

Sectors trading at a premium



Sectors trading at a discount

Infrastructure

Sp. Chemicals

Real Estate

PSU Banks

Technology

Cement

Logistics

Consumer

NBFCs

Healthcare

Metals

Oil & Gas

Private Banks

Retail

Media

Automobiles

Telecom

# BULLS & BEARS

INDIA VALUATIONS HANDBOOK

## HIGHLIGHTS – DEC'23 EDITION

- Nifty scales record high; bids adieu to CY23 with 20% returns
- India the best performing market in Dec'23
- FII's net buyers for the 2<sup>nd</sup> consecutive month in Dec'23 – the highest since Jan'21
- All major sectors end higher
- Utilities, Oil & Gas, Metals, PSU Banks, and Capital Goods top gainers
- Largecaps outperform Midcaps/smallcaps
- India's share in the world M-cap at all-time high
- Over the last 12 months, the MSCI India Index (+20%) has outperformed the MSCI EM Index (+7%)

## STRATEGY

Nifty scales new peak, clocks second-best return in last six years

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## DEEP-DIVE FOR THE MONTH

Technology: Macro uncertainty continues, demand recovery expected in FY25

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## INDIAN EQUITIES

Market rallies for the second consecutive month, up 7.9% MoM in Dec'23

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## GLOBAL EQUITIES

India the best performing market in Dec'23

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## SECTOR VALUATIONS

Two-thirds of sectors trade at a premium to their historical average

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## COMPANY VALUATIONS

Half of Nifty constituents trade at a premium to their historical average



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## About the product

As the tagline suggests, **BULLS & BEARS** is a monthly handbook on valuations in India. It covers:

- Valuations of Indian market vs. global markets
- Current valuations of companies across sectors
- Sectors that are currently valued at a premium/discount to their historical long-period average

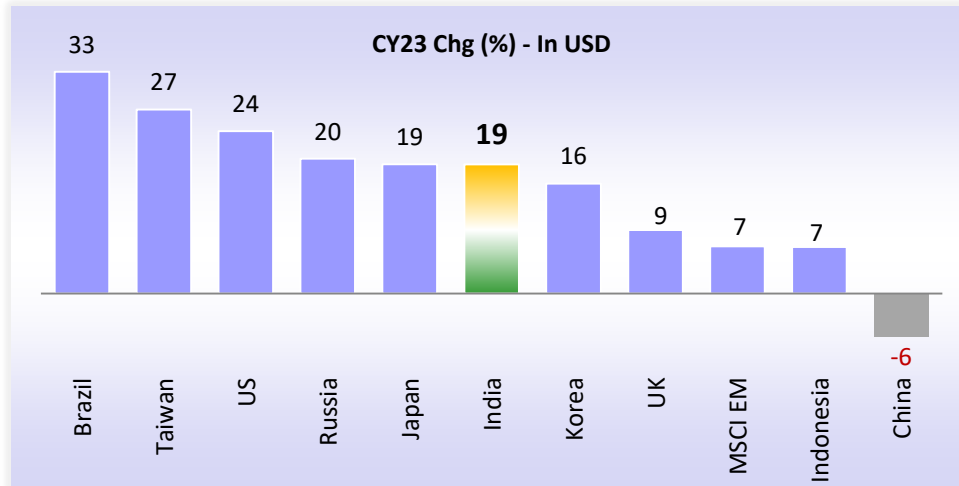
### NOTES:

- Prices as of 29<sup>th</sup> Dec'23
- **BULL icon:**  Sectors trading at a premium to their historical average
- **BEAR icon:**  Sectors trading at a discount to their historical average
- Valuations are on a 12-month forward basis, unless mentioned otherwise
- Sector valuations are based on MOSL coverage companies
- Data on global equities is sourced from Bloomberg; Nifty valuations are based on MOFSL estimates

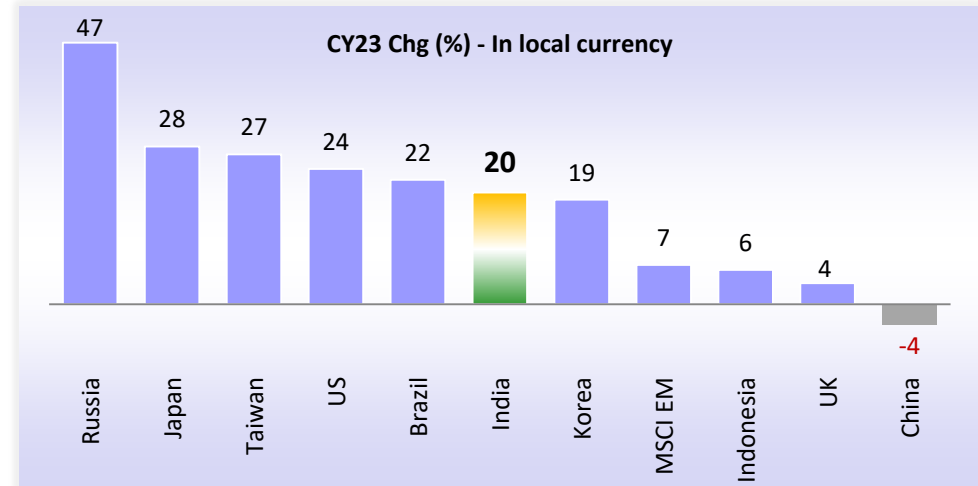
Investors are advised to refer to the important disclosures appended at the end of this report.

- **Nifty hits record high, bids adieu to CY23 with 20% returns:** In CY23, the Nifty recorded an impressive 20% YoY gain. Despite weak global macros, rising interest rates, and geopolitical uncertainties, Indian equity markets remained resilient, clocking eight consecutive years of positive returns! Over the last 12 months, midcaps (+47%) and smallcaps (+56%) have outperformed largecaps. During the last five years, midcaps have outperformed largecaps by 58%, while smallcaps have outperformed largecaps by 35%.
- **Strong FIIs/DIIs inflows:** FII inflows into Indian equities stood at USD21.4b in CY23 vs. outflows of USD17b in CY22. During the last eight years, FIIs have invested USD51.8b cumulatively in the Indian market, with only two years of outflows. DII inflows into equities in CY23 remained strong at USD22.3b vs. USD32.2b in CY22. With just one year of outflows since CY16, DIIs have invested USD102.8b cumulatively over the last eight years.
- **All sectors delivered positive returns in CY23:** Among the sectors, the top gainers were Real Estate (+81%), Capital Goods (+67%), Automobiles (+48%), Infrastructure (+39%), and Healthcare (+34%). The breadth was favorable in CY23, with 48 Nifty stocks closing higher. Tata Motors (+101%), Bajaj Auto (+88%), NTPC (+87%), L&T (+69%), and Coal India (+67%) were the top performers, while Adani Enterprises (-26%) and UPL (-18%) were the only laggards.
- **India the best-performing market in Dec'23:** Barring China (down 2% MoM), Russia, and Japan (flat MoM), key global markets such as India (+8%), Brazil (+5%), Korea (+5%), the US (+4%), the UK (+4%), MSCI EM (+4%), Taiwan (+3%), and Indonesia (+3%) closed higher in local currency terms. Over the last 12 months, the MSCI India Index (+20%) outperformed the MSCI EM Index (+7%). Over the last 10 years, the MSCI India Index notably outperformed the MSCI EM index by 202%. India's share in the global market cap climbs to 3.8%; continues to scale new highs.
- **Valuations – two-thirds of sectors trading at a premium to their historical averages:** After a sharp rebound, the Nifty now trades at a 12-month forward P/E of 19.6x, near its LPA of 20.2x (3% discount). Conversely, the P/B ratio at 3.2x represents a 15% premium to its historical average of 2.7x. The market capitalization-to-GDP ratio is at a year-end high of 124% (we expect nominal GDP to increase 8.2% YoY in FY24). Private Banks and O&G now trade in a reasonable range of their long-period average (LPA) valuations, while Real Estate, after the sharp run, trades at a 55% premium to its LPA. PSU Banks are trading at a premium to its LPA on a P/B basis.
- **The year ahead:** As CY23 was marked by multi-year high interest rates, concerns about banking crises in the US and Europe, and geopolitical uncertainties, CY24 is likely to see some moderation in these issues, especially in interest rates. With global liquidity tightening nearing its end, a healthy domestic macro and micro environment, strong domestic and retail participation, and expected political continuity post 2024 general elections bode well for policy momentum in India. We anticipate continued optimism in the market and maintain a positive outlook and an overweight stance on sectors such as BFSI, Industrials, Real Estate, Auto and Consumer Discretionary.
- **Top ideas:** **Largecaps** – Coal India, ITC, Bajaj Finance, L&T, HCL Tech., M&M, Titan, Avenue Supermarts, Ultratech Cement, ONGC, and Zomato; **Midcaps and Smallcaps** – Indian Hotels, Angel One, Lemon Tree Hotel, Ashok Leyland, Godrej Properties, Sobha, Metro Brands, Global Health, PNB Housing, and Craftsman Auto.

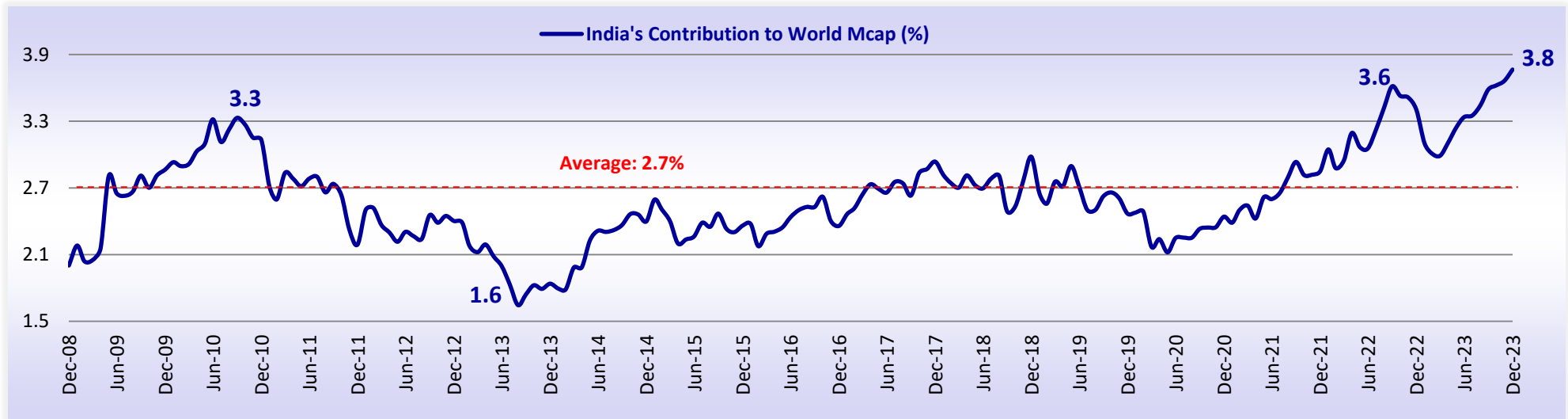
World equity indices in CY23 in USD terms (%)



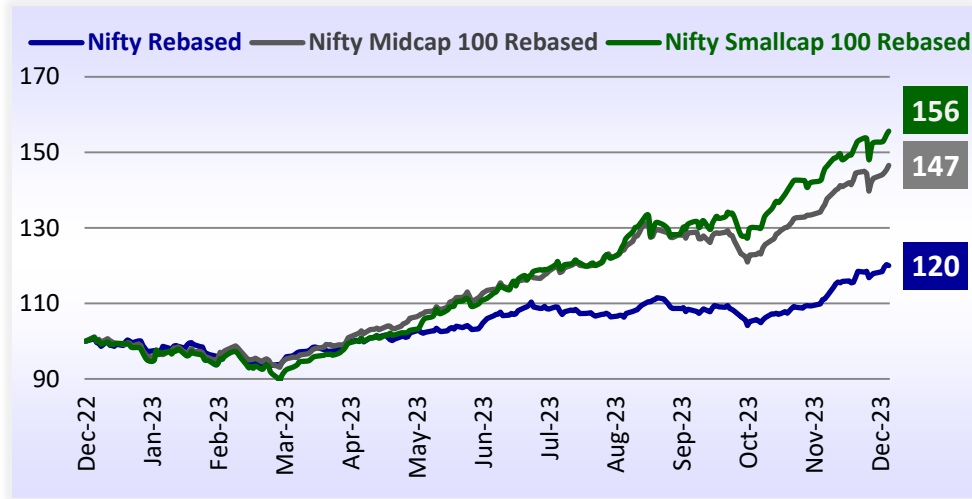
World equity indices in CY23 in local currency terms (%)



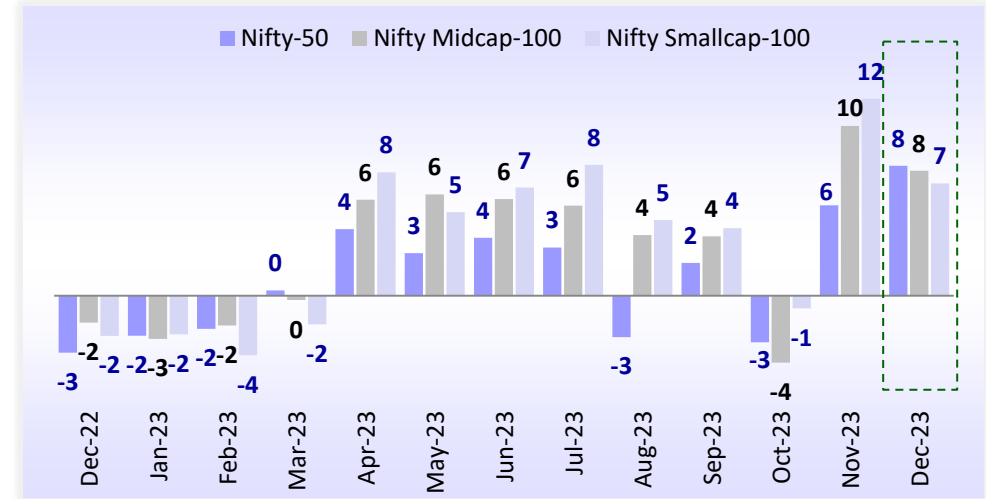
Trend in India's contribution to global M-cap (%) – at its all-time high



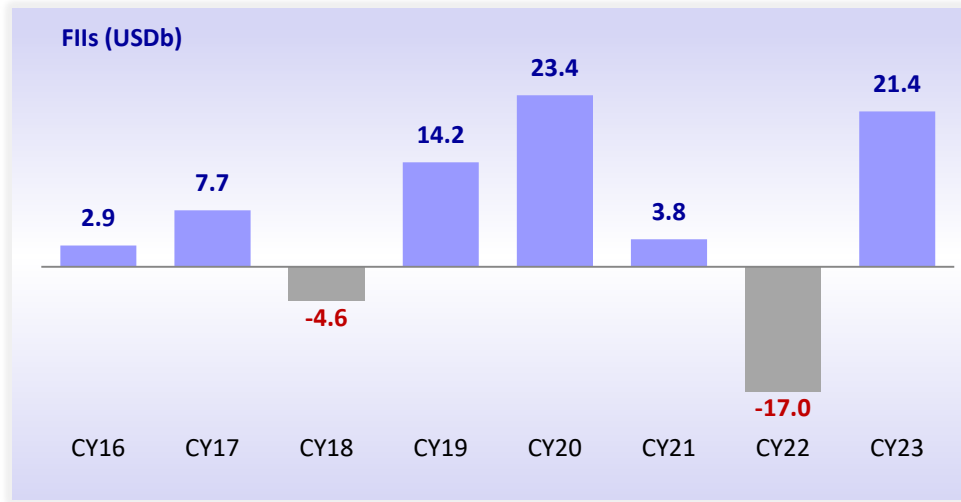
Performance of midcaps/smallcaps vs. largecaps over the last 12 months



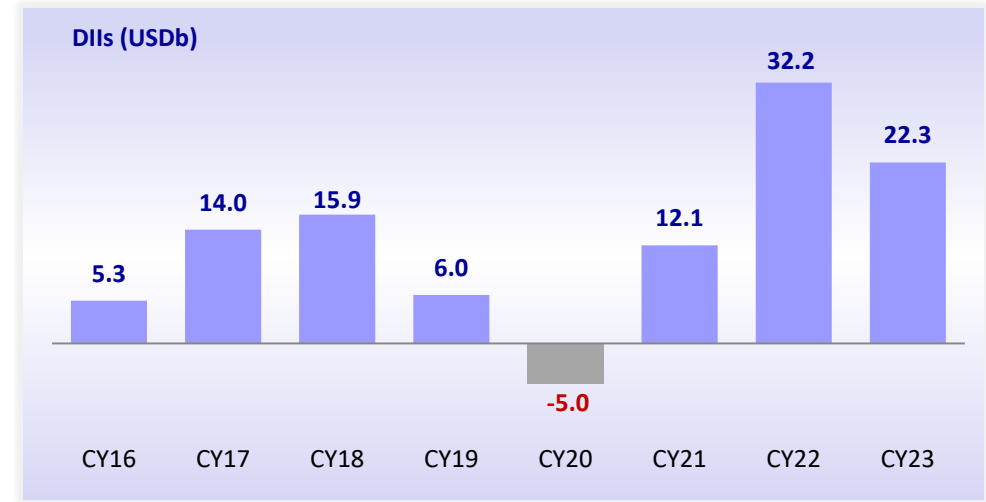
MoM performance (%) – largecaps outperform in Dec'23



FIIs inflows in CY23 vs. outflows recorded in CY22

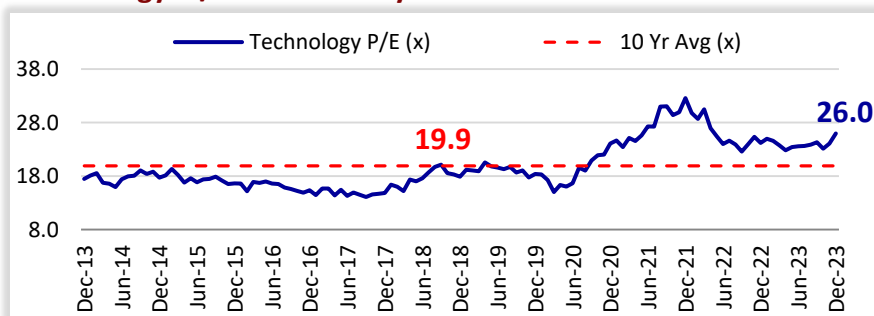


DII inflows remain healthy in CY23

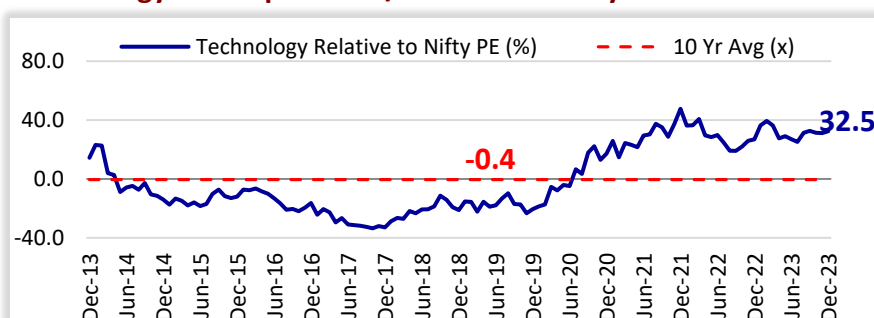


- The global macros continue to affect near-term growth for the IT sector. The industry has not witnessed any meaningful change in the spending pattern. Discretionary spending remains on a pause across enterprises; although sentiment has improved, it is yet to reflect into actions. The macro uncertainty is making global enterprises cautious as they await the macro intensity to moderate before they start funding the transformation and discretionary-led programs.
- Despite near-term challenges, the long-term demand visibility remains intact. The churn in technology keeps on increasing, with high demand for complex skillsets likely to lead to a further increase in IT service outsourcing. We expect demand to recover in FY25 as the BFS and Retail verticals gain strength, while we expect global enterprises to improve their mandates for technology spending.
- The supply-side pressure has come off to a large extent, with the majority of IT service providers reporting a sharp decline in hiring. Although campus hiring continues, there is a sharp cut in lateral hiring. Outsourcing vendors are optimizing the existing resources by limiting their hiring to meet near-term demand.
- With improving macro sentiment and an estimated demand recovery in FY25, IT stocks have rallied over the last two months. The 1-year forward PE for IT stocks (MOFSL universe) stands at 26x. Tier-2 stocks look expensive at 35x, a ~50% premium to the Tier-1 pack. Among Tier-1 players, HCLT is one of the key beneficiaries of having a defensive business mix, which should support growth in the demand-constraint environment. Additionally, we expect INFO to be a key beneficiary (mid-term) of the acceleration in digital and business transformation. In Tier-2 stocks, we prefer Cyient given its strong growth prospects.

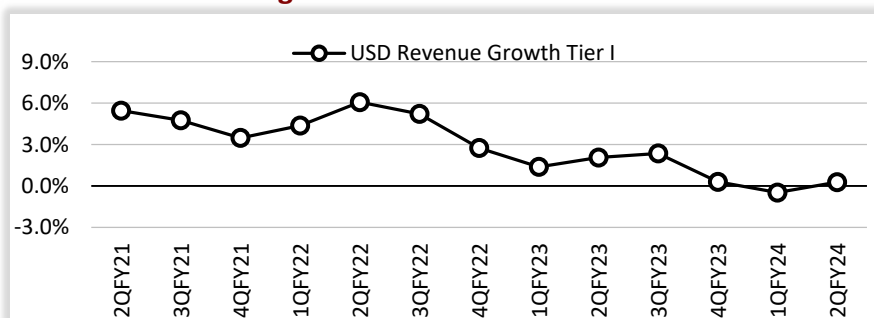
### Technology: P/E trend– one-year forward



### Technology sector premium/discount to Nifty

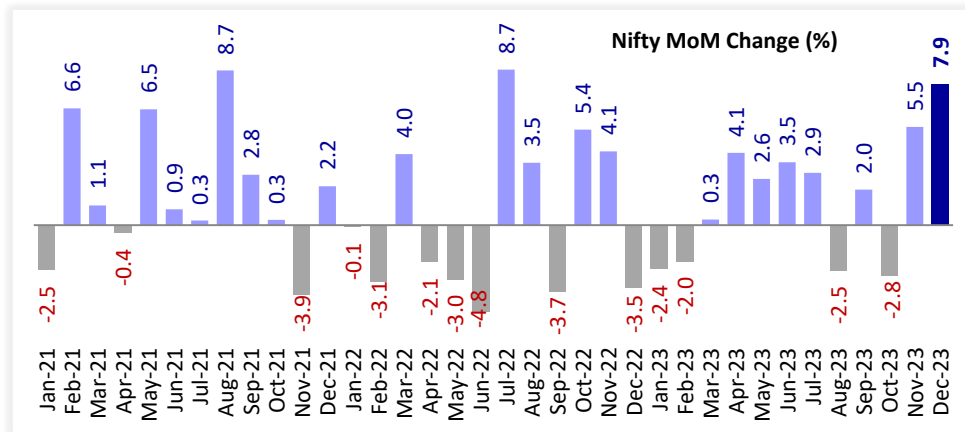


### IT services revenue growth for Tier 1 continues to moderate

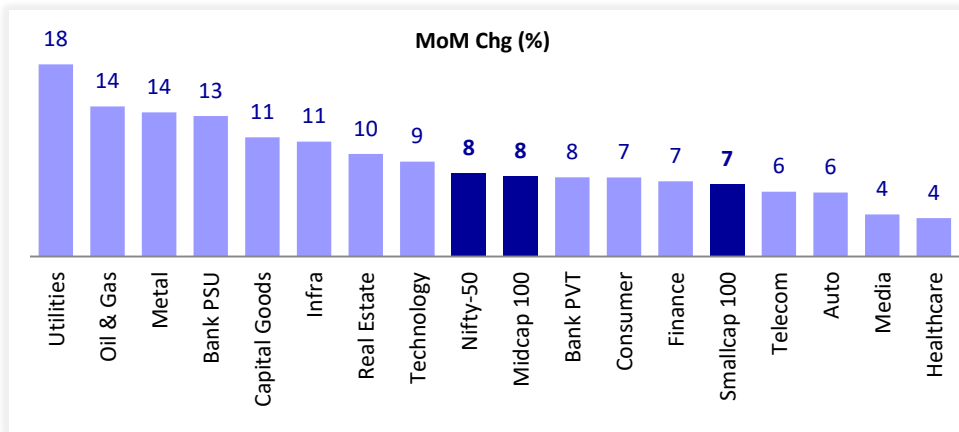


- The Nifty touched a fresh high of 21,801, ending 7.9% up MoM at 21,731 in Dec'23. The index closed higher for the second successive month and recorded the best MoM returns in the last 17 months. The Nifty was up 20% in CY23 – eight consecutive years of positive returns!
- All major sectors ended higher MoM – Utilities (+18%), Oil & Gas (+14%), Metals (+14%), PSU Banks (+13%), and Capital Goods (+11%) were the top gainers.

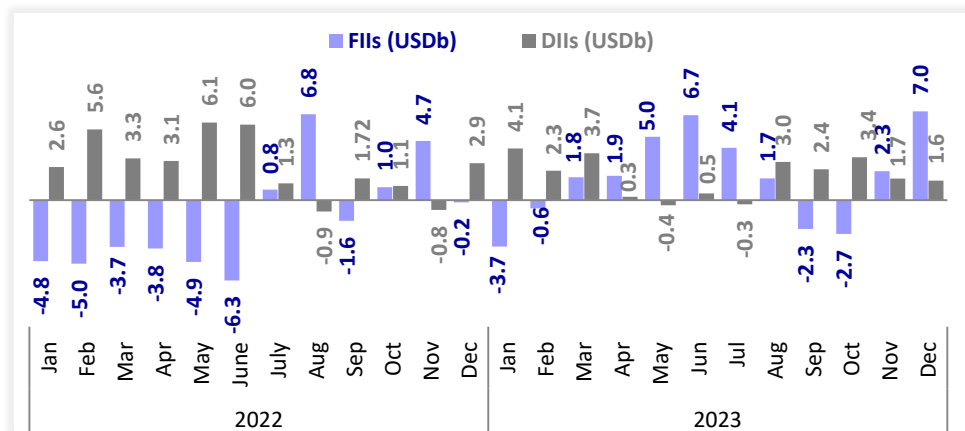
**Nifty MoM change (%) — second consecutive month of positive returns**



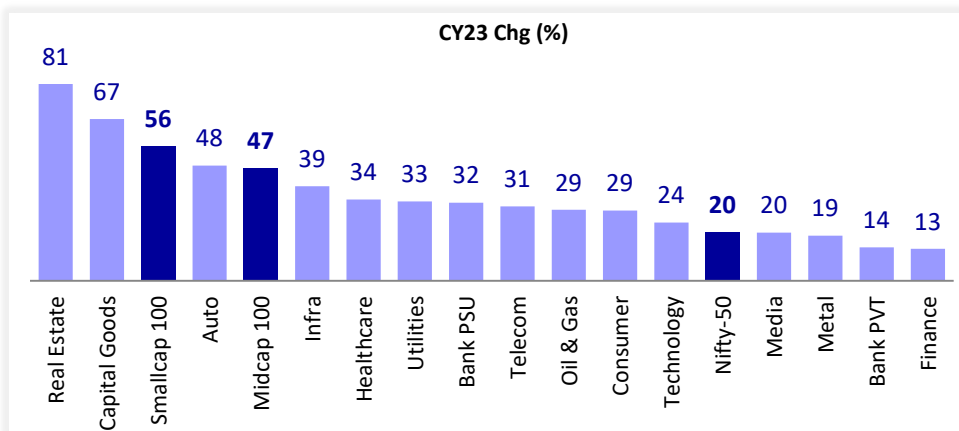
**Sectoral MoM change (%) – Utilities, Oil & Gas, Metals top gainers**



**Institutional flows (USD b) – FIIs inflows for the second consecutive month, the highest since Jan'21; DII inflows remain healthy**

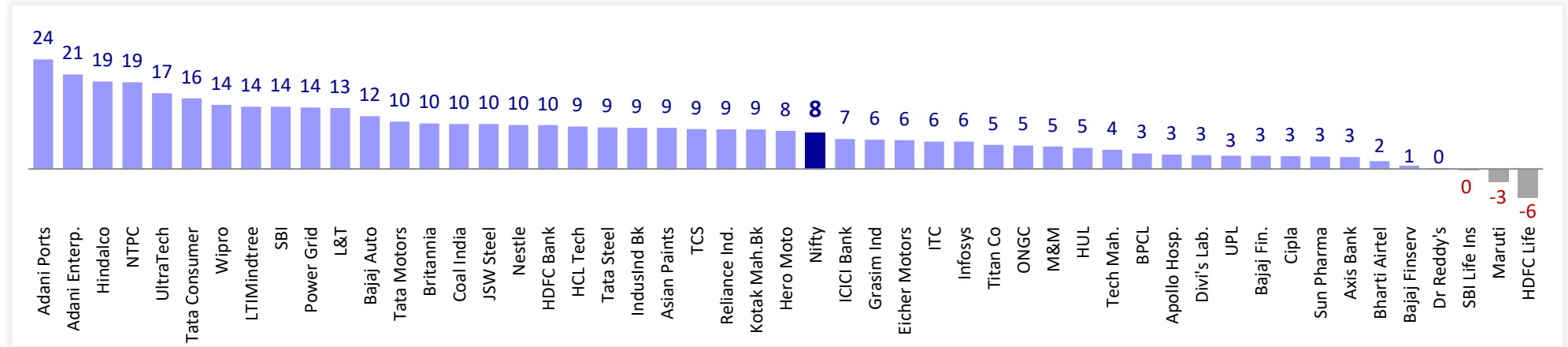


**Sectoral CY23 change (%) – Real Estate, Capital Goods, Automobiles, and Infrastructure top gainers**

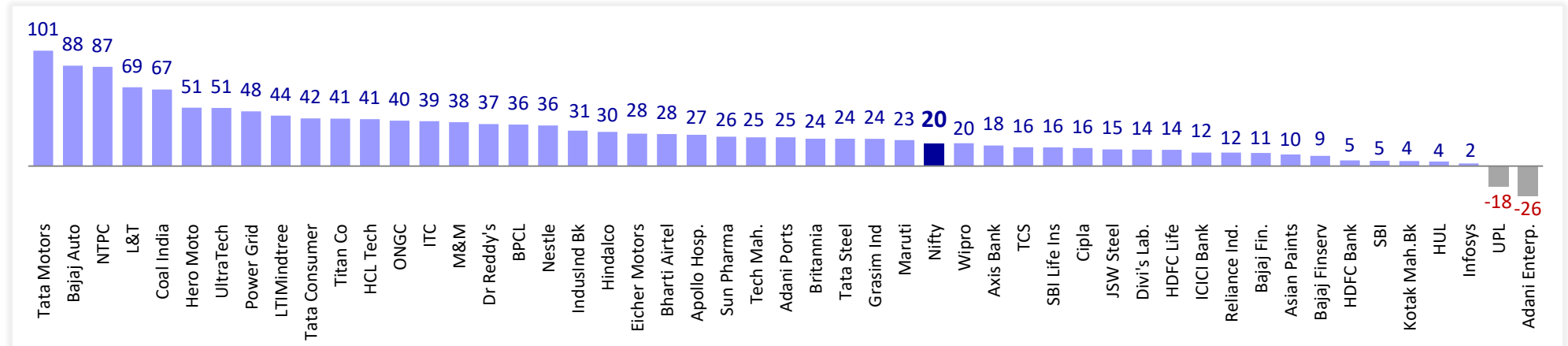


- **Best and worst Nifty performers in Dec'23:** Adani Ports (+24%), Adani Enterprises (+21%), Hindalco (+19%), NTPC (+19%), and Ultratech (+17%) were the top performers, while HDFC Life (-6%), Maruti Suzuki (-3%) and SBI Life (-0.2%) were the only laggards.
- **Best and worst Nifty performers in CY23:** Tata Motors (+101%), Bajaj Auto (+88%), NTPC (+87%), L&T (+69%), and Coal India (+67%) were the top performers, while Adani Enterprises (-26%) and UPL (-18%) were the only laggards.

