



Equity Report – Energy

SYLVA INVESTMENTS



Table 1: Stock Price Data

Metric	Value
P/E Ratio	29.85
EPS - TTM (₹)	101.60
Div. Yield (%)	0.33
VWAP (₹)	3,034.09
MCap/Sales	2.24
52W H/L (₹)	3,217.6/2,220.3
P/B Ratio	2.21
MCap (₹ Cr.)	20,51,858
Face Value (₹)	10.00
Beta	-0.34

Figure 1: RELIANCE

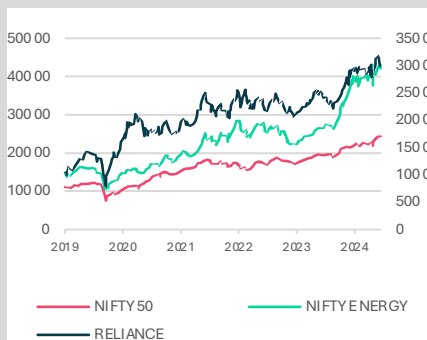


Table 2: Fundamental Ratios

Metric	FY 2024	FY 2023
ROE (%)	8.77	9.31
ROCE (%)	9.38	9.37
ROA (%)	3.96	4.14
Int. Cov. Ratio	7.71	7.86
Asset Turnover Ratio	0.54	0.57
EV/EBITDA (x)	13.31	12.58
EBITDA Margin (%)	19.78	17.53

Reliance Industries Limited (NSE: RELIANCE)

Fundamentals:

- **Return on Equity (ROE):** While an ROE of **8.77%** might seem modest compared to other companies, it's reasonable for Reliance given its **highly diversified business model**.
- **Petroski Score:** A **Petroski Score of 6 out of 9** is considered decent, indicating moderate financial health. This score reflects factors such as profitability, leverage, liquidity, and operational efficiency.

Growth:

- **Sales Growth:** **annual sales growth of 2.65%** shows that growth slowed in the most recent year, likely due to global economic factors or slower performance in certain sectors like refining or telecom. Overall, the long-term growth trend is positive.
- **Profit Growth:** The **annual profit growth of 4.38%** is lower, but considering the company's diversification, this is still a decent performance.

Valuation:

- **Price-to-Earnings (P/E) Ratio (29.72):** Reliance's **P/E ratio of 29.72** is higher than the industry average of **23.82**, meaning it's trading at a premium. The higher P/E may reflect investor optimism about the company's future growth potential, especially in areas like **Jio (telecom), retail, and green energy**. However, it also suggests that the stock might be slightly overvalued compared to its peers.

Risks & Insights:

- **Volatility:** A **3-month beta of 0.4427** means Reliance's stock is less volatile than the overall market in the short term. Over a one-year period, Reliance has a **beta of 1.1098**, meaning it's more volatile than the market.
- **Stock Performance:** Over the last three years, Reliance's stock delivered a **35.55% return**, which is solid but behind the **Nifty 100's return of 54.68%**. This underperformance may reflect slower growth in some of Reliance's core businesses, such as oil refining, compared to faster-growing sectors.

Key Highlights:

- **Price Target:** Analysts predict a median price target of ₹3,411.50, with a high estimate of ₹3,786 and a low of ₹2,600.
- **FY24 Performance:** Reliance reported annual revenue of ₹901,064 crore for FY24, which missed analysts' expectations by -3.36%.



Table 1: Stock Price Data

Metric	Value
P/E Ratio	16.17
EPS - TTM (₹)	41.44
Div. Yield (%)	0.00
VWAP (₹)	660.75
MCap/Sales	4.09
52W H/L (₹)	895.8/289.3
P/B Ratio	5.63
MCap (₹ Cr.)	2,58,492
Face Value (₹)	10.00
Beta	1.76

Figure 1: ADANIPOWER

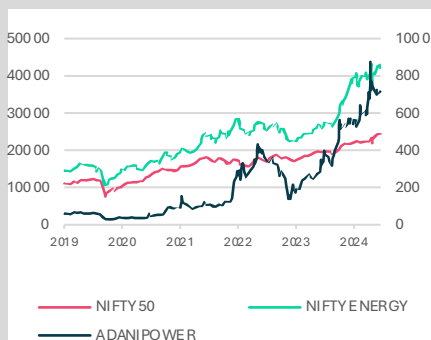


Table 2: Fundamental Ratios

Metric	FY 2024	FY 2023
ROE (%)	58.53	65.35
ROCE (%)	31.59	16.17
ROA (%)	22.56	12.49
Int. Cov. Ratio	8.30	4.29
Asset Turnover Ratio	0.57	0.46
EV/EBITDA (x)	8.29	7.98
EBITDA Margin (%)	55.82	36.91

Adani Power Limited

(NSE: ADANIPOWER)

Fundamentals:

- **Net Profit Margin:** Adani Power margin of 41.36% surpasses the Indian Power Generation-Thermal Industry's 10.33%, showcasing robust financial performance.
- **Liquidity:** With a Current Ratio of 1.62 and a Quick Ratio of 1.36, Adani Power displays strong liquidity, assuring investors of its financial health.
- **Return on Equity (ROE):** Adani Power has 58.53% ROE outperforms the industry average of 12.85%, highlighting efficient management.
- **Petroski Score:** A solid score of 6 indicates strong financials.

