

CAPSTONE PROJECT

FINANCE AND ECONOMICS CLUB

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FMCG Sector

Bikaji Foods International Ltd

Performance:

- Consistent revenue growth driven by product diversification and market expansion.
- Stable profit margins and positive cash flow trends.

Financial Health:

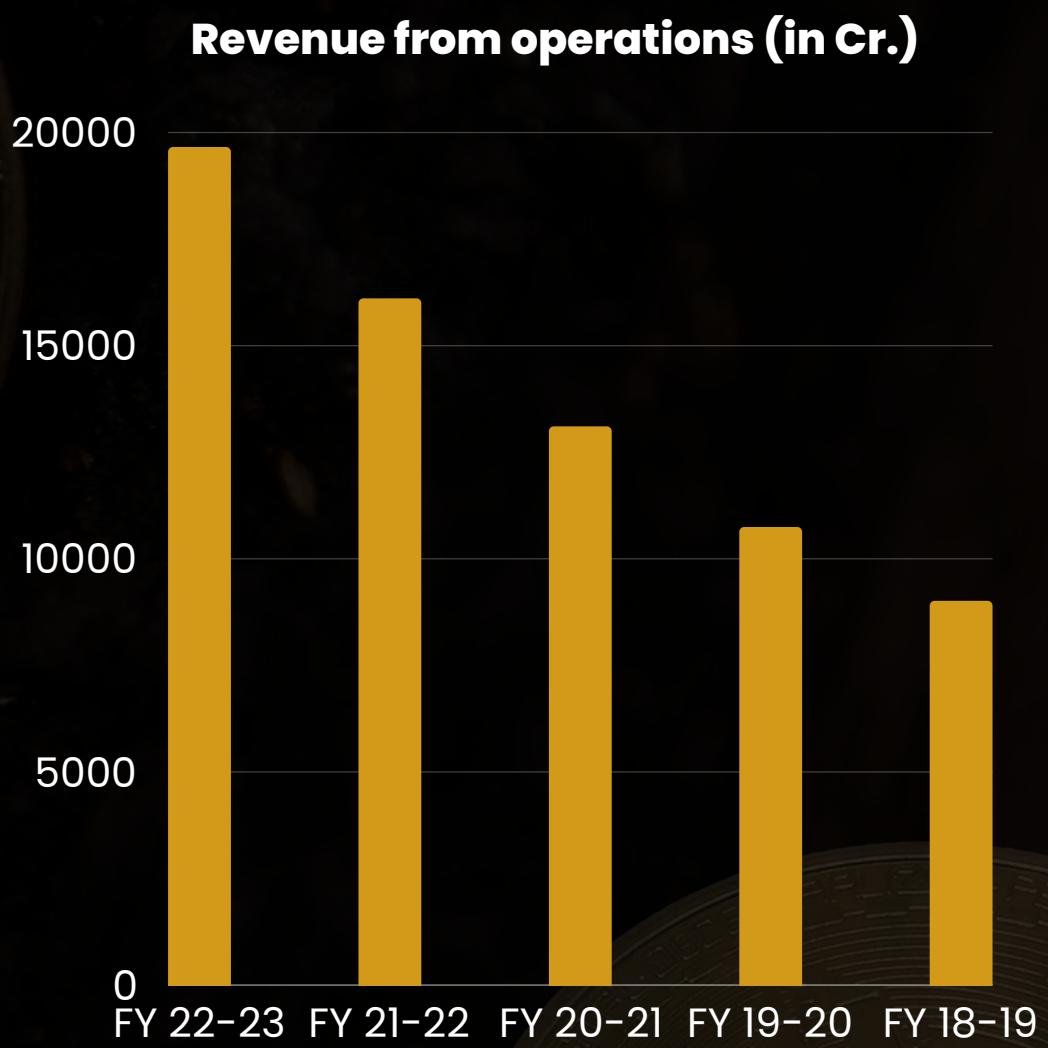
- Strong balance sheet with low debt levels.
- Healthy liquidity ratios indicating strong short-term financial stability.

Market Position:

- Leading player in the Indian ethnic snacks segment.
- Strong brand presence and loyal customer base.

Future Outlook:

- Expanding into new geographies and product lines.
- Expected to benefit from increasing demand for packaged ethnic snacks.



