

THE MID-CAP KING

FINANCE & ECONOMICS CLUB, IITG

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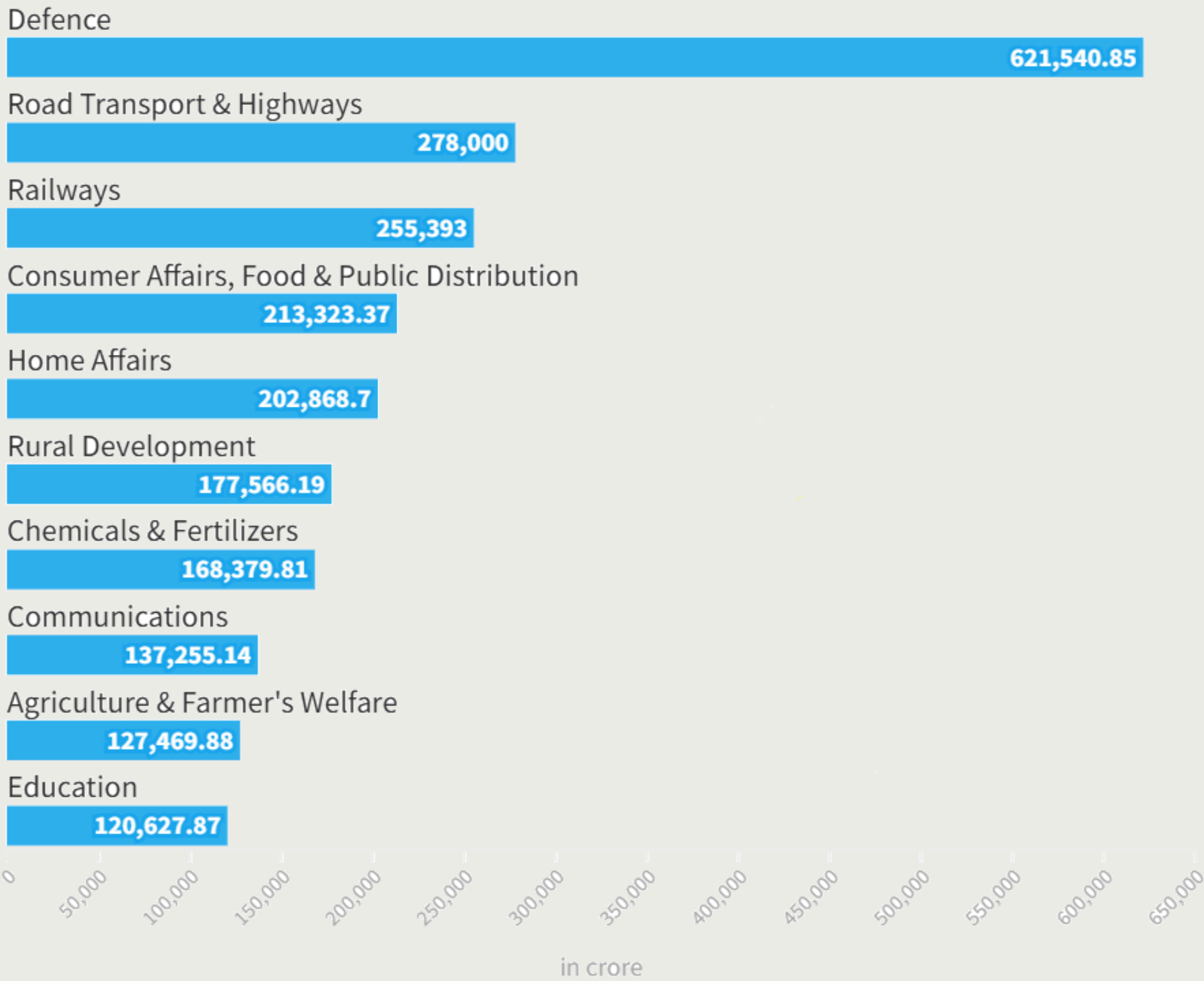


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UNION BUDGET 2024 & MAJOR SCHEMES

Allocation to major ministries under Union Budget 2024-25



Source: [Union Budget 2024-25](#) • The Hindu Graphics

The major schemes and their related sectors are as follows:

- In the **Infrastructure sector**, the key scheme are ‘Bharatmala Pariyojana’ ‘Udan Scheme’.
- For **Tourism**, the significant schemes include ‘Dekho Apna Desh’ and the ‘Swadesh Darshan Scheme’.
- In the **Agriculture sector**, the main schemes are ‘Pradhan Mantri Krishi Sinchayee Yojana’ (PMKSY) and ‘Pradhan Mantri Fasal Bima Yojana’ (PMFBY).
- The **Renewable Energy** sector features the ‘Pradhan Mantri Surya Ghar’ (PMSG) scheme.

