

CAPSTONE PROJECT



FUNDAMENTAL ANALYSIS BOOTCAMP



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TOPIC OF THE PROJECT...

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Today we are picking up one of the best stocks among various sectors like :

- IT SECTOR
- ENERGY SECTOR
- FMCG SECTOR
- INFRASTRUCTURE SECTOR
- HEALTHCARE SECTOR
- BANKING SECTOR



And allocating the amount of 10 lakh rupees in various selected stocks

STRATEGIES TO SELECT A BEST STOCK ??



Various factors one has to keep in mind while investing on stocks :

- Goal of our investment
- Understanding the model of business
- Management of the company
- Macro & micro economic variables
- Financial statements
- Profitability , margin , efficiency Ratios
- and much more



IT SECTOR

TATA CONSULTANCY SERVICES

stock chosen among :

- Tata Consultancy Services Ltd.
- HCL Technologies
- Infosys
- Persistent Systems
- Wipro
- KPI Technologies

Debt /Equity (D/E) = 0

Price/Earning (P/E) = 32.2



- Net Cash Flow = 1893 Cr.
- Net Sales Growth = 6.85 %
- Net Profit Growth = 8.97 %

MY ALLOCATED MONEY: 1.67 LAKH

(Data acc. to FY24)

Key Financial Ratios

	MAR'24	MAR'23	MAR'22
OPM (%) (Operating Profit Margin)	26.45	25.58	27.36
NPM (%) (Net Profit Margin)	19.13	18.76	20.05
R.O.E. (%) (Return On Equity)	50.73	46.61	42.99
R.O.C.E. (%) (Return On Capital Employed)	63.51	57.63	52.91
I.T.O. (Inventory Turnover)	5136.89	78.38	7765.50

	MAR'24		
	Market Cap. (in Cr.)	C.C.C (Cash Conversion Cycle)	
Market Cap. (in Cr.)	₹ 15,08,127 Cr.	81.2	
C.C.C (Cash Conversion Cycle)			
Current Ratio (Assets/Liab.)	2.45	2.53	2.56
EPS (TTM) (in Cr.)	125.88	115.19	103.62

INSIGHTS OF THE STOCK

01

DEBT - FREE

The company is totally debt free so it can increase its cash flow and can invest more on its resources and equipment.

02

GOOD GROWTH

The company has shown significant increase in profit and growth rate.

03

HIGH R.O.E.

The company has very high ROE which shows the company's profitability on shareholder's equity.

04

MANAGED ASSETS

The current Ratio of company is also managed at a good pace , as it is a sign that company has good amount of assets for future growth and expansion.



ENERGY

ONGC LIMITED

stock chosen among :

- NTPC
- ONGC
- Reliance Industries
- Power Grid Corp
- Adani Green Energy
- TATA Power

Debt /Equity (D/E) = 0.46

Price/Earning (P/E) = 8.28

- Net Revenue Growth = 16.81 %
- Net Sales Growth = 28.70 %
- Net Profit Growth = 46.04 %



MY ALLOCATED MONEY: 1.67 LAKH

(Data acc. to FY24)

Key Financial Ratios

	MAR'24	MAR'23	MAR'22
OPM (%) (Operating Profit Margin)	13.41	9.33	12.30
NPM (%) (Net Profit Margin)	8.50	5.17	9.73
R.O.E. (%) (Return On Equity)	14.60	12.62	17.54
R.O.C.E. (%) (Return On Capital Employed)	15.43	12.24	13.19
I.T.O. (Inventory Turnover)	3.59	0.13	0.12

	MAR'24
Market Cap. (in Cr.)	₹ 8,098 Cr.
C.C.C (Cash Conversion Cycle)	57.4
Current Ratio (Assets/Liab.)	0.88
EPS (TTM) (in Cr.)	39.13
MAR'23	0.86
MAR'22	0.83

INSIGHTS OF THE STOCK

01

LOW DEBT/EQUITY

The company has significantly lower debt/equity ratio which is a major key feature in company's growth .

02

EFFICIENT C.C.C.