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Ratios and Peer Comparison

S. NO.	Name	CMP Rs.	P/E	Mar Cap Rs. Cr	Div Yld %	NP Qtr Rs.Cr.	ROCE %	ROA 12M %	ROE %	Earning Yield %
1.	Bikaji Foods International Ltd	850.00	74.24	21311.83	0.12	60.55	29.60	19.75	24.74	1.83
2.	Hindustan Foods	574.95	67.99	6587.39	0.00	27.25	15.38	5.71	18.24	2.61
3.	Zydus Wellness	2225.30	46.55	14160.06	0.22	147.70	5.33	4.66	5.32	2.39
4.	Avanti Feed	694.95	24.99	9468.39	0.97	137.58	20.01	12.73	15.09	6.41
5.	Sapphire Foods India	1562.95	282.49	9966.18	0.00	8.19	7.27	1.93	4.04	1.40
6.	KRBL	293.50	13.77	6717.92	0.34	86.56	15.85	10.35	12.48	9.40



Insights from Annual Report

Revenue Growth

- Fiscal Year 2023: Bikaji Foods reported a revenue of approximately ₹19.6 billion.
- 1-Year Revenue Growth Rate: The company experienced a 19% increase in revenue year-on-year.

Profit Margins

- Gross Margin: The gross profit margin is about 35%, indicating that for every rupee of sales, 35 paise is retained as gross profit after deducting cost of goods sold.

Cash Flow Statement

- Operating Cash Flow: total cash inflow from operations was about ₹2.4 billion.

Summary

Bikaji Foods shows strong revenue growth and healthy profit margins, with a solid cash flow position. The company's gross margin of 35% and net margin of 12% are indicative of effective cost management against sales growth, and the positive cash flows suggest that the company has been effectively managing its operational needs while also investing in growth.

Banking Sector

RBL Bank Ltd

Performance:

- Consistent growth in revenue and profitability driven by corporate and retail lending.
- Improvement in asset quality and reduction in NPAs.

Financial Health:

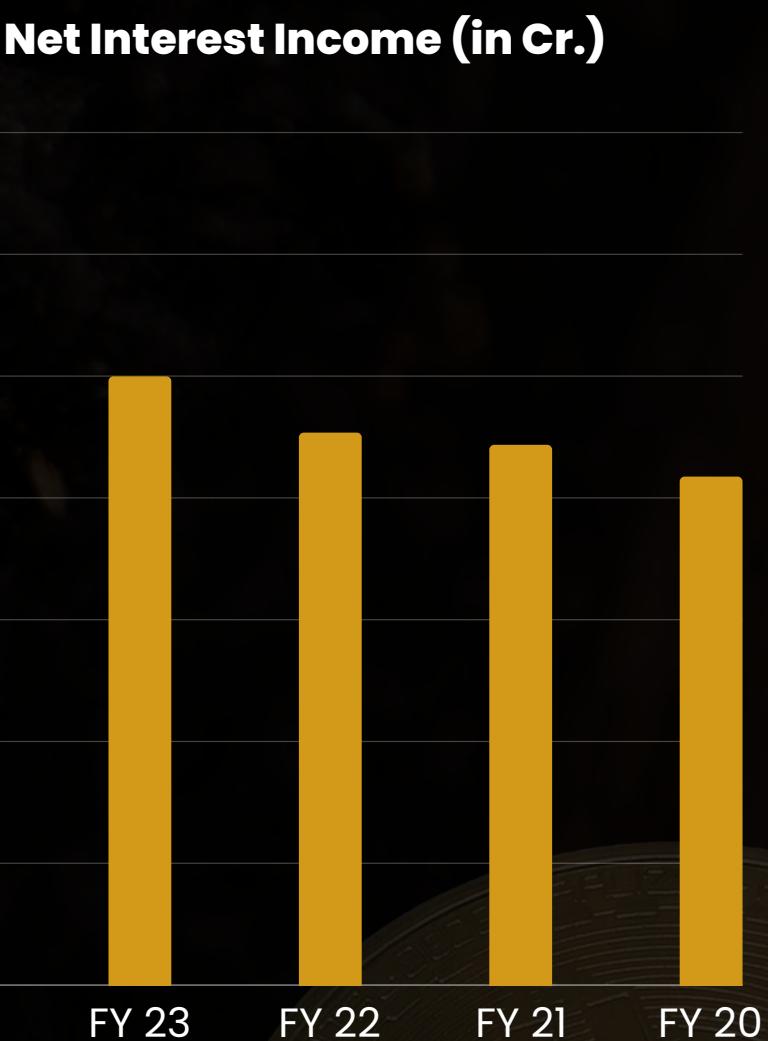
- Strong capital adequacy ratios and improving return on assets (ROA).
- Adequate liquidity and a diversified funding base.

