MOTILAL OSWAL
FINANCIAL SERVICES

BULLS & BEARS

INDIA VALUATIONS HANDBOOK

Sectors trading at a premium

- Infrastructure
- Real Estate
- Sp. Chemicals
- Banks - PSU
- Capital Goods
- Technology
- Logistics
- Cement
- Healthcare
- Metals
- Oil & Gas
- Consumer
- NBFC
- Banks - Private
- Retail
- Auto
- Media
- Telecom

Sectors trading at a discount

HIGHLIGHTS – JAN'24 EDITION

- Nifty consolidates in Jan'24
- Major economies ended lower
- FIIs record outflows after two consecutive month of inflows. DIIs recorded the six consecutive month of inflows

- Midcaps/smallcaps outperform Largecaps
- Oil & Gas, PSU Banks, Real Estate, Utilities, and Infrastructure top gainers
- Media, Private Banks, and Consumer top losers

- India's share in the world M-cap at all-time high
- Over the last 12 months, the MSCI India Index (+28%) has outperformed the MSCI EM Index (-5%)

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Contents

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INDIA VALUATIONS HANDBOOK

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 31st Jan’24
- **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.

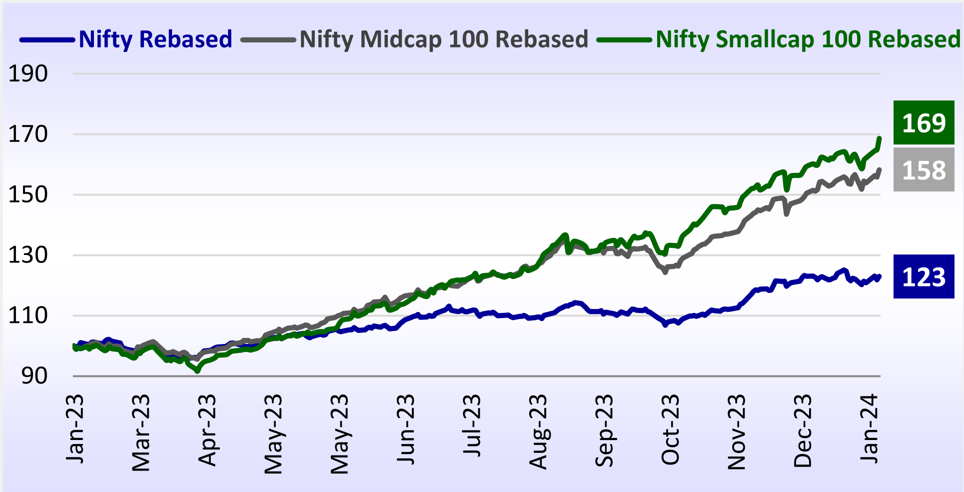
CY24 begins on a cautious note; corporate earnings key triggers

- **Tested by elevated volatility, the market consolidates in Jan'24:** The Nifty, after recording an impressive 20% YoY gain in CY23, has begun the year on a cautious note. The month was characterized by extreme volatility, with the benchmark oscillating in a wide range (~1,000 points) and pulling back from record highs to close flat MoM. Over the last 12 months, midcaps and smallcaps have gained 58% and 69%, respectively, while largecaps have risen 23%. During the last five years, midcaps have outperformed largecaps by 86%, while smallcaps have outperformed largecaps by 60%.
- **FIIs record outflows after two consecutive months of inflows:** In Jan'24, FIIs posted the highest outflows since Feb'23 at USD3.1b. DIIs recorded the six-consecutive month of inflows at USD3.2b. FII inflows into Indian equities stood at USD21.4b in CY23 vs. outflows of USD17b in CY22. DII inflows into equities in CY23 remained strong at USD22.3b vs. USD32.2b in CY22.
- **Breadth balanced in Jan'24:** Among the sectors, the top gainers were Oil & Gas (+10%), PSU Banks (+10%), Real Estate (+9%), Utilities (+9%), and Infrastructure (+8%). While, Media (-10%), Private Banks (-5%), and Consumer (-3%) were the top losers. The breadth was balanced, with 25 Nifty stocks closing higher. ONGC (+23%), Adani Ports (+18%), Bharti Airtel (+13%), Tata Motors (+13%), and Bajaj Auto (+13%) were the top performers, while HDFC Bank (-14%), LTIMindtree (-13%), Asian Paints (-13%), HDFC Life (-11%), and UPL (-8%) were the key laggards.
- **Major economies have ended lower in Jan'24:** Barring Japan (+8% MoM), Russia (+5%), and the US (+2%), Jan'24 saw key global markets such as China (-6%), Korea (-6%), Brazil (-5%), MSCI EM (-5%), the UK (-1%), Indonesia (-1%), Taiwan (-0%), and India (-0%) close lower in local currency terms. Over the last 12 months, the MSCI India Index (+28%) has outperformed the MSCI EM Index (-5%). Over the last 10 years, the MSCI India Index has notably outperformed the MSCI EM index by 216%.
- **Corporate earnings in line in 3QFY24:** The 3QFY24 corporate earnings scorecard has been in line, with the performance of heavyweights such as HDFC Bank, Tata Steel, ICICI Bank, JSW Steel, and Reliance Industries driving the aggregate. The spread of earnings has been decent, with 64% of our Coverage Universe either meeting or exceeding profit expectations. Earnings of the 33 Nifty companies that have declared results so far jumped 21% YoY (vs. est. of +20% YoY).
- **Our view:** The Vote-on-Account was presented against the backdrop of a bullish macro and micro environment for India, with equity markets reaching new highs. Further, this was the last budget before the forthcoming Lok Sabha Elections in Apr-May'24, and thus, expectations of some populism were not unfounded, considering the underlying weak consumption demand in the economy, especially in rural India. We anticipate the market to quickly discount the budget and shift focus to the trajectory of corporate earnings growth, which has remained resilient so far in 9MFY24 (albeit, witnessing some challenges with downgrades outweighing upgrades in 3QFY24). We prefer PSU Banks, Industrials (Capital Goods, Cement), Real Estate, Consumer Discretionary and NBFCs, while we are UW on IT, and Metals. We recently upgraded Energy to Neutral and downgraded Auto and Pharma to Neutral in our model portfolio.
- **Top ideas: Largecaps –** L&T, SBI, ICICI Bank, Coal India, Titan, M&M, Gail, ITC, HCL Tech, Cipla; **Midcaps and Smallcaps –** Indian Hotels, Zomato, Godrej Property, Sobha Developers, Dalmia Bharat, Angel One, IIFL Finance, PNB Housing, Lemon Tree, Restaurant Brands Asia.

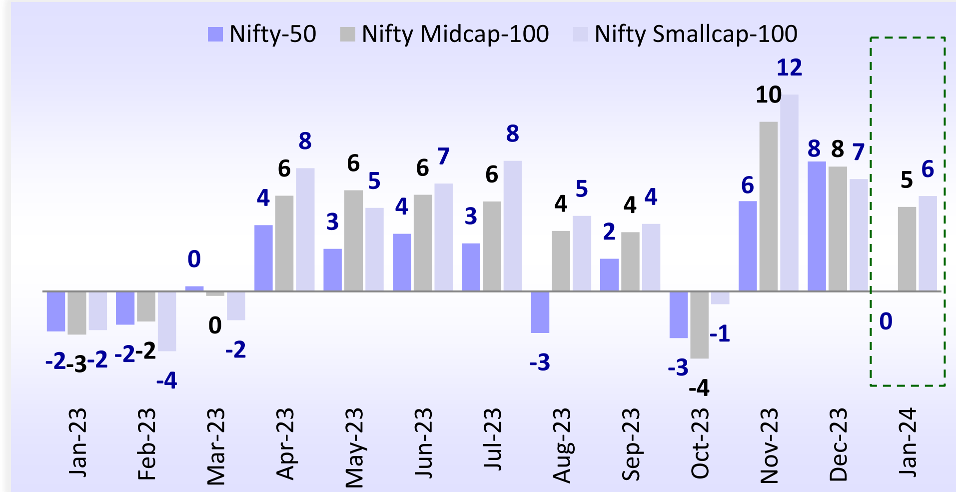
Key exhibits

Midcaps and smallcaps outperform; FIIs record outflows

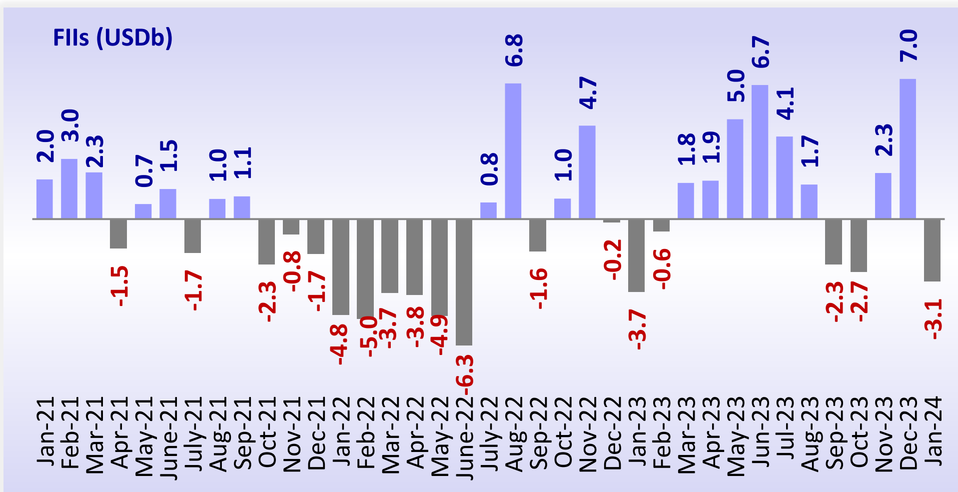
Performance of midcaps/smallcaps vs. largecaps over the last 12 months



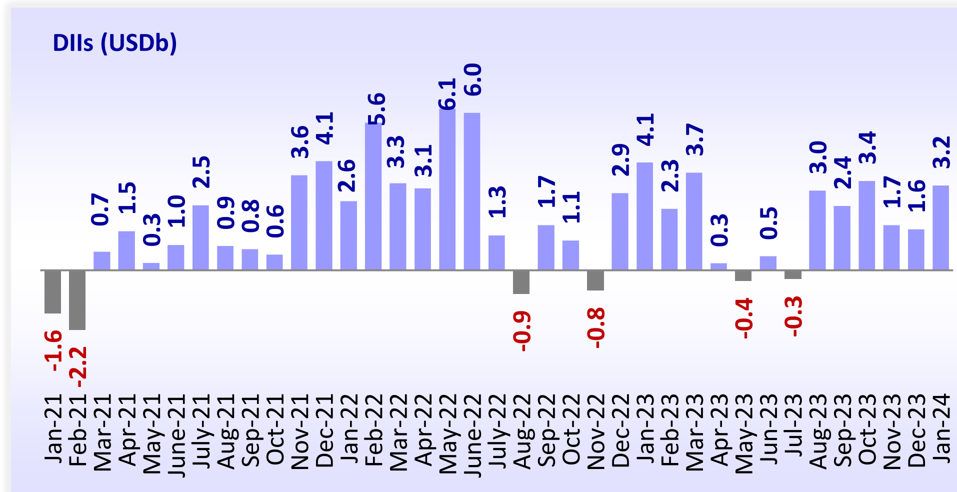
MoM performance (%) – largecaps outperform in Dec'23