The company has very efficient cash conversion cycle of -13.99 days .It shows the company is efficient in inventory management and paying back its payables .

03

MAKING PROFITS

The company has seen a significant rise in it's profit growth which is approx. 47 % last year .

04

INCREASING INVENTORY TURNOVER

Inventory turnover ratio is also increasing from last 5 years showing the demand of product and services in the market .



FMCG

Avanti Feed

stock chosen among :

- Tata Consultancy Services Ltd.
- HCL Technologies
- Infosys
- Persistent Systems
- Wipro
- KPIT Technologies

Debt /Equity (D/E) = 0

Price/Earning (P/E) = 26.34



- Current Ratio = 6.25
- Net Sales Growth = 6.16 %
- Net Profit Growth = 33 %

MY ALLOCATED MONEY: 1.67 LAKH

(Data acc. to FY24)

Key Financial Ratios

	MAR'24	MAR'23	MAR'22
OPM (%) (Operating Profit Margin)	9.49	7.61	6.55
NPM (%) (Net Profit Margin)	7.18	5.76	4.92
R.O.E. (%) (Return On Equity)	15.51	13.20	12.32
R.O.C.E. (%) (Return On Capital Employed)	20.28	17.22	16.20
I.T.O. (Inventory Turnover)	5.97	5.44	6.89

	MAR'24
Market Cap. (in Cr.)	₹ 4,06,720 Cr.
C.C.C (Cash Conversion Cycle)	-13.99
Current Ratio (Assets/Liab.)	6.30
EPS (TTM) (in Cr.)	22.61
	17.09
	14.62

INSIGHTS OF THE STOCK

01

ASSETS >> LIABILITIES

The company has maintained the current ratio at a very good number of above 6 means company will have very less obligations and account payables

02

DEBT = 0

The company is totally free of debt shows the company's effective management and profitable financial performance.

03

INCREASE IN R.O.C.E.

The increasing figure of ROCE ratio shows that company is earning more profit on per \$ of capital employed.

04

JUMP IN E.P.S.

The sudden jump in Earnings per share from 2022 to 2024 has reduced its price/share value and can make it undervalued in future.



INFRASTRUCTURE

stock chosen among :

- KNR Constructions
- HG Infra Engineering
- GTL Infrastructure
- REC limited
- ITD Cementation
- Ashoka Buildcon
- PNC Infratech
- KPI green energy
- ISGEC Heavy Engineering

HG Infra Engineering

Debt /Equity (D/E) = 0.99

Price/Earning (P/E) = 21.27

- R.O.C.E. (last year) = 31 %
- Net Sales Growth = 22.22 %
- Net Profit Growth = 24.39 %



MY ALLOCATED MONEY: 1.61 LAKH

(Data acc. to FY24)

Key Financial Ratios

	MAR'24	MAR'23	MAR'22
OPM (%) (Operating Profit Margin)	17.45	17.68	16.85
NPM (%) (Net Profit Margin)	10.00	10.64	10.13
R.O.E. (%) (Return On Equity)	21.93	25.66	26.46
R.O.C.E. (%) (Return On Capital Employed)	25.55	23.56	25.99
I.T.O. (Inventory Turnover)	8.51	10.23	10.19

	MAR'24
Market Cap. (in Cr.)	₹ 11,627 Cr.
C.C.C (Cash Conversion Cycle)	-5 (app.)
Current Ratio (Assets/Liab.)	1.74
EPS (TTM) (in Cr.)	82.64
	1.73
	2.09
	75.68
	58.31

INSIGHTS OF THE STOCK

01

BETTER CASH CONVERSION CYCLE

The company has better cash conversion cycle than any of its competitors within the same sector which makes it more valuable stock.

02

BETTER REVENUE GROWTH

The company has achieved a very good revenue growth in the past 3 years i.e. of about 27.75 % .

03

CONSISTENT RETURN

There is no difference between history of ROE , ROCE and its present , the ratios are maintained consistently

04

CASH FLOW

The company is trying its best to improve the net cash flow which play a very important role in company's overall financial performance.



