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E- evolve

“Bi Monthly Finance Quickshots”
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Financial Planning

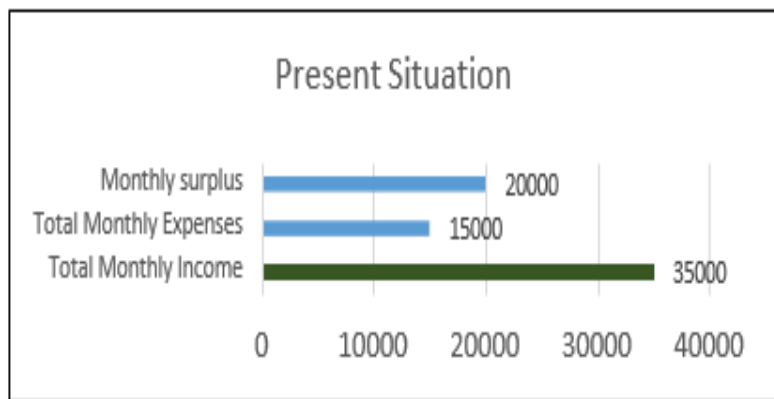


"Planning is bringing the future into the present so that you can do something about it now."

A financial plan involves a thorough examination of your income and spending. It can improve your understanding of financial circumstances at all times. It establishes important short- and long-term financial goals. It clarifies the actions required of you to achieve your various financial goals.

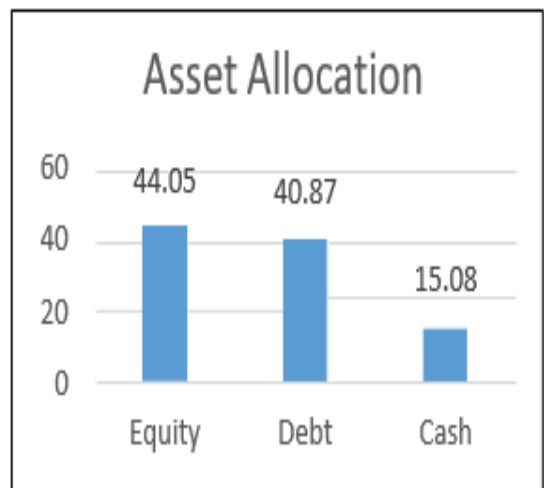
Article on Financial Planning

Financial planning is the process of taking a comprehensive look at your financial situation and building a specific financial plan to reach your goals. As a result in the process of financial planning which often delves into multiple areas of finance, including investing, asset allocation, taxation planning, retirement planning, estate planning, insurance and more. The financial plan is prepared for Mr. X in order to guide to him about various things including retirement planning, etc. Mr. X is single working as human resource executive in a manufacturing company and stays in PG alone in Greater Noida.



Asset Allocation

Allocation	Value	%
Equity	1,11,000	44.05
Debt	1,03,000	40.87
Cash	38,000	15.08
	2,52,000	100



Findings:-

Emergency fund: Apart from the savings account, the fixed deposits provide a decent back up in case of any emergency.

Investments: Investments are well diversified into debt and equity with debt comprising 41% of the allocation and equity at 44% but however since he is not having any liability so he can just reduce his exposure from debt to equity.

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Recommendations by Tanisha Agarwal

Reducing exposure from debt to equity: Looking at the age and present scenario of Mr. X, I would like to recommend that he can create SIP by transferring Rs. 2000 per month in equity oriented schemes which is providing returns at 15.01% from past 2 years instead of continuing his investing in Fixed Deposit which is providing returns at 7.1%



Debt to Equity Ratio Formula = $\frac{\text{Total Liabilities}}{\text{Total Equity}}$

The graphic includes a calculator icon, a bar chart with a dollar sign, and a bar chart with an upward arrow.

	For 2 Years	For 5 Years
Fixed Deposits	55301	68385
SIP	55582	177197
Difference (in value)	281	108812
Difference (in%)	0.51	159.12
	Negligible	Significant

[Fixed Deposit \(FD\) Interest Rates: Latest FD Rates | ICICI Bank](#)

[Bandhan Tax Advantage \(ELSS\) Fund - Direct Plan - Growth \[109.084\] | - Moneycontrol](#)