FIIs monthly flows into equities - posted the highest outflows since Feb'23

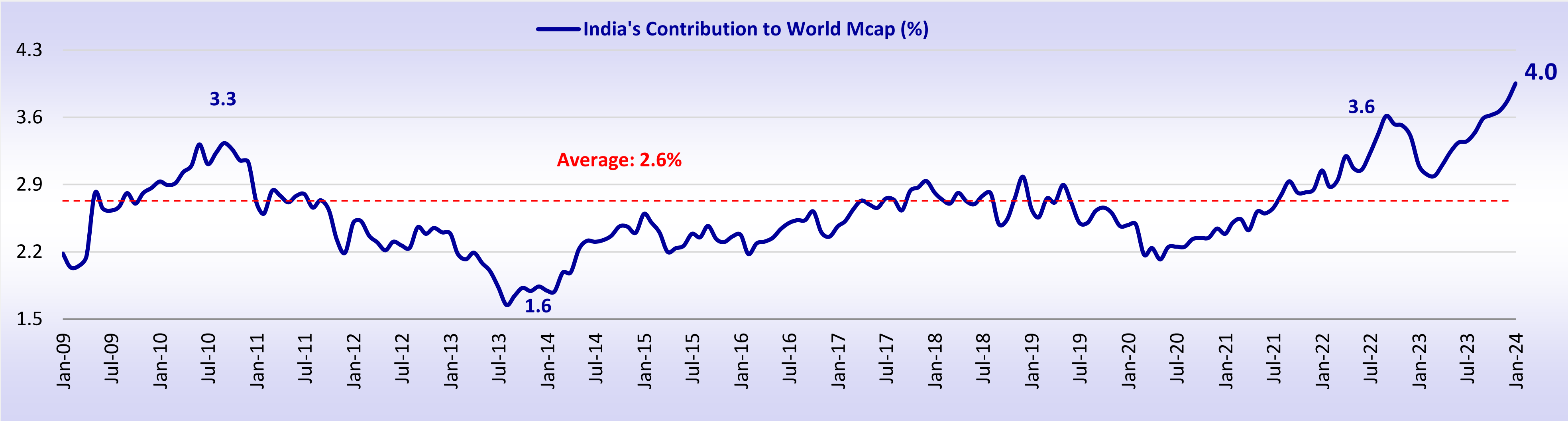


DIIs monthly flows into equities - remain healthy

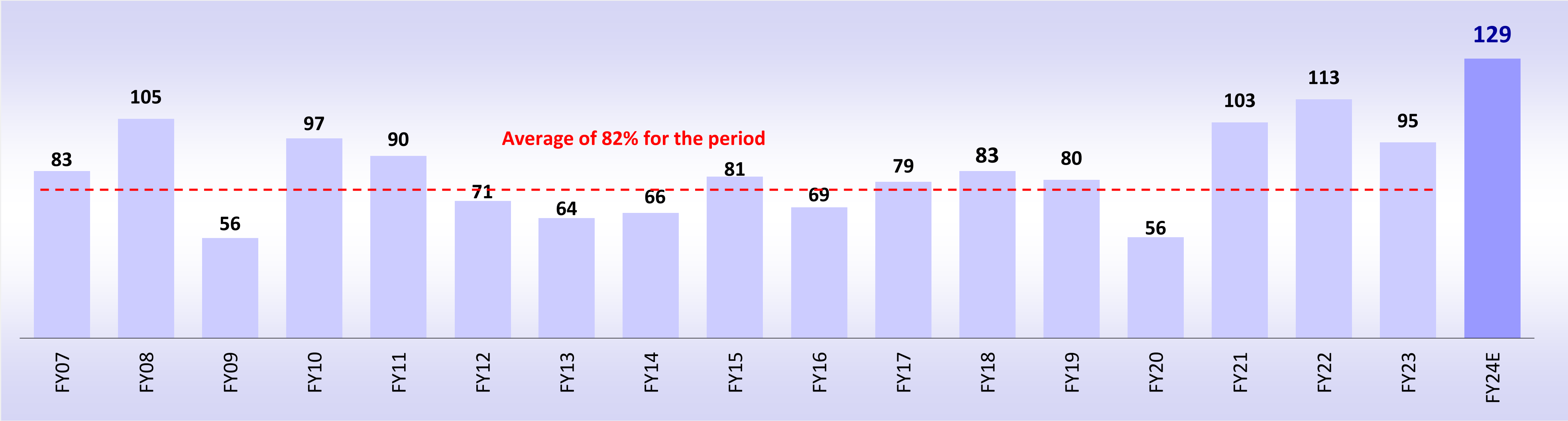


India's share in the global market cap continues to scale new highs

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



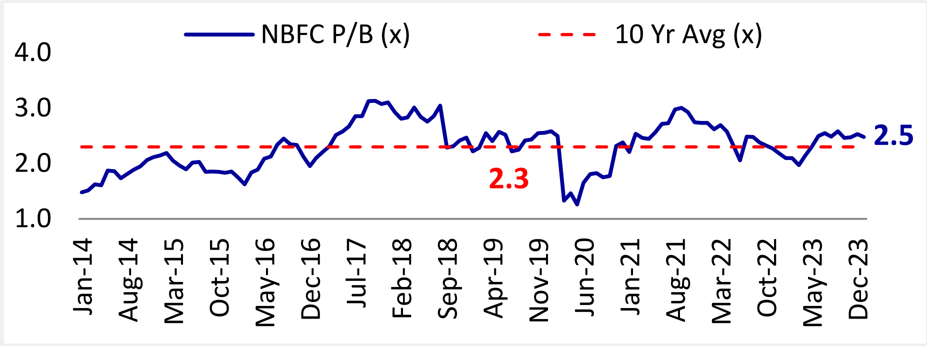
India's market capitalization-to-GDP ratio (%) at its year-end high



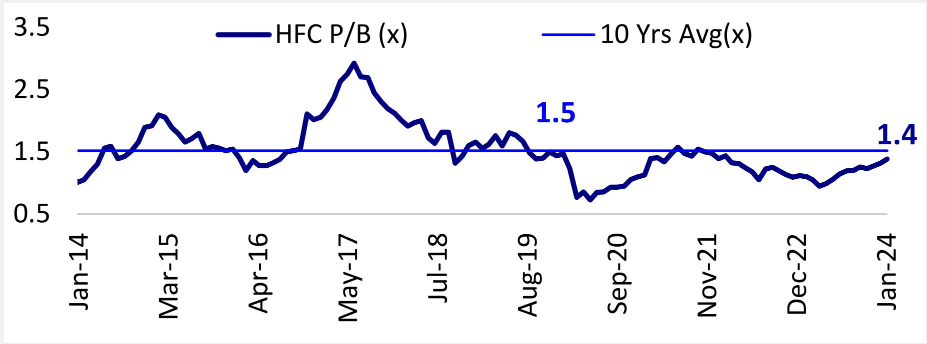
NBFCs: Demand sustained across all retail categories; NIM an important monitorable

- Penetrating into untapped markets for growth to earn high risk-adjusted returns has been a key strength of NBFCs. NBFCs continued to gain market share, especially in the underserved tier II, III, and IV cities in India. NBFCs trade at P/B of 2.5x.
- HFCs' valuations have recovered and they are trading close to the 10-year average of ~1.5x. Large HFCs are doing well in the mid-ticket and luxury segments, while affordable housing financiers continue to exhibit strong demand momentum. HFCs will exhibit some NIM compression as yields peak out (or moderate), but CoF keeps increasing in the near term.
- Valuations of vehicle financiers has improved in the past year and they are trading higher than their 10-year average of 1.7x. Lenders seem to suggest that there are initial signs of demand moderation in Passenger Vehicles and Tractors. M&HCV demand is holding up well and the demand momentum could sustain for another one year. We believe asset quality improvement and NIM expansion will keep valuations elevated in the medium term.
- Gold loan demand has been driven by higher gold prices and top-ups offered to customers. Banks and a few NBFCs, including IIFL Finance and Bajaj Finance, continue to aggressively pursue gold loans. We expect NIM compression and moderation in gold loan growth for the gold lenders, such as MUTH and MGFL.
- MFI lenders continue to ride the sectoral tailwinds even as we expect some calibration in MFI growth in the near term. Most MFI lenders have cut their lending yields and we expect NIM compression over the next one year.

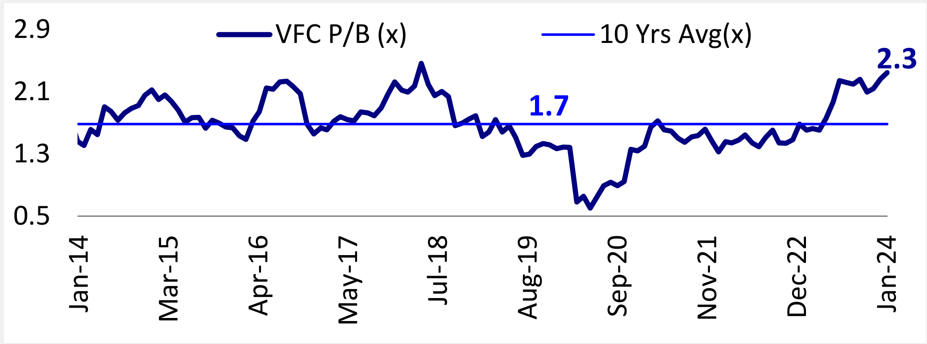
Trend in NBFCs' one-year forward P/B (x)



Trend in HFCs' one-year forward P/B (x)



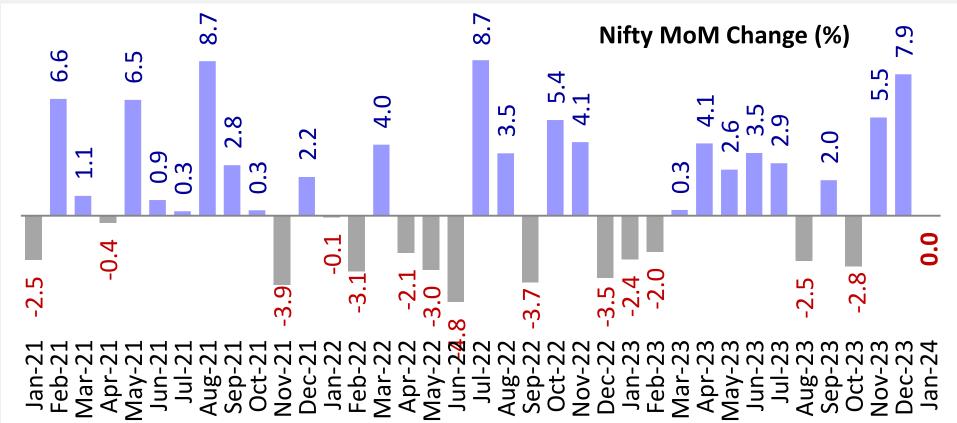
Trend in vehicle financiers' one-year forward P/B (x)



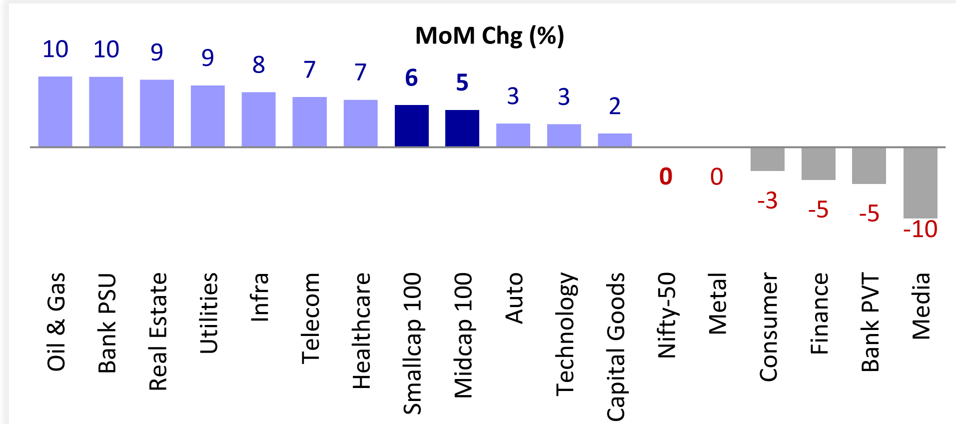
Market consolidates in Jan'24

- The Nifty ended its two-month winning streak in Jan'24. With extreme volatility, the index hovered around 1,000 points before closing flat MoM.
- Sector wise, Oil & Gas (+10%), PSU Banks (+10%), Real Estate (+9%), Utilities (+9%), and Infrastructure (+8%) were the top gainers. While, Media (-10%), Private Banks (-5%), and Consumer (-3%) were the top losers.

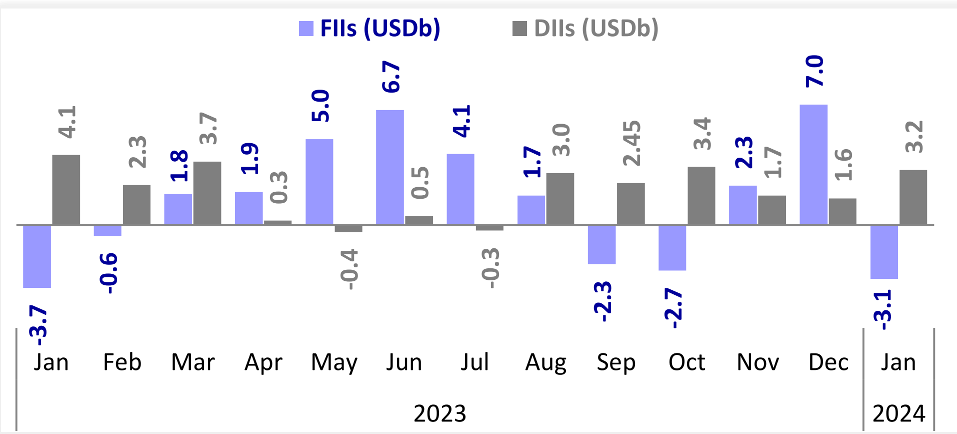
Nifty MoM change (%) — Takes a breather in Jan'24



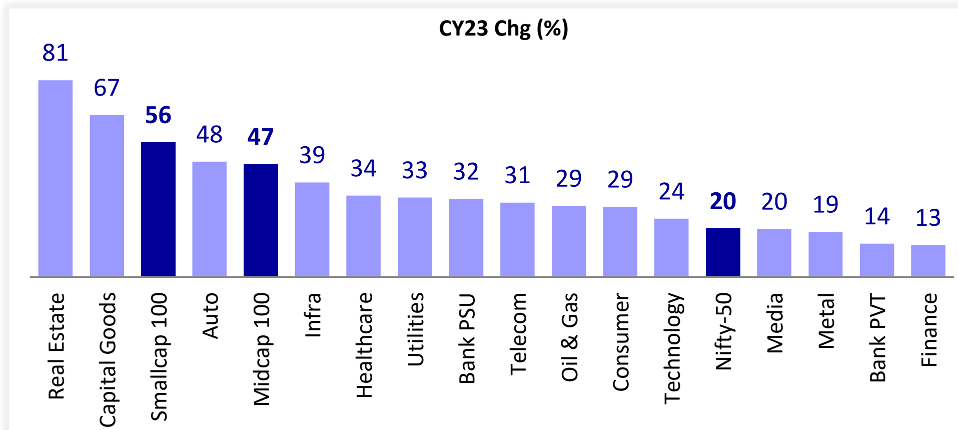
Sectoral MoM change (%) – Oil & Gas, PSU Banks, Real Estate top gainers



Institutional flows (USD b) – FIIs record outflows after two consecutive months of inflows; DII inflows remain healthy



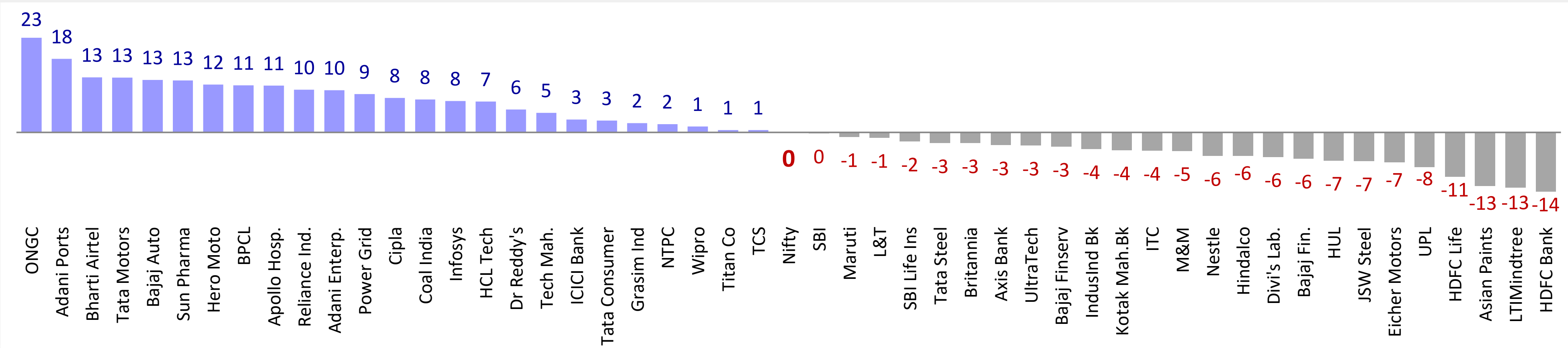
Sectoral CY23 change (%) – Real Estate, Capital Goods, Automobiles, and Infrastructure top gainers