### Best and worst Nifty performers (MoM) in Dec'23 (%) – Breadth favorable; 47 Nifty companies end higher

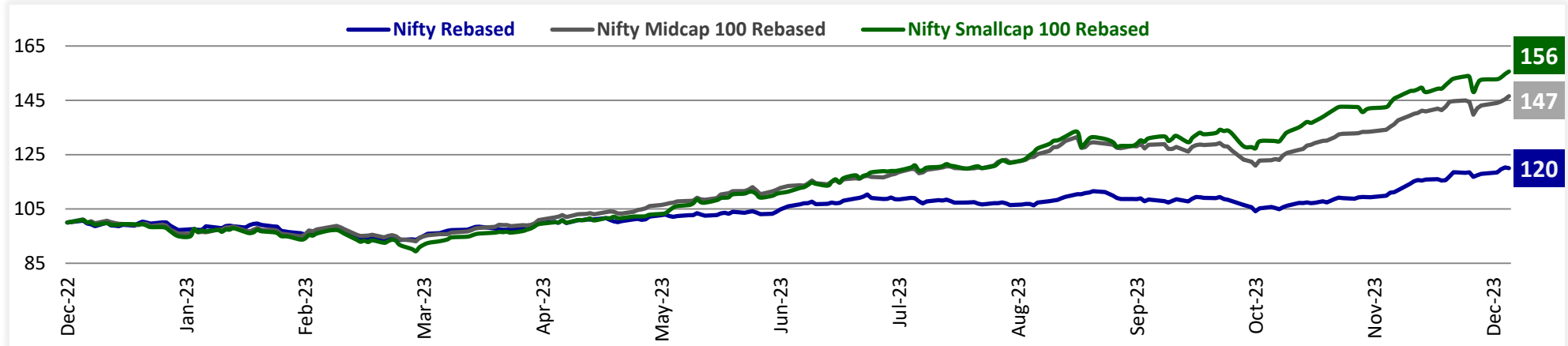


### Best and worst Nifty performers in CY23 (%) – 96% of the constituents ended higher

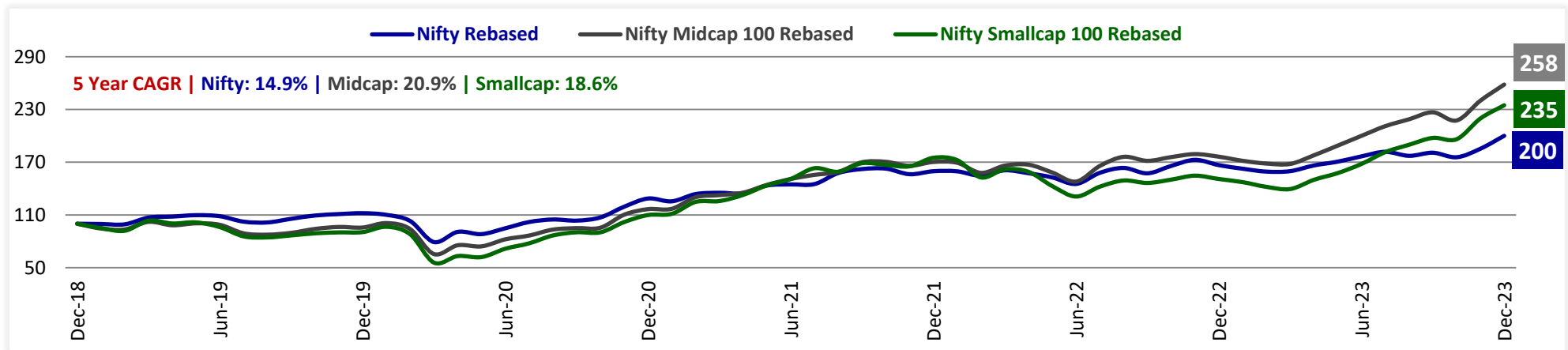


- During the last 12 months, midcaps and smallcaps have gained 47% and 56%, respectively, while largecaps have risen 20%. During the last five years, midcaps have outperformed largecaps by 58%, while smallcaps have outperformed largecaps by 35%.

### Performances of midcaps and smallcaps vs largecaps over the last 12 months

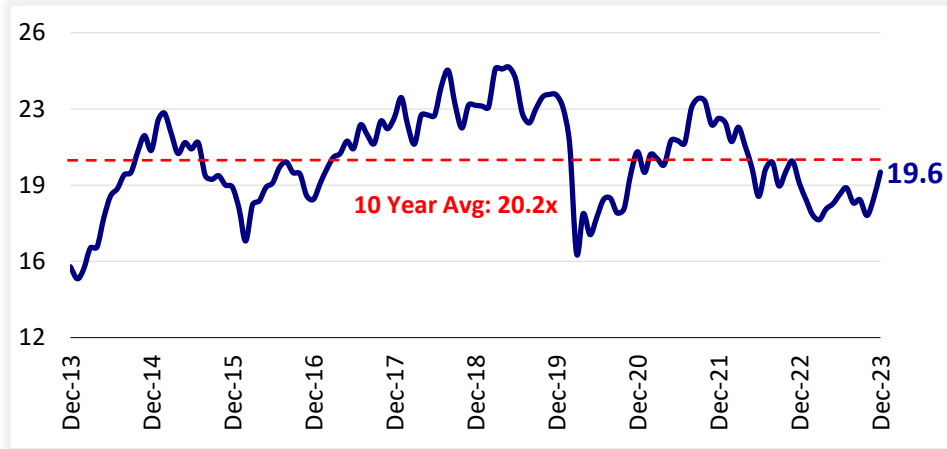


### Performances of midcaps and smallcaps vs largecaps over the last five years

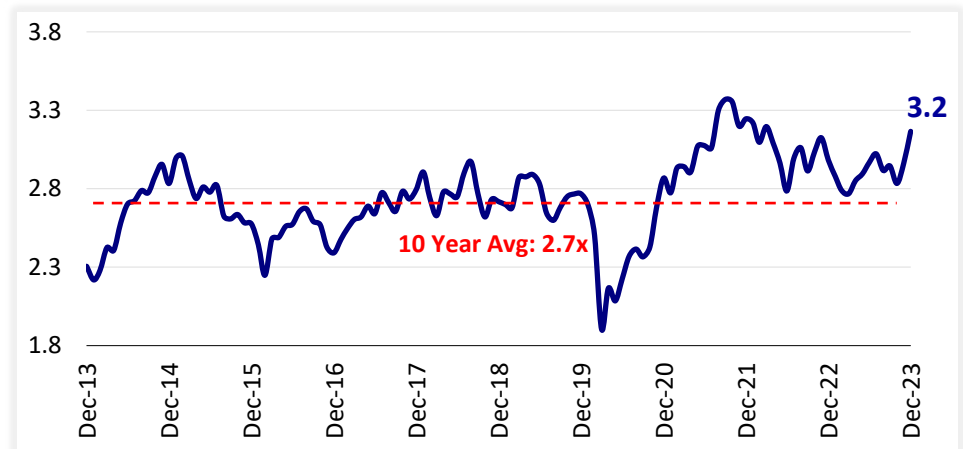


- The Nifty is trading at a 12-month forward P/E ratio of 19.6x, near its LPA of 20.2x (3% discount). Conversely, the P/B ratio at 3.2x represents a 15% premium to its historical average of 2.7x.
- The 12-month trailing P/E for the Nifty, at 22.9x, is above its LPA of 22.2x (3% premium). At 3.6x, the 12-month trailing P/B ratio for the Nifty is above its historical average of 3.0x (19% premium).

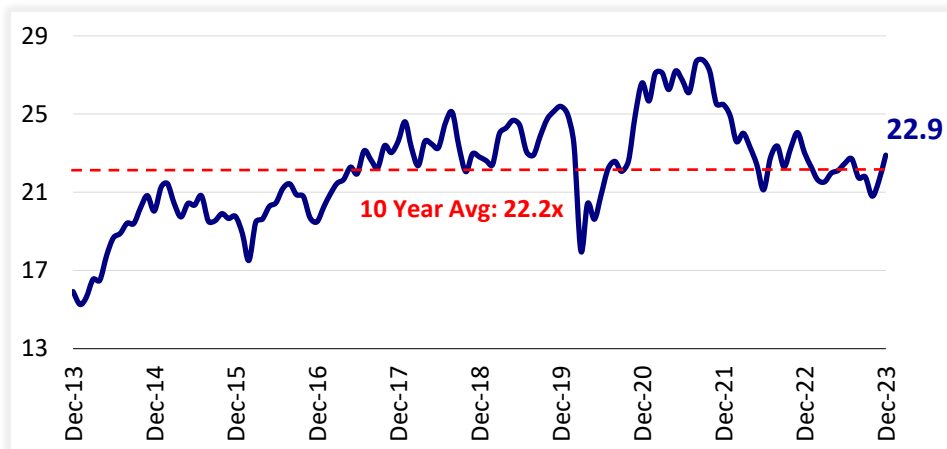
### 12-month forward Nifty P/E ratio (x)



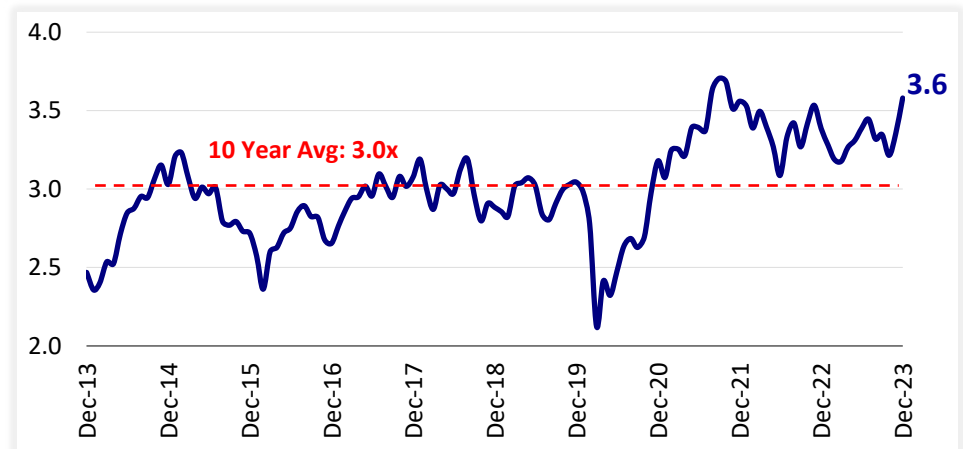
### 12-month forward Nifty P/B ratio (x)



### Trailing Nifty P/E ratio (x)

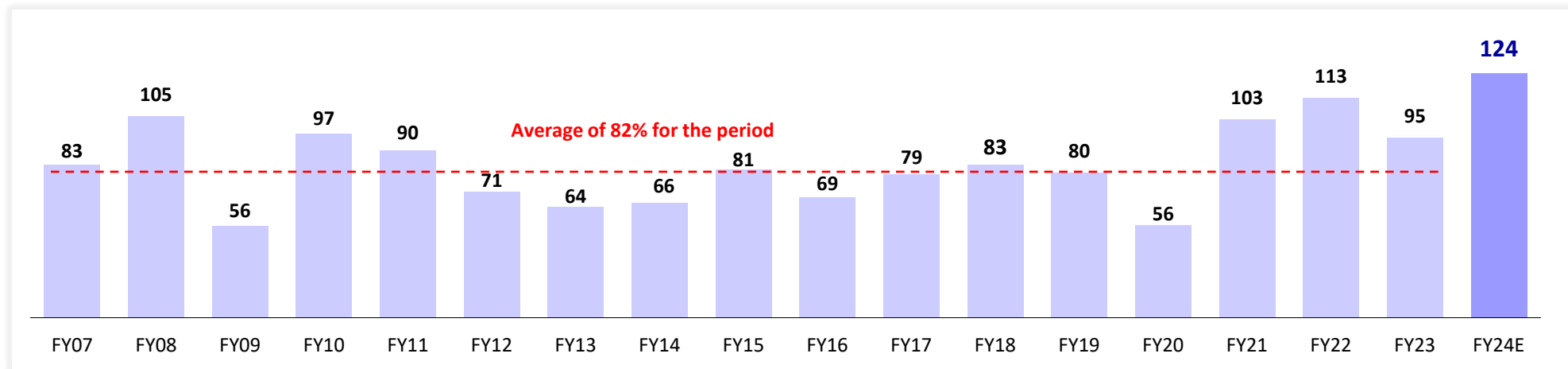


### Trailing Nifty P/B ratio (x)

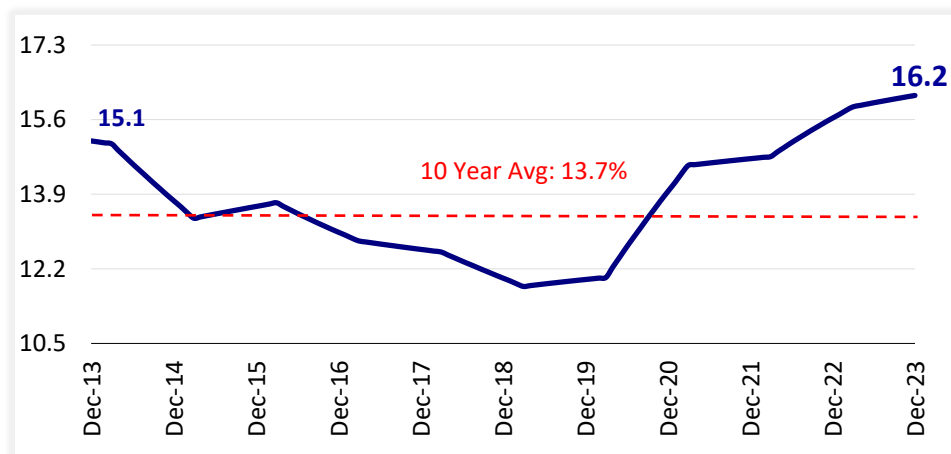


- India's market capitalization-to-GDP ratio has been volatile, plummeting to 56% (of FY20 GDP) in Mar'20 from 80% in FY19 and then sharply reviving to 113% in FY22; the ratio moderated to 95% in FY23. It is now at 124% (of FY24E GDP of 8.2% YoY), above its long-term average of 82%.
- The Nifty is trading at a 12-month forward RoE of 16.2%, above its long-term average.

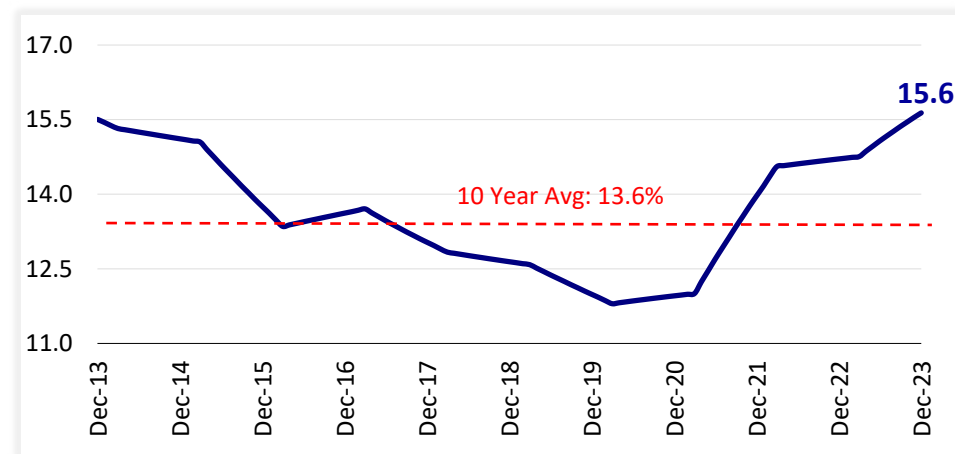
India's market capitalization-to-GDP ratio (%) at its year-end high



12-month forward Nifty RoE (%)



Trailing Nifty RoE (%)

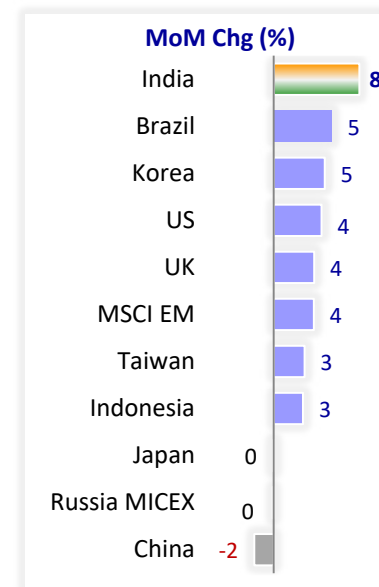


- Barring China (down 2% MoM), Russia, and Japan (flat MoM), key global markets such as India (+8%), Brazil (+5%), Korea (+5%), the US (+4%), the UK (+4%), MSCI EM (+4%), Taiwan (+3%), and Indonesia (+3%) closed higher in Dec'23 in local currency terms.
- Indian equities have been trading at 21.8x FY24E earnings. Major key markets continued to trade at a discount to India.

## India (Nifty) vs. other markets

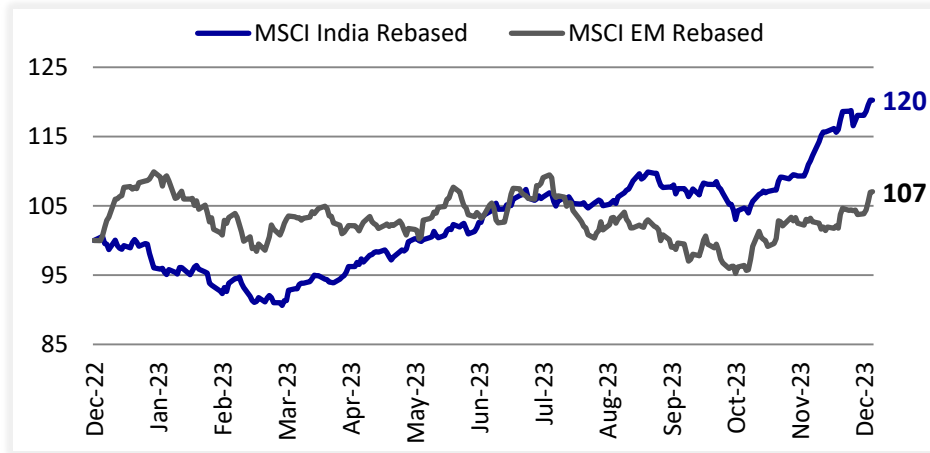
|              | Index Value   | Mkt Cap (USD T) | CY23 Chg (%)   |           | PE (x)      |               | Prem / Disc to India PE (%) |               | PB (x)      |               | RoE (%)     |               |
|--------------|---------------|-----------------|----------------|-----------|-------------|---------------|-----------------------------|---------------|-------------|---------------|-------------|---------------|
|              |               |                 | Local Currency | In USD    | CY22 / FY23 | CY23E / FY24E | CY22 / FY23                 | CY23E / FY24E | CY22 / FY23 | CY23E / FY24E | CY22 / FY23 | CY23E / FY24E |
| US           | 4,770         | 50.7            | 24             | 24        | 21.4        | 21.6          | -21                         | -1            | 4.9         | 4.4           | 19.4        | 18.2          |
| MSCI EM      | 1,024         | 20.4            | 7              | 7         | 8.1         | 14.0          | -70                         | -36           | 1.7         | 1.6           | 12.9        | 11.1          |
| China        | 2,975         | 9.5             | -4             | -6        | 12.6        | 11.3          | -53                         | -48           | 1.3         | 1.2           | 9.9         | 10.6          |
| Japan        | 33,464        | 6.2             | 28             | 19        | 23.5        | 23.9          | -13                         | 10            | 2.0         | 1.9           | 8.4         | 7.6           |
| <b>India</b> | <b>21,731</b> | <b>4.2</b>      | <b>20</b>      | <b>19</b> | <b>27.0</b> | <b>21.8</b>   |                             |               | <b>4.0</b>  | <b>3.5</b>    | <b>14.8</b> | <b>15.9</b>   |
| UK           | 7,733         | 3.1             | 4              | 9         | 11.0        | 11.2          | -59                         | -49           | 1.7         | 1.8           | 13.1        | 14.9          |
| Taiwan       | 17,931        | 2.1             | 27             | 27        | 3.2         | 19.2          | -88                         | -12           | 2.3         | 2.4           | 17.4        | 12.5          |
| Korea        | 2,655         | 1.9             | 19             | 16        | 11.6        | 16.2          | -57                         | -26           | 1.0         | 1.0           | 7.8         | 5.9           |
| Brazil       | 1,34,185      | 0.9             | 22             | 33        | 7.1         | 9.6           | -74                         | -56           | 1.9         | 1.5           | 25.6        | 15.0          |
| Indonesia    | 7,273         | 0.8             | 6              | 7         | 15.7        | 15.6          | -42                         | -29           | 2.1         | 2.1           | 13.2        | 13.3          |
| Russia       | 5,930         | 0.6             | 47             | 20        | 4.7         | 5.1           | -82                         | -77           | 0.9         | 0.7           | 18.8        | 14.4          |

Source: Bloomberg/MOFSL

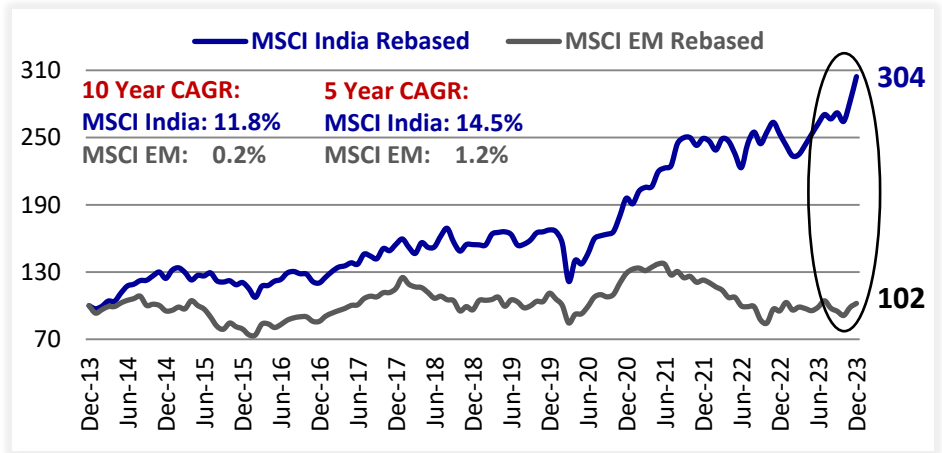


- Over the last 12 months, the MSCI India Index (+20%) has outperformed the MSCI EM Index (+7%). Over the last 10 years, the MSCI India Index has notably outperformed the MSCI EM index by 202%.
- In P/E terms, the MSCI India Index is trading at a premium to the MSCI EM Index, above its historical average.