Opinion is personal by Tanisha Agarwal

PGDM BATCH 2022-2024

Sectors	Batteries		Chemical		FMCG		Infrastructure		Banking	
Ratio's	Amara Raja	Exide Industries	Asian Paints	Berger Paints	HUL	Dabur	Tata Steel	Jindal Steel	HDFC Bank	ICICI Bank
Sector PE	5.28		78.98		60.68		5.36		25.1	
Sector P/BV	4.49		2.5		9.01		2.5		2.16	
P/E Ratio	14.95	3.27	72.09	62.54	59.44	56.19	7.63	43.48	19.89	18.29
Debt/Equity	0.4	0.25	0.49	0.76	0.25	0.46	0.76	0.86	7.61	7.27
P/BV Ratio	2.15	1.42	18.91	14.23	11.9	11.56	1.1	2.36	3.52	3.73
Current Ratio	1.97	1.84	1.79	1.4	1.33	1.14	0.58	1.12	-	-



Approach- Long Term

Portfolio style- Value Investment

Fundamental Analysis (For Long-Term Investment)

Current Ratio= Current Asset/ Current Liabilities, Ideal 2:1
 Good Current Ratio's Varies between 1.2 -2.
 Current Ratio below 1 means that company doesn't have enough liquid assets to cover its short term obligations.

Particulars	Investments	Today's Gain	Overall Gain	Latest Value				
Stocks Add Import Edit	53,121	922 (1.77%)	-45 (-0.08%)	53,076				
Company Sector	Live Price	Change	Quantity	Latest Value	Inv. Price	Day's Gain % Change	Overall Gain % Change	Analysis
Asian Paints Paints	2830.00	+84.40	10	28,300	2,829.50	844 3.07%	5 0.02%	Analysis >
Dabur India Household & Personal Products	521.35	-5.15	10	5,214	521.35	-51 -0.98%	0 0.00%	Analysis >
Exide Ind Batteries	176.90	+0.65	10	1,769	176.90	7 0.37%	0 0.00%	Analysis >
ICICI Bank (2) Bank	835.40	+5.05	20	16,708	837.73	101 0.61%	-47 -0.28%	Analysis >
Tata Steel Iron & Steel	108.55	+2.15	10	1,086	108.85	21 2.02%	-3 -0.28%	Analysis >
Note - Live Price shows NSE prices and for those stocks listed only on the BSE, the BSE prices are displayed.								
Analysis								
				<p>4 Stocks Gaining Rs 973.00 1 Stocks Losing Rs -51.50 0 Stocks No Change</p> <p>53.32% Top Value Stock: Asian Paints 2.05% Least Value Stock: Tata Steel 53.32% Top Sector: Paints</p>				

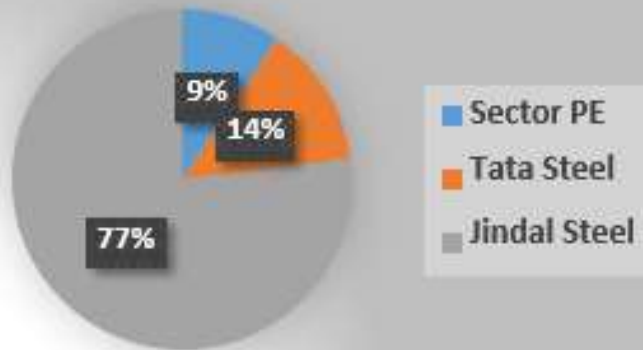
Debt/ Equity Ratio = Total Liabilities/ Shareholder's Fund

Ideal 2:1. More than 2 is not Good

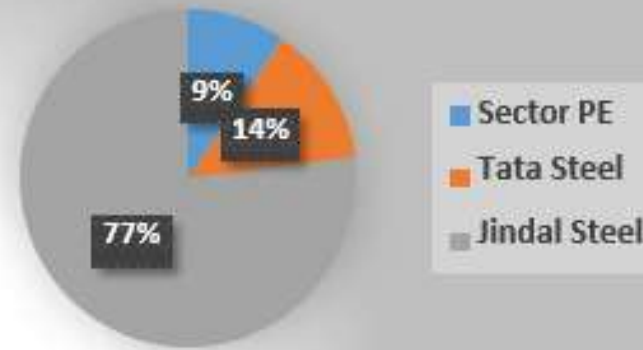
Note: Never measure Debt/ Equity Ratio of Financial Institutions.

