Expenses	64,749	93,841	1,16,713	1,28,278	1,44,232	1,61,326
Employee Expense	8,853	10,147	12,617	13,626	14,989	16,487
ASP Expense	1,326	2,468	4,734	4,716	5,303	5,931
Distribution Expense	3,615	4,312	5,988	6,697	7,530	8,422
Other Expenses	10,083	10,542	12,602	13,543	15,175	16,077
EBITDA	15,653	17,576	16,030	21,784	24,878	29,001
EBITDA Growth (%)	52.4	12.3	(8.8)	35.9	14.2	16.6
EBITDA Margin (%)	15.0	12.7	9.5	11.5	11.7	12.2
Depreciation	2,489	2,608	2,961	3,327	3,667	3,893
EBIT	13,164	14,968	13,069	18,457	21,211	25,107
Other Income (Including EO Items)	1,878	1,604	1,770	2,432	2,932	3,508
Interest	726	534	336	200	150	150
PBT	14,316	16,038	14,503	20,690	23,993	28,465

Continued on next page

Table 3.26: Profit and Loss (Continued)

Total Tax	3,919	4,091	3,753	5,276	6,118	7,259
RPAT	10,396	11,947	10,750	15,414	17,875	21,207
Adjusted PAT	10,396	11,947	10,750	15,414	17,875	21,207
APAT Growth (%)	41.8	14.9	(10.0)	43.4	16.0	18.6
EPS	16.6	19.1	17.2	24.6	28.5	33.8
EPS Growth (%)	41.8	14.9	(10.1)	43.4	16.0	18.6

Balance sheet

Year End (March)	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**	**FY26E**
SOURCES OF FUNDS						
Share Capital - Equity	626	626	627	627	627	627
Reserves	51,019	59,260	65,518	75,294	86,903	99,965
Total Shareholders Funds	**51,645**	**59,886**	**66,145**	**75,920**	**87,530**	**1,00,592**
Long Term Debt	3,937	2,726	-	-	-	-
Short Term Debt	986	1,230	-	-	-	-
Total Debt	**4,922**	**3,955**	**-**	**-**	**-**	**-**
Net Deferred Taxes	3,391	3,506	3,615	3,615	3,615	3,615
Other Non Current Liabilities	1,741	2,640	3,349	3,349	3,349	3,349
TOTAL SOURCES OF FUNDS	**61,698**	**69,988**	**73,109**	**82,885**	**94,494**	**1,07,556**
APPLICATION OF FUNDS						
Net Block	**18,607**	**20,213**	**22,278**	**24,951**	**24,284**	**23,391**
Goodwill	**14,333**	**14,126**	**13,958**	**13,958**	**13,958**	**13,958**
CWIP	1,011	640	1,634	1,634	1,634	1,634
Non Current Investments	16	2,743	205	205	205	205
LT Loans Advances	634	623	1,080	1,080	1,080	1,080
Other Non Current Assets	898	1,073	2,027	-	-	-

Continued on next page

Table 3.26: Balance sheet (Continued)

Total Non-current Assets	**35,499**	**39,418**	**41,181**	**41,827**	**41,160**	**40,267**
Inventories	26,199	29,681	37,085	37,729	42,421	47,449
Debtors	5,636	7,675	9,713	10,863	12,214	13,661
Other Current Assets	1,552	1,378	2,920	3,059	3,221	3,395
Cash Equivalents	19,310	26,893	20,427	32,195	43,422	56,409
Total Current Assets	**52,698**	**65,626**	**70,146**	**83,845**	**1,01,278**	**1,20,914**
Creditors	15,968	23,794	26,425	29,552	33,228	37,166
Other Current Liabilities Provns	10,531	11,262	11,792	13,235	14,716	16,459
Total Current Liabilities	**26,498**	**35,056**	**38,217**	**42,787**	**47,944**	**53,625**
Net Current Assets	**26,200**	**30,570**	**31,928**	**41,058**	**53,334**	**67,289**
TOTAL APPLICATION OF FUNDS	**61,698**	**69,988**	**73,109**	**82,885**	**94,494**	**1,07,556**