SECTOR INVESTMENT ANALYSIS : KEY FINDINGS

- **Renewable Energy:** Mostly dominated by large players. Midcap are overpriced (Higher PE and PB ratios)
- **Tourism:** Restaurant chains and hotels face profitability challenges. (Low ROE and ROCE)
- **Agriculture:** Government's focus on fishing sector restricts mid-cap investment options (micro-cap stocks only).
- **Defence:** Strong large-cap companies with government support, but limited room for midcap investment.
- **Infrastructure:** High Returns, Large Growth Potential (Highest ROE).

INFRASTRUCTURE : THE BEST SECTOR TO INVEST

- Combined allocation of 5.33 lakh crores in this sector
- Upcoming major projects in this sector:



HIGHWAYS

Bharatmala Pariyojana PMGSY

Develops and expands India's National Highways to improve connectivity between major cities, ports, and economic centers.



TRANSPORT

PM GATI SHAKTI

PM Gati Shakti is a mission by the Indian government to improve public transport, especially in rural areas, enhancing socio-economic development.



AIRPORTS

UDAN SCHEME

Aims to make air travel affordable and accessible by connecting underserved regions through subsidized flight operations.



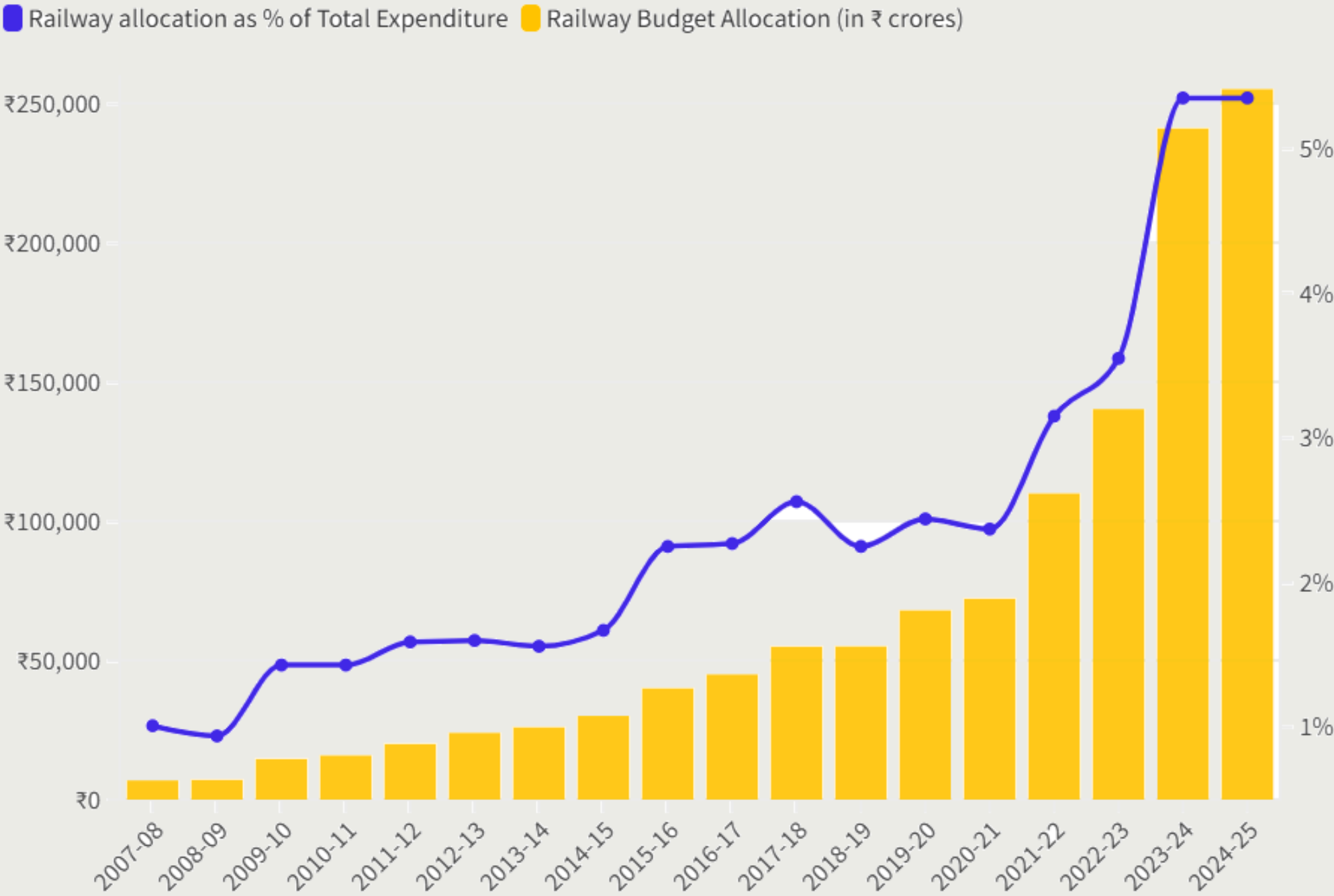
RAILWAYS

VANDE BHARAT

The introduction of high-speed, modern trains like Vande Bharat reflects innovation and enhanced passenger services, driving growth and profitability.

WHY RAILWAYS?

Budget allocation for railway ministry over the years



Source: Union Budget Documents • The Hindu Graphics

- **MAJOR BUDGET ALLOCATION:** The significant funding in the Union Budget highlights the government's commitment to railway development.
- **LESS COMPETITION:** Established railway companies face less competition, allowing them to dominate the market and achieve stable revenue streams.
- **EXPANSION PLAN:** Extensive plans for expanding railway networks and infrastructure promise long-term growth and investment returns.

WHY JUPITER WAGONS?

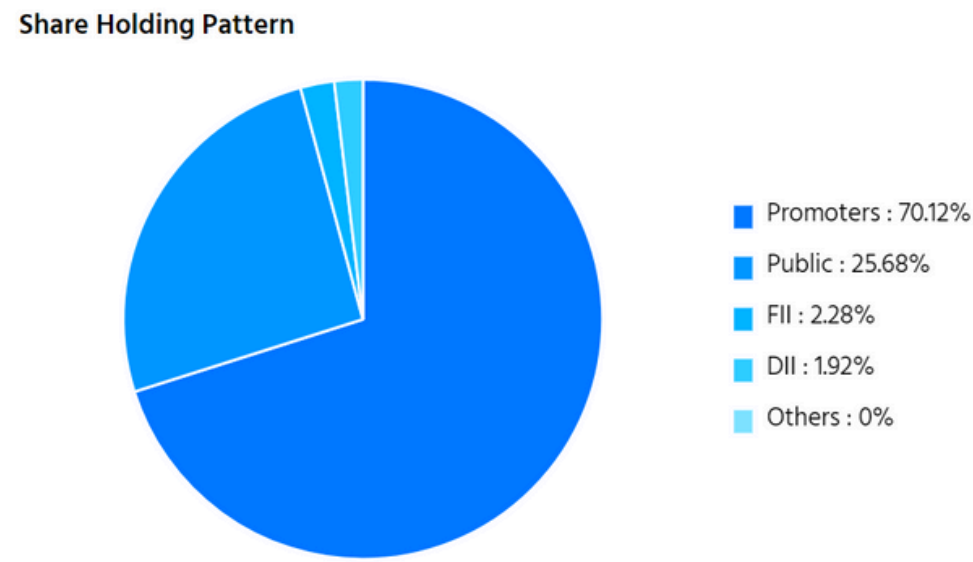


Jupiter Wagons Ltd. is a Kolkata-based wagon manufacturer founded in 1979.