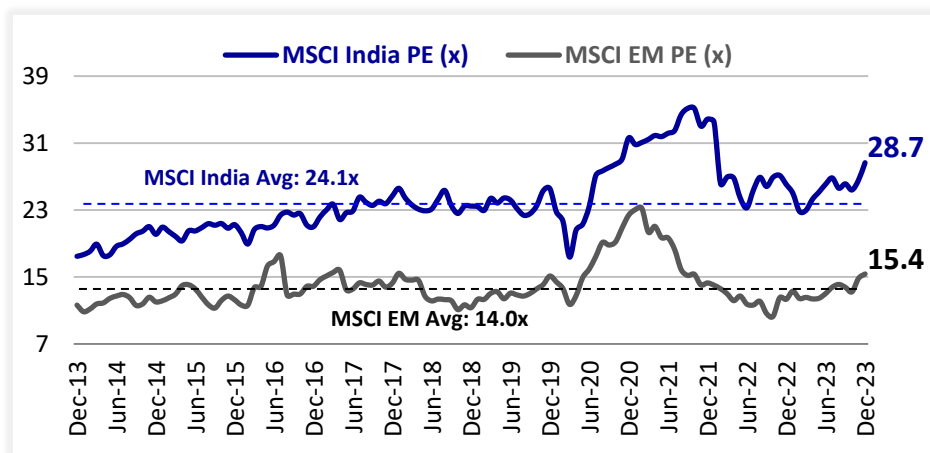
Performance of MSCI EM vs. MSCI India over the last 12 months



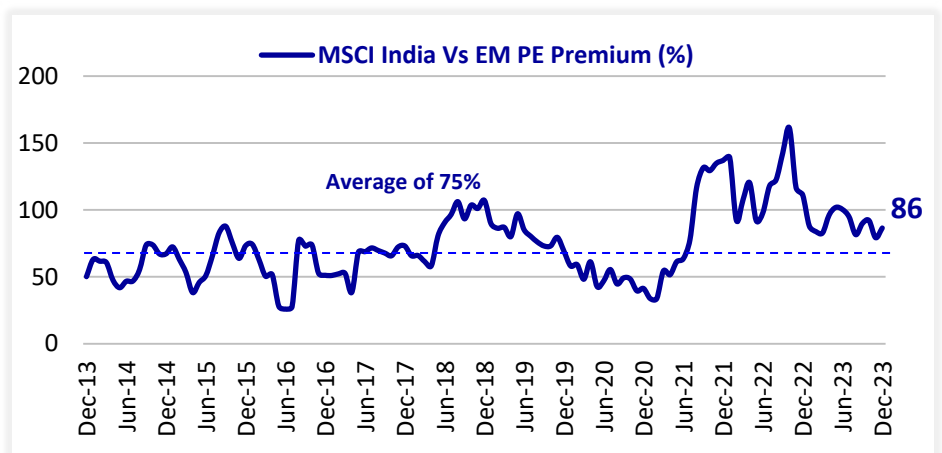
MSCI India outperforms MSCI EM by 202% over the last 10 years



Trailing P/E ratio (x) for MSCI India vs. MSCI EM



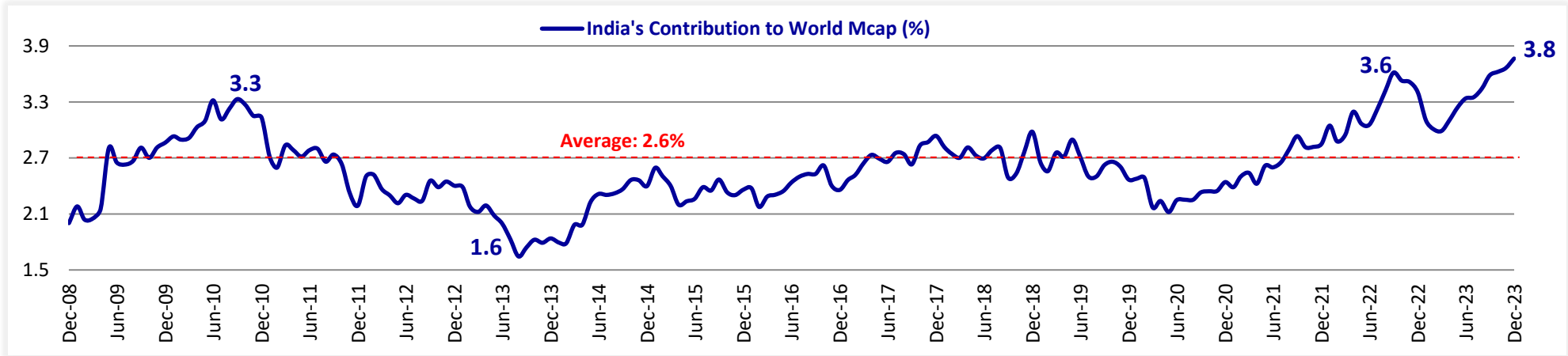
In P/E terms, MSCI India trades at a premium (%) to MSCI EM



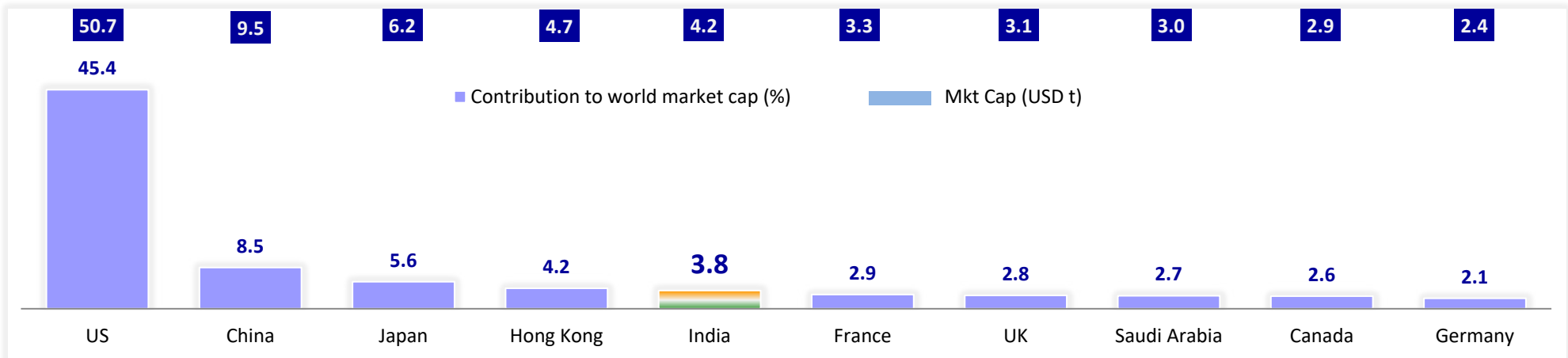
Source: Bloomberg

- India's share in the global M-cap stood at 3.8%, its all-time high and above its historical average of 2.6%.
- India is among the top 10 contributors to global market cap. The top 10 contributors accounted for ~81% of the global market cap in Dec'23.

### Trend in India's contribution to global Mcap (%) – at its all-time high



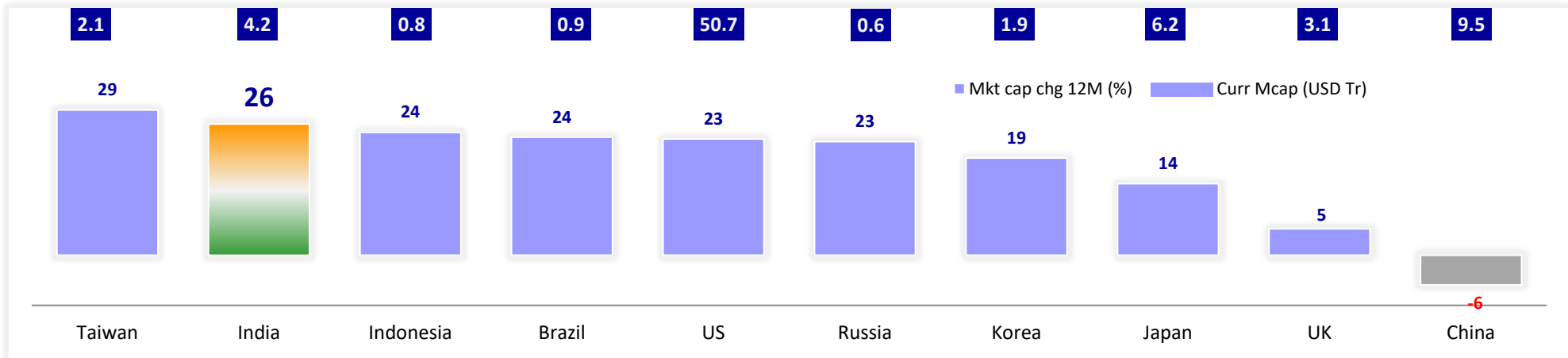
### Top 10 countries constitute ~81% of global Mcap in Dec'23



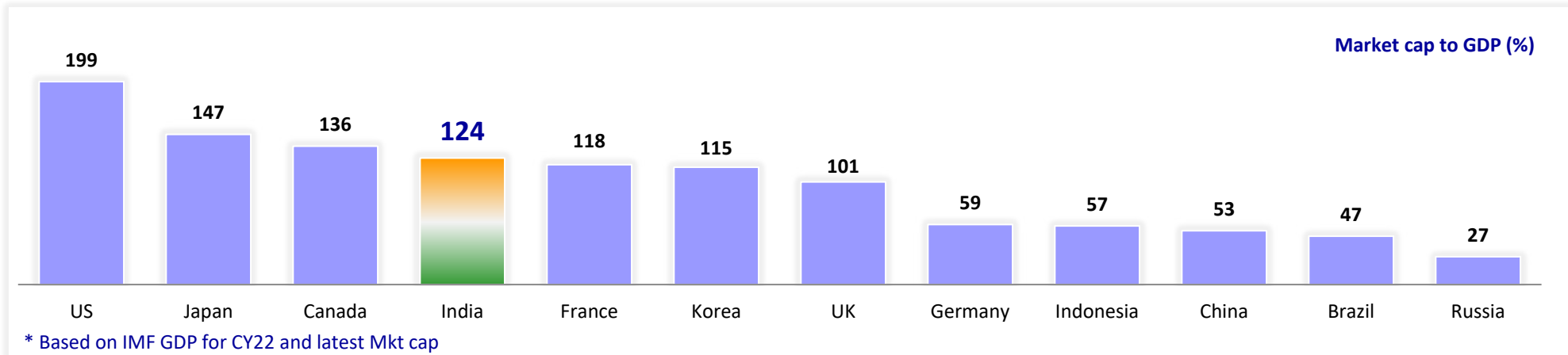
Source: Bloomberg

- Over the last 12 months, global market cap increased 14% (USD13.7t), whereas India's market cap surged 26%.
- Barring China, all key global markets witnessed a rise in market cap over the last 12 months.

### Change in Mcap over the last 12 months (%)



### Global market capitalization-to-GDP ratio (%)



Source: Bloomberg, IMF's

- **Companies trading at a significant premium to their historical average:** Grasim Industries (+62%), Tech Mahindra (+54%), Divi's Labs (+52%), Reliance Industries (+52%), and LTIMindtree (+50%).
- **Companies trading at a significant discount to their historical average:** ONGC (-40%), Tata Steel (-39%), Dr. Reddy's (-26%), BPCL (-25%), and Maruti Suzuki (-25%).

### Valuations of Nifty constituents

| Name                | Sector            | PE (x)  |           |               | Relative to Nifty P/E (%) |           | PB (x)  |           |               | Relative to Nifty P/B (%) |           |
|---------------------|-------------------|---------|-----------|---------------|---------------------------|-----------|---------|-----------|---------------|---------------------------|-----------|
|                     |                   | Current | 10 Yr Avg | Prem/Disc (%) | Current                   | 10 Yr Avg | Current | 10 Yr Avg | Prem/Disc (%) | Current                   | 10 Yr Avg |
| Bajaj Auto          | Auto              | 22.6    | 17.5      | 29            | 15                        | -13       | 6.4     | 4.3       | 50            | 103                       | 56        |
| Eicher Motors       | Auto              | 25.3    | 31.4      | -19           | 29                        | 56        | 5.6     | 7.2       | -23           | 77                        | 163       |
| Hero MotoCorp       | Auto              | 19.7    | 18.1      | 9             | 0                         | -10       | 4.1     | 4.6       | -11           | 30                        | 68        |
| Mahindra & Mahindra | Auto              | 18.3    | 18.4      | -1            | -6                        | -9        | 3.5     | 2.7       | 32            | 12                        | -2        |
| Maruti Suzuki       | Auto              | 22.1    | 29.3      | -25           | 13                        | 45        | 3.6     | 4.0       | -11           | 13                        | 46        |
| Tata Motors         | Auto              | NA      | 17.5      | NA            | NA                        | -13       | 4.0     | 2.2       | 88            | 28                        | -22       |
| Axis Bank           | Banks - Private   | 12.0    | 38.0      | -68           | -39                       | 88        | 2.0     | 2.0       | -1            | -38                       | -28       |
| HDFC Bank           | Banks - Private   | 17.7    | 20.6      | -14           | -10                       | 2         | 2.7     | 3.2       | -17           | -16                       | 18        |
| ICICI Bank          | Banks - Private   | 15.7    | 21.3      | -26           | -20                       | 6         | 2.7     | 2.1       | 29            | -16                       | -25       |
| IndusInd Bank       | Banks - Private   | 11.4    | 18.8      | -39           | -42                       | -7        | 1.8     | 2.5       | -28           | -44                       | -11       |
| Kotak Mahindra Bank | Banks - Private   | 18.8    | 26.9      | -30           | -4                        | 33        | 2.6     | 3.3       | -22           | -18                       | 22        |
| State Bank          | Banks - PSU       | 7.4     | 12.8      | -42           | -62                       | -37       | 1.3     | 1.1       | 14            | -60                       | -60       |
| Bajaj Finance       | Banks - NBFC      | 25.1    | 29.6      | -15           | 28                        | 47        | 5.1     | 4.9       | 3             | 60                        | 78        |
| HDFC Life Ins       | Banks - Insurance | 74.2    | 84.1      | -12           | 279                       | 317       | 2.6     | 4.0       | -35           | -18                       | 45        |
| SBI Life Ins        | Banks - Insurance | 64.0    | 58.2      | 10            | 227                       | 189       | 2.2     | 2.4       | -10           | -31                       | -11       |
| Grasim Inds         | Cement            | 21.7    | 13.4      | 62            | 11                        | -34       | 2.7     | 1.8       | 53            | -14                       | -36       |
| Ultratech Cement    | Cement            | 35.1    | 32.7      | 7             | 79                        | 62        | 4.6     | 3.4       | 34            | 44                        | 24        |
| Asian Paints        | Consumer          | 57.8    | 53.6      | 8             | 195                       | 166       | 17.7    | 14.1      | 26            | 460                       | 414       |
| Britannia Inds.     | Consumer          | 53.9    | 43.8      | 23            | 175                       | 117       | 33.3    | 19.3      | 73            | 953                       | 600       |
| Hind. Unilever      | Consumer          | 53.1    | 51.0      | 4             | 171                       | 153       | 13.5    | 24.1      | -44           | 326                       | 775       |
| ITC                 | Consumer          | 25.8    | 24.1      | 7             | 32                        | 20        | 7.8     | 5.9       | 32            | 146                       | 115       |
| Nestle India        | Consumer          | 77.2    | 59.1      | 31            | 294                       | 193       | 99.1    | 48.4      | 105           | 3031                      | 1659      |
| Tata Consumer       | Consumer          | 59.7    | 44.0      | 36            | 205                       | 118       | 5.4     | 2.9       | 88            | 71                        | 5         |

| Name             | Sector     | PE (x)      |             |                   | Relative to Nifty P/E (%) |           | PB (x)     |            |               | Relative to Nifty P/B (%) |           |
|------------------|------------|-------------|-------------|-------------------|---------------------------|-----------|------------|------------|---------------|---------------------------|-----------|
|                  |            | Current     | 10 Yr Avg   | Prem/<br>Disc (%) | Current                   | 10 Yr Avg | Current    | 10 Yr Avg  | Prem/Disc (%) | Current                   | 10 Yr Avg |
| Apollo Hospitals | Healthcare | 66.8        | 80.4        | -17               | 241                       | 298       | 10.0       | 6.3        | 58            | 215                       | 129       |
| Cipla            | Healthcare | 24.0        | 27.8        | -14               | 23                        | 38        | 3.5        | 3.3        | 5             | 9                         | 20        |
| Divi's Lab.      | Healthcare | 51.3        | 33.7        | 52                | 162                       | 67        | 6.9        | 6.1        | 14            | 118                       | 121       |
| Dr Reddy's Labs  | Healthcare | 19.0        | 25.8        | -26               | -3                        | 28        | 3.1        | 3.6        | -13           | -2                        | 30        |
| Sun Pharma       | Healthcare | 28.6        | 30.3        | -6                | 46                        | 50        | 4.3        | 4.0        | 6             | 35                        | 46        |
| Adani Ports      | Logistics  | 22.9        | 18.1        | 27                | 17                        | -11       | 3.8        | 3.3        | 16            | 20                        | 19        |
| Coal India       | Metals     | 9.1         | 10.5        | -13               | -53                       | -48       | 2.9        | 4.7        | -38           | -7                        | 73        |
| Hindalco         | Metals     | 11.9        | 9.4         | 26                | -40                       | -53       | 1.6        | 1.1        | 43            | -50                       | -60       |
| JSW Steel        | Metals     | 13.7        | 15.0        | -9                | -30                       | -26       | 2.6        | 1.8        | 46            | -19                       | -36       |
| Tata Steel       | Metals     | 12.4        | 20.4        | -39               | -37                       | 1         | 1.7        | 1.2        | 40            | -45                       | -55       |
| BPCL             | Oil & Gas  | 6.7         | 9.0         | -25               | -66                       | -56       | 1.3        | 1.8        | -28           | -58                       | -33       |
| ONGC             | Oil & Gas  | 4.8         | 7.9         | -40               | -76                       | -61       | 0.8        | 0.9        | -18           | -76                       | -66       |
| Reliance Inds.   | Oil & Gas  | 22.5        | 14.8        | 52                | 15                        | -26       | 1.8        | 1.4        | 24            | -44                       | -48       |
| Titan Co         | Retail     | 69.6        | 55.2        | 26                | 255                       | 174       | 19.2       | 12.4       | 56            | 507                       | 349       |
| HCL Technologies | Technology | 23.3        | 15.8        | 47                | 19                        | -21       | 6.2        | 3.8        | 65            | 96                        | 37        |
| Infosys          | Technology | 23.4        | 19.7        | 18                | 19                        | -2        | 8.4        | 5.3        | 58            | 166                       | 94        |
| LTIMindtree      | Technology | 33.8        | 22.6        | 50                | 73                        | 12        | 8.5        | 10.0       | -16           | 167                       | 264       |
| TCS              | Technology | 27.2        | 23.4        | 16                | 39                        | 16        | 16.2       | 9.5        | 70            | 411                       | 246       |
| Tech Mahindra    | Technology | 26.1        | 17.0        | 54                | 33                        | -16       | 3.9        | 3.1        | 23            | 22                        | 14        |
| Wipro            | Technology | 21.4        | 17.4        | 23                | 9                         | -14       | 3.3        | 2.9        | 14            | 5                         | 6         |
| Bharti Airtel    | Telecom    | NA          | 32.9        | NA                | NA                        | 63        | 4.8        | 3.1        | 57            | 53                        | 12        |
| UPL              | Others     | 10.3        | 13.3        | -23               | -47                       | -34       | 0.9        | 2.4        | -64           | -72                       | -12       |
| <b>Nifty</b>     |            | <b>19.6</b> | <b>20.2</b> | <b>-3</b>         |                           |           | <b>3.2</b> | <b>2.7</b> | <b>15</b>     |                           |           |

- In Dec'23, the Nifty Midcap 100 was up 7.6% vs. a gain of 7.9% MoM for the Nifty.
- The best Nifty Midcap-100 performers in Dec'23 were SAIL (+34%), Oil India (+22%), ACC (+18%), Prestige Estate (+18%), and Mphasis (+16%).

| Company          | PE (x)  |           |               | Relative to Nifty P/E (%) |           | PB (x)  |           |               | Relative to Nifty P/B (%) |           | Price Chg (%) |      |
|------------------|---------|-----------|---------------|---------------------------|-----------|---------|-----------|---------------|---------------------------|-----------|---------------|------|
|                  | Current | 10 Yr Avg | Prem/Disc (%) | Current                   | 10 Yr Avg | Current | 10 Yr Avg | Prem/Disc (%) | Current                   | 10 Yr Avg | MoM           | CY23 |
| S A I L          | 14.8    | 13.7      | 8             | -24                       | -32       | 0.9     | 0.6       | 40            | -72                       | -77       | 34            | 50   |
| Oil India        | 6.5     | 6.9       | -5            | -67                       | -66       | 1.0     | 0.8       | 27            | -69                       | -72       | 22            | 79   |
| ACC              | 20.8    | 28.0      | -26           | 6                         | 39        | 2.4     | 2.7       | -11           | -23                       | 0         | 18            | -9   |
| Prestige Estates | 54.1    | 22.1      | 145           | 176                       | 9         | 3.8     | 1.8       | 115           | 21                        | -35       | 18            | 154  |
| Mphasis          | 29.6    | 18.3      | 61            | 51                        | -9        | 5.7     | 3.3       | 71            | 79                        | 21        | 16            | 39   |
| Macrotech Devel. | 46.5    | 34.8      | 33            | 137                       | 73        | 6.5     | 4.0       | 60            | 105                       | 47        | 16            | 88   |
| MRF              | 24.6    | 21.7      | 13            | 25                        | 7         | 3.0     | 2.2       | 32            | -6                        | -18       | 16            | 46   |
| NMDC             | 9.9     | 6.0       | 66            | -50                       | -70       | 2.2     | 1.1       | 89            | -32                       | -58       | 16            | 70   |
| Sona BLW Precis. | 59.2    | 70.4      | -16           | 202                       | 249       | 12.6    | 13.0      | -3            | 297                       | 372       | 16            | 54   |
| Persistent Sys   | 43.5    | 24.0      | 82            | 122                       | 19        | 10.5    | 4.0       | 163           | 231                       | 45        | 15            | 91   |
| H P C L          | 5.7     | 5.4       | 5             | -71                       | -73       | 1.2     | 1.2       | 0             | -63                       | -57       | 15            | 70   |
| Tata Chemicals   | 19.6    | 10.2      | 92            | 0                         | -49       | 1.3     | 0.8       | 69            | -59                       | -72       | 14            | 18   |
| Deepak Nitrite   | 31.0    | 19.2      | 62            | 58                        | -5        | 6.0     | 3.5       | 70            | 90                        | 29        | 13            | 25   |
| Laurus Labs      | 28.8    | 28.2      | 2             | 47                        | 40        | 4.6     | 4.4       | 5             | 45                        | 59        | 13            | 15   |
| L&T Fin.Holdings | 14.8    | 14.8      | 0             | -25                       | -27       | 1.7     | 1.5       | 11            | -48                       | -46       | 11            | 89   |
| Lupin            | 33.5    | 39.1      | -14           | 71                        | 94        | 3.9     | 3.9       | -1            | 23                        | 43        | 3             | 80   |
| Oberoi Realty    | 30.7    | 22.9      | 34            | 57                        | 14        | 3.5     | 2.1       | 68            | 11                        | -24       | 3             | 66   |
| The Ramco Cement | 37.0    | 29.5      | 26            | 89                        | 46        | 3.2     | 3.1       | 3             | 0                         | 11        | 3             | 46   |
| Bata India       | 49.5    | 46.8      | 6             | 152                       | 132       | 10.1    | 8.9       | 14            | 219                       | 222       | 2             | 0    |
| M & M Fin. Serv. | 13.6    | 16.8      | -19           | -31                       | -17       | 1.8     | 1.5       | 24            | -43                       | -47       | 1             | 18   |
| Jubilant Food.   | 79.8    | 80.5      | -1            | 307                       | 299       | 16.5    | 14.0      | 18            | 421                       | 410       | 1             | 11   |
| Piramal Enterp.  | 12.8    | 13.8      | -7            | -35                       | -32       | 0.7     | 0.7       | -6            | -78                       | -74       | 1             | 12   |
| Balkrishna Inds  | 28.7    | 21.5      | 34            | 46                        | 6         | 5.4     | 3.8       | 43            | 70                        | 37        | 0             | 21   |
| Ashok Leyland    | 16.6    | 22.1      | -25           | -15                       | 9         | 4.2     | 3.8       | 10            | 34                        | 39        | -1            | 27   |
| Aditya Birla Cap | 12.7    | 17.7      | -28           | -35                       | -12       | 1.6     | 1.9       | -17           | -51                       | -31       | -1            | 11   |
| Ipca Labs.       | 32.4    | 32.0      | 1             | 65                        | 59        | 4.0     | 3.6       | 12            | 28                        | 31        | -2            | 32   |
| Aditya Bir. Fas. | 0.0     | 96.6      | -100          | -100                      | 379       | 5.9     | 8.5       | -31           | 85                        | 209       | -3            | -22  |
| Escorts Kubota   | 29.2    | 16.0      | 82            | 49                        | -21       | 3.6     | 1.9       | 91            | 15                        | -31       | -5            | 39   |
| Max Financial    | 0.0     | 30.2      | -100          | -100                      | 50        | 1.8     | 2.5       | -26           | -42                       | -11       | -6            | 41   |
| APL Apollo Tubes | 32.6    | 22.6      | 44            | 66                        | 12        | 9.0     | 4.8       | 89            | 184                       | 74        | -9            | 41   |

- The Technology sector is trading at a P/E ratio of 23.7x, a 20% premium to its long-term average of 19.8x. Demand remained weak through 1H, with key verticals and major geographies remaining under pressure. Although the deal TCVs remained elevated, the revenue conversion was a challenge on account of a cut-down in discretionary spending and reprioritization projects. The focus has now shifted to FY25, while we expect enterprises to revisit tech budgets and improve discretionary spending.
- The Healthcare sector's P/E is trading at 28.2x (7% premium), marginally above its 10-year average of 26.4x. The healthcare PE relative to Nifty PE is trading at a 53% premium. The decrease in raw material costs is expected to drive margin expansion over the near term. The outlook for domestic formulation is expected to improve as delayed monsoon pushed off-take of medicines for acute therapies to 3QFY23.
- The Metals sector is trading at an EV/EBITDA of 6.6x, near its 10-year historical average of 6.7x. Though rebar prices have corrected ~INR1,200/t MoM to INR55,300/t, they have fared better than HRC prices, which saw a price correction over ~INR1,500/t to INR55,000/t, thereby eroding the premium commanded over long steel products.

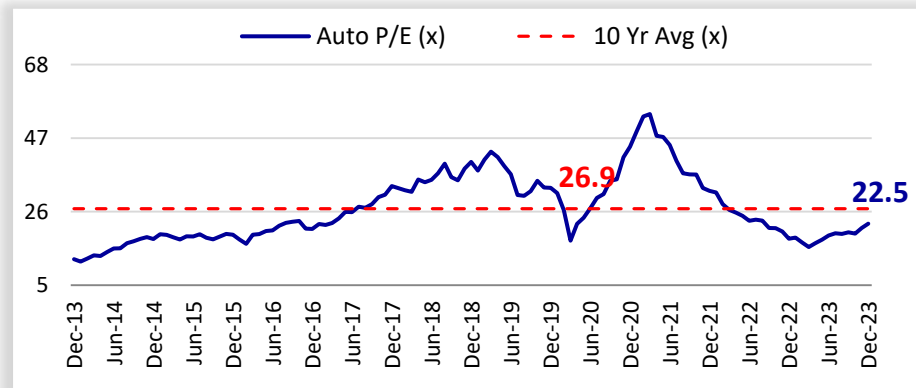
### Sector valuations at a glance

| Sector           | PE (x)  |           |               | PE Std. Deviation |       | Relative to Nifty P/E (%) |           | PB (x)  |           |               | PB Std. Deviation |      | Relative to Nifty P/B (%) |           |
|------------------|---------|-----------|---------------|-------------------|-------|---------------------------|-----------|---------|-----------|---------------|-------------------|------|---------------------------|-----------|
|                  | Current | 10 Yr Avg | Prem/Disc (%) | +1SD              | -1SD  | Current                   | 10 Yr Avg | Current | 10 Yr Avg | Prem/Disc (%) | +1SD              | -1SD | Current                   | 10 Yr Avg |
| Auto             | 22.5    | 26.9      | -16.1         | 36.4              | 17.3  | 15                        | 31        | 4.2     | 3.4       | 26.2          | 3.9               | 2.9  | 34                        | 22        |
| Banks - Private  | 15.7    | 20.8      | -24.5         | 26.4              | 15.3  | -20                       | 2         | 2.5     | 2.5       | -1.5          | 2.8               | 2.2  | -22                       | -8        |
| Banks - PSU      | 6.9     | 10.4      | -33.8         | 41.0              | -20.2 | -65                       | -52       | 1.1     | 0.8       | 36.0          | 1.0               | 0.6  | -65                       | -70       |
| NBFC             | 16.6    | 16.7      | -0.8          | 19.9              | 13.5  | -15                       | -17       | 2.5     | 2.3       | 9.9           | 2.7               | 1.9  | -20                       | -17       |
| Cement           | 31.5    | 26.5      | 18.8          | 31.6              | 21.4  | 61                        | 32        | 3.4     | 2.7       | 23.2          | 3.1               | 2.4  | 7                         | 0         |
| Consumer         | 45.7    | 40.4      | 13.2          | 44.2              | 36.6  | 133                       | 101       | 12.6    | 10.3      | 22.8          | 11.1              | 9.4  | 298                       | 275       |
| Consumer Ex ITC  | 56.1    | 49.9      | 12.6          | 57.4              | 42.4  | 186                       | 148       | 14.8    | 13.1      | 12.9          | 14.5              | 11.8 | 369                       | 380       |
| Healthcare       | 29.1    | 26.5      | 9.7           | 30.5              | 22.5  | 48                        | 32        | 4.1     | 3.9       | 5.5           | 4.7               | 3.1  | 29                        | 42        |
| Infrastructure   | 19.8    | 9.8       | 101.5         | 15.0              | 4.6   | 1                         | -51       | 1.8     | 1.2       | 52.7          | 1.6               | 0.7  | -44                       | -58       |
| Logistics        | 25.1    | 21.5      | 16.4          | 24.9              | 18.2  | 28                        | 7         | 4.1     | 3.5       | 17.0          | 4.1               | 2.8  | 28                        | 26        |
| Media            | 21.2    | 25.0      | -15.2         | 29.6              | 20.4  | 8                         | 24        | 2.4     | 4.1       | -42.2         | 5.9               | 2.3  | -26                       | 51        |
| Metals           | 12.9    | 11.8      | 9.5           | 16.3              | 7.3   | -34                       | -41       | 2.0     | 1.3       | 53.0          | 1.6               | 0.9  | -38                       | -54       |
| Oil & Gas        | 12.8    | 12.2      | 5.5           | 14.7              | 9.6   | -34                       | -40       | 1.5     | 1.4       | 6.0           | 1.6               | 1.3  | -52                       | -48       |
| Oil & Gas Ex RIL | 7.1     | 9.0       | -21.3         | 12.4              | 5.6   | -64                       | -55       | 1.1     | 1.2       | -8.5          | 1.5               | 0.9  | -64                       | -54       |
| Sp. Chemicals    | 36.9    | 21.9      | 68.0          | 34.3              | 9.5   | 88                        | 10        | 5.5     | 3.9       | 41.9          | 5.9               | 1.9  | 75                        | 39        |
| Real Estate      | 35.6    | 23.0      | 54.7          | 31.1              | 14.9  | 81                        | 14        | 3.9     | 1.6       | 148.1         | 2.2               | 0.9  | 24                        | -43       |
| Retail           | 75.1    | 84.7      | -11.3         | 149.9             | 19.5  | 283                       | 323       | 13.8    | 9.3       | 48.7          | 13.0              | 5.6  | 336                       | 233       |
| Technology       | 26.0    | 19.9      | 30.4          | 24.4              | 15.5  | 32                        | 0         | 8.4     | 5.4       | 55.0          | 6.9               | 3.9  | 166                       | 96        |
| Telecom          | Loss    | 19.7      | -             | 86.8              | -47.4 |                           | 3         | 25.0    | 8.2       | 203.8         | 15.9              | 0.6  | 0                         | 102       |

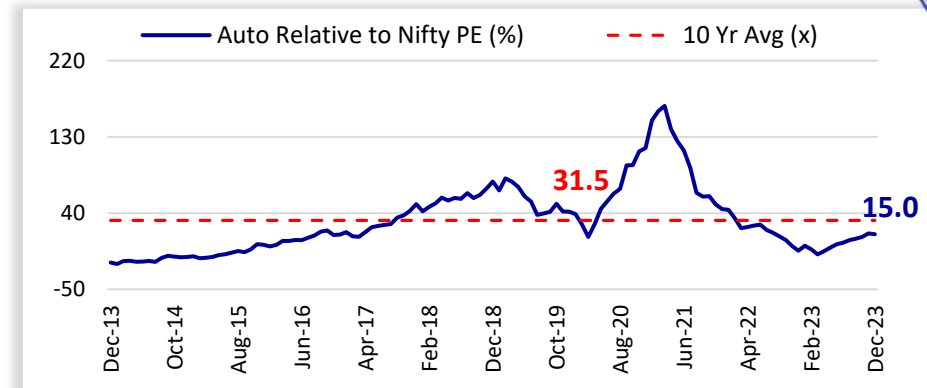


- The Auto sector is trading at a P/E of 22.5x, below its 10-year historical average of 26.9x (16% discount). On a P/B basis, it is trading at a 26% premium to its 10-year average of 3.4x.
- Overall dispatches for 2Ws (excluding HMCL) and CVs (excluding AL) grew 17%/6% YoY; PVs remained flat while tractors declined 18% YoY.
- Overall dispatches across the segments for Dec'23 came in lower than expected, except for CVs. Domestic dispatches for 2Ws jumped 24% YoY, while exports improved 5% YoY. However, despite a strong growth of 15% YoY for UVs, overall PVs remained flat YoY owing to sluggishness in the entry-level segment. CV volumes grew 6% YoY, led by 11.5% YoY growth in MHCVs. We believe 2Ws demand should continue to grow in the coming months. CV demand growth is expected to moderate in 4QFY24 led by the high base effect. Despite weak wholesales, tractor retails have slowly started showing signs of recovery.