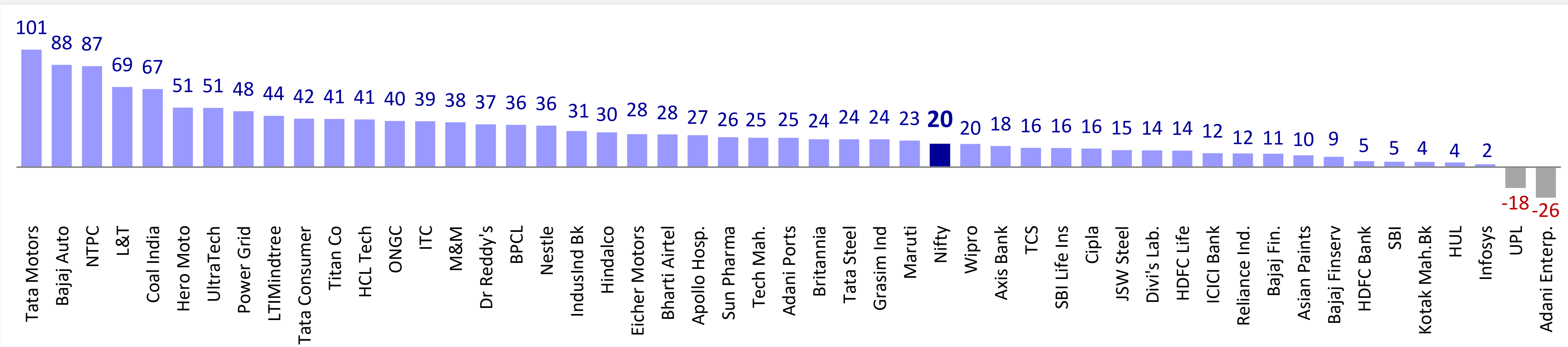
Breadth balanced in Jan’24; 25 Nifty companies end higher MoM

- **Best and worst Nifty performers in Jan’24:** ONGC (+23%), Adani Ports (+18%), Bharti Airtel (+13%), Tata Motors (+13%), and Bajaj Auto (+13%) were the top performers, while HDFC Bank (-14%), LTIMindtree (-13%), Asian Paints (-13%), HDFC Life (-11%), and UPL (-8%) were the key 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 Jan’24 (%) – Breadth balanced; 25 Nifty companies end higher



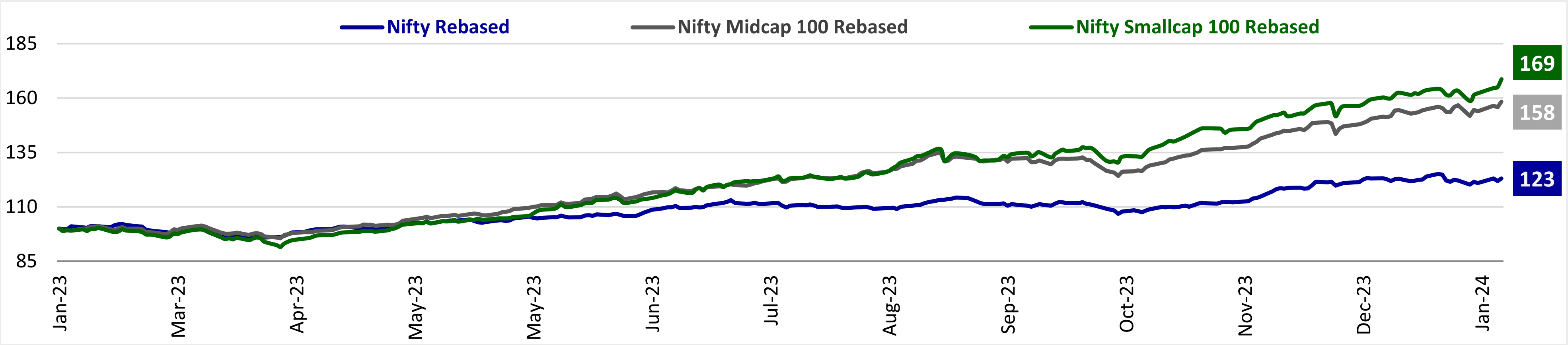
Best and worst Nifty performers in CY23 (%) – 96% of the constituents ended higher



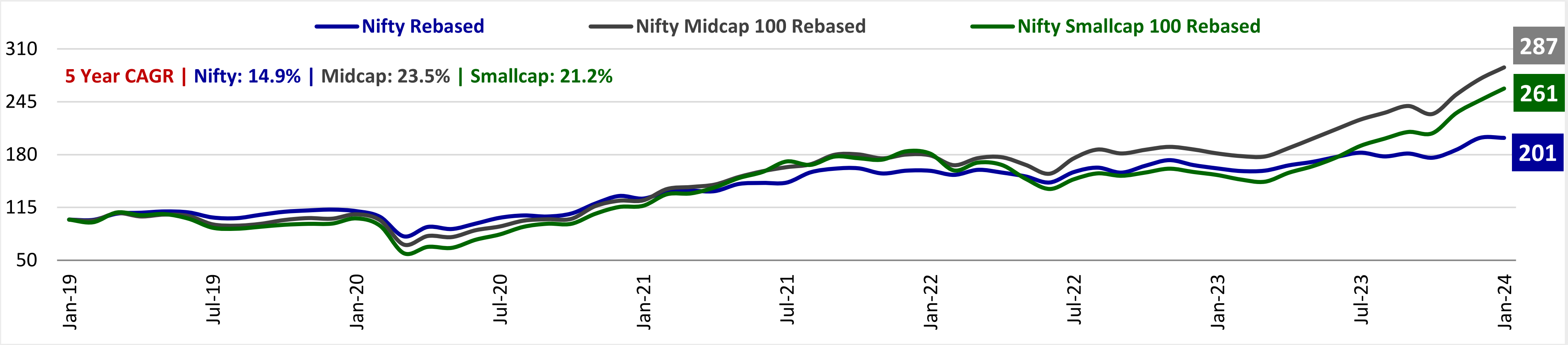
Largecaps underperform over the last 12 months and five years

- During the last 12 months, midcaps and smallcaps have gained 58% and 69%, respectively, while largecaps have risen 23%. During the last five years, midcaps have outperformed largecaps by 86%, while smallcaps have outperformed largecaps by 60%.

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



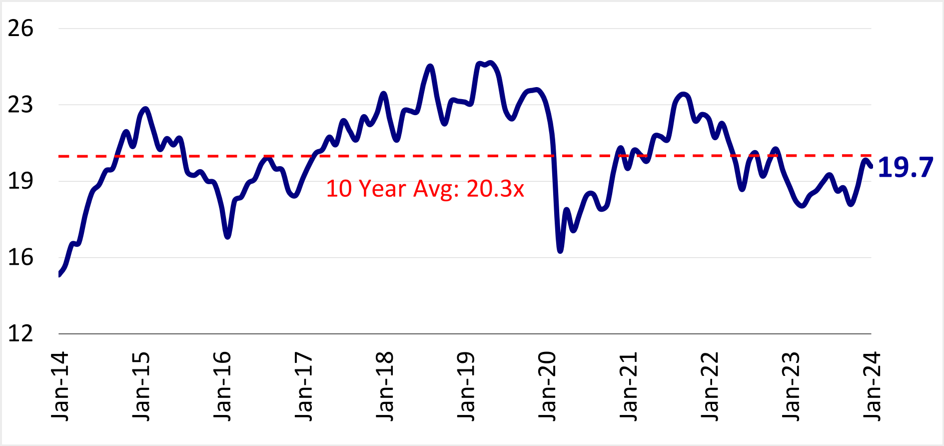
Performances of midcaps and smallcaps vs largecaps over the last five years



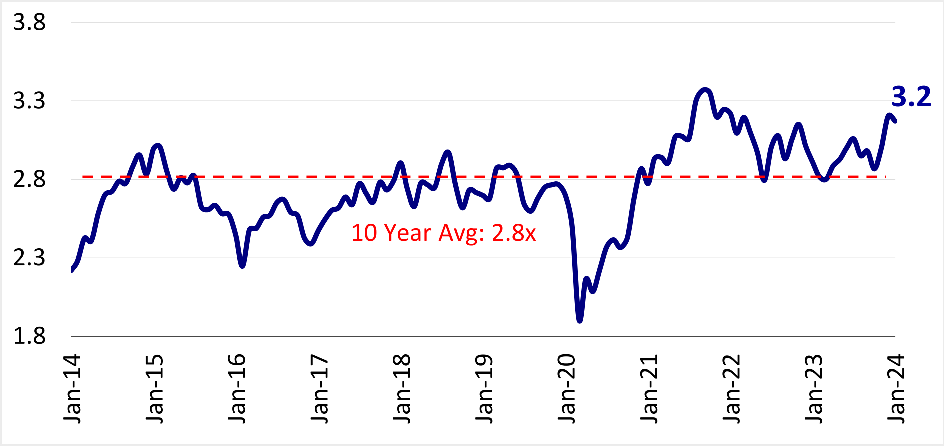
Nifty's P/E near its historical average, while P/B above its average

- The Nifty is trading at a 12-month forward P/E ratio of 19.7x, near its LPA of 20.3x (3% discount). Conversely, the P/B ratio at 3.2x represents a 15% premium to its historical average of 2.8x.
- The 12-month trailing P/E for the Nifty, at 23x, near 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).

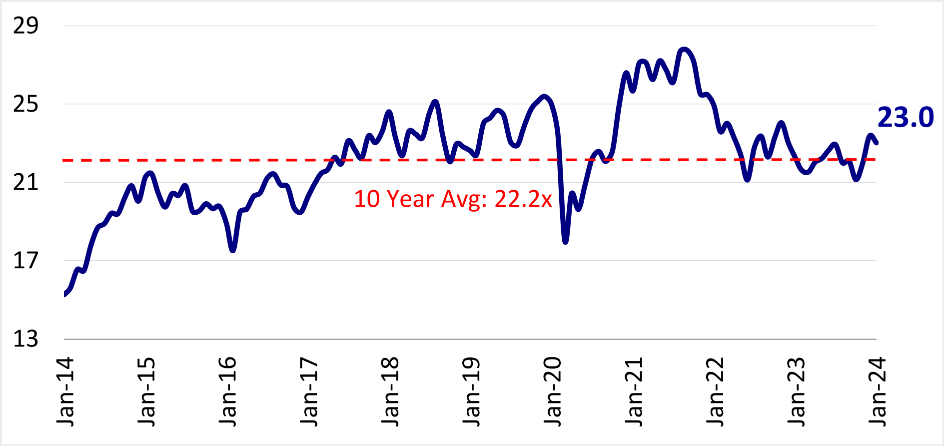
12-month forward Nifty P/E ratio (x)



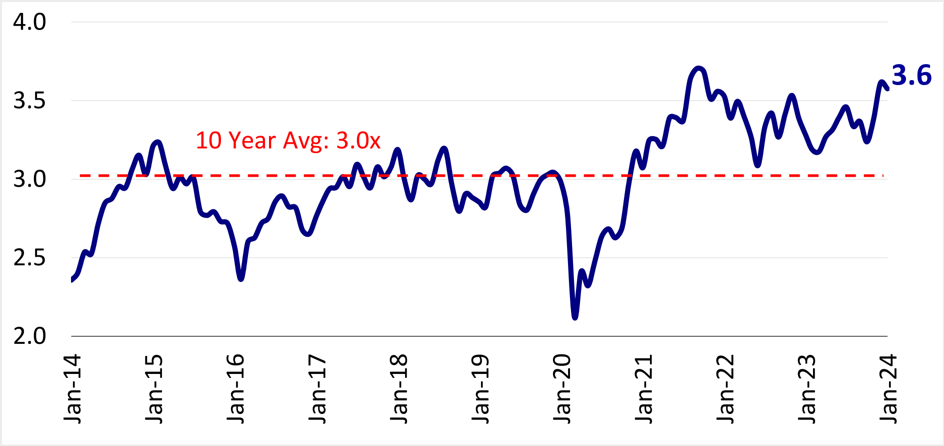
12-month forward Nifty P/B ratio (x)



Trailing Nifty P/E ratio (x)



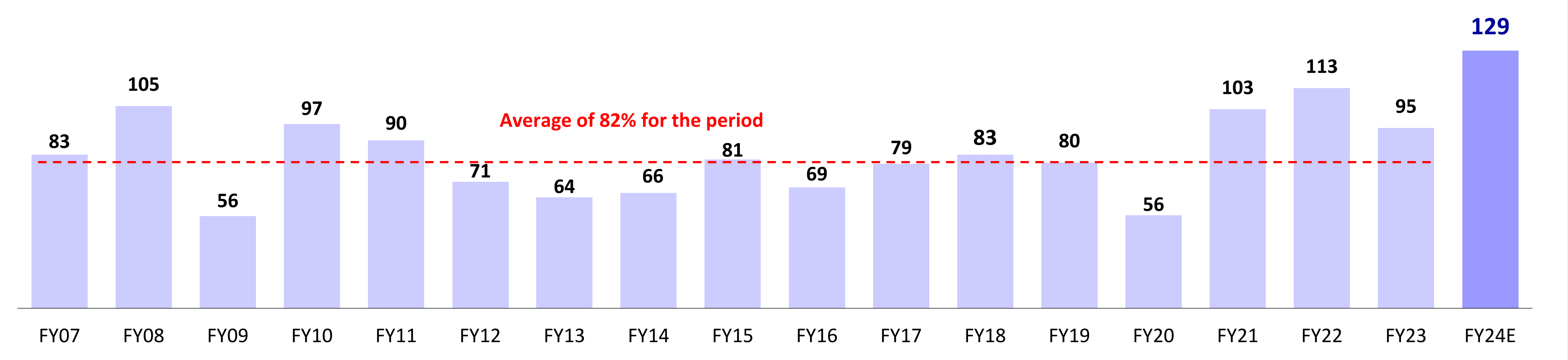
Trailing Nifty P/B ratio (x)



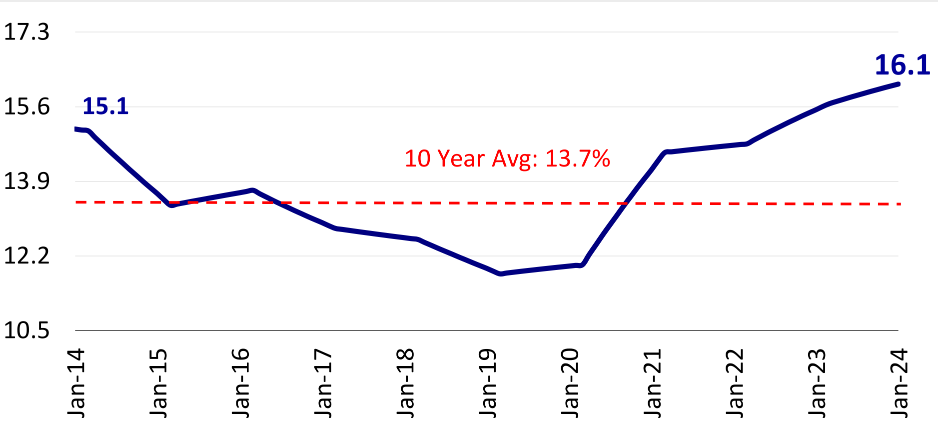
Market capitalization-to-GDP at its year-end high at 129%

- 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 129% (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 16.1%, above its long-term average.