Sector P/E

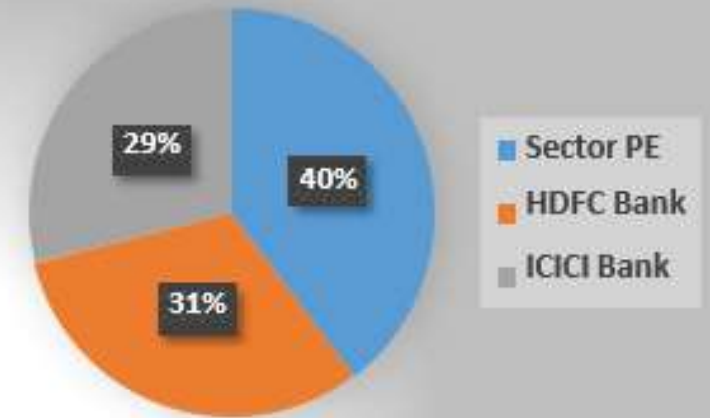
Battaries



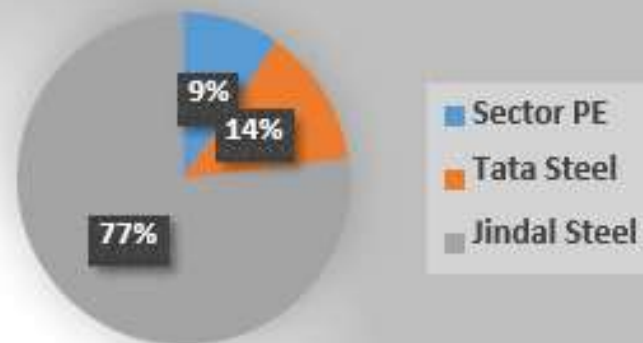
Chemical



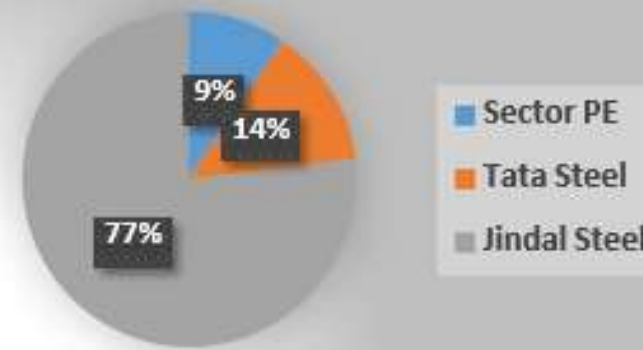
Banking



FMCG



Infrastructure

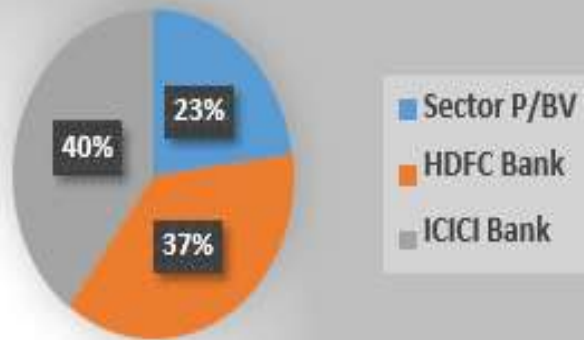


Sector P/E Ratio – Sector P/E Ratio means overall ratio of that particular sector.

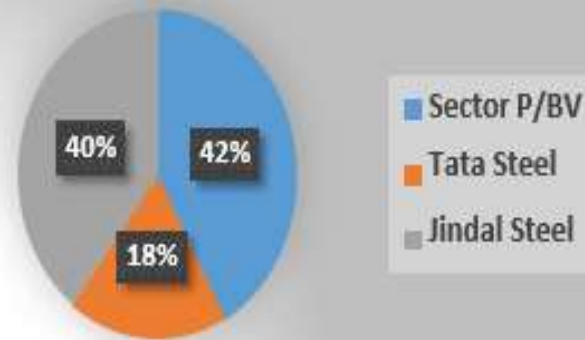
P/E Ratio – Price to earning ratio means how many times you are ready to pay to the earning of that share. P/E Ratio of 10 or less than 10 is good but more than 10 little risky.