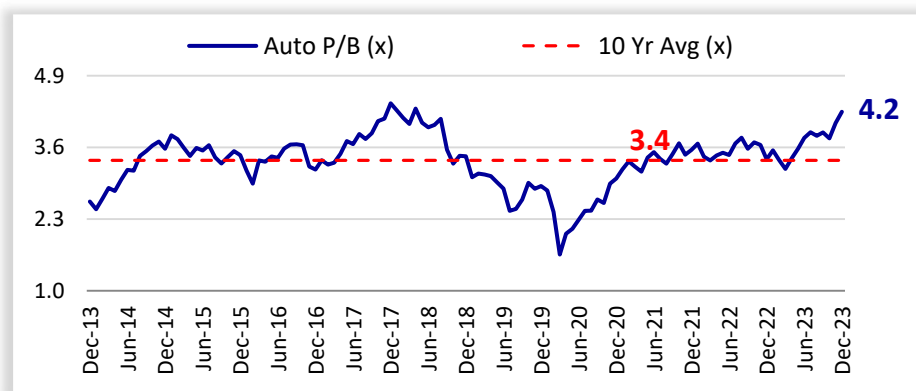
### 12-month forward Automobiles P/E (x)



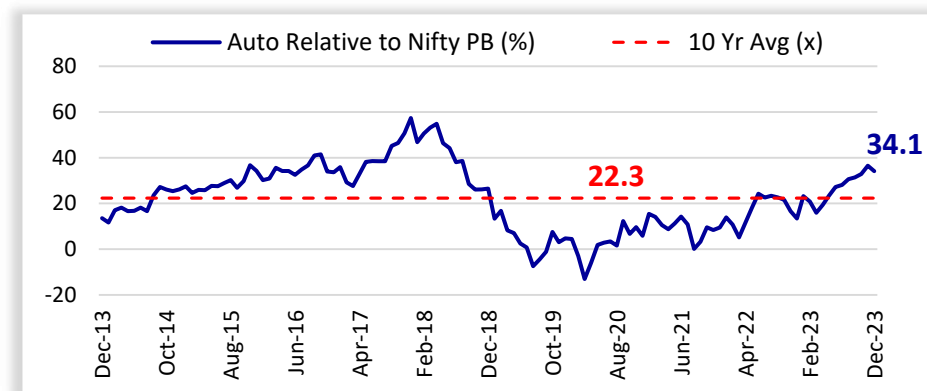
### Automobile P/E relative to Nifty P/E (%)



### 12-month forward Automobiles P/B (x)



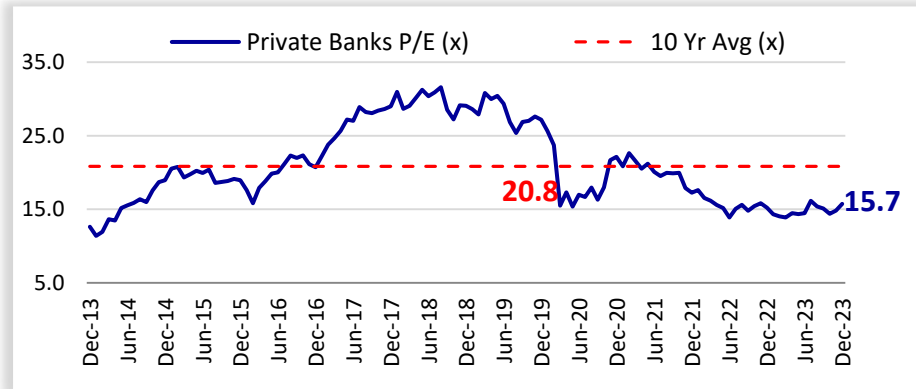
### Automobile P/B relative to Nifty P/B (%)



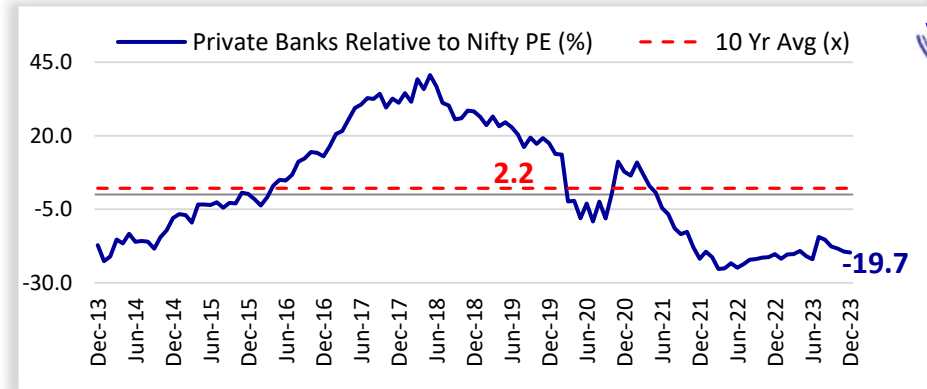


- The Private Banks sector is trading at P/B of 2.5x, in line with its 10-year average of 2.5x, with ROE at a 10-year high of 15.8%.
- Loan growth remains robust, primarily propelled by steady progress in the Retail and SME segments. The corporate segment also witnessed some recovery, while growth in select sectors such as personal loans and real estate has been robust.
- New regulations regarding the ever-greening of stressed loans via the AIF route require lenders to liquidate their AIF investments, which could result in potential MTM loss for lenders as they liquidate their investments. Some stressed accounts can now be recognized as NPAs in the upcoming quarters. Although the impact for banks is immaterial as most banks do not have any significant investments in AIF.
- Systemic loan growth remained healthy at 16.4% YoY in Dec'23. The credit-to-deposit ratio for the system stood at 79.6% vs. 74.8% at this time last year.

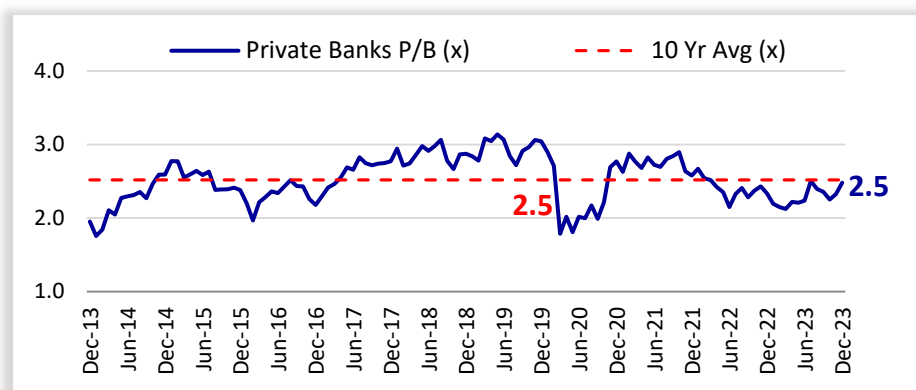
### 12-month forward Private Banks P/E (x)



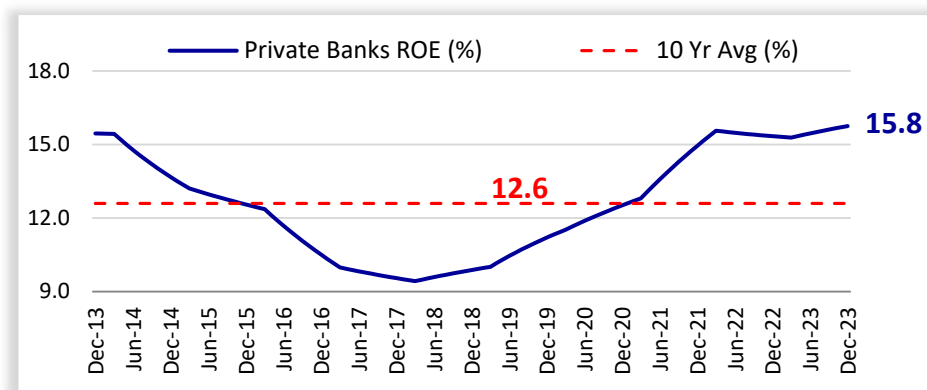
### Private Banks P/E relative to Nifty P/E (%)



### 12-month forward Private Banks P/B (x)



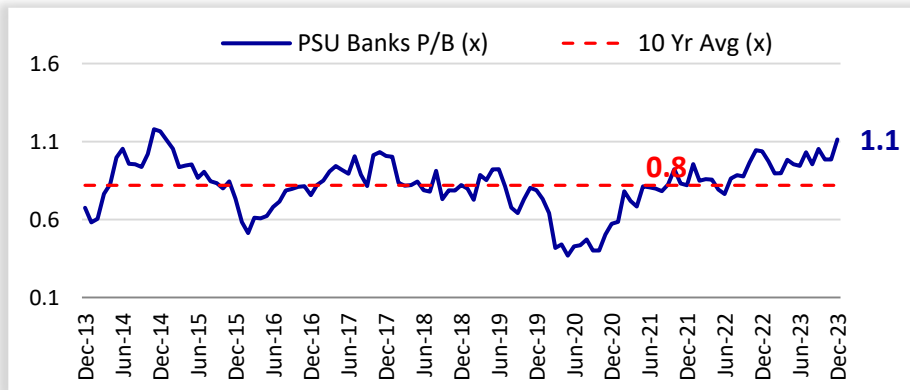
### Private Banks ROE (%)



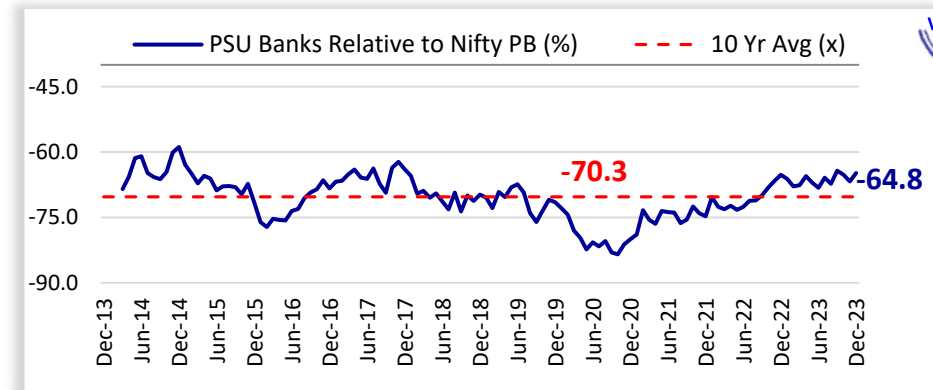


- The PSU Banks sector is trading at P/B of 1.1x, a 36% premium to its historical average of 0.8x.
- Earnings for PSU Banks remained healthy, driven by all-round improvements in margins, operating profitability, etc. Loan growth recovered on a sequential basis, led by improved corporate demand and ongoing traction in the retail and MSME segments. Given relatively lower capitalization levels of PSU banks, the impact of new RBI regulation will adversely impact their capital ratios. However, asset quality trends are likely to remain steady, given strong customer profiles and low SMA pool. PSBs are further tightening the underwriting standards and are closely monitoring risks in the retail segment.
- Margins have compressed in recent quarters as liability re-pricing gained pace and drove a sharp rise in funding costs; however, PSUs are well placed on loan re-pricing vs. Private Banks due to higher MCLR-linked book, and thus, we expect NIMs to remain broadly stable hereon.

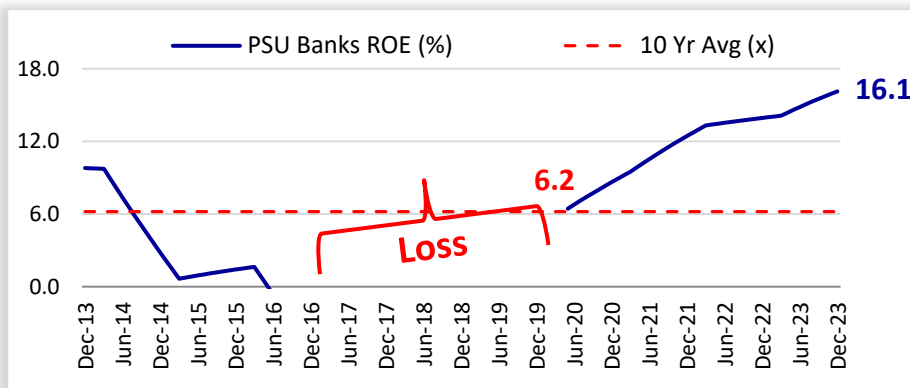
### 12-month forward PSU Banks P/B (x)



### PSU Banks P/B relative to Nifty P/B (%)



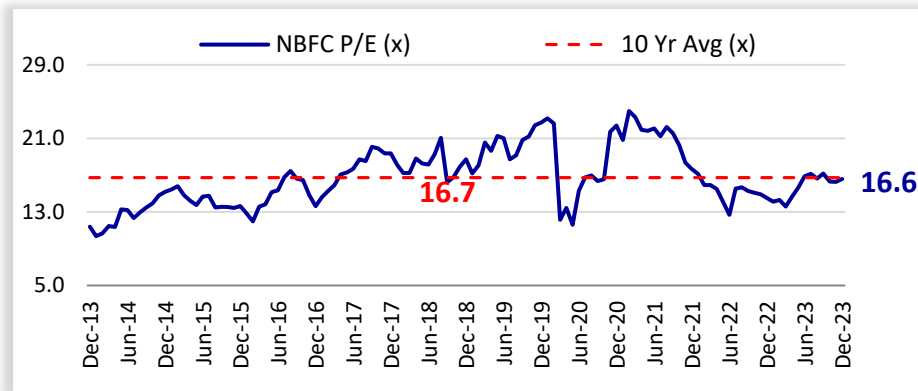
### PSU Banks ROE (%)



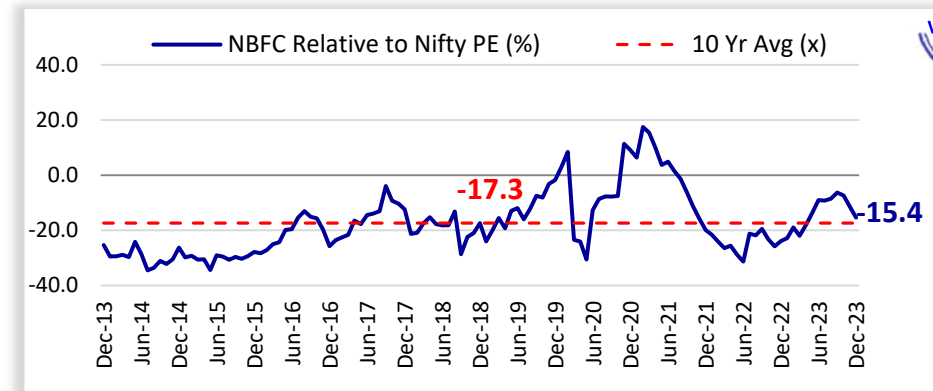


- The NBFC sector is trading at a P/B ratio of 2.5x, a 10% premium to its historical average of 2.3x.
- Margins for vehicle financiers have bottomed out but not improved because of increasing borrowing costs. Minor improvements in asset quality. Demand momentum in vehicle finance is showing signs of moderation. The Personal loan segment is also showing signs of a sequential decline in disbursements.
- Demand in the urban affordable and apartment segments (lower ticket sizes) has been relatively weaker vs. demand in mid/high ticket segments. HFCs are likely to exhibit a minor decline in margins as yields peak out (or moderate) but CoF keeps increasing in the near term.
- Expect gold loan growth to now start improving from 4Q onward even as the higher competitive intensity from banks and other NBFCs continues.

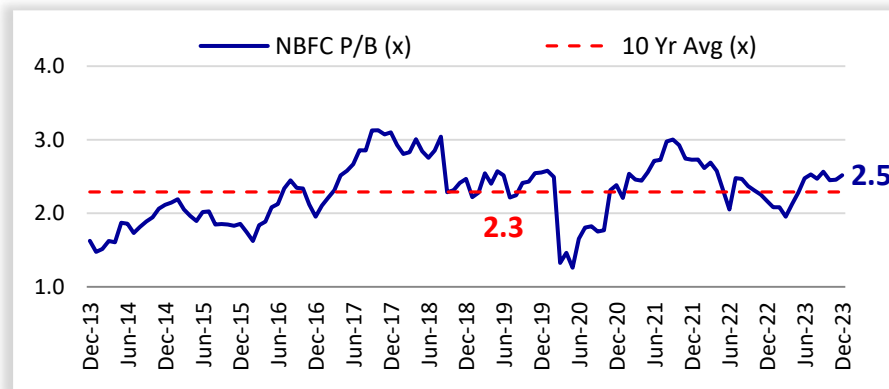
12-month forward NBFC P/E (x)



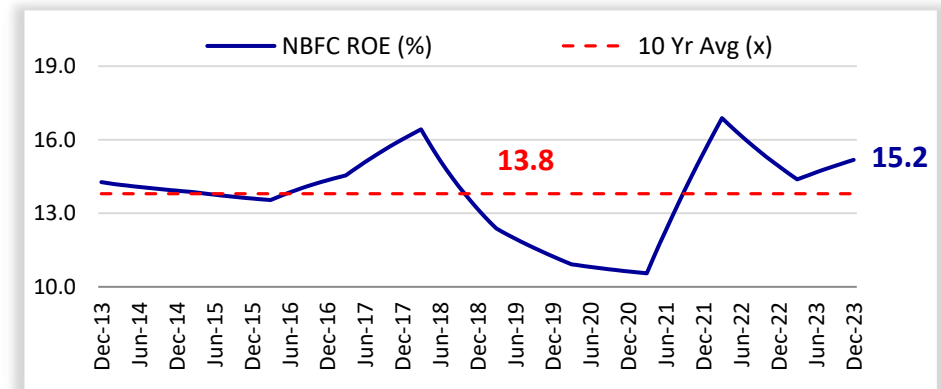
NBFC P/E relative to Nifty P/E (%)



12-month forward NBFC P/B (x)



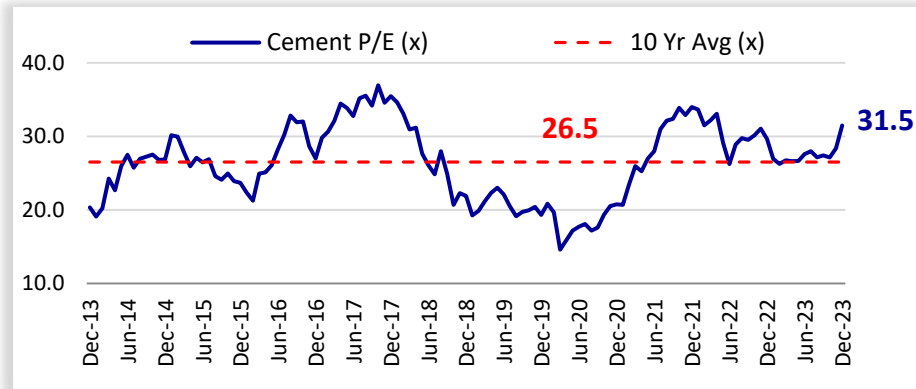
NBFC ROE (%)



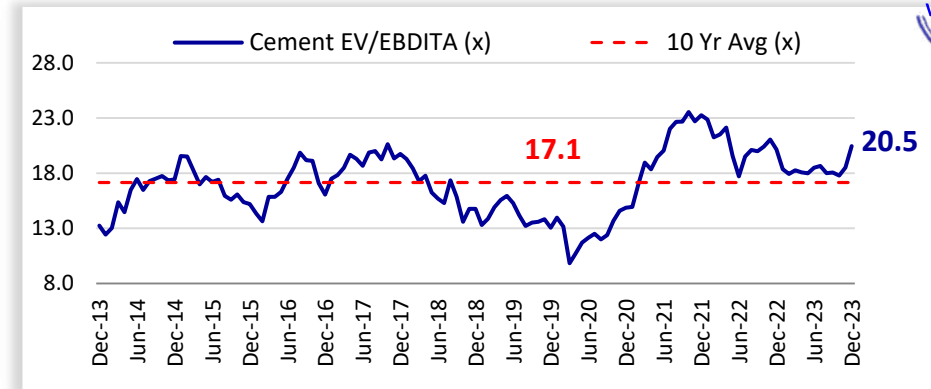


- The Cement sector is trading at a one-year forward EV/EBITDA of 20.5x, a 19% premium to its historical average of 17.1x.
- Cement demand has improved MoM in Dec'23 after the festive season, and we estimate mid-to-high single digit volume growth in 3QFY24, driven by strong demand from government-led infrastructure projects and the commercial sector. Industry volume is estimated to grow ~8-9% YoY in FY24.
- In Dec'23, the all-India average cement price declined 3.5% MoM, due to price drops across regions. However, we note that average cement price in 3QFY24 is higher by 3.5% QoQ, led by price hikes in Sep-Oct'23. Prices in West/East/South/North/Central have declined 7%/4%/3%/3%/1% MoM in Dec'23. On the other hand, imported coal/petcoke prices have declined ~6-8% MoM in Dec'23 to USD104/USD125. We estimate margin improvement in 2HFY24, led by both price hikes and cost reduction.

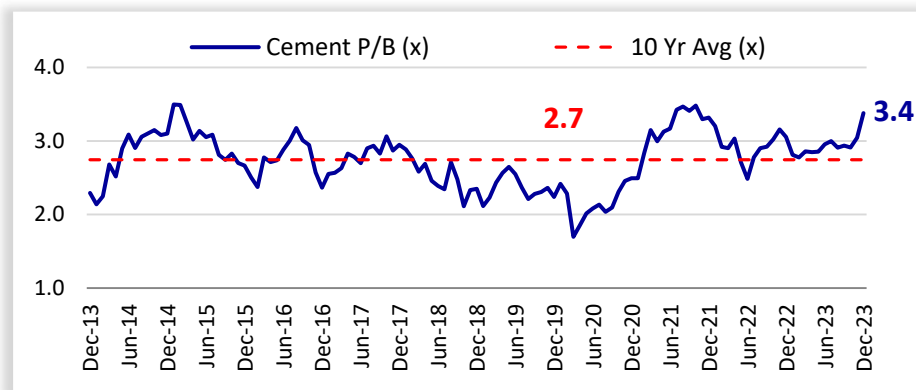
### 12-month forward Cement P/E (x)



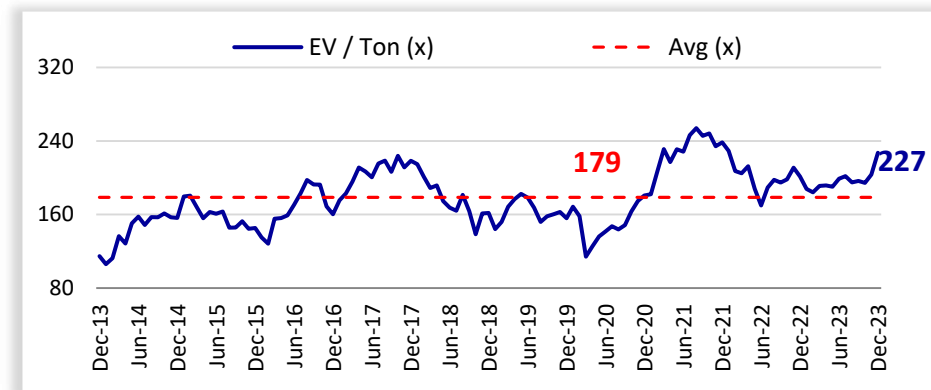
### 12-month forward Cement EV/EBITDA (x)



### 12-month forward Cement P/B (x)



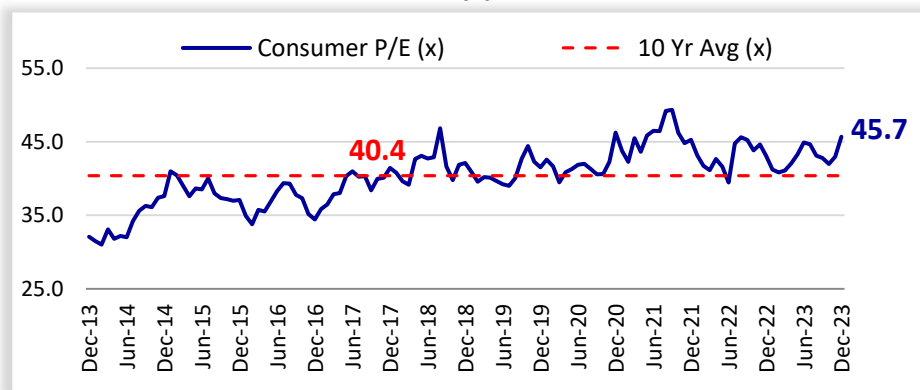
### 12-month forward Cement EV/Ton (x)



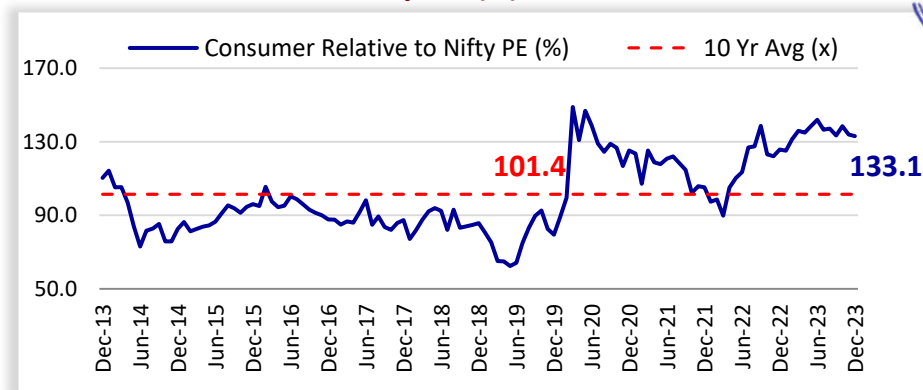


- The Consumer sector's P/E, at 45.7x, implies a 13% premium to its 10-year average of 40.4x. On a P/B basis, it is trading at 12.6x, a premium of 23% vs. its historical average of 10.3x.
- Overall commodity prices remained relatively stable in Dec'23. Palm Oil, on the other hand, continued its downward trend throughout the month.
- Demand inched up during the festive season, marked by a sequential improvement. E-commerce and modern trends continued to thrive and perform well.
- The urban markets maintain momentum with a focus on premiumization. In contrast, the rural recovery lags despite price reductions and a general easing in inflation.