Market Position:

- Well-established presence in the Indian banking sector with a focus on innovation and customer service.
- Diverse product portfolio catering to various market segments.

Future Outlook:

- Continued focus on expanding retail banking and digital services.
- Potential for growth through strategic partnerships and inorganic expansion.

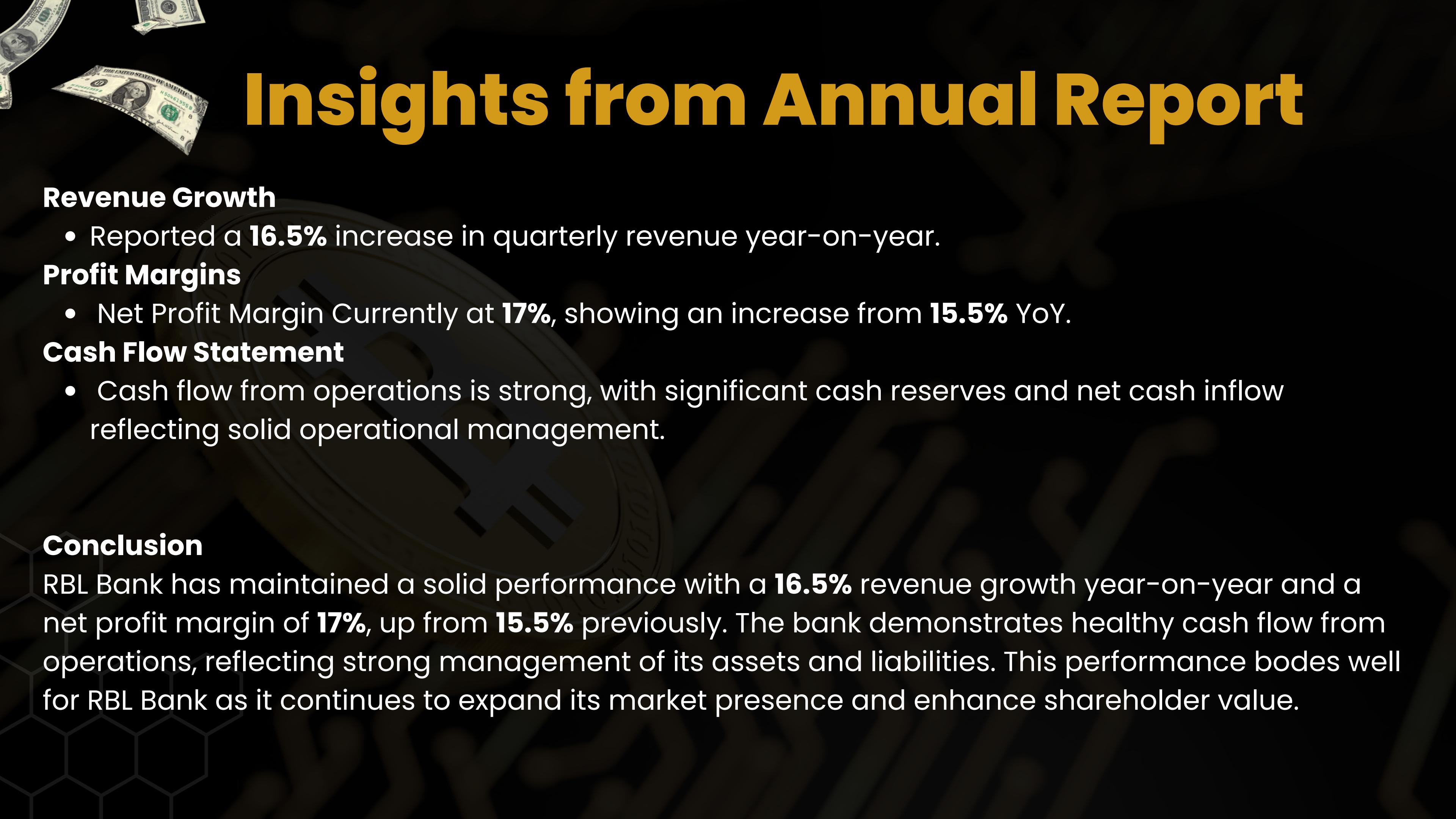


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Ratios and Peer Comparison

S. NO.	Name	CMP Rs.	P/E	Mar Cap Rs. Cr	Div Yld %	NP Qtr Rs.Cr.	ROCE %	ROA 12M %	ROE %	Earning Yield %
1.	RBL Bank	207.11	10.04	12559.52	0.72	371.52	6.23	0.92	8.23	6.97
2.	Utkarsh Small F.	48.10	10.03	5293.22	1.04	137.40	9.64	2.31	20.01	9.61
3.	Equitas Sma. Fin	82.50	14.82	9387.37	1.21	25.76	8.97	1.99	14.36	7.87
4.	J & K Bank	109.38	6.48	12044.73	1.97	418.50	5.90	1.18	16.03	6.23
5.	CSB Bank	318.85	10.10	5531.60	0.00	113.32	6.94	1.74	16.18	6.91
6.	Ujjivan Small	41.95	6.45	8112.44	3.58	301.08	11.09	3.48	26.66	10.40



Insights from Annual Report

Revenue Growth

- Reported a **16.5%** increase in quarterly revenue year-on-year.

Profit Margins

- Net Profit Margin Currently at **17%**, showing an increase from **15.5%** YoY.

Cash Flow Statement

- Cash flow from operations is strong, with significant cash reserves and net cash inflow reflecting solid operational management.

Conclusion

RBL Bank has maintained a solid performance with a **16.5%** revenue growth year-on-year and a net profit margin of **17%**, up from **15.5%** previously. The bank demonstrates healthy cash flow from operations, reflecting strong management of its assets and liabilities. This performance bodes well for RBL Bank as it continues to expand its market presence and enhance shareholder value.

Healthcare Sector

Zydus Lifesciences

Performance:

- Zydus Lifesciences has shown stable revenue growth, reporting total revenues of approximately ₹10,818.70 crores, with a gross margin around 39.89%. The company has effectively managed its expenses, leading to consistent profitability.

Financial Health:

- The firm maintains a strong balance sheet, characterized by healthy cash flows and manageable debt levels. Its operating margins demonstrate operational efficiency, and recent cash flow improvements suggest better liquidity.

Market Position:

- As a key player in the pharmaceutical industry, Zydus has a diverse portfolio of products, including complex generics and biosimilars. The company's strong R&D capabilities enhance its competitive edge in the market.

Future Outlook

- Zydus is well-positioned for growth, particularly in the specialty pharmaceuticals segment. The ongoing investments in R&D and expansion into international markets are likely to drive future revenue growth.

Emcure Pharmaceuticals

Performance:

- Emcure Pharmaceuticals reported a moderate revenue growth of about 10% recently, with a gross margin of around 40%. However, the operating margin has slightly declined due to increased costs.

Financial Health:

- The company exhibits a stable financial health profile with positive cash flows, although recent profit margins indicate competitive pressures in the market. Emcure is focusing on maintaining operational efficiency to enhance profitability.

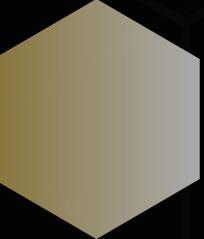
Market Position:

- Emcure is recognized as a significant player in the Indian pharmaceutical market, with a strong presence in various therapeutic areas. Its broad product portfolio and established distribution channels support its market position.

Future Outlook

- With a focus on expanding its product range and improving operational efficiencies, Emcure is poised for future growth. The company is also expected to benefit from the increasing demand for pharmaceuticals, particularly in emerging markets.