Sector P/BV

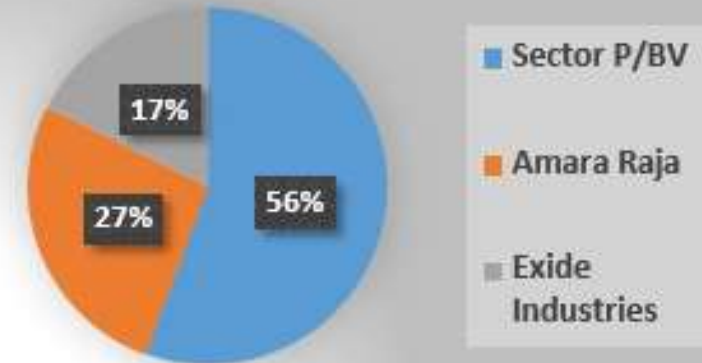
Banking



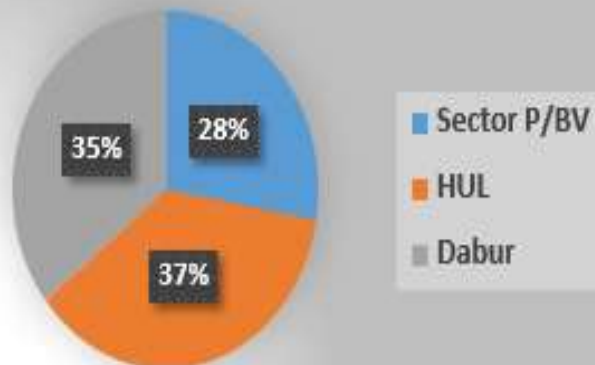
Infrastructure



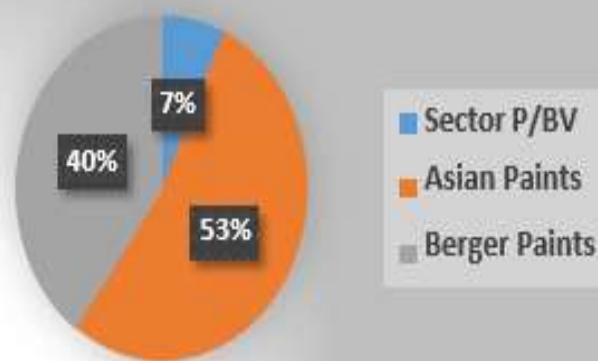
Batteries



FMCG



Chemicals



Sector P/BV Ratio – Sector P/BV Ratio means overall P/BV Ratio of that particular sector.

P/BV Ratio – Price to Book value ratio means how many times you are ready to the book value of that share. P/BV of 1 is Ideal. More than 1 is overvalued and less than 1 is undervalued.

Evaluation of Stocks on Money Control

Here, firstly we try to understand what is P/E Ratio, Book Value, Market Price, Current Ratio, Cash Flow, Revenue Growth.

P/E Ratio simply means how many times you are ready to on earning of the share.

P/BV Ratio shows the overvalued or undervalued of the share. Ratio above 1 is overvalued and ratio below is undervalued.

Book Value simply means what is the real value of share. If any misshapen occurs in company than all the shareholders will get money according to the book value of that share.

Market price means at which price the share is trading on online trading platform.

Current Ratio is a liquidity ratio that tells company ability to pay its short term obligations. Cash Flow tells the purchasing power of company.

Cash Flow from Operating activities(CFO) means the amount of cash, company bring in from its ongoing business.

Negative(CFO) having shortage of cash or company has not been operating profitability.

Cash flow from Investing activities(CFI) means inflow or outflow of cash from any long-term investment of a company.

Positive(CFI) means that company has sell any of its long-term investment. Negative(CFI) means that company has invested fund for long term.

Cash flow from Financing(CFF) activities means net flow of cash used to fund the company. Positive(CFF) means company raise fund through shares, debentures, preference shares.

Negative(CFF) means maybe company repurchase its shares, payment of dividend. Revenue Growth means how much company sales are growing every year.



AMARA RAJA BATTERIES / EXIDE INDUSTRIES

Amara Raja Batteries (571.85) Face Value - 1	Exide Industries (176.25) Face Value - 1
P/E Ratio- 14.92	P/E Ratio - 3.11
Book Value -151.81	Book Value - 124.11
P/BV - 2.18	P/BV - 1.43
EPS - 38.34	EPS - 56.65
Current Ratio - 1.84	Current Ratio - 1.97
Cash Flow	Cash Flow
CFO - 632.95	CFO - 12.18
CFI - (481.89)	CFI - (272.95)
CFF - (213.48)	CFF - (214.26)
Revenue Growth - 21%, 4.9%, 0.7%	Revenue Growth - 23%, 1.87%, -6.64%

If we compare the share of Amara Raja Batteries and Exide Industries. P/E Ratio of Amara Raja is much higher than Exide Industries that's not a good sign somewhere. Book Value of Both the companies are less than the market value. But the Market Price of Amara Raja is 4 times of BV. Current Ratio of the companies are near to Ideal ratio only. Cash Flow is also showing positive sign. The revenue growth of both the company shows good growth in last year only. Previous years both companies don't show good revenue growths but in 2022 both companies perform good. Main reason for buying Exide Industries share is its P/E ratio and Book Value.