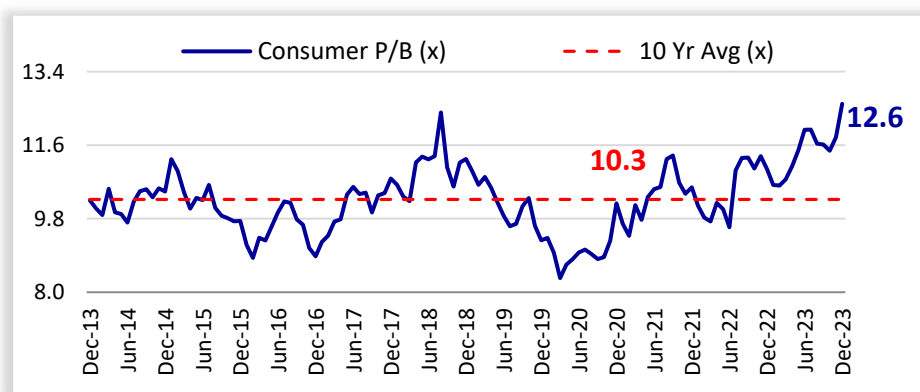
### 12-month forward Consumer P/E (x)



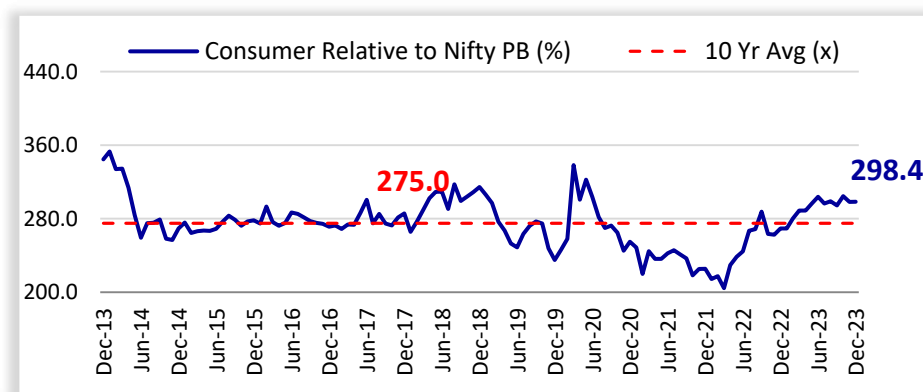
### Consumer P/E relative to Nifty P/E (%)



### 12-month forward Consumer P/B (x)



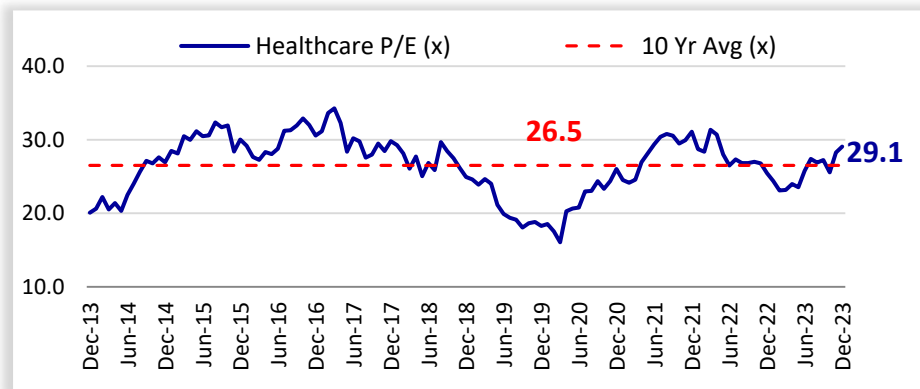
### Consumer P/B relative to Nifty P/B (%)



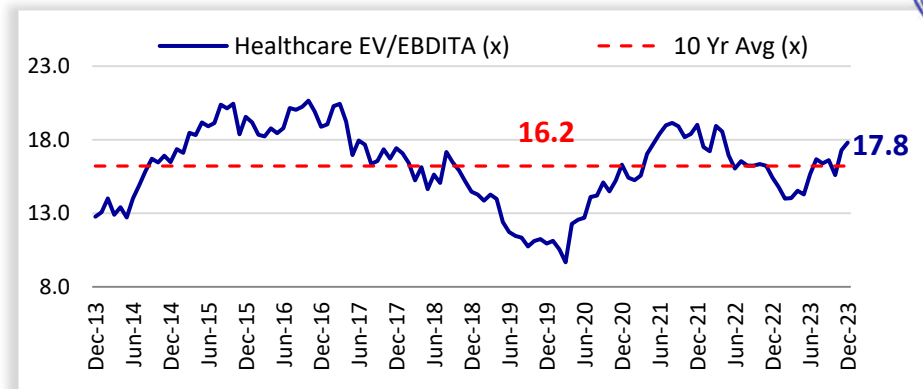


- The Healthcare sector's P/E was stable at 29.1x (10% premium), inching above its 10-year average of 26.5x. It has moved up almost 22% over the past one year, and factors remain favorable for further gradual re-rating.
- The price erosion has been lower at a mid-single digit, and companies continue to see traction in certain niche products. Our coverage companies are also building up their product pipelines to offset price erosion and sustain growth momentum over the next 2-3 years.
- Benefits of low raw material costs should continue in the near term. The global turmoil might affect logistics costs over the near term.
- The domestic formulation business remains in good stead to sustain a 9-10% growth rate on the back of volume as well as price hikes.
- Weak seasonality and festivals should keep occupancy in check and thus reduce profitability in the near term for hospitals. The structural drivers for the hospital business remain intact for the next 5-7 years.

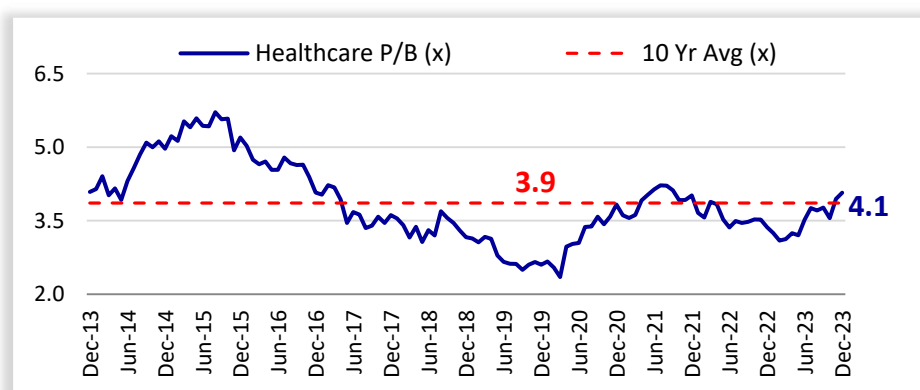
### 12-month forward Healthcare P/E (x)



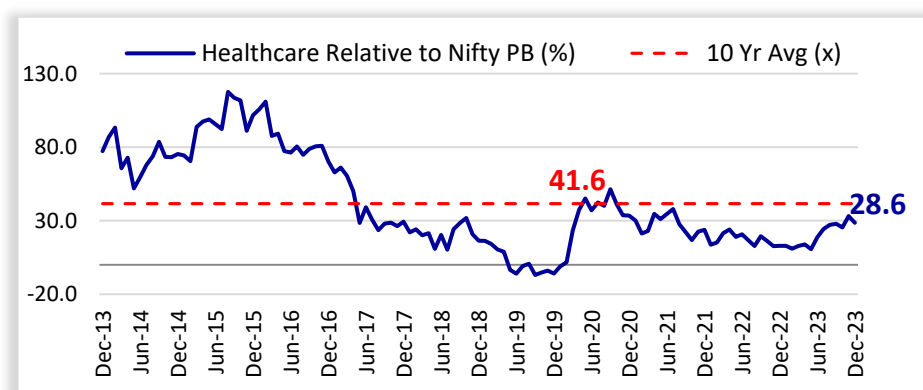
### 12-month forward Healthcare EV/EBITDA (x)



### 12-month forward Healthcare P/B (x)



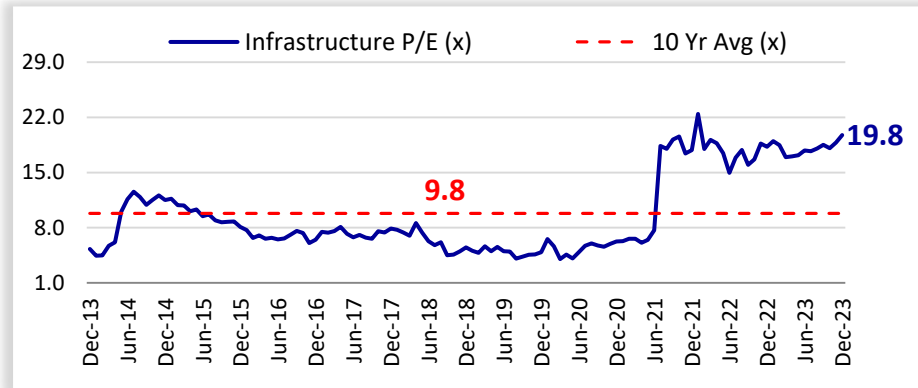
### Healthcare P/B relative to Nifty P/B (%)



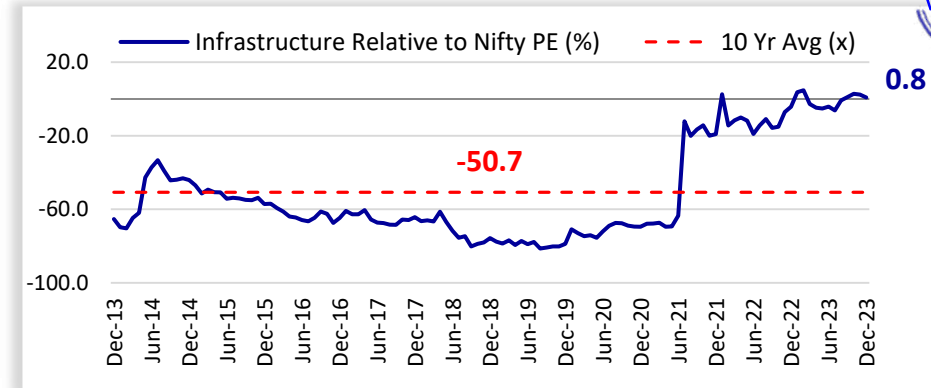


- The Infrastructure sector is trading at P/B of 1.8x, a 53% premium to its long-term historical average.
- NHAI project awarding picked up from the Jul-Nov'23 level, while project awarding by NHAI was negligible in Dec'23. ~310km of projects have been awarded till date in FY24. With a robust project pipeline, we expect projects awarding to be robust in 4QFY24.
- With the end of the monsoon season, construction activity picked up QoQ in 3QFY24. With a pick-up in awarding activity and a healthy order pipeline, execution is expected to accelerate gradually in 4QFY24.
- Toll collections decreased ~4% MoM in Nov'23 to INR53b, with a daily run rate of ~INR1.8b (-1% MoM).

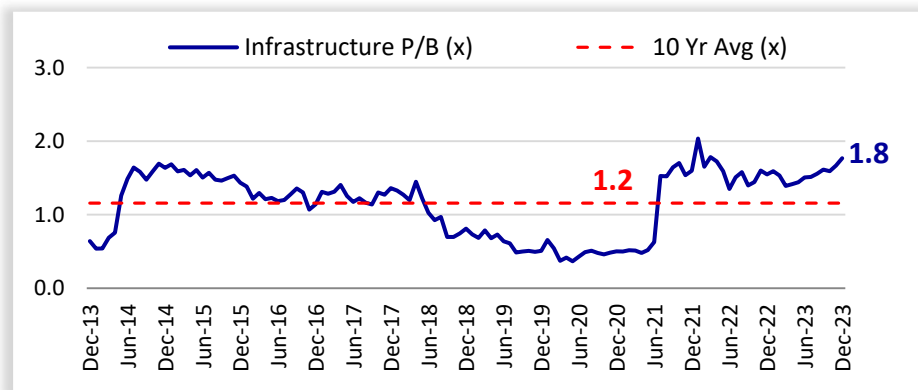
### 12-month forward Infrastructure P/E (x)



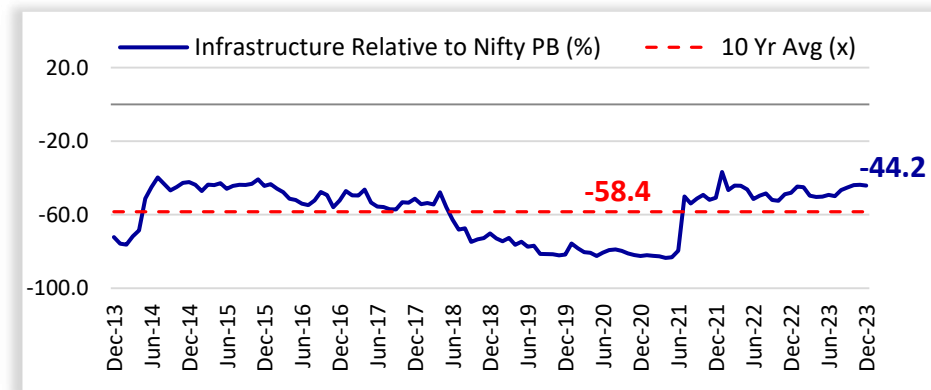
### Infrastructure P/E relative to Nifty P/E (%)



### 12-month forward Infrastructure P/B (x)



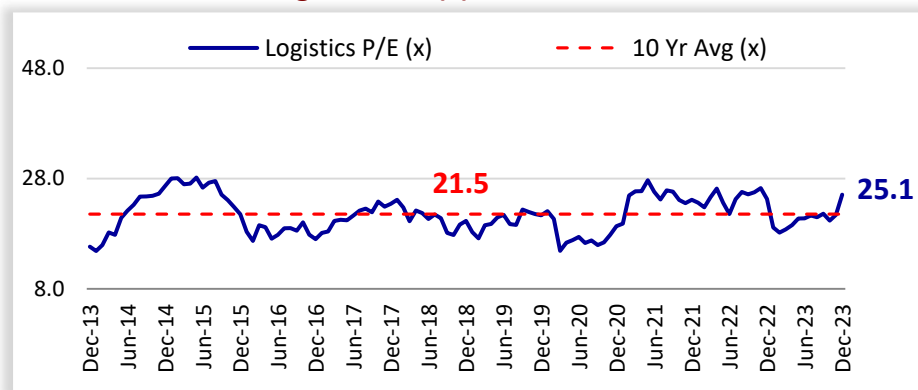
### Infrastructure P/B relative to Nifty P/B (%)



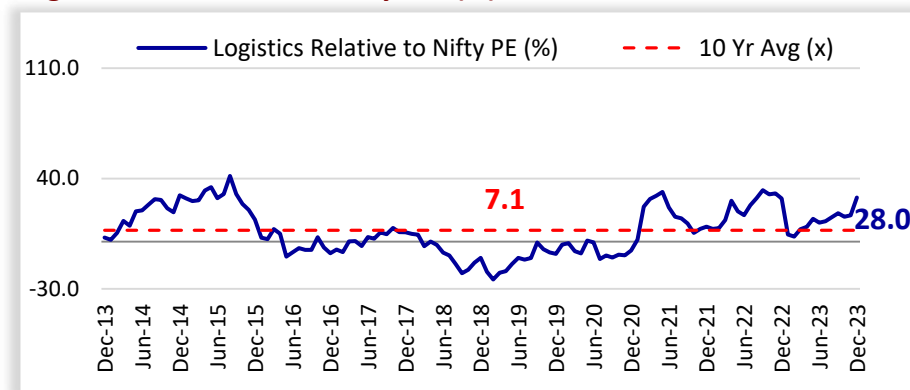


- The Logistics sector is trading at a P/E ratio of 25.1x, below its historical average of 21.5x (16% discount).
- Logistics operations experienced a notable surge with the onset of the festive season in Oct-Nov'23. Daily average e-way bill generations increased ~8.5% YoY in Nov'23. Fleet utilization stood at 80-85%. Daily average FASTag toll collections rose ~14% YoY in Nov'23.
- Stability in retail fuel prices for more than a year kept freight rates stable in Oct'23 compared to the previous month. Fleet operators are incurring higher expenses related to diesel prices, truck costs, and compliance (GST, E-way bills, etc.), which are likely to keep freight rates firm.
- With a structural shift in the formalization of the sector (~85% of the Logistics sector is unorganized), aided by stricter implementation of GST and mandatory e-invoicing, the addressable market size for organized operators will improve going ahead.

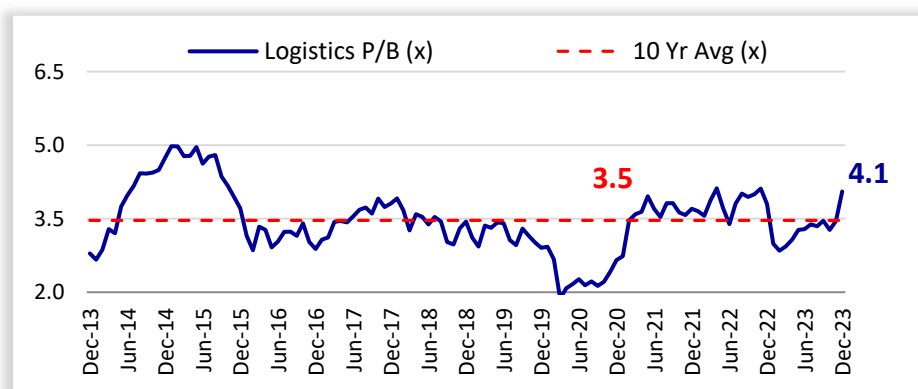
### 12-month forward Logistics P/E (x)



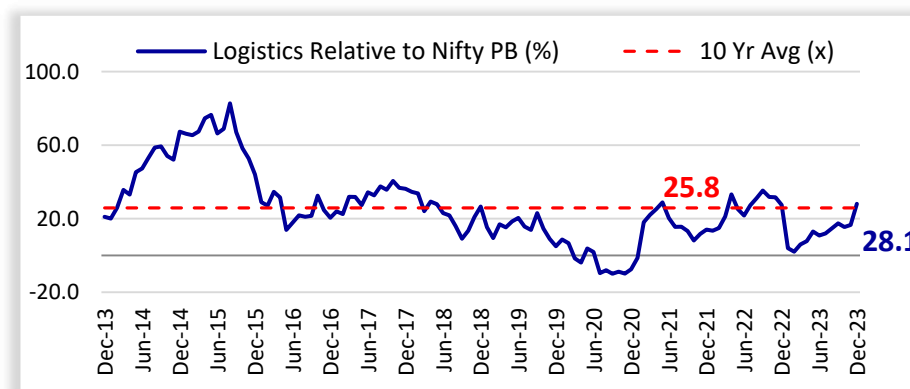
### Logistics P/E relative to Nifty P/E (%)



### 12-month forward Logistics P/B (x)



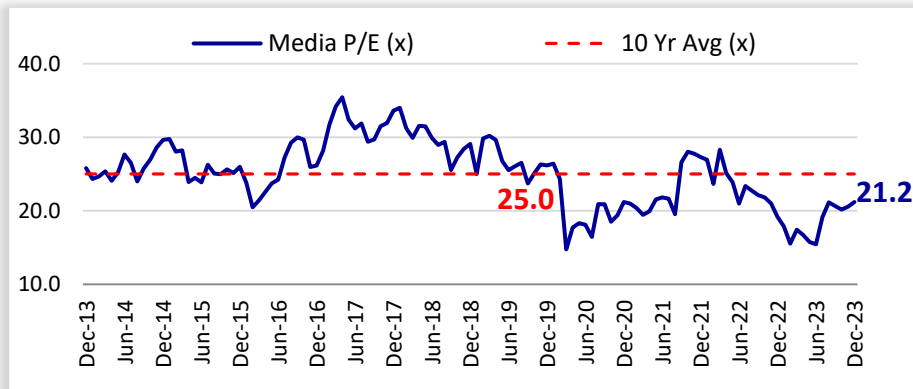
### Logistics P/B relative to Nifty P/B (%)



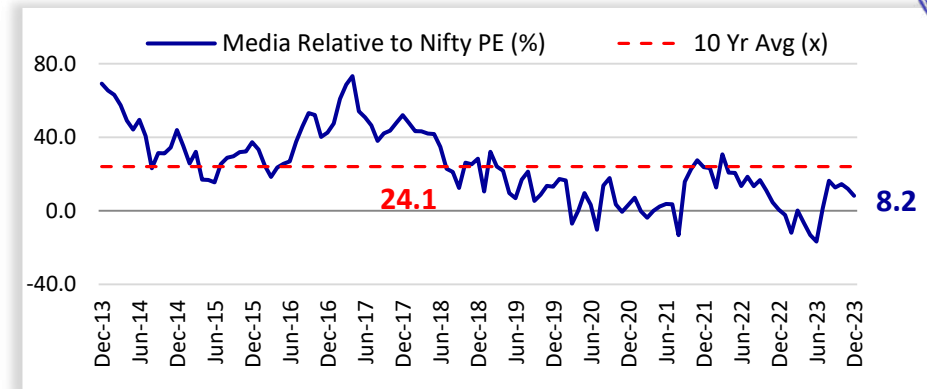


- The P/E ratio for the Media sector, at 21.2x, represents a 15% discount to its 10-year historical average of 25x.
- Sony Pictures Entertainment and Zee Entertainment Enterprises have agreed to extend the deadline for their merger by 30 days after failing to find common ground in negotiations.
- Reliance Industries Ltd (RIL) and Walt Disney Co have signed a non-binding term sheet to move ahead with plans to merge the operations of Star India and Viacom 18.

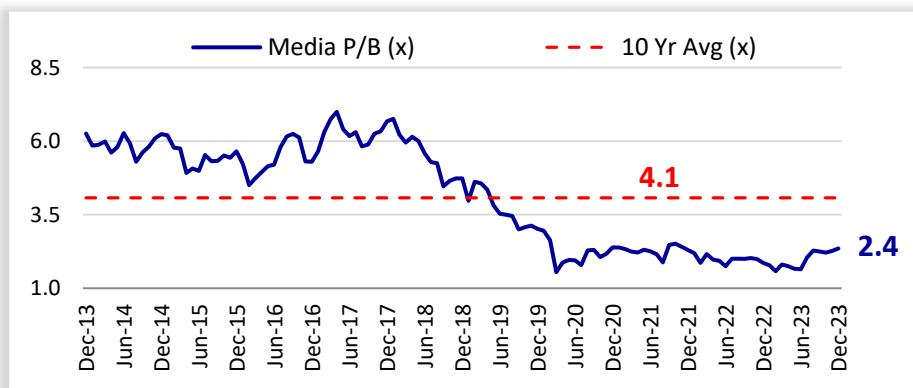
12-month forward Media P/E (x)



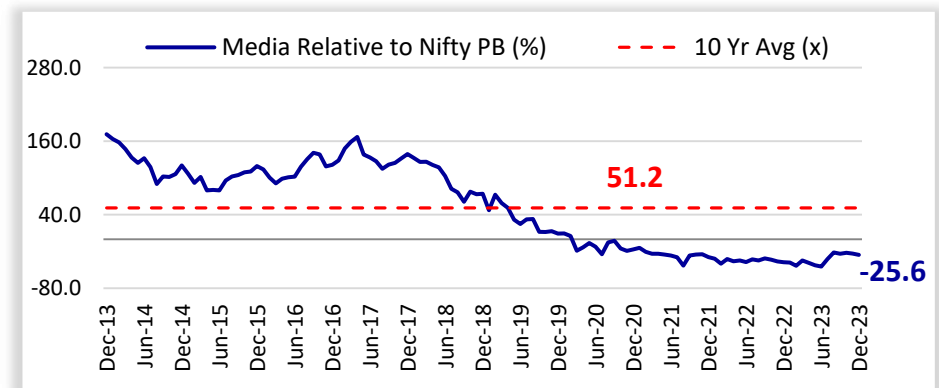
Media P/E relative to Nifty P/E (%)



12-month forward Media P/B (x)



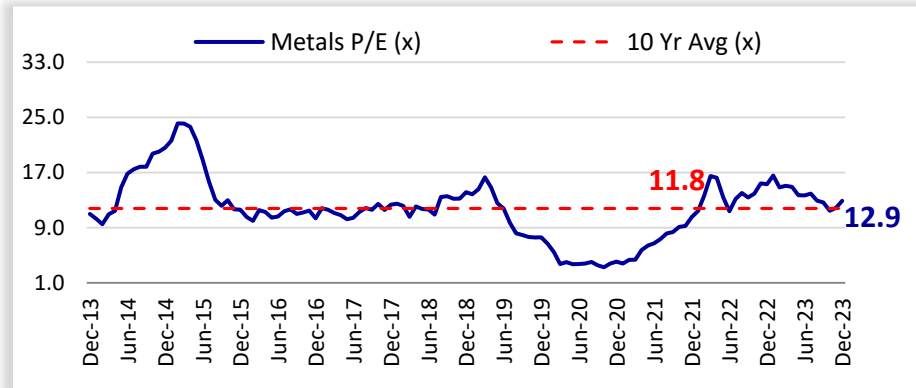
Media P/B relative to Nifty P/B (%)



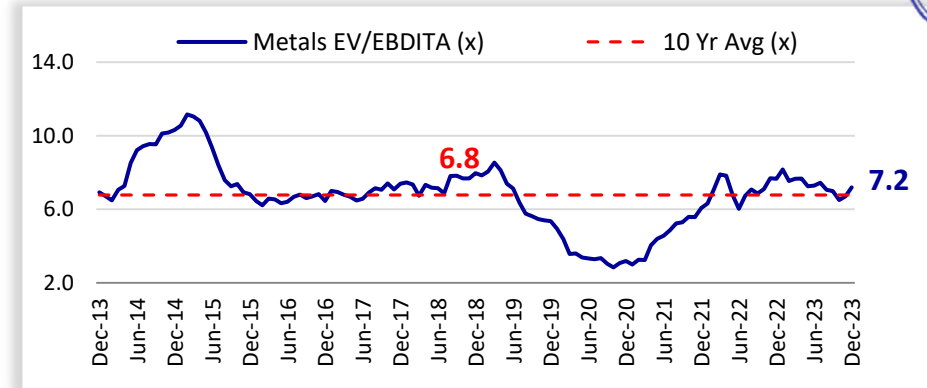


- The Metals sector is trading at EV/EBITDA of 7.2x, higher than its 10-year historical average of 6.8x.
- Rebar prices have corrected ~INR2,500/t MoM to INR53,300/t and have reached Aug'23 levels. However, HRC prices have remained relatively stable MoM at INR55,000/t.
- Higher inventory with Tier-I mills, low exports ahead of New Year holidays, higher imports, and a slowdown in construction have weighed on the prices. However, domestic steel demand is expected to improve, driven by higher construction activity and low imports from Jan'24 onward.
- Coking coal prices have remained quite volatile over the last one month, ranging around USD325-360/t levels.
- Copper/aluminum/zinc prices are up 3%/7%/4% MoM, while lead prices are down 3%MoM.