HEALTHCARE

stock chosen among :

- Zydus Lifesciences
- Apollo Hospitals
- Emcure Pharmaceuticals
- Sun Pharma
- Torrent Pharma
- Mankind Pharma
- Cipla
- Dr. Lal Path Labs
- Narayana Hrudayalay
- Aster DM Healthcare

MY ALLOCATED MONEY: 1.61 LAKH

NARAYANA HRUDAYALAYA Ltd.

Debt /Equity (D/E) =
0.26

Price/Earning (P/E) =
32.29



- Net Cash Flow = 97 Cr. (Mar'24)
- Net Sales Growth = 22.25 %
- Net Profit Growth = 48 %

(Data acc. to FY24)

Key Financial Ratios

	MAR'24	MAR'23	MAR'22
OPM (%) (Operating Profit Margin)	19.63	18.14	13.63
NPM (%) (Net Profit Margin)	15.73	13.40	9.47
R.O.E. (%) (Return On Equity)	27.36	28.44	22.96
R.O.C.E. (%) (Return On Capital Employed)	21.82	25.86	21.46
Sales Growth (%)	22.25	15.13	13

	MAR'24
Market Cap. (in Cr.)	₹ 25,481.75 Cr.
C.C.C (Cash Conversion Cycle)	-137
Current Ratio (Assets/Liab.)	1.75
EPS (TTM) (in Cr.)	38.86
	29.85
	16.85

INSIGHTS OF THE STOCK

01

SIGNIFICANT E.P.S.

The company has shown a significant increase in earnings per share which shows that company is making profit by shareholders very rapidly over the past 3 years.

02

RATIOS MANAGED

Whether it is ROE or ROCE ,ROA or profitability ratios , all are managed consistently and constantly by the company .

03

INBELIEVABLE C.C.C.

The company's ability to generate cash from the investment in inventories is more than outstanding which can be seen in its cash conversion cycle.

04

MANAGING LIABILITIES

Higher current ratios clearly signifies that company has enough assets to fulfil its long term and short term debts and loans.



BANKING

UJJIVAN SMALL FINANCE BANK

stock chosen among :

- Utkarsh Small Finance Bank
- RBL Bank Ltd
- Equitas Small Finance Bank Ltd
- J&K Bank
- CSB Bank Ltd
- Ujjivan Small Finance

Debt /Equity (D/E) = 0.53

Price/Earning (P/E) = 6.73

- PEG Ratio = 0.02
- Net Revenue Growth = 26.48 %
- Net Profit Growth = 16.51 %

MY ALLOCATED MONEY: 1.67 LAKH

(Data acc. to FY24)



Key Financial Ratios

	MAR'24	MAR'23	MAR'22
OPM (%) (Operating Profit Margin)	8.71	12.26	-25.87
NPM (%) (Net Profit Margin)	22.57	26.40	-14.73
R.O.E. (%) (Return On Equity)	22.82	27.43	-15.92
R.O.C.E. (%) (Return On Capital Employed)	4.88	4.58	2.58
Price to Book Value	1.52	1.23	0.98

	MAR'24
Market Cap. (in Cr.)	₹ 8,619 Cr.
C.C.C (Cash Conversion Cycle)	0.00
EV (Enterprise Value)	39,672.82
EPS (TTM) (in Cr.)	6.65
	5.82
	-2.40

INSIGHTS OF THE STOCK

01

STRATEGY EXPERT

Despite company's great downfall in 2022 , now it holds a great position in banking sector showing company's efficient and effective strategic plans.

02

REALLY UNDervalued

Its PEG (Price Earnings to Growth) ratio is only 0.02 shows that stock is undervalued and can make very profitable financial performance in the future .