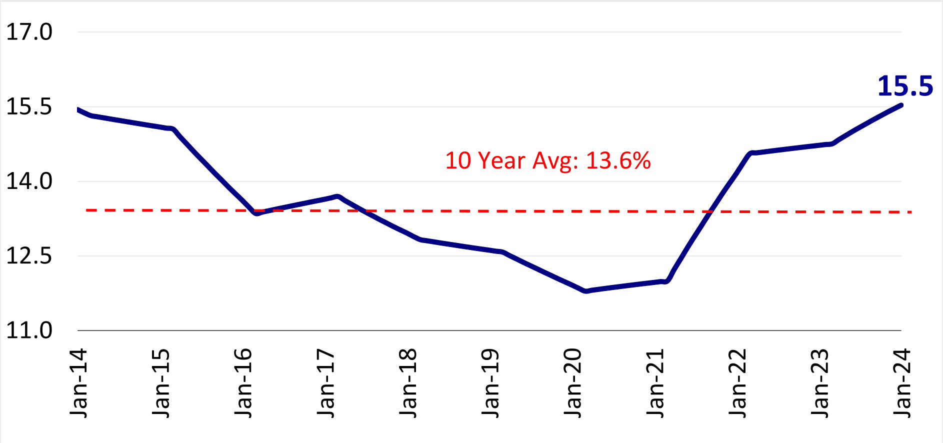
India's market capitalization-to-GDP ratio (%) at its year-end high



12-month forward Nifty RoE (%)



Trailing Nifty RoE (%)



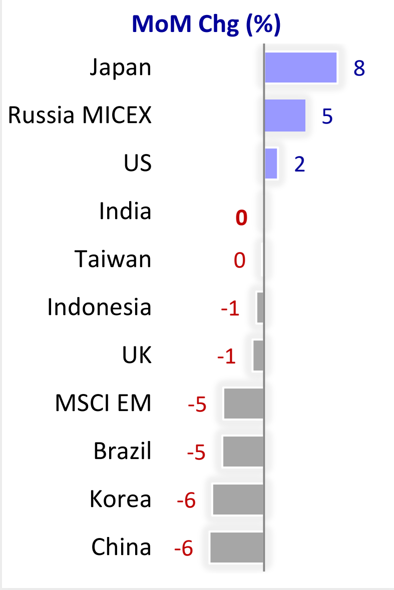
Major economies have ended lower in Jan'24

- Barring Japan (+8% MoM), Russia (+5%), and the US (+2%), Jan'24 saw key global markets such as China (-6%), Korea (-6%), Brazil (-5%), MSCI EM (-5%), the UK (-1%), Indonesia (-1%), Taiwan (-0%), and India (-0%) close lower in local currency terms.
- Indian equities have been trading at 22.4x FY24E earnings. Major key markets continued to trade at a discount to India.

India (Nifty) vs. other markets

			CY23 Chg (%)		PE (x)		Prem / Disc to India PE (%)		PB (x)		RoE (%)	
	Index Value	Mkt Cap (USD T)	Local Currency	In USD	CY22 / FY23	CY23E / FY24E	CY22 / FY23	CY23E / FY24E	CY22 / FY23	CY23E / FY24E	CY22 / FY23	CY23E / FY24E
US	4,770	51.8	24	24	21.4	21.5	-21	-4	4.9	4.5	19.4	17.9
MSCI EM	1,024	19.5	7	7	12.9	14.6	-52	-35	1.7	1.6	12.9	10.8
China	2,975	8.3	-4	-6	12.7	13.6	-53	-39	1.3	1.3	9.9	8.9
Japan	33,464	6.4	28	19	23.4	27.3	-13	22	2.0	1.9	8.4	6.7
India	**21,731**	**4.4**	**20**	**19**	**26.9**	**22.4**			**4.0**	**3.5**	**14.8**	**15.7**
UK	7,733	3.0	4	9	10.9	10.2	-59	-54	1.7	1.7	13.1	15.8
Taiwan	17,931	2.0	27	27	13.2	21.0	-51	-6	2.3	2.1	17.4	10.1
Korea	2,655	1.7	19	16	11.6	17.5	-57	-22	1.0	0.9	7.8	5.0
Brazil	1,34,185	0.9	22	33	7.1	9.7	-73	-56	1.9	1.6	25.6	16.9
Indonesia	7,273	0.7	6	7	15.8	18.6	-42	-17	2.2	2.0	13.4	10.7
Russia	5,930	0.6	47	20	4.7	4.7	-82	-79	0.9	0.6	18.8	11.8

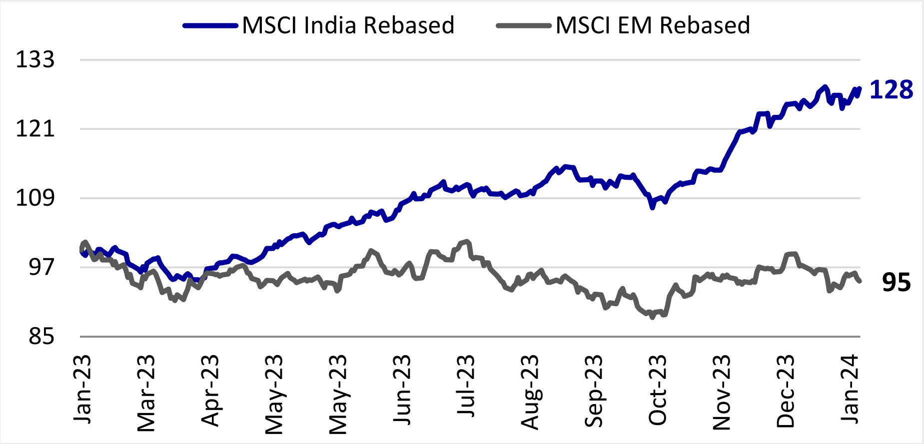
Source: Bloomberg/MOFSL



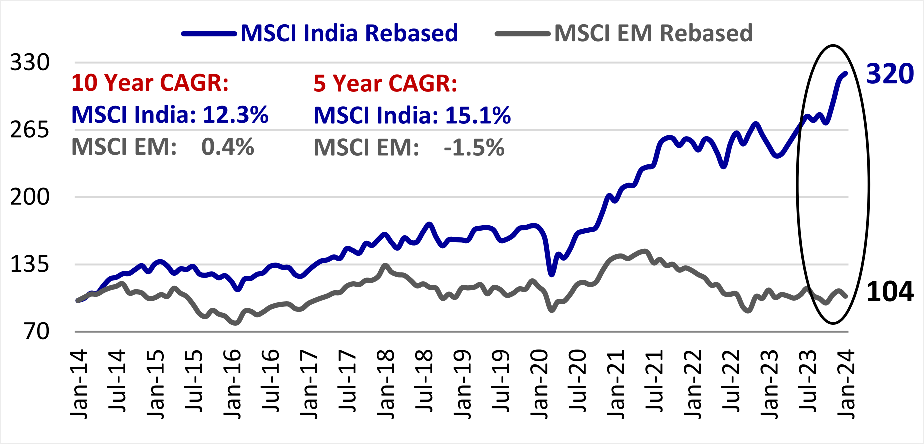
MSCI India outperforms MSCI EM

- Over the last 12 months, the MSCI India Index (+28%) has outperformed the MSCI EM Index (-5%). Over the last 10 years, the MSCI India Index has notably outperformed the MSCI EM index by 216%.
- In P/E terms, the MSCI India Index is trading at a premium to the MSCI EM Index, above its historical average.

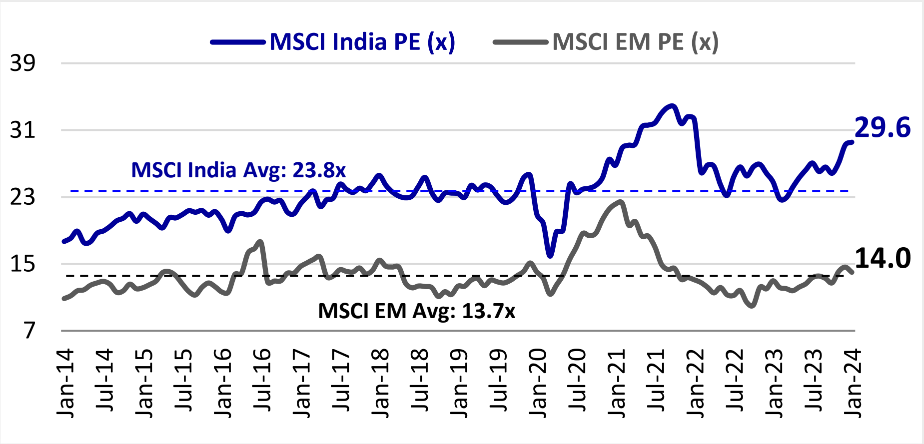
Performance of MSCI EM vs. MSCI India over the last 12 months



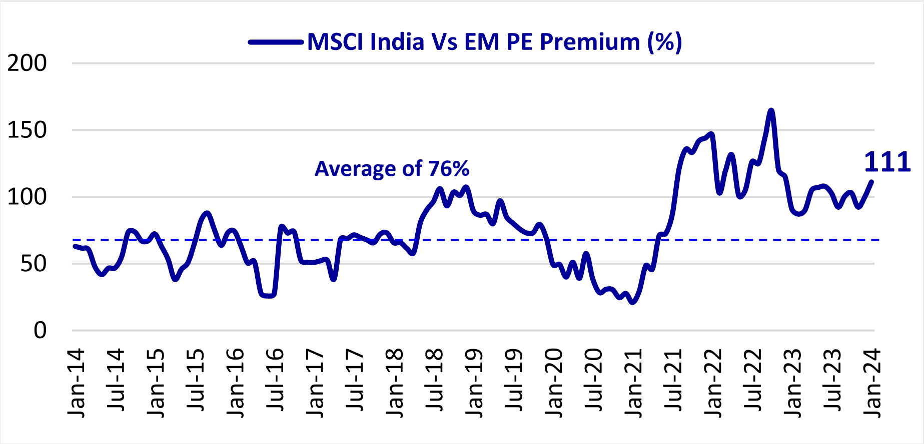
MSCI India outperforms MSCI EM by 216% over the last 10 years



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



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

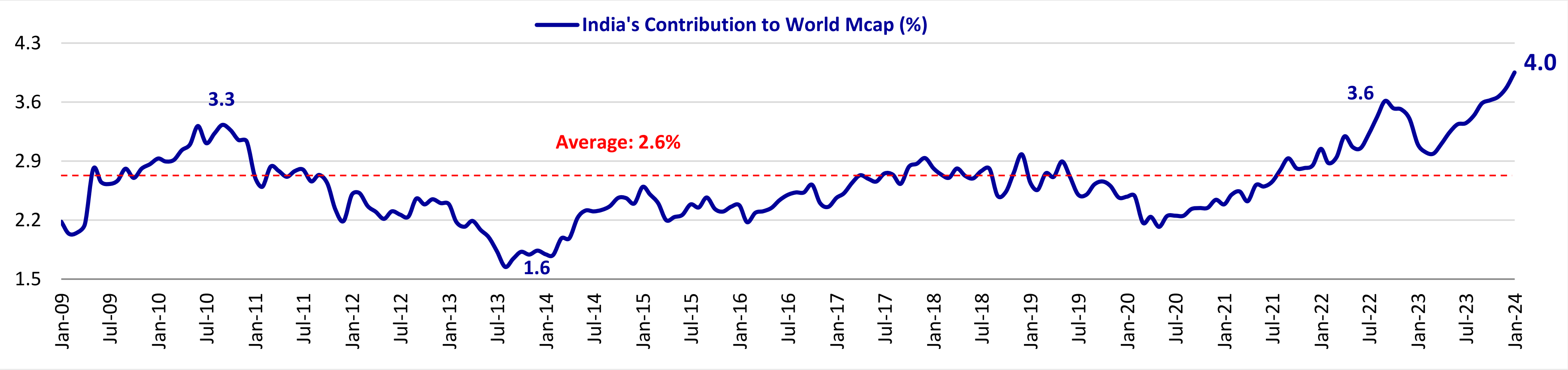


Source: Bloomberg

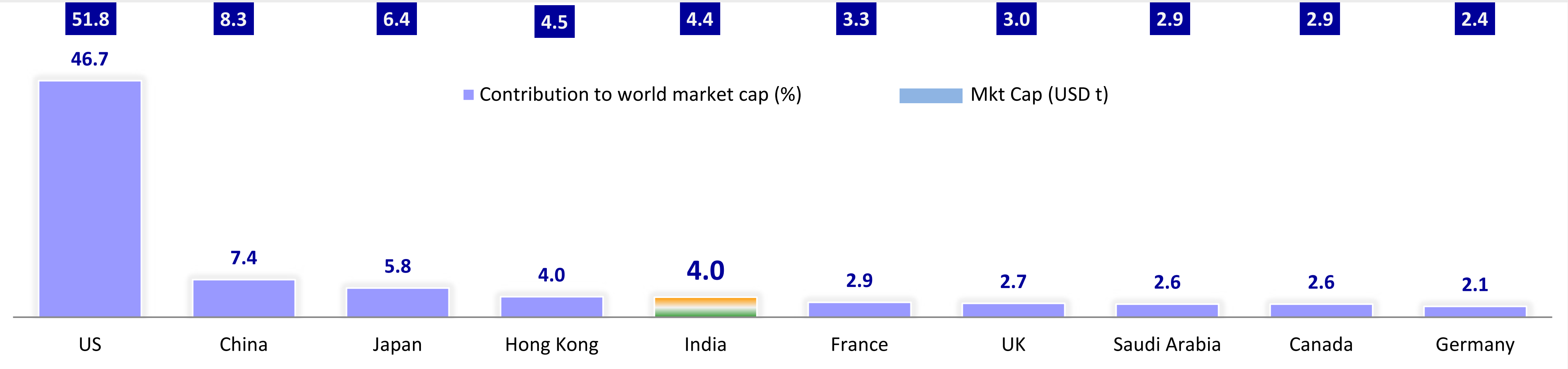
India's share in global M-cap at 4% – at its all-time high

- India's share in the global M-cap stood at 4%, its all-time high and above its historical average of 2.6%.
- India is among the top 10 contributors to the global market cap. The top 10 contributors accounted for ~81% of the global market cap in Jan'24.