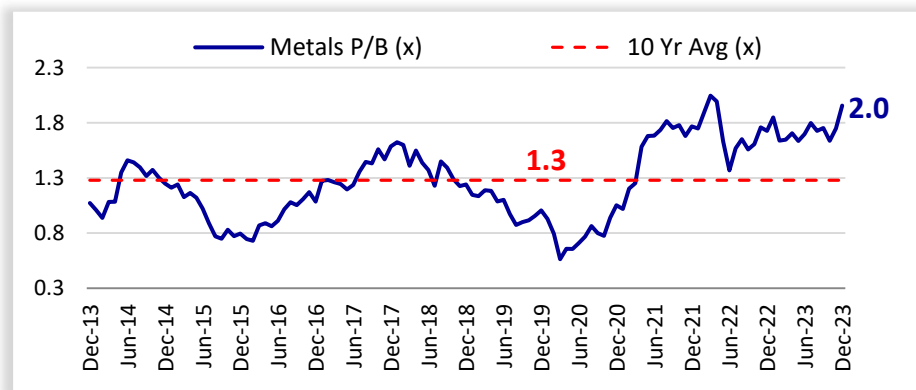
### 12-month forward Metals P/E (x)



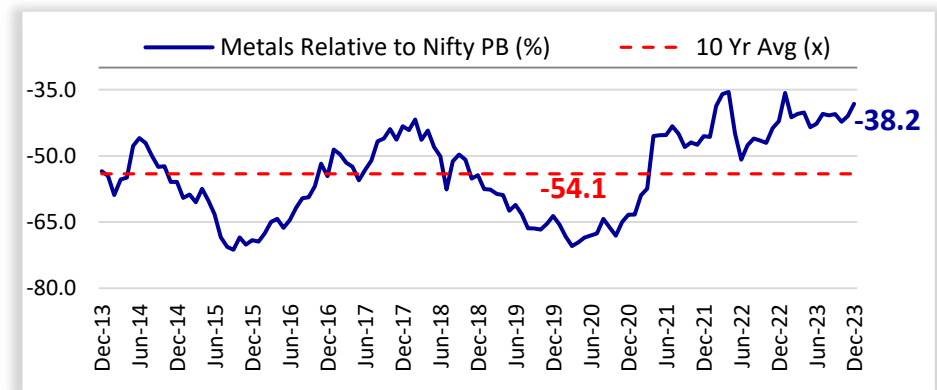
### 12-month forward Metals EV/EBITDA (x)



### 12-month forward Metals P/B (x)



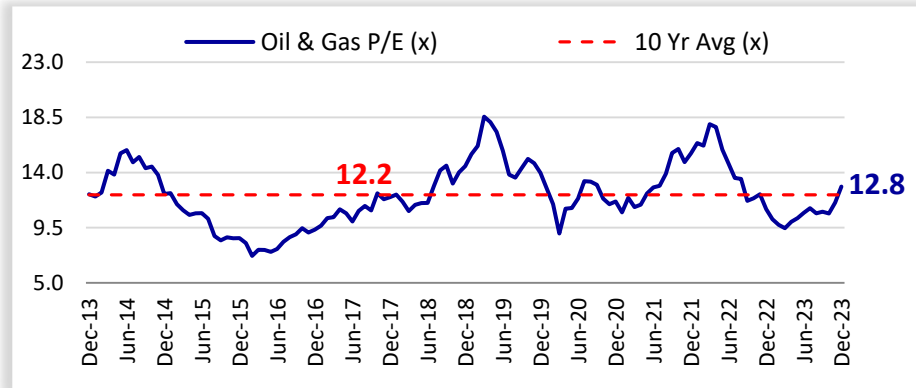
### Metals P/B relative to Nifty P/B (%)



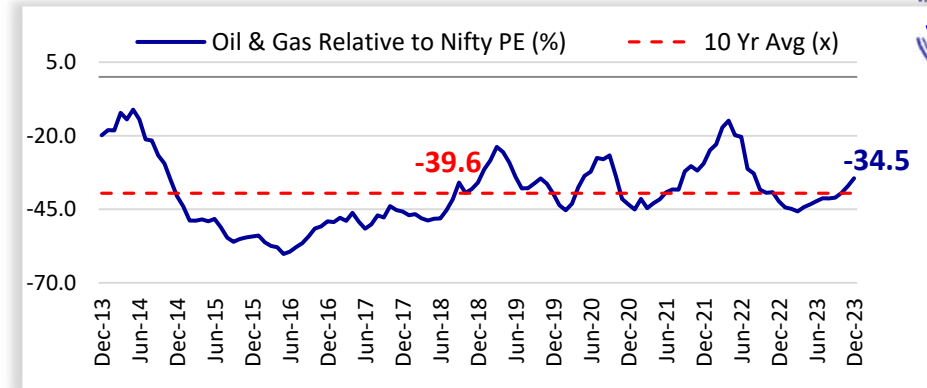


- The sector is trading at P/B of 1.5x and P/E of 12.8x vs. historical average of 1.4x P/B and 12.2x P/E.
- Brent crude oil price averaged USD77.4/bbl in Dec'23 (down 7% MoM) amid Angola's decision to exit from OPEC and an increase in US oil output. Higher crude stockpiles in the US have also put pressure on prices.
- SG GRM increased to USD7.6/bbl in Dec'23 from USD5.2/bbl in Nov'23. Gasoil cracks marginally improved to USD16.6/bbl in Dec'23. ATF cracks increased to USD25/bbl in Dec'23. Gasoline cracks improved to USD9.9/bbl in Dec'23 from USD7.9/bbl in Nov'23.
- Gross marketing margin for petrol increased to INR10.8/liter in Dec'23 from INR7.6/liter in Nov'23, while gross marketing for diesel was at INR7.2/lit vs. INR3.6/lit in Nov'23.

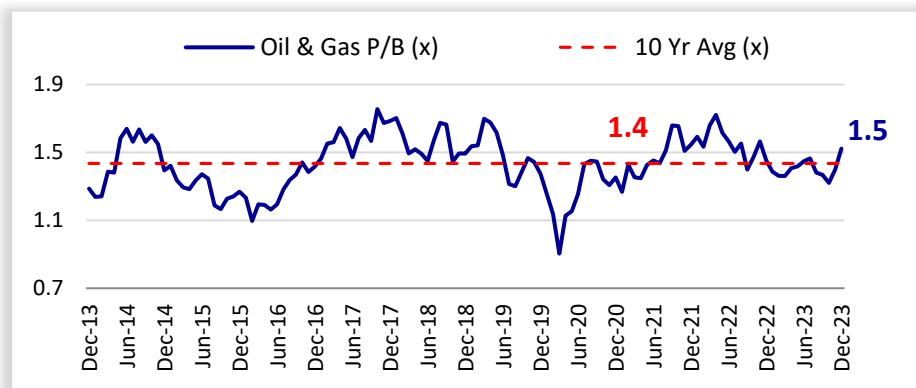
### 12-month forward Oil & Gas P/E (x)



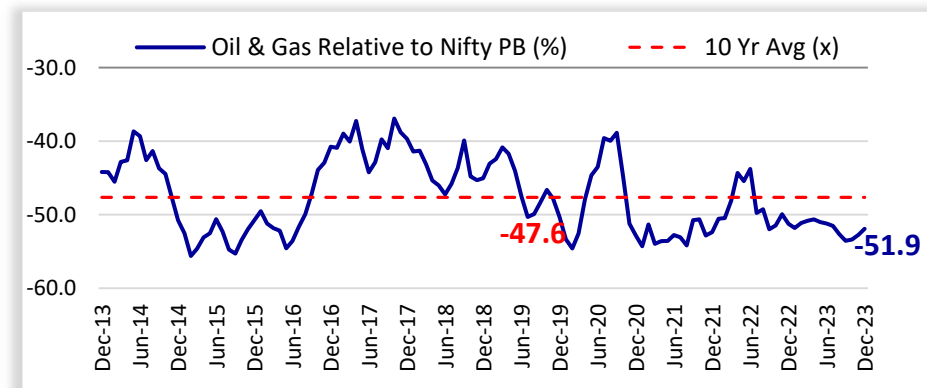
### Oil & Gas P/E relative to Nifty P/E (%)



### 12-month forward Oil & Gas P/B (x)



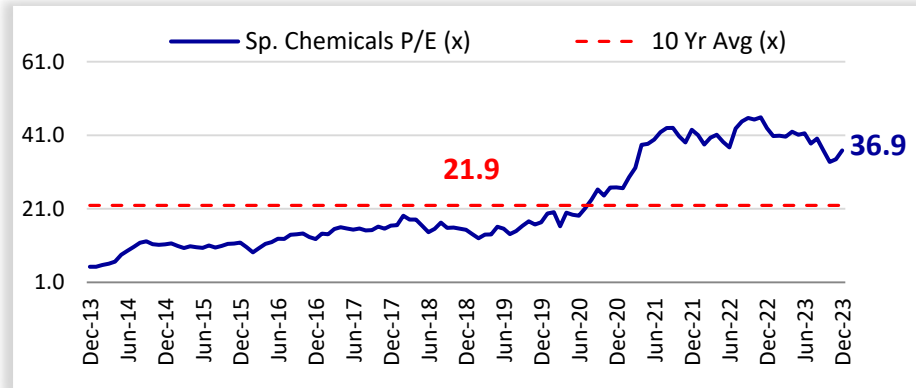
### Oil & Gas P/B relative to Nifty P/B (%)



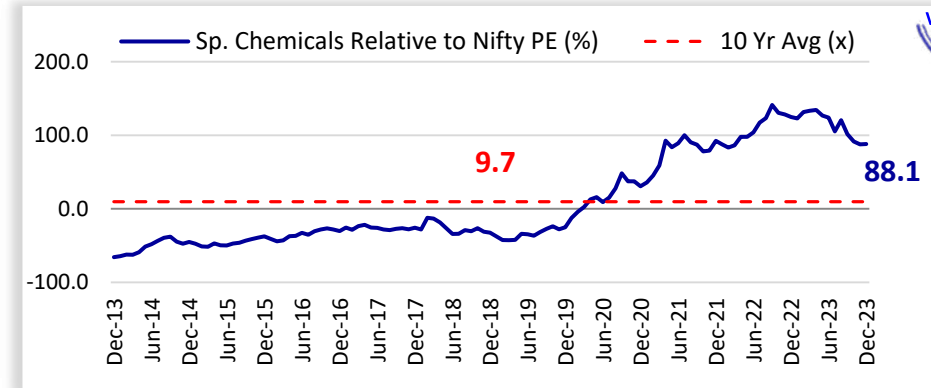


- The sector is trading at P/B of 5.5x and P/E of 36.9x vs. its historical average of 3.9x and 21.9x, respectively.
- Brent crude oil price averaged USD77.4/bbl in Dec'23 (down 7% MoM) amid Angola's decision to exit from OPEC and an increase in US oil output. Higher crude stockpiles in the US have also put pressure on prices.
- Toluene/Butadiene (Korea) prices fell 2%/6% MoM, while Propylene (Korea) price was flat MoM. Benzene (Korea) price declined 2% MoM, while Styrene (Korea) price declined 4% MoM. Acetonitrile price was up 1% MoM. Acetone/Phenol prices were down 3%/8% MoM. Caustic Soda Lye price was down 9%, while caustic soda flakes price declined 3% MoM. IPA price was up 1% MoM.
- Volumes are likely to remain subdued in the near term amid ongoing inventory destocking, although the intensity is likely to be low. Companies are passing on benefits of lower feedstock prices to customers, impacting realization and margin amid lower demand and Chinese dumping.

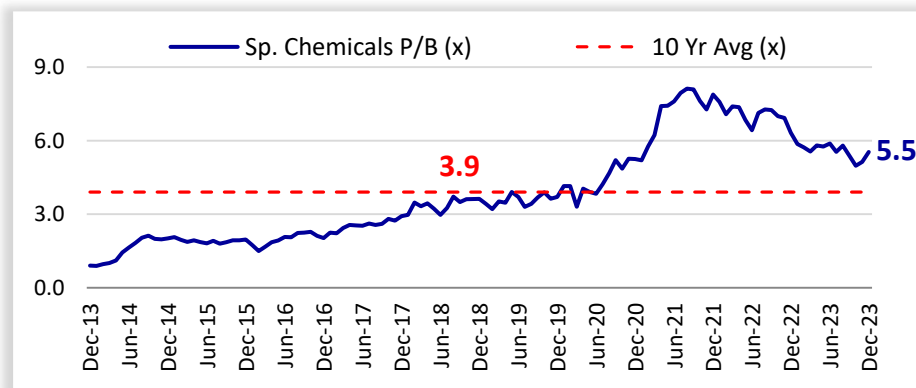
### 12-month forward Sp. Chemicals P/E (x)



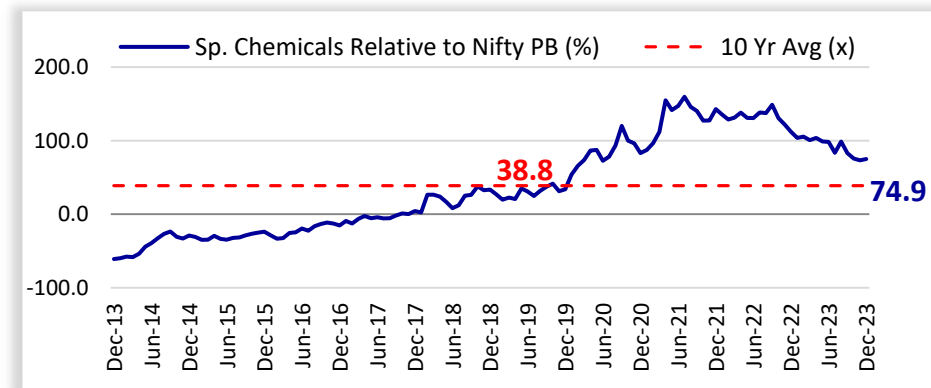
### Sp. Chemicals P/E relative to Nifty P/E (%)



### 12-month forward Sp. Chemicals P/B (x)



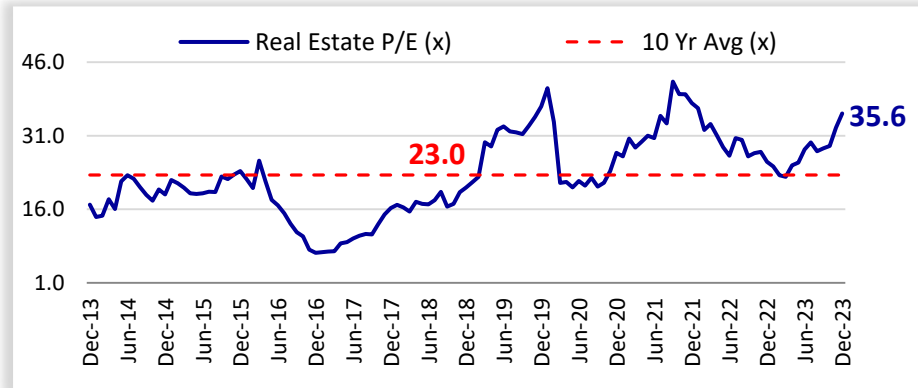
### Sp. Chemicals P/B relative to Nifty P/B (%)



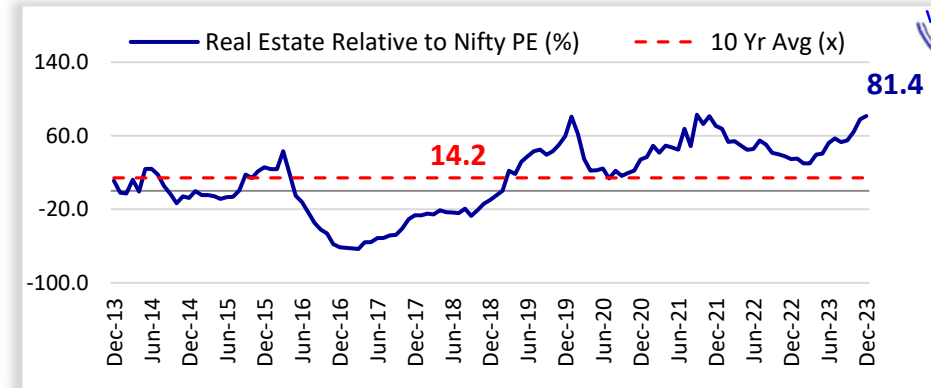


- The sector is trading at P/E of 35.6x, a 55% premium to its 10-year historical average of 23.0x.
- As per Anarock, housing sales in the top seven cities in India hit an all-time high in CY23, growing 31% YoY to 480k units.
- On the supply side, ANAROCK said that new launches across the top seven cities saw a 25% annual rise – from about 357,640 units in CY22 to around 445,770 units in CY23.
- Cushman & Wakefield estimates that demand for Grade A offices will return to pre-pandemic levels in CY24.

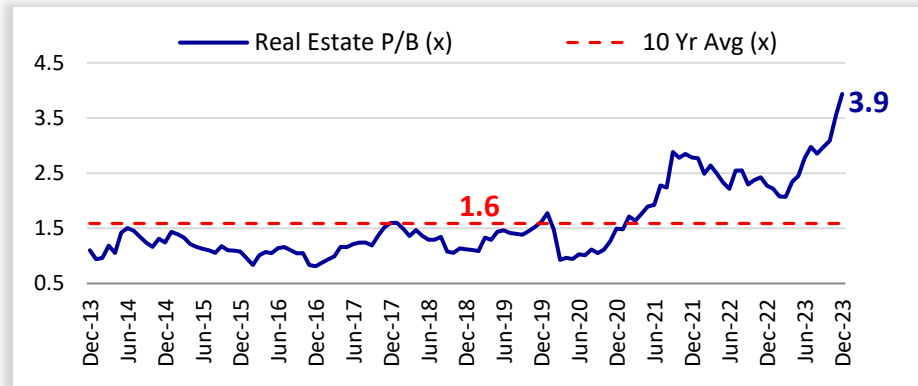
### 12-month forward Real Estate P/E (x)



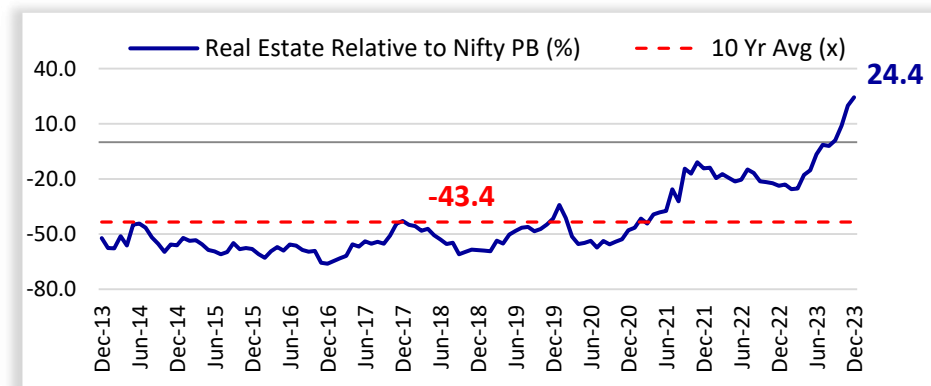
### Real Estate P/E relative to Nifty P/E (%)



### 12-month forward Real Estate P/B (x)



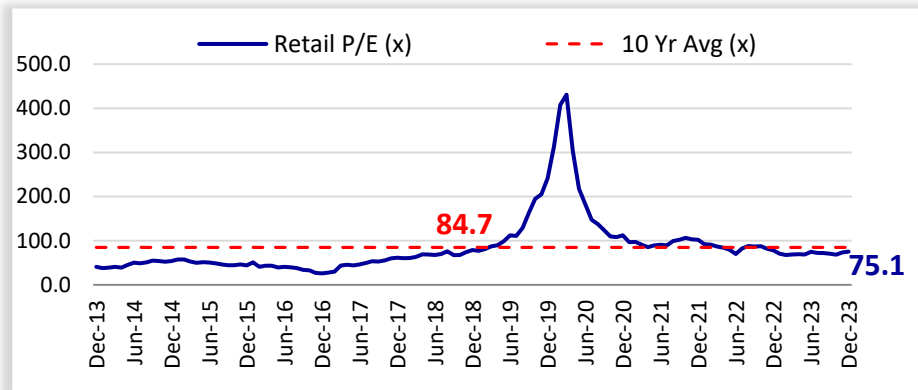
### Real Estate P/B relative to Nifty P/B (%)



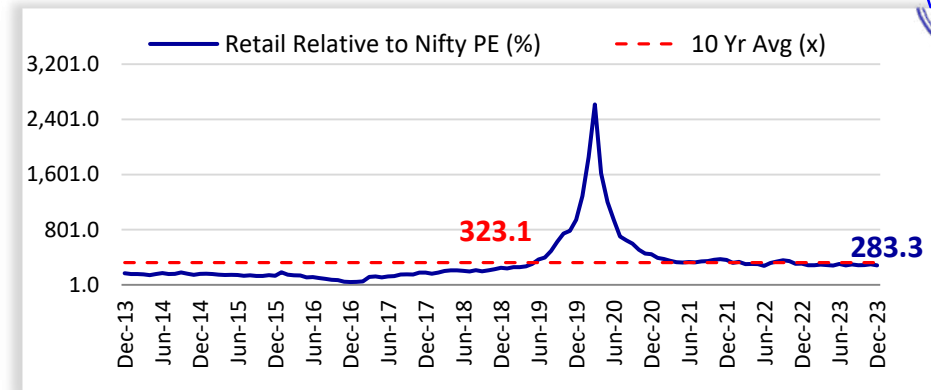


- The sector is trading at a P/E ratio of 75.1x, a discount of 11% to its 10-year historical average of 84.7x.
- Brands and retailers (incl. e-com platforms) are advancing their end-of-season sale events by 7-10 days in a rush to clear unsold inventories and notch-up revenue that remained under pressure.
- As per a report by the Retail Association of India, retailers saw a weak festive season as they reported 7% sales growth vs. double-digit expectation.

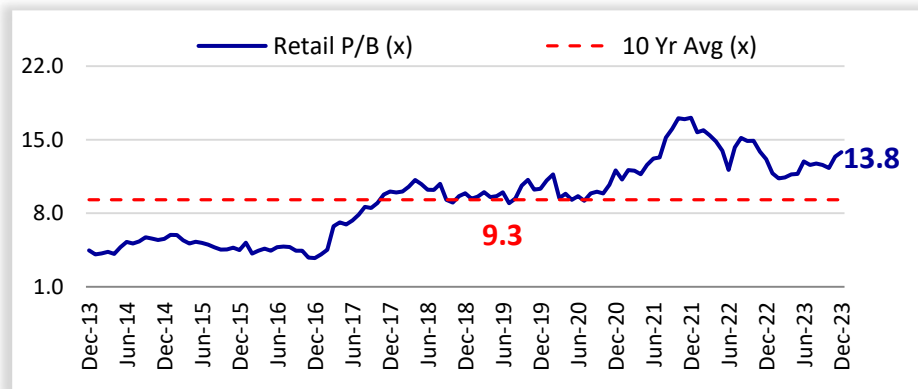
### 12-month forward Retail P/E (x)



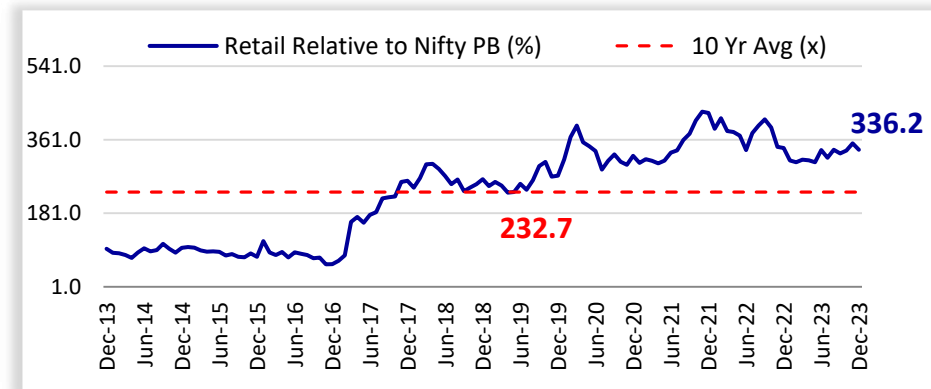
### Retail P/E relative to Nifty P/E (%)



### 12-month forward Retail P/B (x)



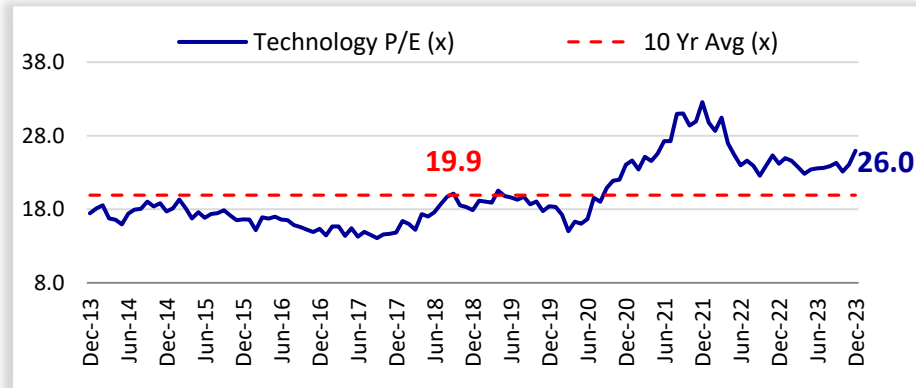
### Retail P/B relative to Nifty P/B (%)



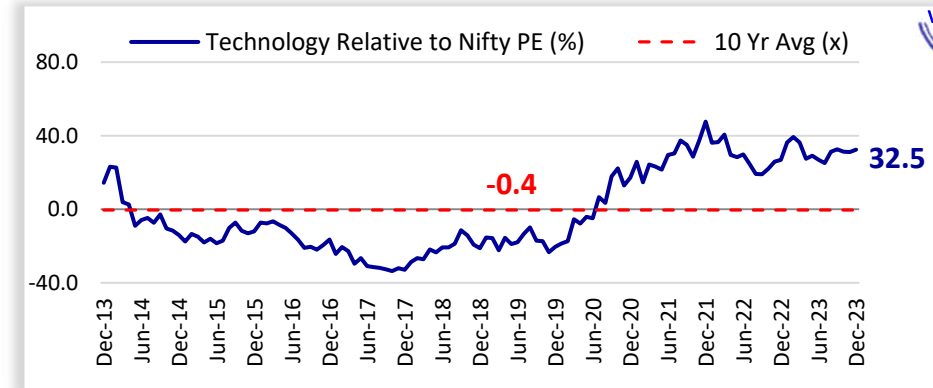


- The sector is trading at a P/E ratio of 26.0x, a 30% premium to its long-term average of 19.9x.
- Demand remained weak through 9MFY24, with key verticals and major geographies remaining under pressure. The deal TCV remains elevated, which seems to be the only silver line in the challenging environment. Additionally, it is drawing a strong foundation for FY25 growth.
- In H2FY24, the demand trend is likely to be muted as more-than-anticipated 3Q furloughs are expected to dampen overall growth prospects for FY24. However, operating costs are expected to be on a tighter band, given the rigorous cost measures taken by firms to improve margins.
- While the focus has now shifted to FY25, we expect enterprises to revisit tech budgets in CY24 and improve spending on discretionary activities.

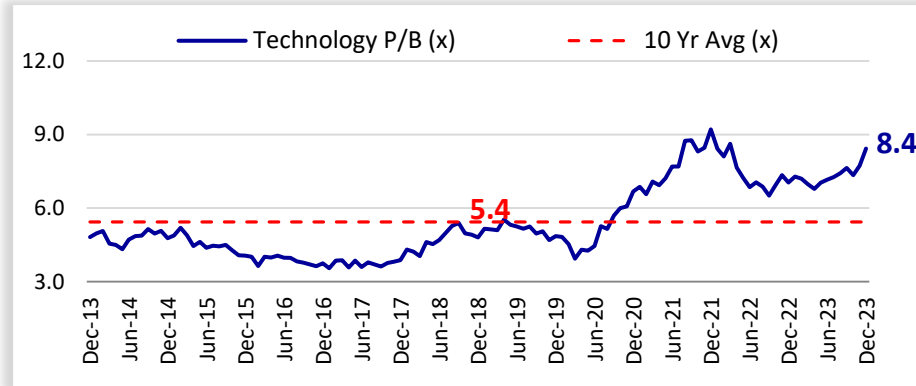
### 12-month forward Technology P/E (x)



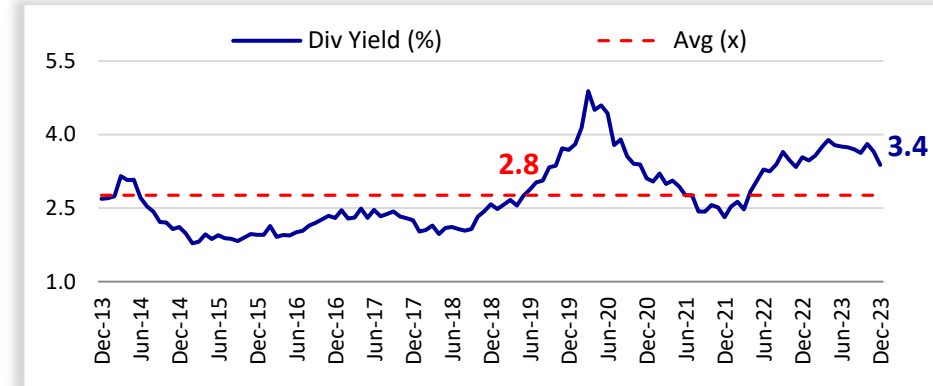
### Technology P/E relative to Nifty P/E (%)



### 12-month forward Technology P/B (x)



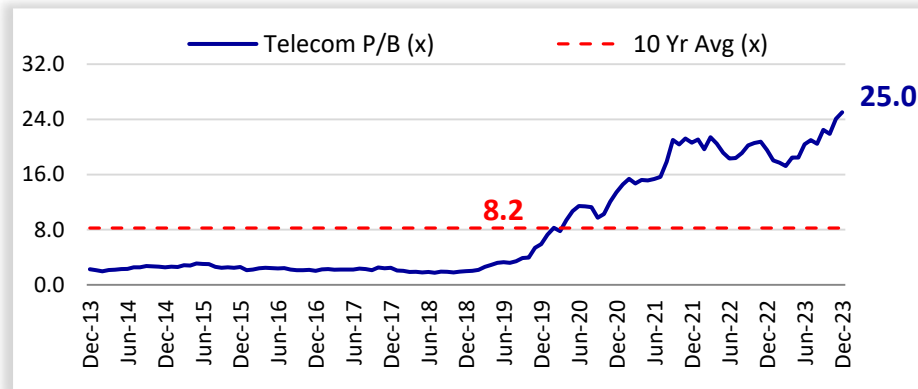
### Technology Div Yield (%)



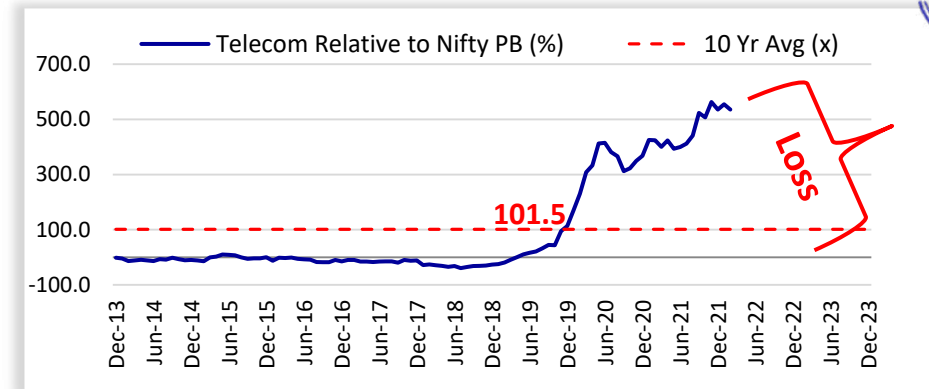


- The sector is trading at an EV/EBITDA ratio of 8.5x, close to its 10-year historical average of 8.6x.
- The landmark Telecommunications Bill, which was passed by Parliament recently, has received the President's assent.
- Recent data released by TRAI showed that the telecom industry's AGR grew 1.9% QoQ (incl NLD) in 2QFY24, mainly led by ARPU growth of 1.6% QoQ as a result of improved mix and premiumization.