Ratios and Peer Comparison



S. NO.	Name	CMP Rs.	P/E	Mar Cap Rs. Cr	Div Yld %	NP Qtr Rs.Cr.	ROCE %	ROA 12M %	ROE %	Earning Yield %
1.	Zydus Lifesci.	1187.55	28.67	119495.32	0.25	1482.50	22.34	14.61	20.67	4.59
2.	Emcure Pharma	1258.70	47.29	23801.81	0.00	152.59	18.62	7.43	18.46	3.75
3.	Mankind Pharma	2300.90	49.17	92182.14	0.00	513.49	24.57	16.50	19.71	2.51
4.	Narayana Hrudaya	1183.40	29.98	24184.06	0.34	201.50	26.54	16.08	31.43	4.03
5.	Aster DM Health.	391.10	103.86	19535.96	0.51	5152.20	4.48	1.29	3.13	2.38
6.	Dr Lal Pathlabs	3300.75	72.31	27585.77	0.73	107.80	25.17	14.99	20.36	2.09

Insights from Annual Report

Zydus Lifesciences

Revenue Growth

- Reported total revenues of approximately **₹10,818.70 crores**, which shows growth.

Profit Margins

- Gross Margin: About **39.89%**.
- Operating Margin: Approximately **22.5%**.
- Net Margin: Around **7.5%**.

Cash Flow Statement

- Operating Cash Flow: The cash flow from operations in the latest reporting period showed an increase, supporting ongoing investments.

Conclusion

Zydus Lifesciences reports steady growth with revenues of approximately **₹10,818.70 crores** and a gross margin of about **39.89%**. Its operating margin stands at **22.5%**, indicating robust operational efficiency. With a net margin of **7.5%** and healthy cash flow from operations, Zydus is positioned to sustain its growth trajectory while managing expenses effectively, contributing to its strong market standing.

Emcure Pharmaceuticals

Revenue Growth

- Recent performance indicates **10%** growth over the previous year.

Profit Margins

- Gross Margin: Approximately **40%**.
- Operating Margin: Reduced to around **18.3%** from **19.6%**.
- Net Margin: Currently at **7.48%**.

Cash Flow Statement

- Operating Cash Flow: Cash flow from operations was reported at **₹727.23 crores**.

Conclusion

Emcure Pharmaceuticals has shown a **10%** revenue growth recently, alongside a gross margin of **40%**. The operating margin has seen a slight decline to **18.3%**, and the net margin stands at **7.48%**. Despite challenges, the company remains financially stable with positive cash flows, which supports ongoing investments in product development and market expansion.

Infrastructure Sector

KNR Constructions:

Performance:

- KNR Constructions has demonstrated a commendable revenue growth rate of 14.7% annually, supported by strong project execution capabilities. The company has maintained a net margin of approximately 10.8%.

Financial Health:

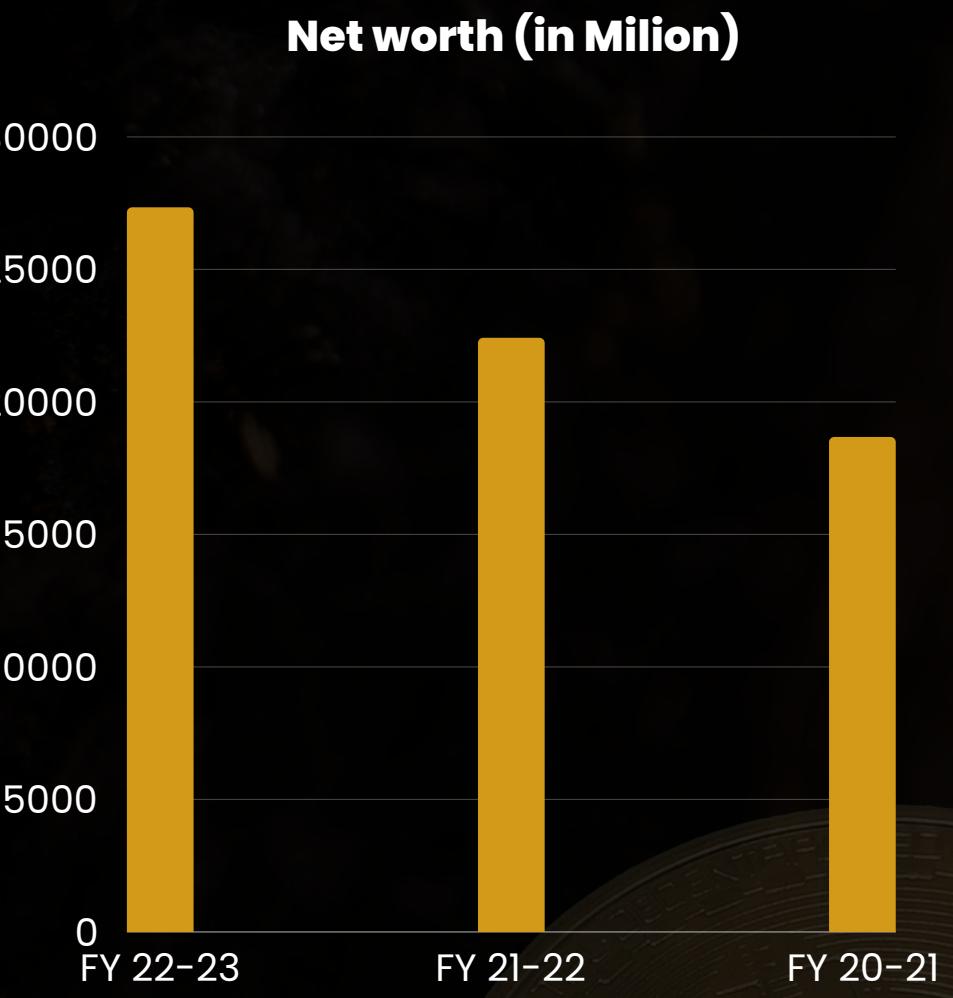
- The company's financial health is robust, characterized by strong cash flow generation from operations and a healthy balance sheet with low debt levels. This allows for flexibility in pursuing new projects and investments.