Growth:

- **Sales Growth:** With a 3-year Sales CAGR of 24.02% and annual growth of 29.86%.
- **Profit Growth:** A remarkable 3-year Profit CAGR of 151.75% and annual profit growth of 94.18% positions Adani Power as a growth leader.
- **Quarterly Profit Growth:** Q-o-Q growth of 42.95% and YoY growth of -55.33% further reflect robust earnings potential which is highly fluctuating.
- **Net Margin Growth:** Adani Power Net Margins have been increasing in the previous three years.

Valuation:

- **PEG Ratio:** At 5.43, the PEG ratio is low, indicating good pricing relative to growth.

Risks & Insights:

- **Volatility:** Adani Power's Beta of 2.0388 (3M) and 2.8273 (1Y) suggest very high volatility in both the short and long term, making it a risky investment.
- **Cost Control:** Interest expenses account for 6.73% of operating revenues, and employee cost is 1.28% for the year ending Mar 31, 2024.
- **Stock Performance:** The stock delivered a 3-year return of 606.99%, vastly outperforming Nifty 100's 54.68% return and BSE Power's 190.09% return.

Key Highlights:

- **FY24 Performance:** Annual revenue growth of 40.06%, outperforming 3-year CAGR of 28.57%.



Table 1: Stock Price Data

Metric	Value
P/E Ratio	8.78
EPS - TTM (₹)	59.34
Div. Yield (%)	4.90
VWAP (₹)	521.97
MCap/Sales	1.88
52W H/L (₹)	543.5/228.4
P/B Ratio	3.87
MCap (₹ Cr.)	3,20,985
Face Value (₹)	10.00
Beta	0.78

Figure 1: COALINDIA

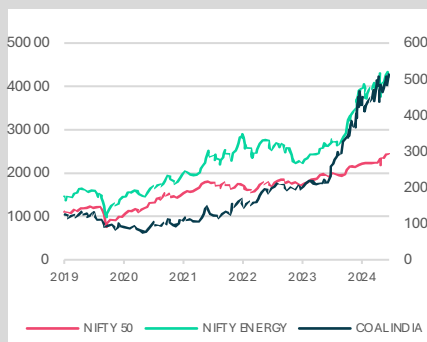


Table 2: Fundamental Ratios

Metric	FY 2024	FY 2023
ROE (%)	45.21	49.20
ROCE (%)	27.89	27.15
ROA (%)	15.73	13.33
Int. Cov. Ratio	68.27	63.38
Asset Turnover Ratio	0.63	0.02
EV/EBITDA (x)	4.37	2.23
EBITDA Margin (%)	39.30	31.36

Coal India Limited

(NSE: COALINDIA)

Fundamentals:

- **Net Profit Margin:** Coal India's margin of 25.95% surpasses the Indian Mining/Mineral Industry's 21.22%, showcasing strong financial performance.
- **Debt-to-Equity Ratio:** A remarkably low D/E ratio of 0.08% signals financial stability.
- **Liquidity:** With a Current Ratio of 1.7 and a Quick Ratio of 1.53, Coal India displays solid liquidity, assuring high liquidity position.
- **Return on Equity (ROE):** Coal India's 45.21% ROE outperforms the industry average of 38.12% indicating higher returns.
- **Petroski Score:** A solid score of 7 indicates strong financials.

Growth:

- **Sales Growth:** Coal India has a 3-year Sales CAGR of 16.32% and annual growth of 2.95%, reflecting steady growth in the mining sector.
- **Profit Growth:** A 3-year Profit CAGR of 42.82% and annual profit growth of 32.80% positions Coal India as a leader in profit growth within the sector.
- **Quarterly Profit Growth:** Q-o-Q growth of 26.23% and YoY growth of 37.49% further reflect robust earnings potential.
- **Increasing Net Profit Margin:** Coal India's Net Profit Margins have increased in the last three years.

Valuation:

- **PEG Ratio:** At 3.06, the PEG ratio suggests that Coal India is priced attractively relative to its growth prospects.

Risks & Insights:

- **Volatility:** Coal India's Beta of 0.759 (3M) and 0.5232 (1Y) suggest moderate volatility in both the short and long term, making it a relatively stable investment.
- **Cost Control:** Interest expenses were minimal at less than 1% of operating revenues, while employee costs were 34.28% of operating revenues in FY24.
- **Stock Performance:** The stock delivered a 3-year return of 278.89%, significantly outperforming Nifty 100's 54.68% return and Nifty Metal's 70.59%.

Key Highlights:

- **Price Target:** We predict a 12-month median price target of ₹571, with a range of ₹180 to ₹650.
- **FY24 Performance:** Revenue reached ₹142,323.98 Cr., exceeding expectations by 1.49%, while EPS of ₹60.69 surpassed estimates by 22.82%.