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



Top 10 countries constitute ~81% of global Mcap in Jan'24

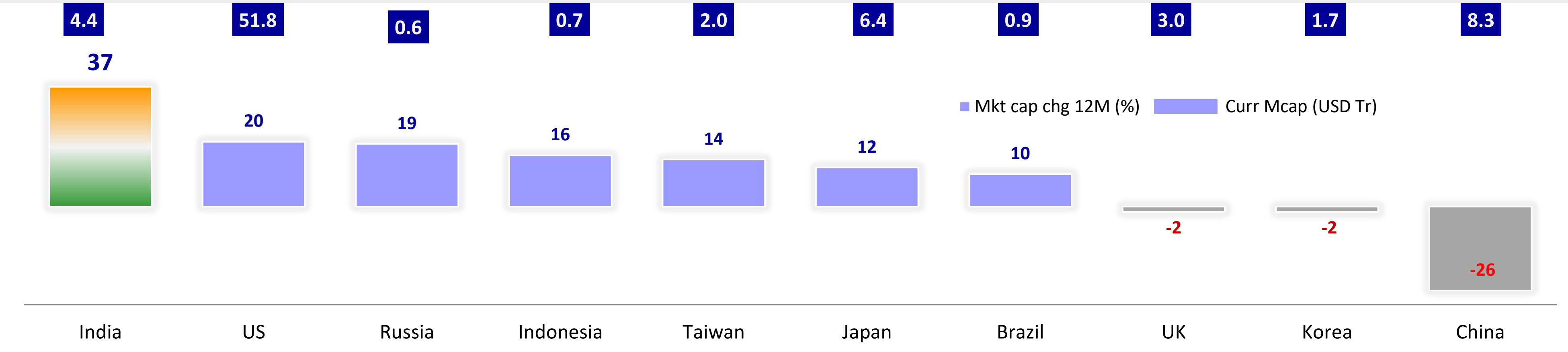


Source: Bloomberg

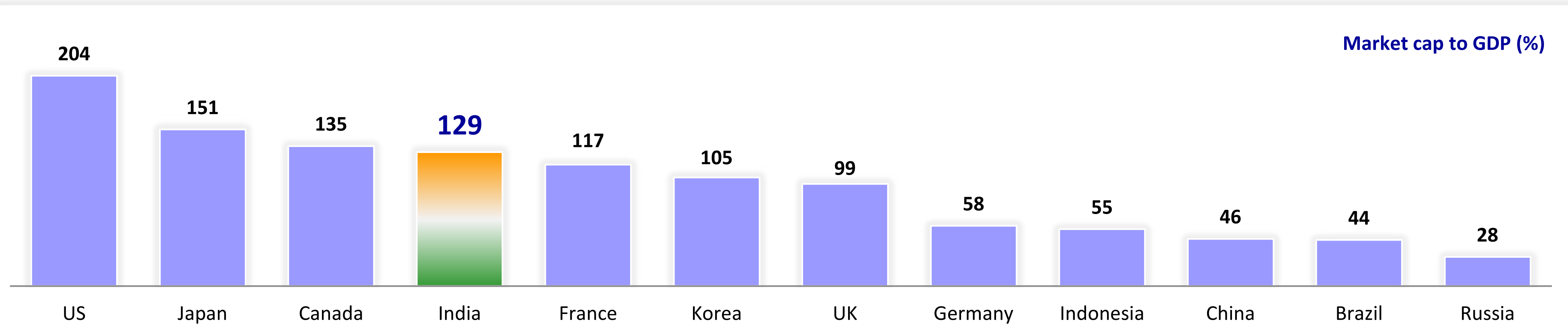
Key global markets witness a rise in market cap over the last 12 months

- Over the last 12 months, global market cap increased 7.3% (USD7.5t), whereas India's market cap surged 36.7%.
- Barring China, Korea, and the UK, 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 (%)



* Based on IMF GDP for CY22 and latest Mkt cap

Source: Bloomberg, IMF's

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

- **Companies trading at a significant premium to their historical average:** Grasim Industries (+67%), Reliance Industries (+62%), Tech Mahindra (+59%), HCL Tech (+50%), and Adani Ports (+47%).
- **Companies trading at a significant discount to their historical average:** BPCL (-33%), Tata Steel (-32%), ONGC (-28%), Dr Reddy's Labs (-26%), and Eicher Motors (-26%).

Valuations of Nifty constituents

		PE (x)			Relative to Nifty P/E (%)		PB (x)			Relative to Nifty P/B (%)	
Name	Sector	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg
Bajaj Auto	Auto	25.1	17.6	43	28	-13	7.2	4.3	67	126	56
Eicher Motors	Auto	23.4	31.5	-26	19	55	5.1	7.2	-29	62	162
Hero MotoCorp	Auto	21.7	18.2	19	10	-10	4.5	4.6	-1	43	67
Mahindra & Mahindra	Auto	17.7	18.5	-4	-10	-9	3.4	2.7	25	6	-2
Maruti Suzuki	Auto	22.9	29.5	-22	16	46	3.5	4.0	-12	11	46
Tata Motors	Auto	NA	17.7	NA	NA	-13	4.4	2.2	104	39	-21
Axis Bank	Banks - Private	12.1	38.1	-68	-38	88	2.0	2.0	-1	-38	-28
HDFC Bank	Banks - Private	15.6	20.7	-24	-21	2	2.3	3.2	-29	-27	17
ICICI Bank	Banks - Private	15.9	21.3	-25	-19	5	2.7	2.1	30	-15	-25
IndusInd Bank	Banks - Private	11.2	18.8	-40	-43	-7	1.7	2.5	-31	-47	-11
Kotak Mahindra Bank	Banks - Private	18.1	27.0	-33	-8	33	2.5	3.3	-26	-22	21
State Bank	Banks - PSU	7.3	12.7	-42	-63	-37	1.2	1.1	11	-61	-60
Bajaj Finance	Banks - NBFC	23.5	29.8	-21	19	47	4.7	4.9	-5	48	79
HDFC Life Ins	Banks - Insurance	54.2	83.2	-35	175	311	2.3	4.0	-41	-27	44
SBI Life Ins	Banks - Insurance	66.3	59.4	12	237	193	2.1	2.4	-12	-33	-12
Grasim Inds	Cement	22.5	13.5	67	14	-33	2.8	1.8	56	-12	-36
Ultratech Cement	Cement	34.5	33.0	5	75	63	4.4	3.4	29	40	24
Asian Paints	Consumer	48.6	53.3	-9	147	163	15.1	14.1	7	375	412
Britannia Inds.	Consumer	53.9	44.2	22	174	118	32.4	19.5	66	921	605
Hind. Unilever	Consumer	51.4	51.2	0	161	153	11.1	23.1	-52	251	736
ITC	Consumer	25.8	24.2	7	31	19	7.7	5.8	33	144	110
Nestle India	Consumer	71.7	59.4	21	264	193	70.9	46.8	52	2136	1594
Tata Consumer	Consumer	63.7	45.7	40	224	125	4.8	2.9	67	51	4

Half of the constituents trade at a premium to their historical average (continued)

		PE (x)			Relative to Nifty P/E (%)		PB (x)			Relative to Nifty P/B (%)	
Name	Sector	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg
Apollo Hospitals	Healthcare	72.5	80.6	-10	268	298	11.0	6.3	73	246	130
Cipla	Healthcare	23.7	27.5	-14	21	36	3.6	3.3	10	15	20
Divi's Lab.	Healthcare	47.2	34.0	39	140	68	6.4	6.1	6	103	121
Dr Reddy' s Labs	Healthcare	19.0	25.7	-26	-3	27	3.2	3.6	-11	0	29
Sun Pharma	Healthcare	30.8	30.3	2	56	49	4.7	4.0	18	49	45
Adani Ports	Logistics	26.7	18.1	47	35	-10	4.4	3.3	35	40	19
Coal India	Metals	9.9	10.5	-6	-50	-48	3.1	4.7	-34	-1	72
Hindalco	Metals	10.5	9.4	12	-47	-54	1.5	1.1	32	-54	-60
JSW Steel	Metals	13.3	14.7	-10	-33	-27	2.3	1.8	33	-26	-36
Tata Steel	Metals	14.0	20.5	-32	-29	1	1.7	1.2	38	-46	-55
BPCL	Oil & Gas	6.0	8.9	-33	-70	-56	1.4	1.8	-23	-56	-34
ONGC	Oil & Gas	5.7	7.9	-28	-71	-61	0.9	0.9	1	-70	-66
Reliance Inds.	Oil & Gas	24.3	15.0	62	23	-26	1.9	1.4	36	-39	-48
Titan Co	Retail	69.4	55.8	25	253	175	19.2	12.5	54	505	352
HCL Technologies	Technology	23.9	15.9	50	21	-22	6.7	3.8	77	111	37
Infosys	Technology	25.0	19.8	26	27	-2	9.1	5.4	69	186	95
LTIMindtree	Technology	31.0	22.8	36	58	13	7.3	10.0	-27	131	262
TCS	Technology	26.6	23.5	13	35	16	16.3	9.6	70	413	247
Tech Mahindra	Technology	27.2	17.1	59	38	-16	4.1	3.1	30	28	13
Wipro	Technology	21.2	17.4	22	8	-14	3.5	2.9	18	10	6
Bharti Airtel	Telecom	NA	33.2	NA	NA	64	5.4	3.1	74	71	13
UPL	Others	17.4	15.9	9	-12	-22	0.9	2.4	-62	-71	-12
Nifty		**19.7**	**20.3**	**-3**			**3.2**	**2.8**	**15**		

Midcaps outperform largecaps in Jan'24

- In Jan'24, the Nifty Midcap 100 was up 5.2% vs. a flat MoM for the Nifty.
- The best Nifty Midcap-100 performers in Jan'24 were Gujarat Gas (+26%), Petronet LNG (+21%), Apollo Tyres (+19%), Indian Bank (+19%), and Godrej Properties (+18%).

	PE (x)			Relative to Nifty P/E (%)		PB (x)			Relative to Nifty P/B (%)		Price Chg (%)	
Company	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg	MoM	CY23
Gujarat Gas	32.0	24.4	31	62	20	4.7	4.7	0	48	70	**26**	-5
Petronet LNG	11.7	12.5	-7	-41	-38	2.2	2.6	-16	-31	-4	**21**	3
Apollo Tyres	16.8	14.1	19	-14	-30	1.7	1.1	54	-45	-59	**19**	40
Indian Bank	7.2	10.0	-28	-63	-51	1.1	0.6	88	-66	-79	**19**	48
Godrej Propert.	59.0	72.8	-19	200	259	6.1	5.0	22	91	80	**18**	64
Union Bank (I)	6.3	6.2	2	-68	-69	1.0	0.6	79	-68	-79	**17**	48
LIC Housing Fin.	7.5	9.9	-24	-62	-51	1.0	1.4	-28	-68	-49	**17**	29
H P C L	5.5	5.4	1	-72	-73	1.3	1.2	10	-59	-57	**16**	70
ACC	21.6	27.6	-22	10	36	2.7	2.7	0	-14	-1	**15**	-9
Oil India	7.0	6.8	2	-65	-66	1.1	0.8	43	-65	-72	**15**	79
Lupin	37.7	39.3	-4	92	94	4.4	3.9	12	39	43	**14**	80
Max Healthcare	46.1	31.1	48	134	53	7.0	4.3	62	120	56	**14**	56
Persistent Sys	48.5	24.1	101	147	19	11.7	4.1	190	270	47	**13**	91
Indus Towers	10.7	19.0	-43	-45	-6	1.9	3.4	-43	-40	22	**12**	5
Tube Investments	55.0	31.8	73	179	57	12.7	6.5	95	300	136	**10**	28
Bandhan Bank	9.2	24.2	-62	-53	19	1.5	3.3	-55	-52	21	**-5**	3
Mphasis	27.3	18.4	48	39	-9	5.3	3.4	59	68	21	**-5**	39
Federal Bank	8.1	11.9	-32	-59	-41	1.1	1.2	-4	-65	-58	**-6**	12
Max Financial	0.0	30.4	-100	-100	50	1.7	2.5	-31	-47	-11	**-7**	41
Tata Chemicals	18.8	10.4	81	-4	-49	1.2	0.8	56	-62	-72	**-7**	18
Deepak Nitrite	30.2	19.4	56	54	-4	5.6	3.6	56	75	29	**-7**	25
Sun TV Network	13.5	16.1	-16	-31	-21	2.5	3.7	-32	-22	32	**-8**	46
Jubilant Food.	100.5	68.6	47	411	238	16.8	12.4	35	429	349	**-8**	11
Oberoi Realty	29.8	23.1	29	51	14	3.2	2.1	53	2	-24	**-8**	66
Bata India	43.8	46.9	-7	122	132	8.9	8.9	1	182	221	**-10**	0
Navin Fluo.Intl.	43.3	29.8	45	120	47	6.3	4.5	40	97	62	**-11**	-5
Laurus Labs	36.3	33.0	10	85	63	4.4	4.4	-1	39	60	**-11**	15
Coromandel Inter	16.1	15.6	3	-18	-23	3.0	3.2	-7	-6	16	**-16**	41
AU Small Finance	21.2	29.8	-29	8	47	3.1	4.3	-29	-4	55	**-19**	20
Zee Entertainmen	23.9	35.8	-33	22	77	1.5	4.4	-67	-54	59	**-37**	14

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

- The Technology sector is trading at a P/E ratio of 26.0x, a 30% premium to its long-term average of 20x. The slowdown across key verticals (BFSI, Retail) continues with some sign of stability witnessed in Manufacturing and Life Science verticals. The deal TCV moderated due to higher furloughs and extended deal closure activities in 3Q. 4Q operating performance is likely to be modest due to structural slowdown and cut down in discretionary spends.
- The PSU Banks sector is trading at P/B of 1.2x, a 41% premium to its historical average of 0.8x. Systemic loan growth remained healthy at 16.03% YoY in Jan’24. The credit-to-deposit ratio for the system stood at 79.9% vs. 75% last year. Earnings for PSU Banks remained healthy, driven by all-round improvements in asset quality, operating profitability, etc. Asset quality remains 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.
- The Healthcare sector’s P/E is trading at 30.4x (15% premium), near to +1 standard deviation. Over the past 12M, it has moved up almost 29%. In the US, price erosion has been in mid-single digits and the companies are building up their product pipelines to offset price erosion and sustain growth momentum over the next 2-3 years. In Dec’23, the companies under our coverage received 15 ANDA approvals and 4 tentative approvals.