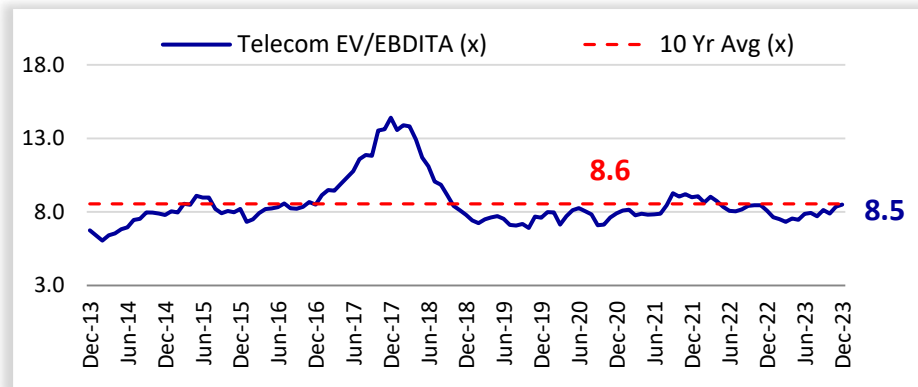
12-month forward Telecom P/B (x)



Telecom P/B relative to Nifty P/B (%)



12-month forward Telecom EV/EBITDA (x)





| Company              | PE (x)      |                 |                      | Standard deviation in P/E |             | Relative to Nifty P/E (%) |                 | PB (x)     |                 |                      | PB Std. Deviation |            | Relative to Nifty P/B (%) |                 |
|----------------------|-------------|-----------------|----------------------|---------------------------|-------------|---------------------------|-----------------|------------|-----------------|----------------------|-------------------|------------|---------------------------|-----------------|
|                      | Current     | 10-year average | Premium/discount (%) | +1SD (x)                  | -1SD (x)    | Current                   | 10-year average | Current    | 10-year average | Premium/discount (%) | +1SD (x)          | -1SD (x)   | Current                   | 10-year average |
| <b>Automobiles</b>   | <b>22.5</b> | <b>26.9</b>     | <b>-16</b>           | <b>36.4</b>               | <b>17.3</b> | <b>15</b>                 | <b>33</b>       | <b>4.2</b> | <b>3.4</b>      | <b>26</b>            | <b>3.9</b>        | <b>2.9</b> | <b>34</b>                 | <b>22</b>       |
| Amara Raja Energy    | 15.6        | 22.4            | -31                  | 30.0                      | 14.8        | -21                       | 11              | 2.2        | 3.8             | -42                  | 5.5               | 2.1        | -31                       | 38              |
| Ashok Leyland        | 16.6        | 22.1            | -25                  | 28.7                      | 15.4        | -15                       | 9               | 4.2        | 3.8             | 10                   | 4.8               | 2.8        | 34                        | 39              |
| Apollo Tyres         | 14.2        | 14.0            | 1                    | 19.1                      | 8.9         | -28                       | -30             | 1.5        | 1.1             | 31                   | 1.4               | 0.8        | -53                       | -59             |
| Balkrishna Inds      | 28.7        | 21.5            | 34                   | 31.1                      | 11.9        | 46                        | 6               | 5.4        | 3.8             | 43                   | 5.2               | 2.4        | 70                        | 37              |
| Bajaj Auto           | 22.6        | 17.5            | 29                   | 19.5                      | 15.5        | 15                        | -13             | 6.4        | 4.3             | 50                   | 5.0               | 3.6        | 103                       | 56              |
| Bharat Forge         | 34.5        | 41.8            | -17                  | 67.1                      | 16.5        | 76                        | 107             | 6.5        | 5.0             | 31                   | 6.2               | 3.7        | 106                       | 81              |
| Bosch                | 33.8        | 37.9            | -11                  | 45.1                      | 30.7        | 73                        | 88              | 5.0        | 5.4             | -9                   | 6.9               | 4.0        | 57                        | 98              |
| CEAT                 | 13.4        | 17.0            | -21                  | 29.6                      | 4.4         | -31                       | -16             | 2.2        | 1.7             | 30                   | 2.1               | 1.2        | -32                       | -40             |
| Craftsman Auto       | 25.1        | 20.3            | 24                   | 22.8                      | 17.7        | 28                        | 0               | 5.5        | 3.9             | 40                   | 4.7               | 3.1        | 74                        | 43              |
| Eicher Motors        | 25.3        | 31.4            | -19                  | 37.4                      | 25.5        | 29                        | 56              | 5.6        | 7.2             | -23                  | 9.9               | 4.6        | 77                        | 163             |
| Endurance Tech.      | 34.0        | 32.8            | 3                    | 40.1                      | 25.6        | 73                        | 63              | 4.9        | 5.0             | -1                   | 6.1               | 3.8        | 56                        | 81              |
| Escorts Kubota       | 29.2        | 16.0            | 82                   | 23.8                      | 8.2         | 49                        | -21             | 3.6        | 1.9             | 91                   | 2.8               | 1.0        | 15                        | -31             |
| Exide Inds.          | 22.1        | 20.4            | 8                    | 24.6                      | 16.1        | 12                        | 1               | 2.1        | 2.4             | -12                  | 3.2               | 1.6        | -33                       | -12             |
| Hero MotoCorp        | 19.7        | 18.1            | 9                    | 21.0                      | 15.2        | 0                         | -10             | 4.1        | 4.6             | -11                  | 6.1               | 3.2        | 30                        | 68              |
| CIE Automotive       | 18.1        | 26.0            | -30                  | 37.5                      | 14.5        | -7                        | 29              | 2.8        | 2.2             | 27                   | 3.1               | 1.3        | -12                       | -20             |
| Mahindra & Mahindra  | 18.3        | 18.4            | -1                   | 21.9                      | 15.0        | -6                        | -9              | 3.5        | 2.7             | 32                   | 3.2               | 2.2        | 12                        | -2              |
| Maruti Suzuki        | 22.1        | 29.3            | -25                  | 40.2                      | 18.4        | 13                        | 45              | 3.6        | 4.0             | -11                  | 4.9               | 3.2        | 13                        | 46              |
| MRF                  | 24.6        | 21.7            | 13                   | 33.4                      | 9.9         | 25                        | 7               | 3.0        | 2.2             | 32                   | 2.6               | 1.9        | -6                        | -18             |
| Samvardhana Moth.    | 21.3        | 46.8            | -55                  | 73.1                      | 20.5        | 8                         | 132             | 2.6        | 3.2             | -19                  | 4.5               | 1.9        | -17                       | 18              |
| Sona BLW Precis.     | 59.2        | 70.4            | -16                  | 90.7                      | 50.1        | 202                       | 249             | 12.6       | 13.0            | -3                   | 16.0              | 10.0       | 297                       | 372             |
| Tata Motors          | na          | 17.5            | na                   | 25.0                      | 10.0        | na                        | -13             | 4.0        | 2.2             | 88                   | 3.1               | 1.2        | 28                        | -22             |
| Tube Investments     | 51.9        | 31.6            | 64                   | 43.5                      | 19.6        | 165                       | 57              | 11.8       | 6.4             | 83                   | 9.5               | 3.4        | 272                       | 134             |
| TVS Motor            | 39.7        | 29.6            | 34                   | 38.3                      | 21.0        | 102                       | 47              | 10.1       | 6.3             | 60                   | 8.1               | 4.5        | 218                       | 128             |
| <b>Banks-Private</b> | <b>15.7</b> | <b>20.8</b>     | <b>-24</b>           | <b>26.4</b>               | <b>15.3</b> | <b>-20</b>                | <b>3</b>        | <b>2.5</b> | <b>2.5</b>      | <b>-2</b>            | <b>2.8</b>        | <b>2.2</b> | <b>-22</b>                | <b>-8</b>       |
| AU Small Finance     | 24.7        | 29.5            | -16                  | 39.4                      | 19.6        | 26                        | 46              | 3.7        | 4.3             | -12                  | 5.4               | 3.2        | 18                        | 56              |
| Axis Bank            | 12.0        | 38.0            | -68                  | 90.0                      | -14.0       | -39                       | 88              | 2.0        | 2.0             | -1                   | 2.3               | 1.6        | -38                       | -28             |
| Bandhan Bank         | 9.7         | 24.4            | -60                  | 35.2                      | 13.6        | -50                       | 21              | 1.6        | 3.4             | -52                  | 5.0               | 1.7        | -49                       | 22              |
| DCB Bank             | 6.5         | 12.7            | -49                  | 18.0                      | 7.4         | -67                       | -37             | 0.8        | 1.3             | -40                  | 1.8               | 0.7        | -75                       | -53             |
| Equitas Small Fin.   | 12.3        | 12.8            | -4                   | 17.4                      | 8.2         | -37                       | -37             | 1.8        | 1.3             | 35                   | 1.6               | 1.1        | -43                       | -51             |
| Federal Bank         | 8.6         | 12.0            | -28                  | 17.0                      | 6.9         | -56                       | -41             | 1.2        | 1.2             | 3                    | 1.5               | 0.9        | -62                       | -58             |
| HDFC Bank            | 17.7        | 20.6            | -14                  | 23.2                      | 18.0        | -10                       | 2               | 2.7        | 3.2             | -17                  | 3.6               | 2.8        | -16                       | 18              |
| ICICI Bank           | 15.7        | 21.3            | -26                  | 31.5                      | 11.1        | -20                       | 6               | 2.7        | 2.1             | 29                   | 2.6               | 1.6        | -16                       | -25             |
| IDFC First Bank      | 15.5        | 20.4            | -24                  | 30.5                      | 10.4        | -21                       | 1               | 1.7        | 1.3             | 30                   | 1.6               | 1.0        | -47                       | -53             |
| IndusInd Bank        | 11.4        | 18.8            | -39                  | 26.0                      | 11.5        | -42                       | -7              | 1.8        | 2.5             | -28                  | 3.4               | 1.5        | -44                       | -11             |



| Company             | PE (x)      |                 |                      | Standard deviation in P/E |             | Relative to Nifty P/E (%) |                 | PB (x)     |                 |                      | PB Std. Deviation |            | Relative to Nifty P/B (%) |                 |
|---------------------|-------------|-----------------|----------------------|---------------------------|-------------|---------------------------|-----------------|------------|-----------------|----------------------|-------------------|------------|---------------------------|-----------------|
|                     | Current     | 10-year average | Premium/discount (%) | +1SD (x)                  | -1SD (x)    | Current                   | 10-year average | Current    | 10-year average | Premium/discount (%) | +1SD (x)          | -1SD (x)   | Current                   | 10-year average |
| Kotak Mah. Bank     | 18.8        | 26.9            | -30                  | 31.7                      | 22.1        | -4                        | 33              | 2.6        | 3.3             | -22                  | 3.8               | 2.8        | -18                       | 22              |
| RBL Bank            | 10.4        | 26.1            | -60                  | 42.2                      | 10.0        | -47                       | 30              | 1.1        | 1.7             | -36                  | 2.7               | 0.6        | -66                       | -39             |
| <b>Banks-PSU</b>    | <b>6.9</b>  | <b>10.0</b>     | <b>-31</b>           | <b>16.0</b>               | <b>4.0</b>  | <b>-65</b>                | <b>-50</b>      | <b>1.1</b> | <b>0.8</b>      | <b>36</b>            | <b>1.0</b>        | <b>0.6</b> | <b>-65</b>                | <b>-70</b>      |
| Bank of Baroda      | 6.0         | 6.6             | -9                   | 11.6                      | 1.7         | -69                       | -67             | 1.0        | 0.8             | 25                   | 1.0               | 0.5        | -69                       | -72             |
| Canara Bank         | 4.8         | 4.9             | -1                   | 7.7                       | 2.1         | -75                       | -76             | 0.8        | 0.6             | 41                   | 0.7               | 0.4        | -74                       | -79             |
| Indian Bank         | 6.1         | 10.0            | -39                  | 20.0                      | 0.0         | -69                       | -51             | 0.9        | 0.6             | 62                   | 0.8               | 0.3        | -71                       | -79             |
| Punjab Natl.Bank    | 11.5        | 12.6            | -9                   | 17.6                      | 7.6         | -42                       | -38             | 1.0        | 0.7             | 32                   | 1.0               | 0.4        | -69                       | -73             |
| St Bk of India      | 7.4         | 12.8            | -42                  | 20.3                      | 5.3         | -62                       | -37             | 1.3        | 1.1             | 14                   | 1.3               | 0.9        | -60                       | -60             |
| Union Bank (I)      | 5.6         | 6.2             | -11                  | 9.5                       | 2.9         | -72                       | -69             | 0.9        | 0.6             | 56                   | 0.8               | 0.4        | -72                       | -80             |
| <b>NBFC</b>         | <b>16.6</b> | <b>16.7</b>     | <b>-1</b>            | <b>19.9</b>               | <b>13.5</b> | <b>-15</b>                | <b>-17</b>      | <b>2.5</b> | <b>2.3</b>      | <b>10</b>            | <b>2.7</b>        | <b>1.9</b> | <b>-20</b>                | <b>-17</b>      |
| Aditya Birla Cap    | 12.7        | 17.7            | -28                  | 25.4                      | 9.9         | -35                       | -12             | 1.6        | 1.9             | -17                  | 2.8               | 1.0        | -51                       | -31             |
| AAVAS Financiers    | 20.5        | 38.3            | -46                  | 49.5                      | 27.2        | 5                         | 90              | 2.9        | 4.8             | -41                  | 6.2               | 3.4        | -10                       | 76              |
| Bajaj Fin.          | 25.1        | 29.6            | -15                  | 41.1                      | 18.2        | 28                        | 47              | 5.1        | 4.9             | 3                    | 7.1               | 2.8        | 60                        | 78              |
| Can Fin Homes       | 12.7        | 13.3            | -5                   | 17.9                      | 8.7         | -35                       | -34             | 2.1        | 2.3             | -8                   | 3.2               | 1.4        | -33                       | -16             |
| Cholaman.Inv.&Fn    | 24.3        | 17.5            | 39                   | 21.6                      | 13.4        | 24                        | -13             | 4.6        | 3.0             | 55                   | 3.8               | 2.1        | 46                        | 8               |
| CreditAccess        | 14.8        | 25.7            | -43                  | 42.3                      | 9.2         | -25                       | 28              | 3.2        | 2.6             | 23                   | 3.1               | 2.1        | 1                         | -5              |
| Fusion Micro        | 8.5         | 8.6             | -1                   | 9.8                       | 7.4         | -57                       | -57             | 1.7        | 1.7             | 3                    | 1.9               | 1.4        | -46                       | -40             |
| Home First Fin.     | 23.2        | 25.1            | -8                   | 28.7                      | 21.6        | 19                        | 25              | 3.5        | 3.3             | 5                    | 3.7               | 2.9        | 11                        | 22              |
| IndoStar Capital    | 11.0        | 15.7            | -30                  | 24.2                      | 7.1         | -44                       | -22             | 0.7        | 1.0             | -34                  | 1.3               | 0.7        | -79                       | -63             |
| LIC Housing Fin.    | 6.4         | 9.9             | -35                  | 13.3                      | 6.4         | -67                       | -51             | 0.9        | 1.4             | -38                  | 2.0               | 0.8        | -72                       | -48             |
| L&T Fin.Holdings    | 14.8        | 14.8            | 0                    | 18.1                      | 11.5        | -25                       | -27             | 1.7        | 1.5             | 11                   | 2.0               | 1.0        | -48                       | -46             |
| Manappuram Finance  | 5.9         | 7.5             | -21                  | 9.9                       | 5.0         | -70                       | -63             | 1.1        | 1.4             | -21                  | 1.9               | 0.9        | -65                       | -50             |
| MAS Financial       | 15.8        | 21.8            | -27                  | 27.8                      | 15.8        | -19                       | 8               | 2.5        | 3.2             | -22                  | 3.9               | 2.4        | -21                       | 16              |
| M & M Fin. Serv.    | 13.6        | 16.8            | -19                  | 24.0                      | 9.7         | -31                       | -17             | 1.8        | 1.5             | 24                   | 1.7               | 1.2        | -43                       | -47             |
| Muthoot Finance     | 13.2        | 10.0            | 32                   | 12.7                      | 7.4         | -32                       | -50             | 2.2        | 1.9             | 14                   | 2.5               | 1.4        | -31                       | -30             |
| Piramal Enterprises | 12.8        | 13.8            | -7                   | 17.0                      | 10.5        | -35                       | -32             | 0.7        | 0.7             | -6                   | 0.9               | 0.6        | -78                       | -74             |
| PNB Housing         | 11.7        | 11.2            | 5                    | 16.9                      | 5.4         | -40                       | -45             | 1.3        | 1.2             | 1                    | 2.1               | 0.4        | -60                       | -55             |
| Poonawalla Fincorp  | 25.2        | 24.4            | 3                    | 30.9                      | 17.8        | 29                        | 21              | 3.6        | 1.9             | 91                   | 2.9               | 0.9        | 15                        | -31             |
| Repco Home Fin      | 6.2         | 13.5            | -54                  | 21.9                      | 5.0         | -68                       | -33             | 0.8        | 2.0             | -61                  | 3.4               | 0.6        | -75                       | -27             |
| Shriram Finance     | 9.5         | 10.6            | -10                  | 13.8                      | 7.4         | -52                       | -47             | 1.4        | 1.4             | 0                    | 1.8               | 1.0        | -55                       | -49             |
| Spandana Sphoorty   | 13.3        | 43.8            | -70                  | 83.4                      | 4.2         | -32                       | 117             | 2.0        | 1.4             | 37                   | 2.0               | 0.9        | -38                       | -48             |
| 360 ONE WAM         | 28.7        | 22.6            | 27                   | 28.0                      | 17.1        | 46                        | 12              | 7.4        | 4.3             | 75                   | 5.2               | 3.3        | 135                       | 55              |
| Angel One           | 21.2        | 10.9            | 94                   | 14.9                      | 7.0         | 8                         | -46             | 8.2        | 4.4             | 87                   | 6.0               | 2.8        | 159                       | 59              |
| Cams Services       | 32.8        | 37.8            | -13                  | 46.8                      | 28.8        | 67                        | 87              | 12.9       | 14.8            | -13                  | 18.5              | 11.1       | 307                       | 439             |
| ICICI Securities    | 14.4        | 14.1            | 3                    | 18.2                      | 10.0        | -26                       | -30             | 6.1        | 6.7             | -9                   | 8.5               | 4.9        | 92                        | 144             |



| Company                | PE (x)      |                 |                      | Standard deviation in P/E |             | Relative to Nifty P/E (%) |                 | PB (x)      |                 |                      | PB Std. Deviation |             | Relative to Nifty P/B (%) |                 |
|------------------------|-------------|-----------------|----------------------|---------------------------|-------------|---------------------------|-----------------|-------------|-----------------|----------------------|-------------------|-------------|---------------------------|-----------------|
|                        | Current     | 10-year average | Premium/discount (%) | +1SD (x)                  | -1SD (x)    | Current                   | 10-year average | Current     | 10-year average | Premium/discount (%) | +1SD (x)          | -1SD (x)    | Current                   | 10-year average |
| <b>Cement</b>          | <b>31.5</b> | <b>26.5</b>     | <b>19</b>            | <b>31.6</b>               | <b>21.4</b> | <b>61</b>                 | <b>31</b>       | <b>3.4</b>  | <b>2.7</b>      | <b>23</b>            | <b>3.1</b>        | <b>2.4</b>  | <b>7</b>                  | <b>0</b>        |
| ACC                    | 20.8        | 28.0            | -26                  | 35.9                      | 20.2        | 6                         | 39              | 2.4         | 2.7             | -11                  | 3.2               | 2.3         | -23                       | 0               |
| Ambuja Cem.            | 42.5        | 33.6            | 27                   | 41.7                      | 25.4        | 117                       | 66              | 2.9         | 2.5             | 12                   | 3.1               | 2.0         | -10                       | -8              |
| Birla Corpn.           | 21.5        | 26.1            | -18                  | 55.4                      | -3.2        | 10                        | 30              | 1.7         | 1.2             | 38                   | 1.5               | 0.9         | -47                       | -56             |
| Grasim Inds            | 21.7        | 13.4            | 62                   | 17.1                      | 9.7         | 11                        | -34             | 2.7         | 1.8             | 53                   | 2.2               | 1.3         | -14                       | -36             |
| India Cements          | na          | 44.2            | na                   | 67.3                      | 21.0        | na                        | 119             | 1.4         | 0.8             | 75                   | 1.1               | 0.5         | -55                       | -70             |
| J K Cements            | 36.6        | 29.3            | 25                   | 44.2                      | 14.3        | 87                        | 45              | 5.1         | 3.2             | 60                   | 4.3               | 2.0         | 62                        | 16              |
| JK Lakshmi Cem.        | 20.6        | 34.1            | -39                  | 67.3                      | 0.8         | 5                         | 69              | 3.0         | 2.5             | 18                   | 3.3               | 1.7         | -5                        | -8              |
| Shree Cement           | 49.6        | 43.7            | 14                   | 53.0                      | 34.3        | 153                       | 116             | 4.9         | 5.3             | -7                   | 6.2               | 4.3         | 54                        | 91              |
| The Ramco Cement       | 37.0        | 29.5            | 26                   | 40.5                      | 18.5        | 89                        | 46              | 3.2         | 3.1             | 3                    | 3.7               | 2.4         | 0                         | 11              |
| UltraTech Cem.         | 35.1        | 32.7            | 7                    | 40.0                      | 25.4        | 79                        | 62              | 4.6         | 3.4             | 34                   | 3.9               | 2.9         | 44                        | 24              |
| <b>Consumer</b>        | <b>45.7</b> | <b>40.4</b>     | <b>13</b>            | <b>44.2</b>               | <b>36.6</b> | <b>133</b>                | <b>100</b>      | <b>12.6</b> | <b>10.3</b>     | <b>23</b>            | <b>11.1</b>       | <b>9.4</b>  | <b>298</b>                | <b>273</b>      |
| <b>Consumer Ex ITC</b> | <b>56.1</b> | <b>49.9</b>     | <b>13</b>            | <b>57.4</b>               | <b>42.4</b> | <b>186</b>                | <b>147</b>      | <b>14.8</b> | <b>13.1</b>     | <b>13</b>            | <b>14.5</b>       | <b>11.8</b> | <b>369</b>                | <b>378</b>      |
| Asian Paints           | 57.8        | 53.6            | 8                    | 66.0                      | 41.1        | 195                       | 166             | 17.7        | 14.1            | 26                   | 17.2              | 11.1        | 460                       | 414             |
| Britannia Inds.        | 53.9        | 43.8            | 23                   | 54.2                      | 33.4        | 175                       | 117             | 33.3        | 19.3            | 73                   | 27.0              | 11.5        | 953                       | 600             |
| Colgate-Palm.          | 51.9        | 39.8            | 30                   | 43.4                      | 36.2        | 165                       | 97              | 40.1        | 24.0            | 67                   | 28.2              | 19.7        | 1166                      | 772             |
| Dabur India            | 44.7        | 44.6            | 0                    | 53.1                      | 36.2        | 128                       | 121             | 9.2         | 10.5            | -13                  | 11.6              | 9.5         | 190                       | 283             |
| Emami                  | 26.1        | 31.4            | -17                  | 41.9                      | 20.9        | 33                        | 56              | 9.3         | 10.5            | -11                  | 13.1              | 7.8         | 194                       | 281             |
| Godrej Consumer        | 47.7        | 42.3            | 13                   | 50.4                      | 34.2        | 143                       | 110             | 7.5         | 6.1             | 23                   | 8.7               | 3.5         | 136                       | 121             |
| Hind. Unilever         | 53.1        | 51.0            | 4                    | 60.1                      | 41.8        | 171                       | 153             | 13.5        | 24.1            | -44                  | 36.1              | 12.0        | 326                       | 775             |
| Indigo Paints          | 37.7        | 72.2            | -48                  | 110.1                     | 34.3        | 92                        | 258             | 7.0         | 10.7            | -35                  | 15.2              | 6.3         | 120                       | 290             |
| ITC                    | 25.8        | 24.1            | 7                    | 29.3                      | 19.0        | 32                        | 20              | 7.8         | 5.9             | 32                   | 7.3               | 4.5         | 146                       | 115             |
| Jyothy Lab.            | 45.2        | 33.4            | 36                   | 42.8                      | 23.9        | 131                       | 65              | 9.6         | 4.9             | 96                   | 6.0               | 3.7         | 202                       | 77              |
| Marico                 | 44.8        | 41.9            | 7                    | 49.5                      | 34.4        | 128                       | 108             | 15.7        | 14.3            | 10                   | 16.9              | 11.7        | 396                       | 420             |
| Nestle India           | 77.2        | 59.1            | 31                   | 71.8                      | 46.5        | 294                       | 193             | 99.1        | 48.4            | 105                  | 76.8              | 19.9        | 3031                      | 1659            |
| P & G Hygiene          | 60.4        | 61.5            | -2                   | 74.6                      | 48.4        | 208                       | 205             | 48.0        | 35.1            | 37                   | 49.0              | 21.2        | 1416                      | 1176            |
| Page Industries        | 60.0        | 63.4            | -5                   | 78.6                      | 48.2        | 206                       | 214             | 23.2        | 27.3            | -15                  | 33.8              | 20.7        | 634                       | 892             |
| Pidilite Inds.         | 67.0        | 55.7            | 20                   | 76.0                      | 35.5        | 242                       | 176             | 15.3        | 12.4            | 23                   | 15.4              | 9.4         | 382                       | 352             |
| Tata Consumer          | 59.7        | 44.0            | 36                   | 57.7                      | 30.4        | 205                       | 118             | 5.4         | 2.9             | 88                   | 4.0               | 1.8         | 71                        | 5               |
| United Breweries       | 63.1        | 89.6            | -30                  | 122.4                     | 56.7        | 222                       | 344             | 10.3        | 9.5             | 8                    | 10.9              | 8.1         | 225                       | 245             |
| United Spirits         | 65.7        | 91.5            | -28                  | 145.7                     | 37.3        | 235                       | 354             | 12.2        | 14.1            | -14                  | 19.8              | 8.4         | 286                       | 414             |
| Varun Beverages        | 68.0        | 42.2            | 61                   | 50.6                      | 33.8        | 247                       | 109             | 18.7        | 7.6             | 145                  | 11.0              | 4.3         | 492                       | 178             |
| <b>Healthcare</b>      | <b>29.1</b> | <b>26.5</b>     | <b>10</b>            | <b>30.5</b>               | <b>22.5</b> | <b>48</b>                 | <b>31</b>       | <b>4.1</b>  | <b>3.9</b>      | <b>5</b>             | <b>4.7</b>        | <b>3.1</b>  | <b>29</b>                 | <b>40</b>       |
| Ajanta Pharma          | 29.3        | 22.9            | 28                   | 28.6                      | 17.3        | 50                        | 14              | 5.9         | 5.4             | 9                    | 7.3               | 3.5         | 86                        | 97              |
| Alembic Pharma         | 23.4        | 22.0            | 6                    | 28.8                      | 15.3        | 19                        | 9               | 2.9         | 4.1             | -31                  | 5.6               | 2.7         | -10                       | 50              |
| Alkem Lab              | 31.1        | 24.3            | 28                   | 29.9                      | 18.6        | 59                        | 20              | 5.4         | 4.1             | 31                   | 4.6               | 3.6         | 69                        | 49              |
| Apollo Hospitals       | 66.8        | 80.4            | -17                  | 112.1                     | 48.6        | 241                       | 298             | 10.0        | 6.3             | 58                   | 8.5               | 4.1         | 215                       | 129             |