03

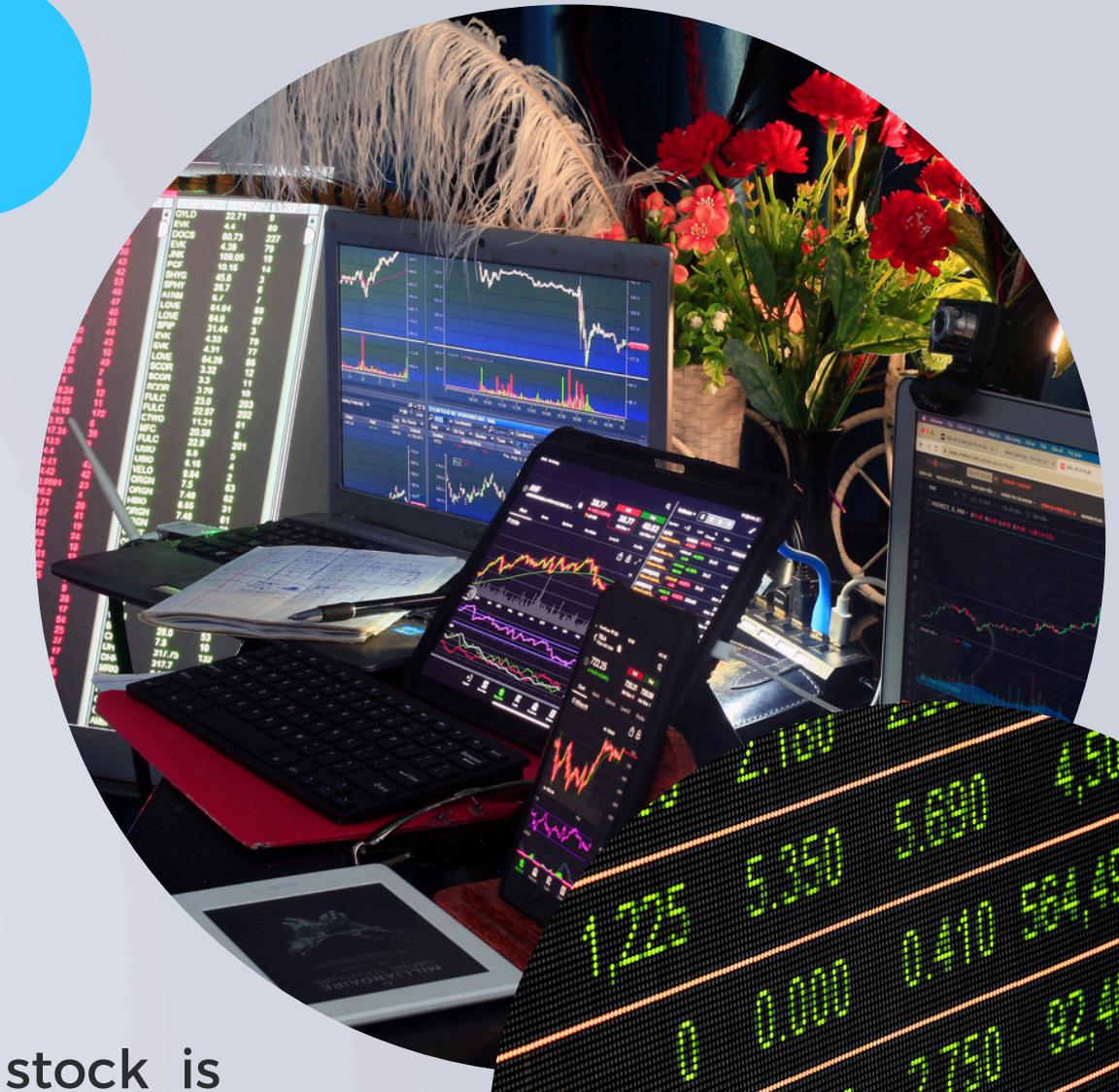
R.O.E. > 20 %

The company's R.O.E. is significantly increasing from the last two years , it is a good sign for shareholders and investors.

04

GROWTH ↑ DEBT ↓

Net sales and profit growth is going up and debt to equity ratio is going down rapidly which makes it one of the best stock in its sector.



THANK YOU



websites used for reference:

- **moneycontrol**
- **smart-investing**
- **finology ticker**
- **screener**

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