- The company's stock price and profit soared last year, achieving a compound annual growth rate (**CAGR**) of **352%**.
- By acquiring "*Bonatrans India*", the company's wagon production capacity skyrocketed from **800 to 5,000 units per month**.
- Secured numerous national and international contracts, including a significant order for **4,000 BOXNS wagons from Indian Railways**.
- Owing to these recent developments, their stock has reached an **all-time high** and is anticipated to experience **exponential growth moving forward**.

FUNDAMENTAL RATIOS

HOLDINGS



- Consistent promoter holding of around **70%** indicates strong control and stability.
- Reflects promoters' confidence and long-term commitment to the company's success

STOCK PRICE



- **Increasing stock price** signifies a substantial rise in the company's market value.
- Indicates **strong financial** performance.

P/E RATIO



- **Consistent P/E ratio** with minimal fluctuation implies stable market valuation relative to earnings.
- Reflects steady investor confidence.

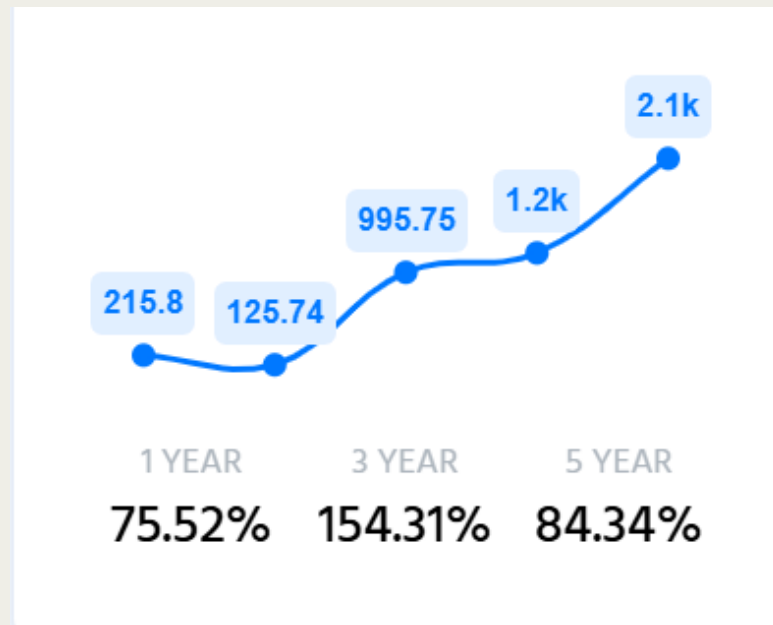
ROCE %



- Indicates **strong capital efficiency**.
- Demonstrates **robust long-term performance and consistent profitability**.

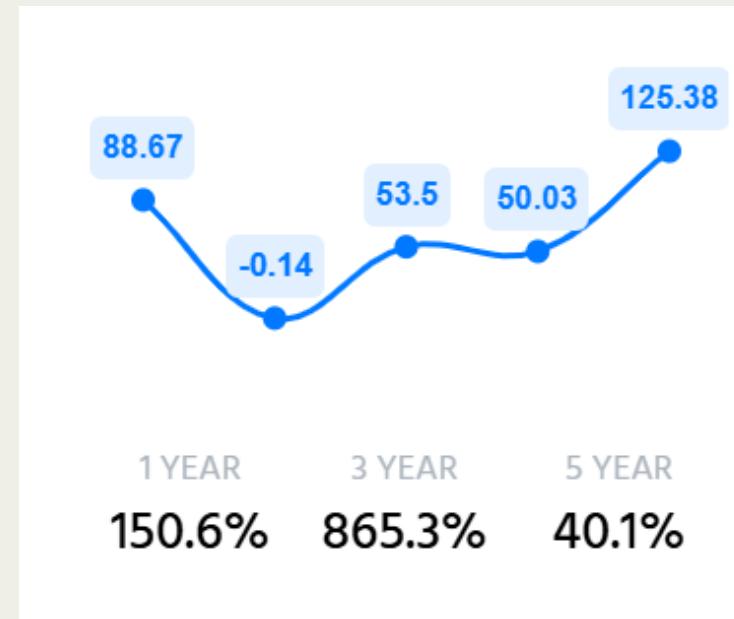
FUNDAMENTAL RATIOS

SALES GROWTH



- This signifies **robust sales expansion**.
- The consistent upward trend reflect positively on company's performance and market position.