ASIAN PAINTS / BERGER PAINTS

Asian Paints (2746.25) Face Value - 1	Berger Paints (580.65) Face Value - 1
P/E Ratio - 69.93	P/E Ratio - 67.60
Book Value - 72.47	Book Value - 19.80
P/BV - 19.23	P/BV - 14.75
EPS - 39.27	EPS - 8.59
Current Ratio - 1.79	Current Ratio - 1.4
Cash Flow	Cash Flow
CFO - 13.88	CFO - 518.61
CFI - (9.67)	CFI - (537.96)
CFF - (3.36)	CFF - (5.35)
Revenue Growth - 94%, (14)%, (2.92)%	Revenue Growth - 28.41%, 4.01%, 4.9%

Here, the reason of buying Asian Paints is it is better than all Berger paints in terms of Current Ratio, P/E ratio is almost same. Revenue growth is also too good.

HUL / DABUR

HUL (2444.25)	Dabur (527.40)
Face Value - 1	Face Value - 1
P/E Ratio - 58.98	P/E Ratio - 55.8
Book Value - 207.53	Book Value - 46.4
P/BV - 11.8	P/BV - 11.49
EPS - 41.44	EPS - 8.08
Current Ratio - Not Uploaded	Current Ratio - 1.14
Cash Flow	Cash Flow
CFO - Not Uploaded	CFO - 1319.95
CFI - Not Uploaded	CFI - (682.8)
CFF - Not Uploaded	CFF - (634.74)
Revenue Growth - Not Uploaded	Revenue Growth - 14.2%, 13.27%, 0.5%

Here the reason of selecting HUL is Its Book Value which is far better than Dabur. And EPS of HUL is better than Dabur.

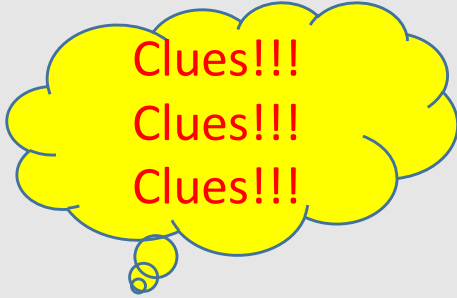
TATA STEEL / JINDAL STEEL & POWER

Tata Steel (106.45)	Jindal Steel & Power (572)
Face Value - 1	Face Value - 1
P/E Ratio - 6.74	P/E Ratio - 20.58
Book Value - 96	Book Value - 237.88
P/BV - 1.11	P/BV - 1.55
EPS - 15.80	EPS - 27.79
Current Ratio - 0.58	Current Ratio - 1.12
Cash Flow	Cash Flow
CFO - 41986.12	CFO - 14185.27
CFI - (34167.79)	CFI - (9406.63)
CFF - (7368.05)	CFF - (7427.72)
Revenue Growth - 53.7%, 39.5%, 16.67%	Revenue Growth - 45.79%, 29.53%, 5.4%

Here The main reason of buying shares of Tata Steel is its BV. Share of Tata Steel is undervalued which means it is a good signal for long term investment. But we need to keep in the mind the Current Ratio also. Because that is really very dangerous.



Question Answers And Win



- 1 - The amount of money borrowed for a specific amount of time and returned along with interest.
- 2 - Accumulating wealth through time.
- 3 - A sort of investment that amasses money from numerous investors.
- 4 - The simplicity of selling a security or asset for cash at market value.
- 5 - A tool provided by mutual funds to investors to help them invest in a discipline.
- 6 - The sum of money invested in or owned by a company's owner.
- 7 - Evaluate the link between two or more financial statement components.
- 8 - A group of organizations that offer us financial services.
- 9 - A form of security that grants stockholders a percentage of a company's ownership.
- 10 - Money that needs to be transferred from one party to another and is kept in a bank account or with another financial institution.

- D_ _ _
- I_ _ E_ _ _ _ G
- F_ _ _
- L_ _ _ _ T_
- S_ _
- E_ _ _ T_
- R_ _ _ O
- B_ _ _ _ N_
- _ _ _ C_ _
- D_ _ _ S_ _

Submit your answers below



https://docs.google.com/forms/d/e/1FAIpQLScr9EVoqLI3pufthuomw_kGLYhXwWv0ubZcTmbAbSBquLOWxg/viewform



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Winner Of Last Magazine



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