Market Position:

- KNR is well-positioned in the infrastructure sector, catering to various segments, including roads, bridges, and water supply projects. Its reputation for quality and timeliness enhances its competitive advantage in bidding for government contracts.

Future Outlook:

- With the Indian government's infrastructure push and increased spending on development projects, KNR Constructions is set to benefit significantly. The robust order book and pipeline of projects suggest promising growth prospects in the coming years.



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Ratios and Peer Comparison

S. NO.	Name	CMP Rs.	P/E	Mar Cap Rs. Cr	Div Yld %	NP Qtr Rs.Cr.	ROCE %	ROA 12M %	ROE %	Earning Yield %
1.	KNR Construct.	340.20	12.19	9567.60	0.07	165.98	25.41	14.83	23.79	10.73
2.	H.G. Infra Engg.	1536.90	18.57	10016.15	0.10	162.56	24.12	10.22	24.08	8.53
3.	REC Ltd	579.65	10.43	152634.83	2.76	3460.19	10.05	2.79	22.20	8.07
4.	ITD Cem	542.70	28.98	9322.91	0.31	100.19	27.08	4.94	19.76	7.08
5.	Ashoka Buildcon	234.05	12.07	6570.33	0.00	157.93	35.27	2.52	22.20	19.57
6.	PNC Infratech	459.80	9.05	11795.67	0.11	575.17	16.06	6.44	19.21	13.33



Insights from Annual Report

Revenue Growth

- **14.7%** average revenue growth per year noted.

Profit Margins

- Gross Margin: Approximately **28%**.
- Operating Margin: About **17%**.
- Net Margin: Close to **10.8%**, indicating effective cost management.

Cash Flow Statement

- Significant cash generation with a notable increase in cash flow from operating activities.

Conclusion

KNR Constructions exhibits a commendable **14.7%** annual revenue growth and a net margin of **10.8%**, indicating solid profitability amidst industry challenges. Its gross margin of **28%** reflects effective cost control measures. The significant cash flows generated from operations position KNR favourably for future projects and expansions, ensuring continued growth in the construction sector.

IT Sector

Infosys Ltd

Performance:

- Infosys has reported a revenue growth of 15.4% for fiscal year 2023, continuing its strong performance in the IT services sector. The company maintains a gross margin of approximately 26.5%, reflecting its operational efficiency.

Financial Health:

- Infosys has a strong financial profile, characterized by steady cash flow, low debt levels, and strong profitability metrics. It consistently returns value to shareholders through dividends and share buybacks.

Market Position:

- As one of the leading IT services companies globally, Infosys has a well-established brand and a robust client base, including many Fortune 500 companies. Its focus on digital transformation services enhances its competitive position.

Future Outlook

- With the increasing demand for digital services and transformation, Infosys is well-positioned for continued growth. Its strategic investments in emerging technologies are expected to drive future revenue streams and maintain market leadership.