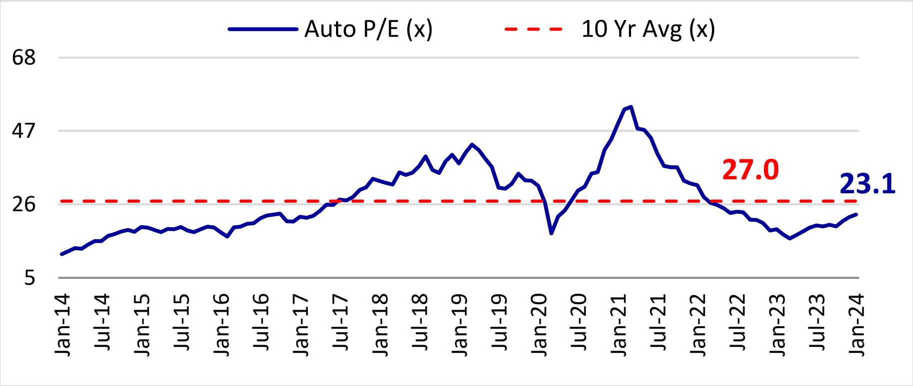
Sector valuations at a glance

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	23.1	27.0	-14.5	36.4	17.6	17	32	4.4	3.4	29.0	3.9	2.9	37	22
Banks - Private	14.9	20.9	-28.7	26.4	15.4	-24	2	2.3	2.5	-8.3	2.8	2.2	-27	-8
Banks - PSU	7.2	10.4	-30.9	41.0	-20.2	-64	-52	1.2	0.8	41.0	1.0	0.6	-63	-70
NBFC	16.3	16.9	-3.1	20.0	13.7	-17	-17	2.5	2.3	7.7	2.7	1.9	-22	-17
Capital Goods	40.2	30.7	31.2	36.7	24.6	104	52	6.8	3.1	118.1	4.0	2.2	113	11
Cement	31.7	26.6	19.2	31.7	21.5	61	32	3.4	2.8	24.2	3.1	2.4	8	0
Consumer	44.6	40.3	10.5	44.1	36.6	126	100	11.5	10.2	13.2	11.0	9.4	264	270
Consumer Ex ITC	54.0	49.7	8.7	57.1	42.3	174	146	13.1	13.1	-0.2	14.4	11.8	312	377
Healthcare	30.4	26.6	14.5	30.5	22.6	55	32	4.4	3.9	12.4	4.7	3.1	37	42
Infrastructure	26.7	10.0	167.2	15.4	4.6	36	-50	2.4	1.2	105.3	1.6	0.7	-24	-58
Logistics	28.1	21.7	29.6	25.0	18.3	43	7	4.5	3.5	30.3	4.1	2.8	43	26
Media	18.4	25.3	-27.3	29.6	21.1	-6	25	1.9	4.0	-52.9	5.8	2.3	-40	49
Metals	13.2	11.8	12.1	16.3	7.3	-33	-42	1.9	1.3	49.9	1.6	0.9	-39	-54
Oil & Gas	13.6	12.1	11.7	14.7	9.6	-31	-40	1.7	1.4	17.4	1.6	1.3	-47	-48
Oil & Gas Ex RIL	7.5	8.9	-15.4	12.4	5.5	-62	-56	1.3	1.2	4.2	1.5	0.9	-59	-55
Sp. Chemicals	37.6	22.7	66.0	35.7	9.6	91	13	5.2	3.9	32.7	6.0	1.9	65	40
Real Estate	42.7	23.4	82.4	32.1	14.7	117	16	4.4	1.6	173.9	2.3	0.9	38	-43
Retail	75.9	85.5	-11.3	150.5	20.6	286	326	13.5	9.4	44.3	13.1	5.7	327	235
Technology	26.0	20.0	30.4	24.4	15.5	32	-1	8.7	5.5	58.4	7.0	3.9	173	96
Telecom	Loss	19.5	-	86.7	-47.6		2	32.7	8.7	274.2	17.1	0.3	0	107

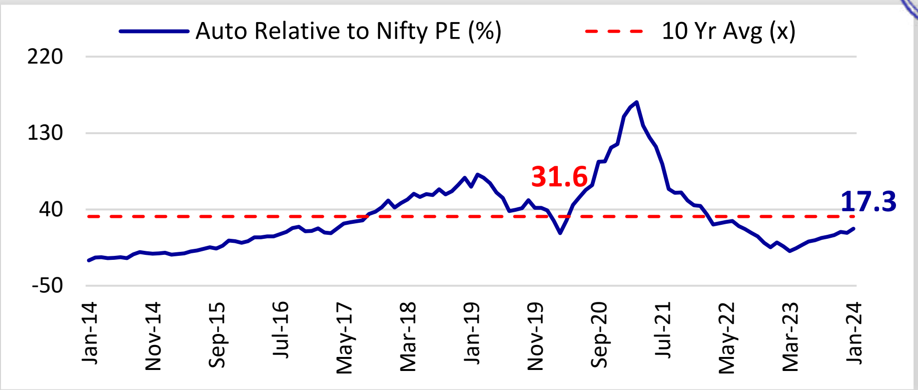
PVs surprised positively, however tractors and CVs decline

- The Auto sector is trading at a P/E of 23.1x, below its 10-year historical average of 27.0x (15% discount). On a P/B basis, it is trading at a 29% premium to its 10-year average of 3.4x.
- Overall, Jan'24 dispatches for 2Ws/PV grew 22%/15.5% YoY, but CVs/tractors declined 2%/15% YoY. PVs surprised positively.
- Post inventory correction in Nov/Dec, PV wholesales grew 15% YoY with UVs growing 31% YoY. 2W domestic dispatches grew 23% YoY, while exports improved 19% YoY. CV volumes declined 2% YoY, with MHCVs declining 3% YoY and LCVs remaining flat. Tractors declined 15% YoY on account of subdued agricultural activities, which is expected to pick up in the coming months. We expect demand momentum in 2Ws to persist in the coming months. This growth is expected to be fueled by factors such as increased demand associated with weddings and a recovery in rural economy. CVs should improve from FY25 and tractor demand would depend on improvement in Rabi sowing.

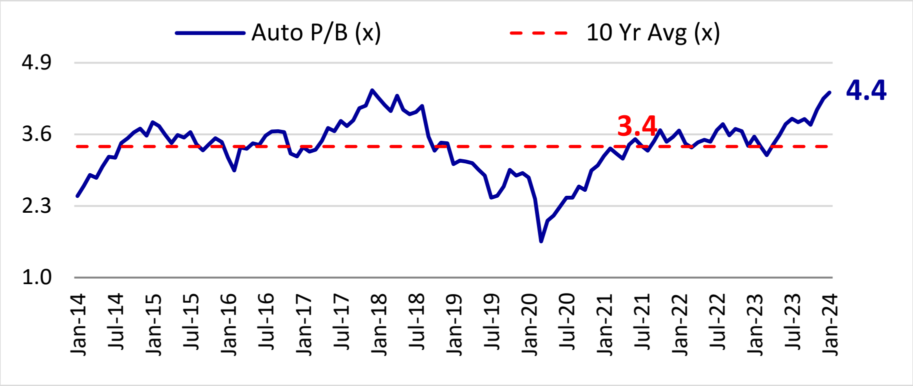
12-month forward Automobiles P/E (x)



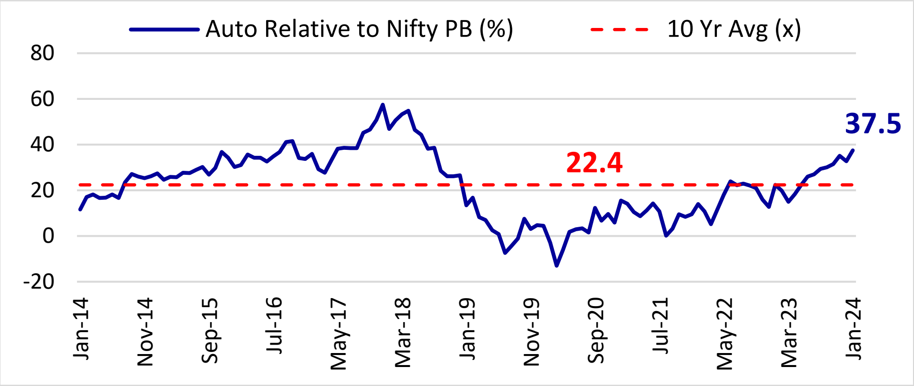
Automobile P/E relative to Nifty P/E (%)



12-month forward Automobiles P/B (x)



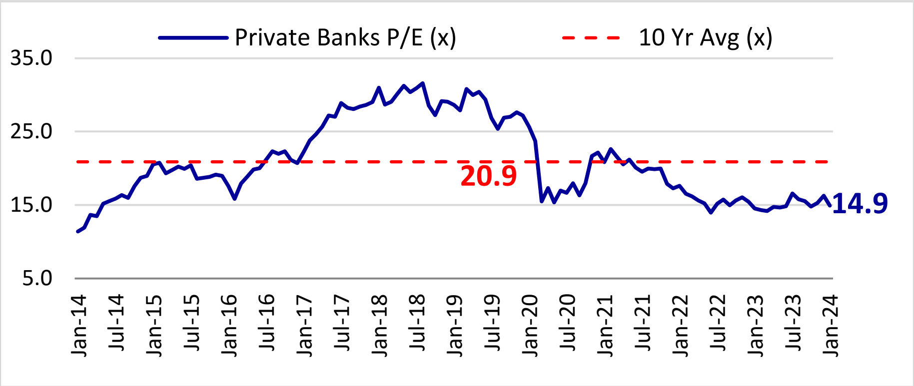
Automobile P/B relative to Nifty P/B (%)



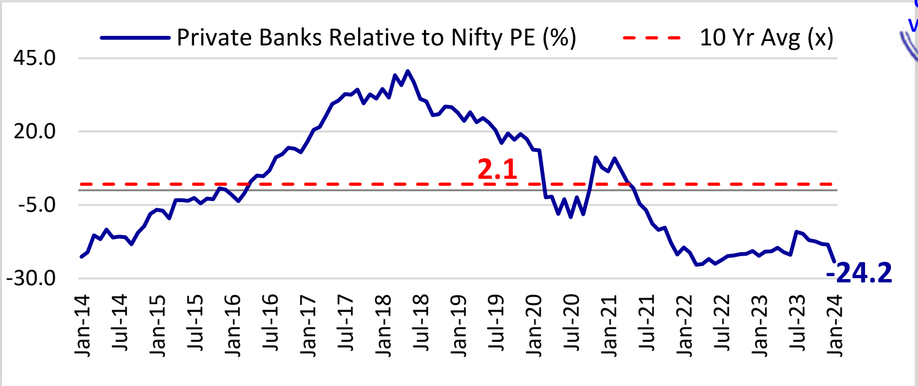
Credit growth steady; rising funding cost to keep margins under check

- The Private Banks sector is trading at P/B of 2.3x, lower than its 10-year average of 2.5x (8% discount), with ROE at a 10-year high of 15.5%.
- Loan growth remains robust, primarily propelled by steady progress in the Retail and SME segments. The corporate segment also witnessed 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 has led most banks to make provisions in the current quarter, which affected earnings. However, the impact was not material for the banking sector as most banks do not have any significant investments in AIF.
- Credit quality continues to remain strong and most banks reported controlled provisioning expenses. Funding cost continues to increase and will keep margin performance under check. Select banks indicated to focus on liabilities in order to improve their CD ratio.

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

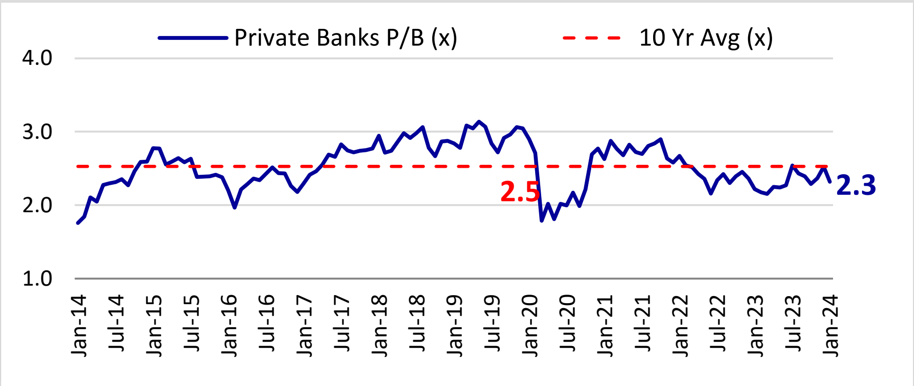


Private Banks P/E relative to Nifty P/E (%)

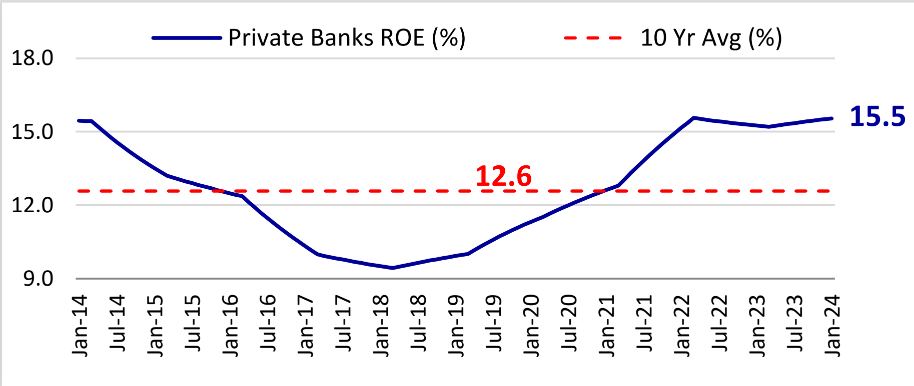


COMPANY VALUATION

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



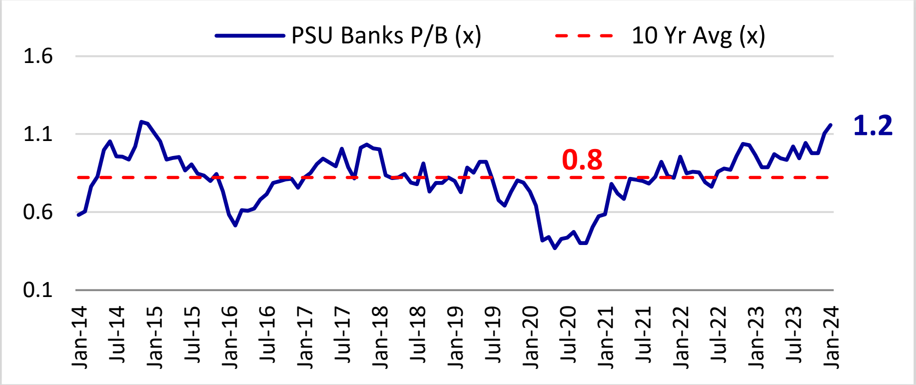
Private Banks ROE (%)



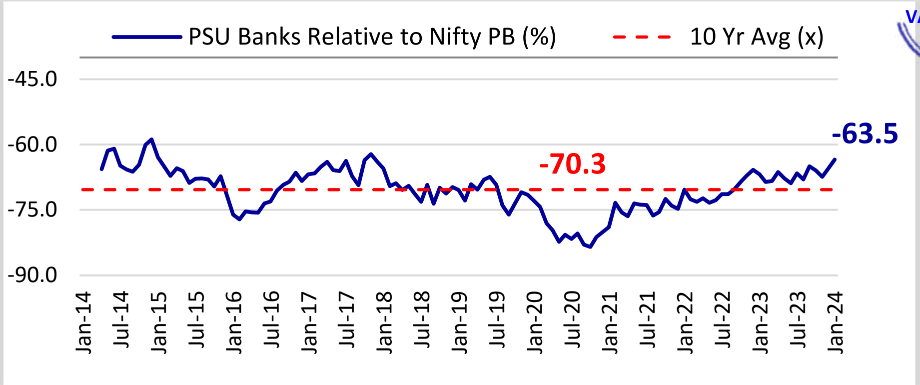
RoA to sustain at ~1%; asset quality outlook steady

- The PSU Banks sector is trading at P/B of 1.2x, a 41% premium to its historical average of 0.8x.
- Systemic loan growth remained healthy at 16.03% YoY in Jan'24. The credit-to-deposit ratio for the system stood at 79.9% vs. 75% last year.
- Earnings for PSU Banks remained healthy, driven by all-round improvements in asset quality, operating profitability, etc. Loan growth gained pace on a sequential basis, led by improved corporate demand and ongoing traction in the Retail and MSME segments. The new RBI regulation regarding wage provisions have led to higher opex. The margin trajectory presents a mixed scenario, with the increase in deposit cost being offset by the re-pricing of MCLR-linked book.
- Asset quality remains 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.