Table 3.27: Cash Flow

(Rs mn)	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**	**FY26E**
Reported PBT	14,316	16,066	14,503	20,690	23,993	28,465
Non-operating EO Items	(120)	91	(30)	-	-	-
Interest Expenses	(411)	(575)	(898)	(200)	(150)	(150)
Depreciation	2,489	2,609	2,961	3,327	3,667	3,893
Working Capital Change	(6,985)	3,236	(6,969)	2,278	(1,258)	(1,348)
Tax Paid	(2,714)	(4,149)	(3,919)	(5,276)	(6,118)	(7,259)
OPERATING CASH FLOW (a)	**6,574**	**17,278**	**5,647**	**20,818**	**20,133**	**23,602**
Capex	(1,536)	(2,528)	(5,855)	(6,000)	(3,000)	(3,000)
Free Cash Flow (FCF)	5,039	14,751	(208)	14,818	17,133	20,602
Investments	(7,296)	(6,051)	5,004	(2,000)	(2,000)	(2,000)

Continued on next page

Table 3.27: Cash Flow (Continued)

Non-operating Income	1,203	993	1,242	2,132	-	-
INVESTING CASH FLOW (b)	**(7,629)**	**(7,586)**	**391**	**(5,868)**	**(5,000)**	**(5,000)**
Debt Issuance/(Repaid)	4,505	(973)	(3,937)	255	209	380
Interest Expenses	(459)	(245)	(70)	200	150	150
FCFE	**10,002**	**14,022**	**(4,075)**	**14,874**	**17,192**	**20,831**
Share Capital Issuance	98	311	267	-	-	-
Dividend	(1,878)	(4,071)	(4,703)	(5,639)	(6,265)	(8,145)
Others	(369)	(494)	(626)	-	-	-
FINANCING CASH FLOW (c)	**1,898**	**(5,472)**	**(9,069)**	**(5,183)**	**(5,906)**	**(7,615)**
NET CASH FLOW (a+b+c)	**843**	**4,221**	**(3,031)**	**9,768**	**9,227**	**10,987**
EO Items, Others	-	-	-	-	-	-
Closing Cash Equivalents	16,247	25,358	18,619	28,386	37,613	48,600

Table 3.28: KEY RATIOS

	FY21	**FY22**	**FY23**	**FY25E**	**FY26E**
PROFITABILITY (%)					
GPM	37.9	32.4	30.8	32.0	32.0
EBITDA Margin (%)	15.0	12.7	9.5	11.7	12.2
EBIT Margin	12.6	10.8	7.7	10.0	10.6
APAT Margin	10.0	8.6	6.4	8.4	8.9
RoE	22.0	21.4	17.1	21.9	22.5
RoIC (or Core RoCE)	26.5	27.4	22.2	32.3	36.8
RoCE	19.9	18.7	15.4	20.3	21.1
EFFICIENCY					

Continued on next page

Table 3.28: KEY RATIOS (Continued)

Tax Rate (%)	27.4	25.5	25.9	25.5	25.5
Fixed Asset Turnover (x)	3.3	3.9	4.1	4.2	4.5
Inventory (days)	91.7	78.0	80.2	73.0	73.0
Debtors (days)	19.7	20.2	21.0	21.0	21.0
Other Current Assets (days)	5.4	3.6	6.3	5.5	5.2
Payables (days)	55.9	62.5	57.2	57.2	57.2
Other Current Liab & Provns (days)	36.9	29.6	25.7	25.3	25.3
Cash Conversion Cycle (days)	24.1	9.6	24.7	17.1	16.7
Net D/E (x)	(0.2)	(0.4)	(0.3)	(0.4)	(0.5)
Interest Coverage (x)	20.7	31.0	44.1	161.0	190.8
PER SHARE DATA (Rs)					
EPS	16.6	19.1	17.2	28.5	33.8
CEPS	20.6	23.2	21.9	34.4	40.1
Dividend	6.5	7.5	7.5	11.5	13.5
Book Value	82.5	95.6	105.6	139.7	160.6
VALUATION					
P/E (x)	81.1	70.6	78.5	47.2	39.8
P/BV (x)	16.3	14.1	12.8	9.6	8.4
EV/EBITDA (x)	53.0	46.7	51.4	32.2	27.2
EV/Revenues (x)	7.9	5.9	4.9	3.8	3.3
OCF/EV (%)	0.8	2.1	0.7	2.5	3.0
FCF/EV (%)	0.6	1.8	(0.0)	2.1	2.6
FCFE/Mkt Cap (%)	1.2	1.7	(0.5)	2.0	2.5
Dividend Yield (%)	0.5	0.6	0.6	0.9	1.0