KPIT Technologies Ltd

Performance:

- KPIT Technologies has reported impressive revenue growth of 23.1%, driven by strong demand in automotive and mobility solutions. The company has demonstrated an operating margin of around 21%, reflecting operational efficiency.

Financial Health:

- The firm maintains a solid financial position with positive cash flow growth and a healthy balance sheet. Its low debt levels enable strategic investments in innovation and development.

Market Position:

- KPIT holds a strong position in the automotive technology sector, specializing in software and solutions for electric and autonomous vehicles. Its partnerships with leading automotive manufacturers strengthen its market presence.

Future Outlook:

- With the automotive sector undergoing significant transformation towards electrification and automation, KPIT is well-placed to leverage these trends. Continued investment in R&D will likely yield new growth opportunities.

Ratios and Peer Comparison



S. NO.	Name	CMP Rs.	P/E	Mar Cap Rs. Cr	Div Yld %	NP Qtr Rs.Cr.	ROCE %	ROA 12M %	ROE %	Earning Yield %
1.	Infosys	1858.95	28.96	771841.33	2.04	6374.00	39.99	19.98	31.83	4.94
2.	KPIT Technologi.	1815.40	75.12	49768.07	0.37	204.16	38.36	16.03	31.19	1.93
3.	TCS	4416.05	33.57	1597765.54	1.25	12105.00	64.28	32.46	51.51	4.08
4.	HCL Technologies	1668.25	27.56	452707.18	3.12	4259.00	29.60	16.21	23.30	5.16
5.	Persistent Sys	4857.15	63.89	74824.40	0.54	306.42	29.17	15.24	23.99	2.14
6.	Wipro	516.25	24.16	270023.24	0.19	3036.60	16.93	9.46	14.31	5.86

Insights from Annual Report

Infosys Ltd

Revenue Growth

- Achieved **15.4%** growth for the fiscal year 2023.

Profit Margins

- Gross Margin: Approximately **26.5%**.
- Operating Margin: Approximately **21%**.
- Net Margin: About **16.5%**.

Cash Flow Statement

- Cash flow from operations reported at **₹224,670 million**, showing a slight decrease from the previous year.

Conclusion

Infosys has demonstrated robust financial performance with a **15.4%** revenue growth for the fiscal year 2023. The company has maintained a gross margin of approximately **26.5%** and a net margin of **16.5%**, showcasing strong profitability. Although cash flow from operations reflects a minor decrease, overall financial stability and strategic growth initiatives ensure Infosys remains a key player in the IT services sector.

KPIT Technologies Ltd

Revenue Growth

- Reported a **23.1%** increase in revenue, led by various segments.

Profit Margins

- Gross Margin: Approximately **40%**.
- Operating Margin: About **21%**.
- Net Margin: Close to **16.2%**.

Cash Flow Statement

- Operating Cash Flow: Free cash flow increased significantly, with growth recorded at **130% YoY**.

Conclusion

KPIT Technologies has shown impressive **23.1%** revenue growth, driven by strong performance in its key business segments. The company's gross margin is approximately **40%**, and its operating margin stands at **21%**, reflecting its operational efficiency. With robust free cash flow growth of 130%, KPIT is well-placed to invest in innovation and expand its market share, solidifying its position in the automotive technology landscape.

Energy Sector

ONGC

Performance:

- ONGC has reported substantial revenue growth, achieving a turnover increase of 45% in the last fiscal year. The company maintains a gross margin of approximately 34%, indicative of strong operational performance.

Financial Health:

- The financial health of ONGC is robust, characterized by strong cash flows from operations and significant capital reserves. However, fluctuating oil prices can impact profitability.

Market Position:

- As a leading player in the Indian oil and gas sector, ONGC has a dominant market position supported by a vast resource base and established infrastructure for exploration and production.

Future Outlook:

- With ongoing investments in exploration and production, ONGC is poised for future growth. The company aims to enhance its production capacity and diversify into renewable energy sources, aligning with global energy trends.

Tata Power Company Ltd

Performance:

- Tata Power has shown consistent revenue growth of approximately 13.7%, alongside a gross margin around 13.5%. The company has effectively managed its operations to maintain profitability.

Financial Health:

- The company's financial health is solid, with stable cash flow generation and a focus on reducing debt. This positions Tata Power well for long-term investments in infrastructure and renewables.