PROFIT GROWTH



- Last year's trend shows a significant **increase in profit**, particularly highlighted by the substantial surge to 125.38 percentage.
- This indicating **strong financial performance and growth prospects**.

ROE %



- The ROE ratios depict **fluctuating profitability** relative to shareholder equity, indicating varying business performance and equity utilization over time.

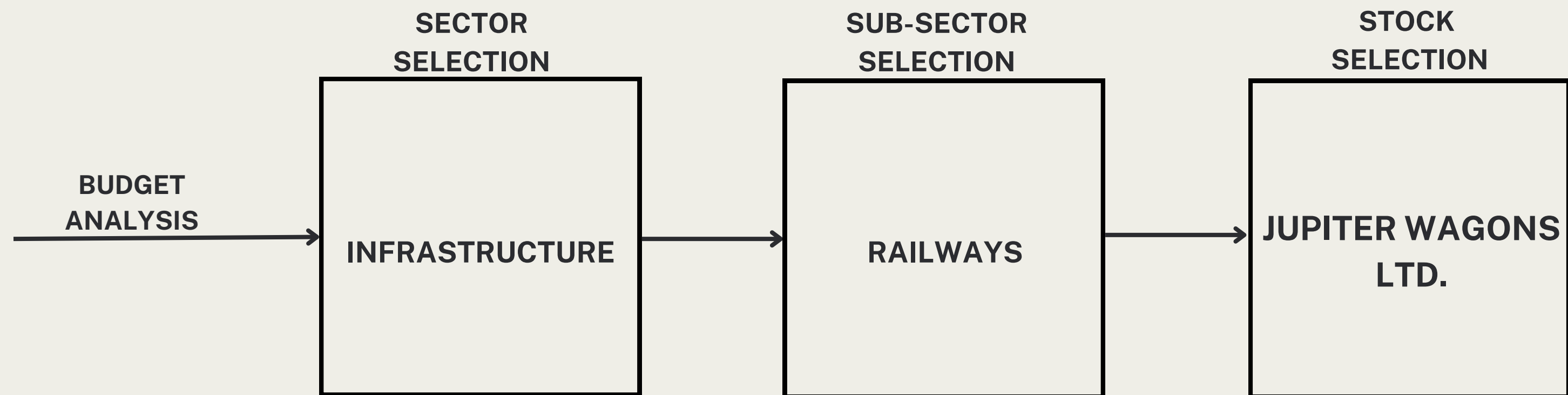
COMPETITOR ANALYSIS

PARAMETERS	JUPITER WAGONS	TITAGARH	TEXMACO
M.CAP(Cr)	22942	16762	7735
P/E	68.94	56.46	68.65
P/B	14.14	7.52	3.11
ROE%	16.81%	11.28%	1.49%
ROCE%	24.40%	21.57%	6.64%
EBITDA	44.08%	32.46%	22.95%
SALES GROWTH	75.52%	85.92%	38.33%
PROFIT (Cr)	50.5	33.5	18.
DEBT(Cr)	287.67	85.37	982.5
DEBT/EQUITY	0.36	0.26	0.73
ROA	9.34	4.66	0.68

- ROE and ROC:** Jupiter Wagons Ltd has the highest ROE and ROCE, indicating that it is more efficient at generating profits and using its capital.
- P/E Ratio:** All three companies have high P/E ratios, suggesting that investors expect high earnings growth in the future. However, Texmaco Rail & Engineering Ltd has the highest P/E ratio.
- Market Cap:** Jupiter Wagons Ltd has the highest market cap, indicating a larger market value and potentially higher investor confidence. Titagarh Railsystems Ltd has the lowest market cap among the three.

Based on the above analysis, Jupiter Wagons Ltd appears to be performing better than Texmaco Rail & Engineering Ltd and Titagarh Railsystems Ltd in most of the parameters

CONCLUSION



After an in-depth budget analysis, we identified the infrastructure sector as the most promising due to numerous government schemes. Within infrastructure, railways stood out for its high growth potential and low competition. Consequently, we focused on **Jupiter Wagon Ltd**, which dominates railway stocks.

Thank you!

Team- Finance Wizards

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References:

THE HINDU -BUDGET ANALYSIS

Ticker Finology.