| Company               | PE (x)      |                 |                      | Standard deviation in P/E |             | Relative to Nifty P/E (%) |                 | PB (x)     |                 |                      | PB Std. Deviation |            | Relative to Nifty P/B (%) |                 |
|-----------------------|-------------|-----------------|----------------------|---------------------------|-------------|---------------------------|-----------------|------------|-----------------|----------------------|-------------------|------------|---------------------------|-----------------|
|                       | Current     | 10-year average | Premium/discount (%) | +1SD (x)                  | -1SD (x)    | Current                   | 10-year average | Current    | 10-year average | Premium/discount (%) | +1SD (x)          | -1SD (x)   | Current                   | 10-year average |
| Aurobindo Pharma      | 19.1        | 15.5            | 23                   | 19.3                      | 11.7        | -3                        | -23             | 2.0        | 2.8             | -29                  | 4.2               | 1.4        | -37                       | 1               |
| Biocon                | 21.5        | 40.6            | -47                  | 56.4                      | 24.9        | 10                        | 101             | 1.6        | 3.6             | -57                  | 5.2               | 2.0        | -51                       | 31              |
| Cipla                 | 24.0        | 27.8            | -14                  | 33.8                      | 21.8        | 23                        | 38              | 3.5        | 3.3             | 5                    | 3.9               | 2.7        | 9                         | 20              |
| Divi's Lab.           | 51.3        | 33.7            | 52                   | 47.7                      | 19.8        | 162                       | 67              | 6.9        | 6.1             | 14                   | 7.9               | 4.2        | 118                       | 121             |
| Dr Reddy's Labs       | 19.0        | 25.8            | -26                  | 34.8                      | 16.8        | -3                        | 28              | 3.1        | 3.6             | -13                  | 4.4               | 2.8        | -2                        | 30              |
| ERIS Lifescience      | 26.4        | 24.5            | 8                    | 30.4                      | 18.6        | 35                        | 22              | 4.4        | 5.4             | -18                  | 7.4               | 3.4        | 40                        | 96              |
| Gland Pharma          | 30.6        | 40.8            | -25                  | 56.7                      | 25.0        | 56                        | 102             | 3.3        | 5.0             | -34                  | 7.2               | 2.8        | 4                         | 82              |
| Glaxosmit Pharma      | 46.1        | 55.2            | -16                  | 72.6                      | 37.9        | 135                       | 174             | 14.1       | 12.2            | 15                   | 14.1              | 10.4       | 345                       | 345             |
| Glenmark Pharma.      | 24.1        | 23.5            | 3                    | 30.5                      | 16.4        | 23                        | 16              | 2.2        | 3.1             | -31                  | 4.9               | 1.4        | -32                       | 14              |
| Granules India        | 16.1        | 14.8            | 9                    | 20.2                      | 9.4         | -18                       | -27             | 2.6        | 2.4             | 7                    | 3.2               | 1.7        | -18                       | -12             |
| Ipca Labs.            | 32.4        | 32.0            | 1                    | 45.6                      | 18.5        | 65                        | 59              | 4.0        | 3.6             | 12                   | 4.5               | 2.7        | 28                        | 31              |
| Laurus Labs           | 28.8        | 28.2            | 2                    | 41.5                      | 14.9        | 47                        | 40              | 4.6        | 4.4             | 5                    | 6.5               | 2.2        | 45                        | 59              |
| Lupin                 | 33.5        | 39.1            | -14                  | 54.5                      | 23.7        | 71                        | 94              | 3.9        | 3.9             | -1                   | 5.5               | 2.4        | 23                        | 43              |
| Max Healthcare        | 41.2        | 30.7            | 34                   | 37.2                      | 24.3        | 110                       | 52              | 6.2        | 4.2             | 47                   | 5.5               | 3.0        | 97                        | 54              |
| Sun Pharma.Inds.      | 28.6        | 30.3            | -6                   | 39.2                      | 21.4        | 46                        | 50              | 4.3        | 4.0             | 6                    | 5.5               | 2.6        | 35                        | 46              |
| Torrent Pharma.       | 37.0        | 29.6            | 25                   | 36.8                      | 22.5        | 89                        | 47              | 5.3        | 6.0             | -11                  | 7.2               | 4.8        | 69                        | 118             |
| Zydus Lifesciences    | 21.3        | 20.5            | 4                    | 24.8                      | 16.1        | 9                         | 1               | 3.1        | 3.8             | -19                  | 5.2               | 2.4        | -3                        | 38              |
| <b>Infrastructure</b> | <b>19.8</b> | <b>9.8</b>      | <b>101</b>           | <b>15.0</b>               | <b>4.6</b>  | <b>1</b>                  | <b>-51</b>      | <b>1.8</b> | <b>1.2</b>      | <b>53</b>            | <b>1.6</b>        | <b>0.7</b> | <b>-44</b>                | <b>-58</b>      |
| IRB Infra.Devl.       | 28.0        | 14.6            | 92                   | 20.7                      | 8.5         | 43                        | -28             | 1.7        | 1.1             | 55                   | 1.6               | 0.7        | -45                       | -59             |
| KNR Construct.        | 14.4        | 12.8            | 13                   | 17.4                      | 8.3         | -26                       | -36             | 2.0        | 2.1             | -2                   | 2.7               | 1.4        | -36                       | -24             |
| <b>Media</b>          | <b>21.2</b> | <b>25.0</b>     | <b>-15</b>           | <b>29.6</b>               | <b>20.4</b> | <b>8</b>                  | <b>24</b>       | <b>2.4</b> | <b>4.1</b>      | <b>-42</b>           | <b>5.9</b>        | <b>2.3</b> | <b>-26</b>                | <b>48</b>       |
| PVR Inox              | 27.7        | 46.8            | -41                  | 68.2                      | 25.4        | 41                        | 132             | 2.0        | 4.1             | -53                  | 5.5               | 2.8        | -38                       | 51              |
| Sun TV Network        | 14.7        | 16.1            | -9                   | 21.7                      | 10.6        | -25                       | -20             | 2.7        | 3.7             | -27                  | 5.2               | 2.1        | -15                       | 34              |
| Zee Entertainment     | 31.5        | 34.4            | -9                   | 46.3                      | 22.6        | 60                        | 71              | 2.3        | 4.4             | -48                  | 6.7               | 2.2        | -26                       | 62              |
| <b>Logistics</b>      | <b>25.1</b> | <b>21.5</b>     | <b>16</b>            | <b>24.9</b>               | <b>18.2</b> | <b>28</b>                 | <b>7</b>        | <b>4.1</b> | <b>3.5</b>      | <b>17</b>            | <b>4.1</b>        | <b>2.8</b> | <b>28</b>                 | <b>26</b>       |
| Adani Ports           | 22.9        | 18.1            | 27                   | 21.8                      | 14.3        | 17                        | -11             | 3.8        | 3.3             | 16                   | 4.0               | 2.5        | 20                        | 19              |
| Blue Dart Expres      | 40.1        | 77.7            | -48                  | 124.2                     | 31.1        | 105                       | 285             | 10.4       | 17.0            | -39                  | 25.2              | 8.8        | 227                       | 519             |
| Container Corpn.      | 35.0        | 30.4            | 15                   | 36.6                      | 24.2        | 79                        | 51              | 4.2        | 3.1             | 33                   | 3.6               | 2.6        | 32                        | 14              |
| TCI Express           | 30.9        | 33.9            | -9                   | 43.4                      | 24.4        | 58                        | 68              | 6.4        | 8.2             | -22                  | 10.2              | 6.2        | 101                       | 197             |
| Transport Corp.       | 15.3        | 15.0            | 2                    | 19.5                      | 10.6        | -22                       | -26             | 2.7        | 2.4             | 15                   | 3.0               | 1.7        | -14                       | -14             |
| VRL Logistics         | 35.0        | 31.8            | 10                   | 41.4                      | 22.2        | 78                        | 58              | 5.9        | 4.7             | 27                   | 5.9               | 3.4        | 87                        | 69              |
| Mahindra Logis.       | 64.1        | 66.6            | -4                   | 93.9                      | 39.2        | 227                       | 230             | 5.0        | 6.1             | -19                  | 7.7               | 4.6        | 57                        | 123             |
| <b>Metals</b>         | <b>12.9</b> | <b>11.8</b>     | <b>9</b>             | <b>16.3</b>               | <b>7.3</b>  | <b>-34</b>                | <b>-42</b>      | <b>2.0</b> | <b>1.3</b>      | <b>53</b>            | <b>1.6</b>        | <b>0.9</b> | <b>-38</b>                | <b>-54</b>      |
| Coal India            | 9.1         | 10.5            | -13                  | 15.9                      | 5.2         | -53                       | -48             | 2.9        | 4.7             | -38                  | 7.3               | 2.2        | -7                        | 73              |
| Hindalco Inds.        | 11.9        | 9.4             | 26                   | 11.7                      | 7.1         | -40                       | -53             | 1.6        | 1.1             | 43                   | 1.4               | 0.8        | -50                       | -60             |
| Hind.Zinc             | 13.4        | 12.1            | 11                   | 15.2                      | 9.0         | -32                       | -40             | 6.3        | 3.9             | 61                   | 6.2               | 1.6        | 98                        | 41              |



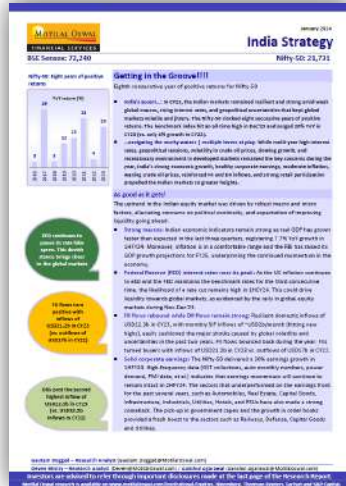
| Company                     | PE (x)      |                 |                      | Standard deviation in P/E |             | Relative to Nifty P/E (%) |                 | PB (x)     |                 |                      | PB Std. Deviation |            | Relative to Nifty P/B (%) |                 |
|-----------------------------|-------------|-----------------|----------------------|---------------------------|-------------|---------------------------|-----------------|------------|-----------------|----------------------|-------------------|------------|---------------------------|-----------------|
|                             | Current     | 10-year average | Premium/discount (%) | +1SD (x)                  | -1SD (x)    | Current                   | 10-year average | Current    | 10-year average | Premium/discount (%) | +1SD (x)          | -1SD (x)   | Current                   | 10-year average |
| Jindal Steel                | 11.1        | 8.7             | 28                   | 15.0                      | 2.4         | -43                       | -57             | 1.6        | 0.7             | 112                  | 1.1               | 0.3        | -50                       | -73             |
| JSW Steel                   | 13.7        | 15.0            | -9                   | 24.0                      | 5.9         | -30                       | -26             | 2.6        | 1.8             | 46                   | 2.3               | 1.2        | -19                       | -36             |
| Natl. Aluminium             | 18.9        | 11.9            | 59                   | 20.0                      | 3.8         | -3                        | -41             | 1.7        | 1.0             | 72                   | 1.3               | 0.7        | -45                       | -63             |
| NMDC                        | 9.9         | 6.0             | 66                   | 8.1                       | 3.8         | -50                       | -70             | 2.2        | 1.1             | 89                   | 1.5               | 0.8        | -32                       | -58             |
| S A I L                     | 14.8        | 13.7            | 8                    | 23.6                      | 3.8         | -24                       | -32             | 0.9        | 0.6             | 40                   | 0.8               | 0.4        | -72                       | -77             |
| Tata Steel                  | 12.4        | 20.4            | -39                  | 47.6                      | -6.8        | -37                       | 1               | 1.7        | 1.2             | 40                   | 1.8               | 0.7        | -45                       | -55             |
| Vedanta                     | 14.9        | 11.0            | 36                   | 16.6                      | 5.4         | -24                       | -46             | 3.7        | 1.7             | 114                  | 2.7               | 0.7        | 17                        | -37             |
| <b>Oil &amp; Gas</b>        | <b>12.8</b> | <b>12.2</b>     | <b>6</b>             | <b>14.7</b>               | <b>9.6</b>  | <b>-34</b>                | <b>-40</b>      | <b>1.5</b> | <b>1.4</b>      | <b>6</b>             | <b>1.6</b>        | <b>1.3</b> | <b>-52</b>                | <b>-48</b>      |
| <b>Oil &amp; Gas Ex RIL</b> | <b>7.1</b>  | <b>9.0</b>      | <b>-21</b>           | <b>12.4</b>               | <b>5.6</b>  | <b>-64</b>                | <b>-55</b>      | <b>1.1</b> | <b>1.2</b>      | <b>-8</b>            | <b>1.5</b>        | <b>0.9</b> | <b>-64</b>                | <b>-55</b>      |
| Aegis Logistics             | 25.0        | 29.2            | -14                  | 42.2                      | 16.2        | 28                        | 45              | 3.0        | 3.9             | -23                  | 5.3               | 2.6        | -4                        | 43              |
| B P C L                     | 6.7         | 9.0             | -25                  | 13.7                      | 4.2         | -66                       | -56             | 1.3        | 1.8             | -28                  | 2.4               | 1.3        | -58                       | -33             |
| Castrol India               | 19.9        | 23.6            | -16                  | 31.7                      | 15.5        | 1                         | 17              | 8.1        | 15.9            | -49                  | 26.4              | 5.4        | 154                       | 479             |
| GAIL (India)                | 12.7        | 11.5            | 10                   | 15.7                      | 7.3         | -35                       | -43             | 1.5        | 1.3             | 17                   | 1.6               | 1.0        | -53                       | -54             |
| Gujarat Gas                 | 25.7        | 24.3            | 6                    | 33.1                      | 15.5        | 31                        | 21              | 3.8        | 4.7             | -20                  | 5.8               | 3.5        | 19                        | 70              |
| Guj.St.Petronet             | 15.4        | 13.5            | 14                   | 16.0                      | 11.0        | -22                       | -33             | 1.6        | 1.6             | -2                   | 1.9               | 1.4        | -49                       | -40             |
| H P C L                     | 5.7         | 5.4             | 5                    | 7.7                       | 3.2         | -71                       | -73             | 1.2        | 1.2             | 0                    | 1.6               | 0.8        | -63                       | -57             |
| I O C L                     | 7.5         | 7.5             | 0                    | 15.2                      | -0.3        | -62                       | -63             | 1.0        | 0.9             | 12                   | 1.3               | 0.6        | -67                       | -66             |
| Indraprastha Gas            | 15.6        | 19.7            | -21                  | 25.9                      | 13.5        | -20                       | -2              | 3.1        | 3.8             | -19                  | 5.0               | 2.7        | -2                        | 40              |
| Mahanagar Gas               | 12.5        | 13.9            | -10                  | 18.0                      | 9.7         | -36                       | -31             | 2.2        | 3.0             | -25                  | 3.9               | 2.1        | -29                       | 8               |
| M R P L                     | 8.3         | 7.4             | 13                   | 13.4                      | 1.4         | -58                       | -63             | 1.7        | 1.3             | 24                   | 1.7               | 1.0        | -48                       | -51             |
| Oil India                   | 6.5         | 6.9             | -5                   | 9.8                       | 4.0         | -67                       | -66             | 1.0        | 0.8             | 27                   | 1.0               | 0.5        | -69                       | -72             |
| O N G C                     | 4.8         | 7.9             | -40                  | 12.3                      | 3.5         | -76                       | -61             | 0.8        | 0.9             | -18                  | 1.3               | 0.6        | -76                       | -66             |
| Petronet LNG                | 10.7        | 12.5            | -15                  | 14.9                      | 10.2        | -46                       | -38             | 1.9        | 2.6             | -30                  | 3.3               | 2.0        | -41                       | -4              |
| Reliance Inds.              | 22.5        | 14.8            | 52                   | 22.0                      | 7.7         | 15                        | -26             | 1.8        | 1.4             | 24                   | 1.7               | 1.2        | -44                       | -48             |
| <b>Sp. Chemicals</b>        | <b>36.9</b> | <b>21.9</b>     | <b>68</b>            | <b>34.3</b>               | <b>9.5</b>  | <b>88</b>                 | <b>9</b>        | <b>5.5</b> | <b>3.9</b>      | <b>42</b>            | <b>5.9</b>        | <b>1.9</b> | <b>75</b>                 | <b>42</b>       |
| Alkyl Amines                | 50.9        | 29.2            | 74                   | 56.2                      | 2.1         | 160                       | 45              | 8.8        | 6.0             | 47                   | 10.8              | 1.2        | 179                       | 119             |
| Atul                        | 43.3        | 27.3            | 59                   | 42.5                      | 12.0        | 121                       | 35              | 3.9        | 3.5             | 12                   | 4.7               | 2.3        | 24                        | 28              |
| Deepak Nitrite              | 31.0        | 19.2            | 62                   | 28.0                      | 10.3        | 58                        | -5              | 6.0        | 3.5             | 70                   | 5.6               | 1.5        | 90                        | 29              |
| Fine Organic                | 45.5        | 33.5            | 36                   | 43.4                      | 23.7        | 132                       | 66              | 7.3        | 7.8             | -7                   | 9.4               | 6.3        | 130                       | 185             |
| Galaxy Surfactants          | 25.5        | 24.7            | 3                    | 30.7                      | 18.7        | 30                        | 22              | 4.1        | 4.7             | -13                  | 5.7               | 3.8        | 30                        | 73              |
| Navin Fluorine              | 42.3        | 28.1            | 51                   | 48.4                      | 7.9         | 116                       | 39              | 6.9        | 4.4             | 56                   | 7.4               | 1.4        | 117                       | 60              |
| NOCIL                       | 28.6        | 16.3            | 75                   | 24.0                      | 8.6         | 46                        | -19             | 2.7        | 1.8             | 47                   | 2.5               | 1.1        | -16                       | -34             |
| Vinati Organics             | 36.8        | 30.6            | 20                   | 43.7                      | 17.5        | 88                        | 52              | 6.3        | 6.1             | 2                    | 8.2               | 4.1        | 98                        | 123             |
| <b>Real Estate</b>          | <b>35.6</b> | <b>23.0</b>     | <b>55</b>            | <b>31.1</b>               | <b>14.9</b> | <b>81</b>                 | <b>14</b>       | <b>3.9</b> | <b>1.6</b>      | <b>148</b>           | <b>2.2</b>        | <b>0.9</b> | <b>24</b>                 | <b>-42</b>      |
| Brigade Enterpr.            | 28.6        | 24.5            | 17                   | 36.6                      | 12.5        | 46                        | 22              | 4.5        | 1.8             | 152                  | 2.6               | 1.0        | 42                        | -35             |
| DLF                         | 36.8        | 41.4            | -11                  | 67.6                      | 15.2        | 88                        | 105             | 2.9        | 1.2             | 144                  | 1.7               | 0.8        | -7                        | -56             |
| Godrej Properties           | 50.7        | 72.8            | -30                  | 99.5                      | 46.2        | 159                       | 261             | 5.2        | 4.9             | 5                    | 6.8               | 3.0        | 64                        | 80              |



| Company              | PE (x)      |                 |                      | Standard deviation in P/E |             | Relative to Nifty P/E (%) |                 | PB (x)      |                 |                      | PB Std. Deviation |            | Relative to Nifty P/B (%) |                 |
|----------------------|-------------|-----------------|----------------------|---------------------------|-------------|---------------------------|-----------------|-------------|-----------------|----------------------|-------------------|------------|---------------------------|-----------------|
|                      | Current     | 10-year average | Premium/discount (%) | +1SD (x)                  | -1SD (x)    | Current                   | 10-year average | Current     | 10-year average | Premium/discount (%) | +1SD (x)          | -1SD (x)   | Current                   | 10-year average |
| Macrotech Developers | 46.5        | 34.8            | 33                   | 40.6                      | 29.0        | 137                       | 73              | 6.5         | 4.0             | 60                   | 5.0               | 3.1        | 105                       | 47              |
| Mahindra Lifespace   | na          | 6.2             | na                   | 10.2                      | 2.2         | na                        | -69             | 4.4         | 1.1             | 285                  | 2.5               | -0.2       | 40                        | -58             |
| Oberoi Realty        | 30.7        | 22.9            | 34                   | 26.7                      | 19.1        | 57                        | 14              | 3.5         | 2.1             | 68                   | 2.5               | 1.7        | 11                        | -24             |
| Prestige Estates     | 54.1        | 22.1            | 145                  | 28.5                      | 15.7        | 176                       | 9               | 3.8         | 1.8             | 115                  | 2.3               | 1.3        | 21                        | -35             |
| Phoenix Mills        | 32.9        | 40.8            | -19                  | 68.3                      | 13.2        | 68                        | 102             | 3.9         | 2.5             | 57                   | 2.9               | 2.1        | 23                        | -10             |
| Sobha                | 28.4        | 26.2            | 9                    | 39.8                      | 12.5        | 45                        | 30              | 3.3         | 1.8             | 87                   | 2.4               | 1.1        | 4                         | -36             |
| Sunteck Realty       | 30.4        | 52.2            | -42                  | 75.0                      | 29.4        | 55                        | 159             | 2.1         | 2.1             | -1                   | 3.0               | 1.3        | -33                       | -22             |
| <b>Retail</b>        | <b>75.1</b> | <b>84.7</b>     | <b>-11</b>           | <b>149.9</b>              | <b>19.5</b> | <b>283</b>                | <b>320</b>      | <b>13.8</b> | <b>9.3</b>      | <b>49</b>            | <b>13.0</b>       | <b>5.6</b> | <b>336</b>                | <b>238</b>      |
| Aditya Birla Fashion | 0.0         | 96.6            | -100                 | 144.2                     | 48.9        | -100                      | 379             | 5.9         | 8.5             | -31                  | 11.2              | 5.8        | 85                        | 209             |
| Avenue Supermarts    | 75.7        | 98.4            | -23                  | 122.3                     | 74.5        | 286                       | 388             | 12.2        | 12.8            | -4                   | 15.7              | 9.9        | 287                       | 365             |
| Bata India           | 49.5        | 46.8            | 6                    | 63.4                      | 30.2        | 152                       | 132             | 10.1        | 8.9             | 14                   | 12.4              | 5.3        | 219                       | 222             |
| Jubilant             | 79.8        | 80.5            | -1                   | 107.3                     | 53.8        | 307                       | 299             | 16.5        | 14.0            | 18                   | 18.5              | 9.6        | 421                       | 410             |
| Raymond              | 14.0        | 21.1            | -34                  | 31.9                      | 10.3        | -29                       | 4               | 2.2         | 1.8             | 20                   | 2.4               | 1.2        | -31                       | -33             |
| Relaxo Footwear      | 70.9        | 65.5            | 8                    | 107.5                     | 23.4        | 262                       | 224             | 10.1        | 9.7             | 4                    | 12.7              | 6.6        | 218                       | 251             |
| Shoppers Stop        | 28.8        | 42.7            | -33                  | 56.5                      | 29.0        | 47                        | 112             | 10.9        | 9.9             | 9                    | 16.5              | 3.4        | 243                       | 262             |
| Titan                | 69.6        | 55.2            | 26                   | 71.7                      | 38.7        | 255                       | 174             | 19.2        | 12.4            | 56                   | 16.3              | 8.5        | 507                       | 349             |
| Trent                | 93.8        | 89.2            | 5                    | 109.1                     | 69.3        | 379                       | 342             | 22.9        | 7.8             | 192                  | 12.6              | 3.1        | 625                       | 185             |
| V-Mart Retail        | na          | 40.8            | na                   | 72.0                      | 9.6         | na                        | 102             | 4.8         | 5.6             | -15                  | 8.0               | 3.2        | 51                        | 104             |
| <b>Technology</b>    | <b>26.0</b> | <b>19.9</b>     | <b>30</b>            | <b>24.4</b>               | <b>15.5</b> | <b>32</b>                 | <b>-1</b>       | <b>8.4</b>  | <b>5.4</b>      | <b>55</b>            | <b>6.9</b>        | <b>3.9</b> | <b>166</b>                | <b>98</b>       |
| Coforge              | 35.7        | 21.5            | 66                   | 30.9                      | 12.0        | 82                        | 6               | 9.4         | 4.6             | 103                  | 7.3               | 2.0        | 196                       | 68              |
| Cyient               | 27.8        | 17.1            | 63                   | 22.0                      | 12.1        | 42                        | -15             | 6.3         | 2.9             | 119                  | 3.8               | 1.9        | 98                        | 4               |
| HCL Technologies     | 23.3        | 15.8            | 47                   | 19.1                      | 12.6        | 19                        | -21             | 6.2         | 3.8             | 65                   | 4.6               | 2.9        | 96                        | 37              |
| Infosys              | 23.4        | 19.7            | 18                   | 24.7                      | 14.8        | 19                        | -2              | 8.4         | 5.3             | 58                   | 7.5               | 3.2        | 166                       | 94              |
| LTI Mindtree         | 33.8        | 22.6            | 50                   | 32.4                      | 12.8        | 73                        | 12              | 8.5         | 10.0            | -16                  | 12.8              | 7.3        | 167                       | 264             |
| L&T Technology       | 36.4        | 25.5            | 43                   | 34.5                      | 16.4        | 86                        | 26              | 9.5         | 6.3             | 50                   | 8.4               | 4.3        | 199                       | 130             |
| Mphasis              | 29.6        | 18.3            | 61                   | 25.8                      | 10.9        | 51                        | -9              | 5.7         | 3.3             | 71                   | 5.1               | 1.5        | 79                        | 21              |
| Persistent Sys       | 43.5        | 24.0            | 82                   | 33.9                      | 14.0        | 122                       | 19              | 10.5        | 4.0             | 163                  | 6.3               | 1.6        | 231                       | 45              |
| TCS                  | 27.2        | 23.4            | 16                   | 27.9                      | 18.9        | 39                        | 16              | 16.2        | 9.5             | 70                   | 12.8              | 6.3        | 411                       | 246             |
| Tech Mahindra        | 26.1        | 17.0            | 54                   | 21.9                      | 12.0        | 33                        | -16             | 3.9         | 3.1             | 23                   | 3.9               | 2.4        | 22                        | 14              |
| Wipro                | 21.4        | 17.4            | 23                   | 21.8                      | 13.0        | 9                         | -14             | 3.3         | 2.9             | 14                   | 3.6               | 2.3        | 5                         | 6               |
| Zensar Tech.         | 23.9        | 15.3            | 56                   | 21.1                      | 9.6         | 22                        | -24             | 3.9         | 2.4             | 67                   | 3.0               | 1.7        | 24                        | -14             |
| <b>Telecom</b>       | <b>na</b>   | <b>34.7</b>     | <b>na</b>            | <b>49.2</b>               | <b>20.3</b> | <b>na</b>                 | <b>72</b>       | <b>25.0</b> | <b>8.2</b>      | <b>204</b>           | <b>15.9</b>       | <b>0.6</b> | <b>691</b>                | <b>200</b>      |
| Bharti Airtel        | na          | 32.9            | na                   | 48.1                      | 17.8        | na                        | 63              | 4.8         | 3.1             | 57                   | 4.4               | 1.8        | 53                        | 12              |
| Indus Towers         | 10.3        | 19.1            | -46                  | 26.8                      | 11.5        | -47                       | -5              | 1.8         | 3.4             | -47                  | 4.3               | 2.4        | -44                       | 23              |
| Vodafone Idea        | na          | 15.9            | na                   | 23.8                      | 8.1         | na                        | -21             | na          | 1.2             | na                   | 2.2               | 0.2        | na                        | -55             |
| Tata Comm            | 33.4        | 28.7            | 16                   | 44.0                      | 13.4        | 70                        | 42              | 14.6        | 25.2            | -42                  | 42.0              | 8.5        | 363                       | 818             |

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# Quant Research and India Strategy gallery



| Explanation of Investment Rating |  |
|----------------------------------|--|
| Investment Rating                | Expected return (over 12-month)  |
| BUY                              | >=15%  |
| SELL                             | < - 10%  |
| NEUTRAL                          | > - 10 % to 15%  |
| UNDER REVIEW                     | Rating may undergo a change  |
| NOT RATED                        | We have forward looking estimates for the stock but we refrain from assigning recommendation |

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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