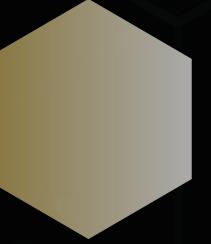
Market Position:

- As one of India's largest integrated power companies, Tata Power has a diverse portfolio, including generation, transmission, and distribution. Its commitment to renewable energy enhances its competitive standing in the market.

Future Outlook:

- With a strong focus on expanding its renewable energy capacity, Tata Power is positioned to benefit from the global shift towards sustainable energy. The increase in green energy investments aligns with government initiatives, setting a positive outlook for continued growth.

Ratios and Peer Comparison



S. NO.	Name	CMP Rs.	P/E	Mar Cap Rs. Cr	Div Yld %	NP Qtr Rs.Cr.	ROCE %	ROA 12M %	ROE %	Earning Yield %
1.	Tata Power Co.	413.65	35.99	132175.22	0.48	1188.63	11.13	2.99	11.28	5.83
2.	ONGC	329.60	9.10	414646.00	3.72	10235.64	18.44	8.81	16.28	14.83
3.	NTPC	398.05	18.03	385975.80	1.95	5506.07	10.47	4.64	13.62	6.66
4.	Reliance Industry	2956.40	29.10	2000245.18	0.34	17445.00	9.61	4.71	9.25	5.36
5.	Power Grid Corpn	338.60	20.06	314918.45	3.32	3723.92	13.21	6.43	19.00	6.42
6.	Adani Green	1831.00	215.37	290036.35	0.00	629.00	9.81	1.87	17.07	1.99

Insights from Annual Report

ONGC

Revenue Growth

Achieved a turnover increase of **45%** YoY in the last fiscal year.

Profit Margins

- Gross Margin: Approximately **34%**.
- Operating Margin: Average margin of around **22%**.
- Net Margin: Currently at **11.5%**.

Cash Flow Statement

- Operating Cash Flow: Cash flow from operations was approximately **₹65 billion**.

Conclusion

ONGC has reported significant revenue growth with a **45%** increase in turnover over the last fiscal year. The company maintains a gross margin of around 34% and an operating margin of **22%**, indicative of efficient operational practices. With substantial cash flow from operations, ONGC is positioned to manage its capital expenditures and invest in future growth, ensuring its continued leadership in the energy sector.

Tata Power Company Ltd

Revenue Growth

- Reported **13.7%** increase in revenue YoY..

Profit Margins

- Gross Margin: Around **13.5%**.
- Operating Margin: Approximately **19%**.
- Net Margin: Stood at approximately **11%**.

Cash Flow Statement

- Operating Cash Flow: The latest cash flow statement indicates healthy cash flow performance.

Conclusion

Tata Power has recorded a **13.7%** increase in revenue, supported by a gross margin of **13.5%** and a net margin of approximately 11%. The company's ability to generate healthy cash flows reflects its operational effectiveness and strategic investments. With a solid financial base, Tata Power is well-positioned to capitalise on future growth opportunities in the renewable energy space and enhance shareholder value.

Stock Selection, Allocation and Risk Reward-Ratios.

S. No.	Name	Allocation	Percentage %	Risk-Reward Ratio
1	Bikaji Foods International Ltd	1,00,000	10	1:2
2	RBL Bank Ltd	1,20,000	12	1:1.5
3.	Zydus Lifesciences	1,50,000	15	1:2
4.	Emcure Pharmaceuticals	1,00,000	10	1:1.5
5.	KNR Constructions	1,20,000	12	1:1.8
6.	Infosys Ltd	1,50,000	15	1:2.5
7.	KPIT Technologies Ltd	80,000	8	1.2
8.	ONGC	1,20,000	12	1:1.5
9.	Tata Power Company Ltd	1,50,000	15	1:2.2

Stock Allocation Strategy

1. **Diversification:** Investments are spread across different sectors like FMCG, pharmaceuticals, banking, construction, IT, and energy.
2. **Risk Management:** Larger allocations are given to relatively stable companies like Infosys, Zydus Lifesciences, and Tata Power while balancing them with higher-risk investments like RBL Bank and ONGC
3. **Growth Potential:** Stocks in rapidly growing sectors like pharmaceuticals and renewable energy are given slightly larger allocations.
4. **Balanced Approach:** The idea is to capture growth while dampening the impact of volatility through diversification.





Thank you.