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

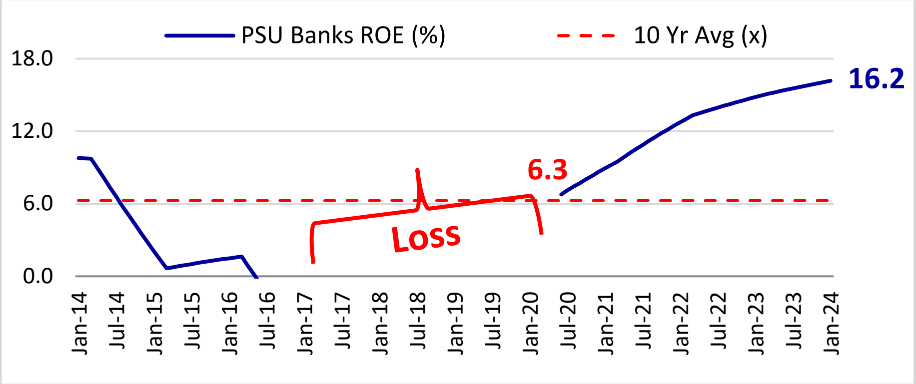


PSU Banks P/B relative to Nifty P/B (%)



COMPANY VALUATION

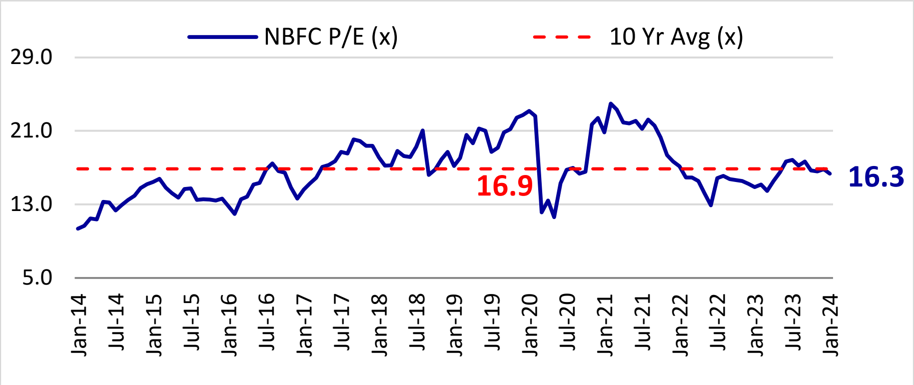
PSU Banks ROE (%)



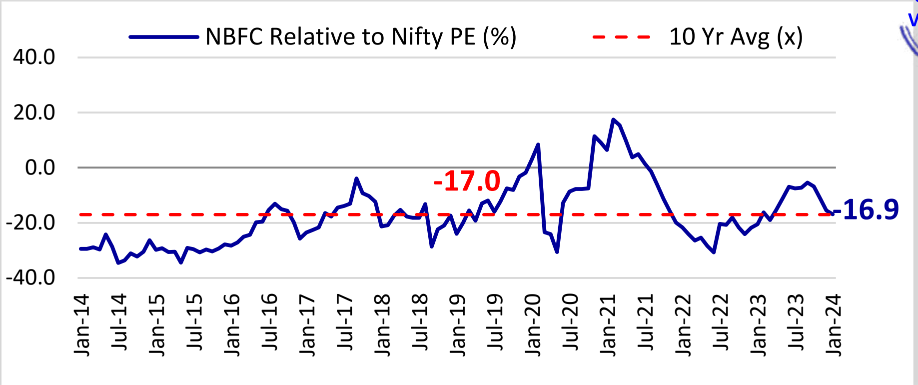
Calibrated growth in personal loans; expect NIM compression for HFCs and expansion for VFs

- The NBFC sector is trading at a P/B ratio of 2.5x, a 8% premium to its historical average of 2.3x.
- Margins for vehicle financiers (VFs) has bottomed out, but has remained stable because of increasing borrowing costs. Asset quality continues to improve. Demand momentum in vehicle finance is showing signs of moderation. Lenders calibrated their growth in the Personal loan segment..
- Demand in the urban affordable and apartment segments (lower ticket sizes) has been weaker vs. demand in mid/high ticket segments. HFCs exhibited a NIM compression as yields peak out (or moderate), but CoF keeps increasing in the near term.
- Expect gold loan growth to now start improving from 4Q onwards even as the competitive intensity from banks and other NBFCs continues.

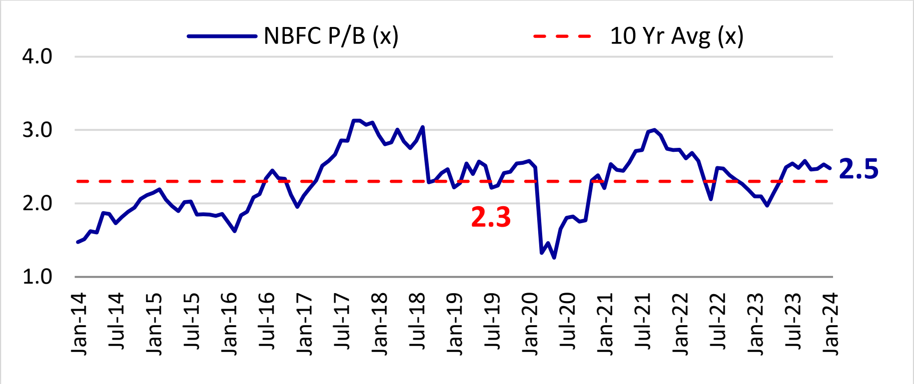
12-month forward NBFC P/E (x)



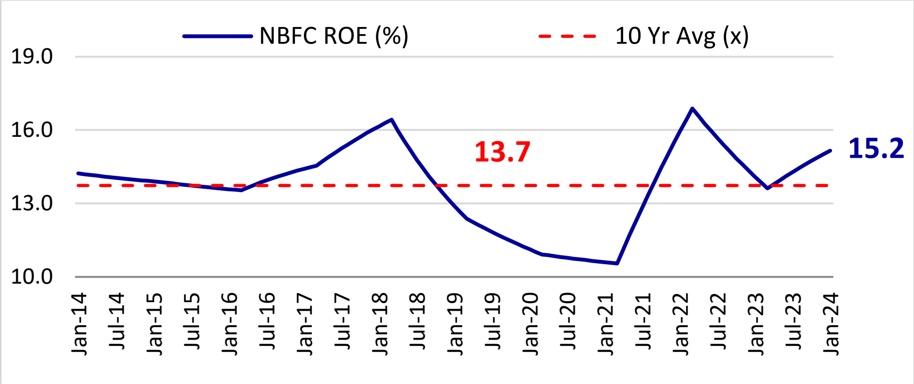
NBFC P/E relative to Nifty P/E (%)



12-month forward NBFC P/B (x)



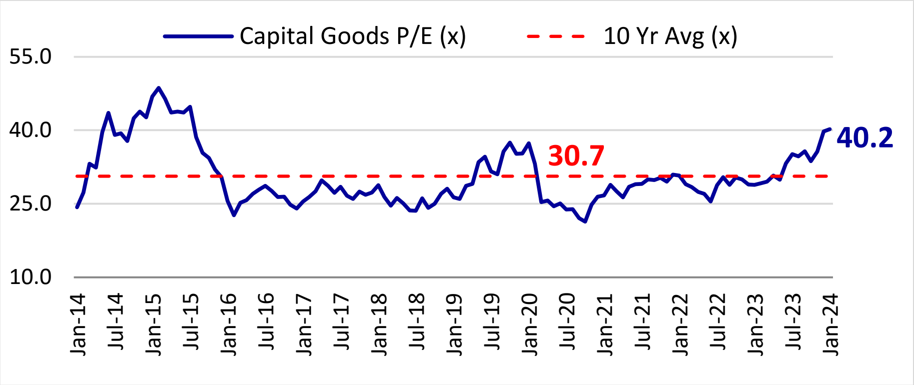
NBFC ROE (%)



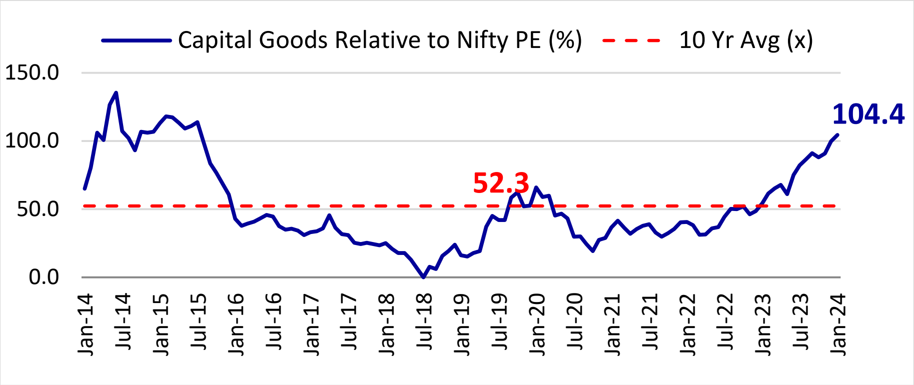
Sector operations reach optimal levels, enhancing project outcomes

- The Capital Goods sector trades at 40.2x one-year forward P/E, above its 10-year average of 30.7x, indicating potential fair valuation amid anticipated capex growth.
- On a P/B basis, the sector trades at 6.8x – at a significant premium to its 10-year average multiple of 3.1x.
- The sector is experiencing a robust increase in order activity, coupled with peak project efficiency. Moreover, companies maintain strong balance sheets to support future capital expenditures.
- Anticipating strong capital expenditure from the central government and a resurgence in private capital expenditure, coupled with improvements in capacity utilization and robust tax collections, we foresee a positive impact on the overall Capital Goods sector.

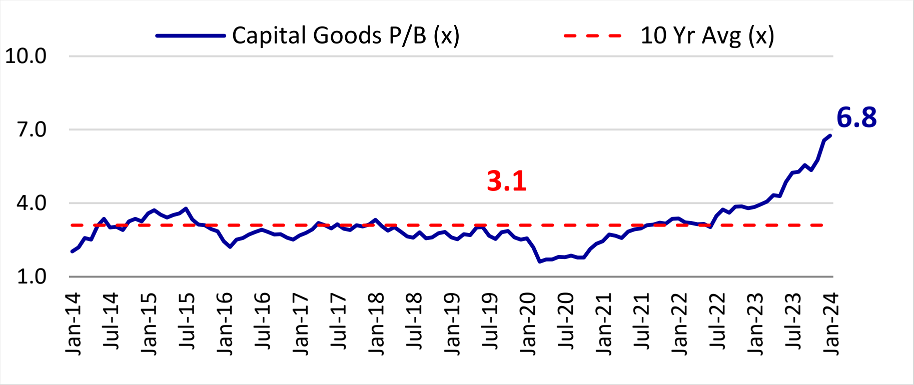
12-month forward Capital Goods P/E (x)



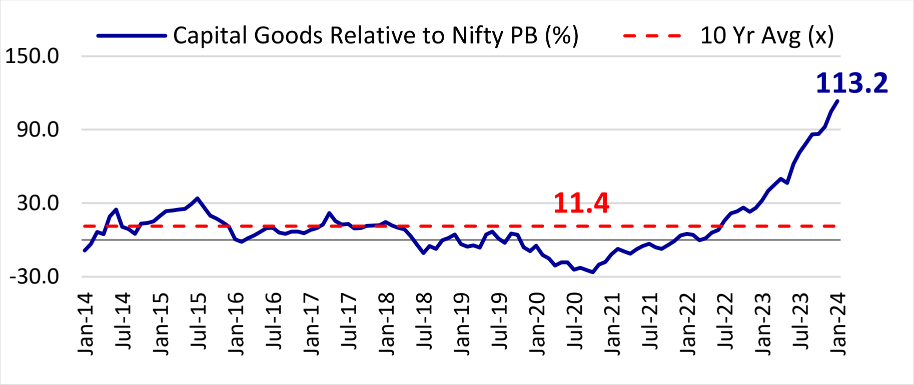
Capital Goods P/E relative to Nifty P/E (%)



12-month forward Capital Goods P/B (x)



Capital Goods P/B relative to Nifty P/B (%)

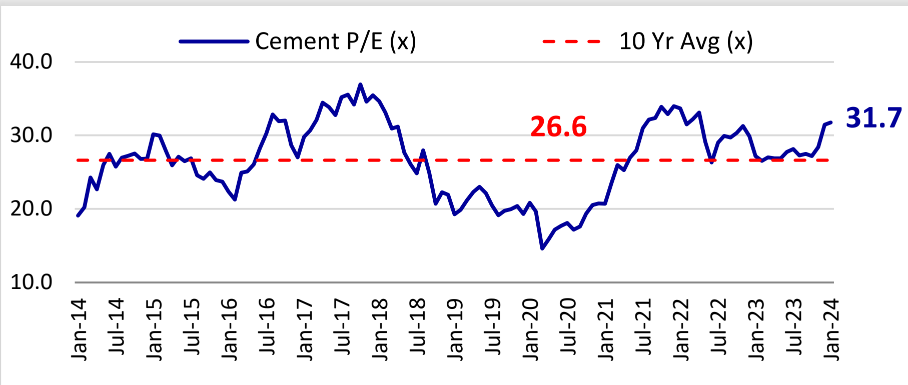


Cement prices declined in Jan'24; demand improve MoM

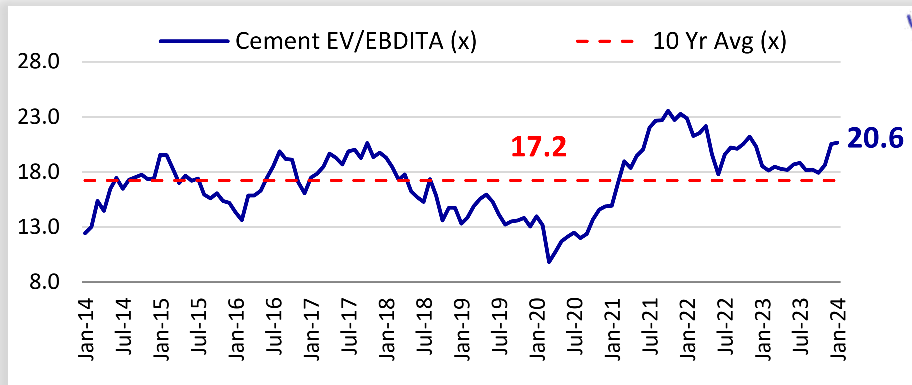
- The Cement sector is trading at a one-year forward EV/EBITDA of 20.6x, a 20% premium to its historical average of 17.2x.
- Cement demand has improved MoM in Jan'24 and we estimate a mid single-digit volume growth. Demand is estimated to further improve in Feb-Mar'24, driven by infrastructure and housing projects. Industry volume is estimated to grow ~8-9% YoY in FY24.
- In Jan'24, the all-India average cement price declined ~3% MoM, due to a price drop across regions. Price declined ~4-5% MoM in North and South markets in Jan'24, while ~1-2% in West/East/Central markets. We note that current average cement price is ~5-6% lower than the average in 3QFY24, attributed to price corrections in Dec'23-Jan'24. On the other hand, imported coal/petcoke prices have declined ~5-7% MoM in Jan'24 to USD95/USD111.

COMPANY VALUATION

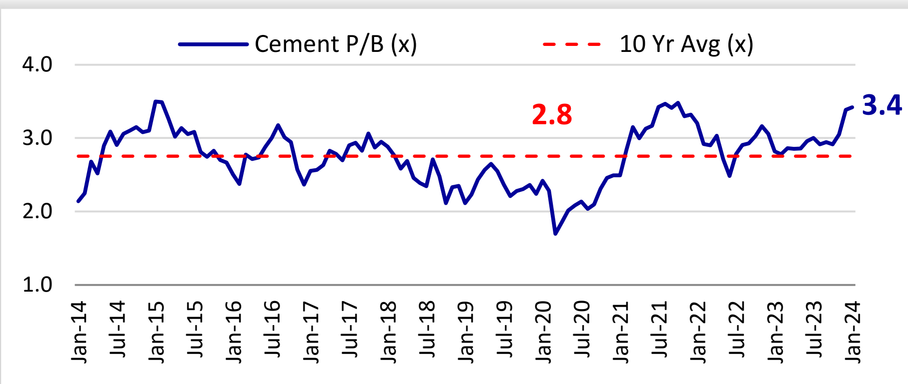
12-month forward Cement P/E (x)



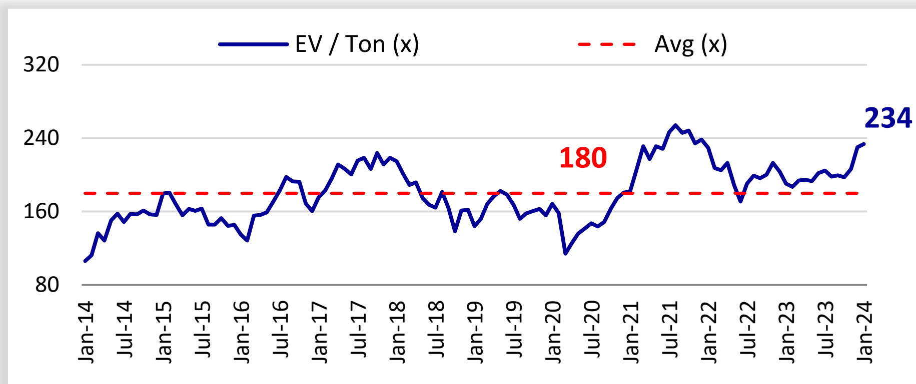
12-month forward Cement EV/EBITDA (x)



12-month forward Cement P/B (x)



12-month forward Cement EV/Ton (x)

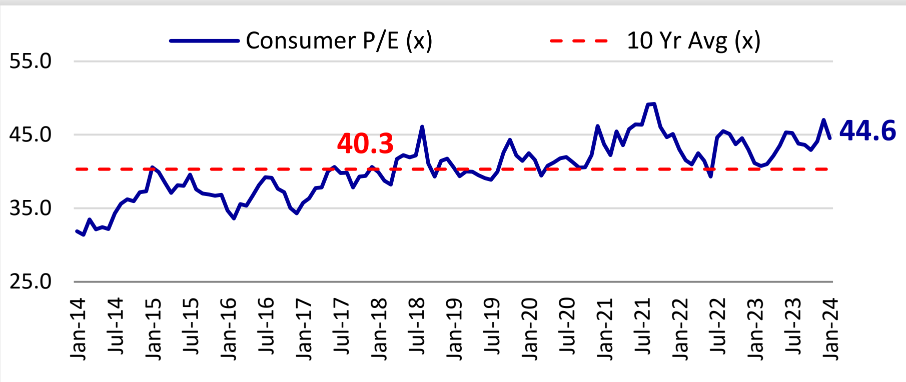


Input costs maintain a favorable momentum

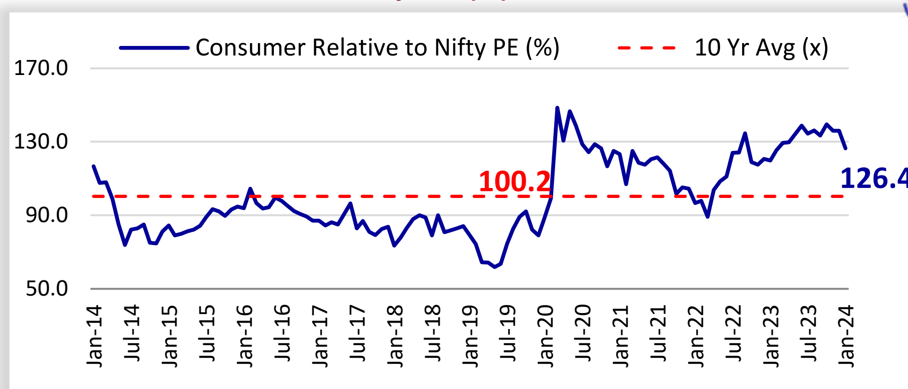
- The Consumer sector's P/E, at 44.6x, implies a 11% premium to its 10-year average of 40.3x. On a P/B basis, it is trading at 11.5x, a premium of 13% vs. its historical average of 10.2x.
- Demand trends remained steady, and there was no apparent improvement from the previous month. E-commerce and modern trends continued to thrive and perform well.
- As anticipated, the market is experiencing a tapering off in price growth, with a commitment to passing on the benefits of lower input costs to consumers.
- The trend of urban growth outpacing rural areas, and the premium segment outperforming the mass market, has continued.

COMPANY VALUATION

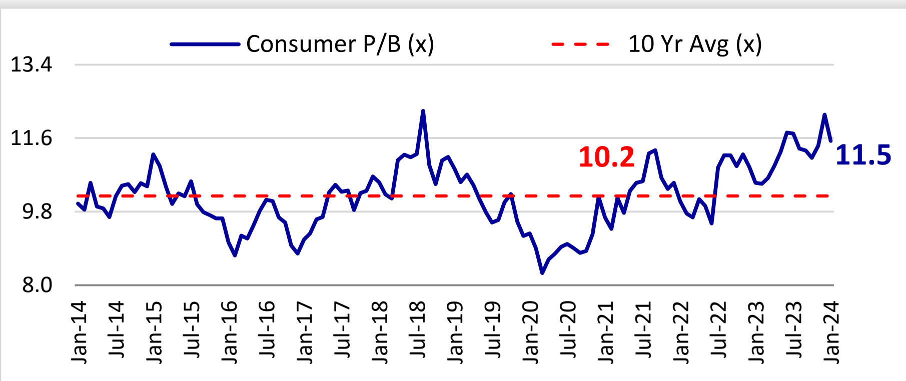
12-month forward Consumer P/E (x)



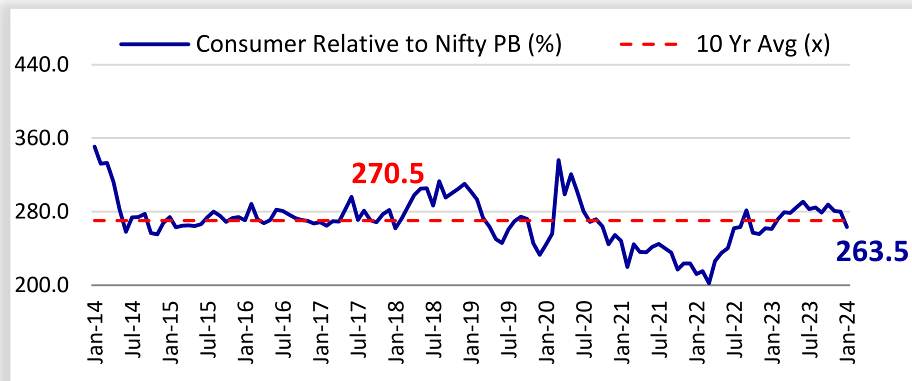
Consumer P/E relative to Nifty P/E (%)



12-month forward Consumer P/B (x)



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

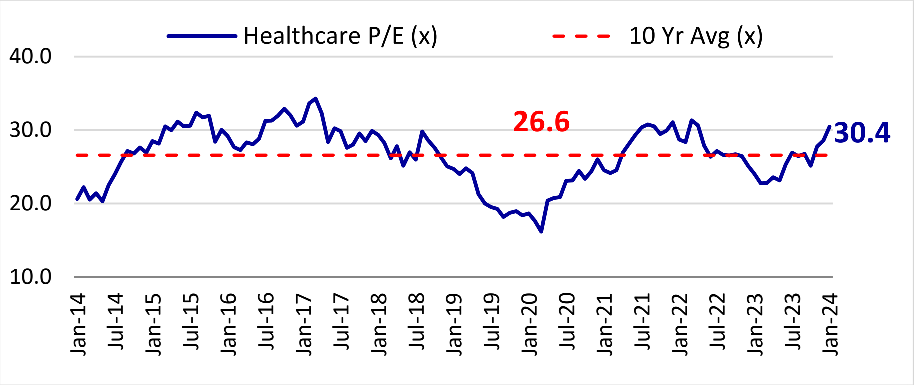


Valuation inching upwards, supported to healthy growth prospects

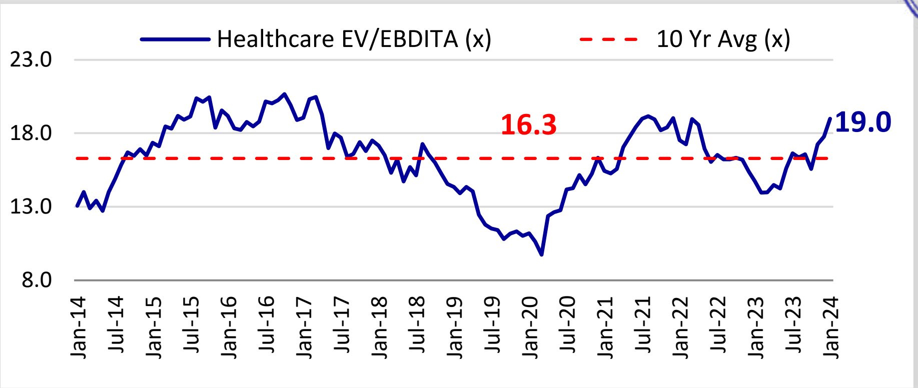
- The Healthcare sector's P/E is trading at 30.4x (15% premium), near to +1 standard deviation. Over the past 12M, it has moved up almost 29%.
- In the US, price erosion has been in mid-single digits and the companies are building up their product pipelines to offset price erosion and sustain growth momentum over the next 2-3 years. In Dec'23, the companies under our coverage received 15 ANDA approvals and 4 tentative approvals.
- Moreover, the raw material costs have been lower, which will likely to improve profitability in the near term. However, the geo-political scenario might affect logistics costs over the near term.
- The DF business growth moderated to 5%, on the back of lower growth in acute therapy segment. However, the chronic focussed companies continue to outperform IPM.

COMPANY VALUATION

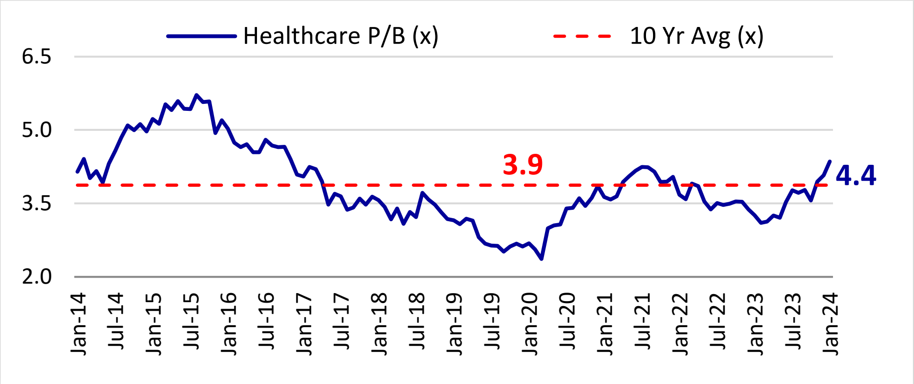
12-month forward Healthcare P/E (x)



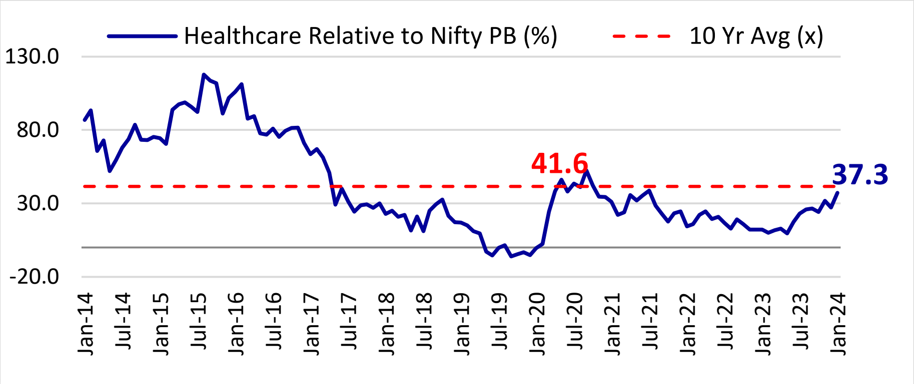
12-month forward Healthcare EV/EBITDA (x)



12-month forward Healthcare P/B (x)



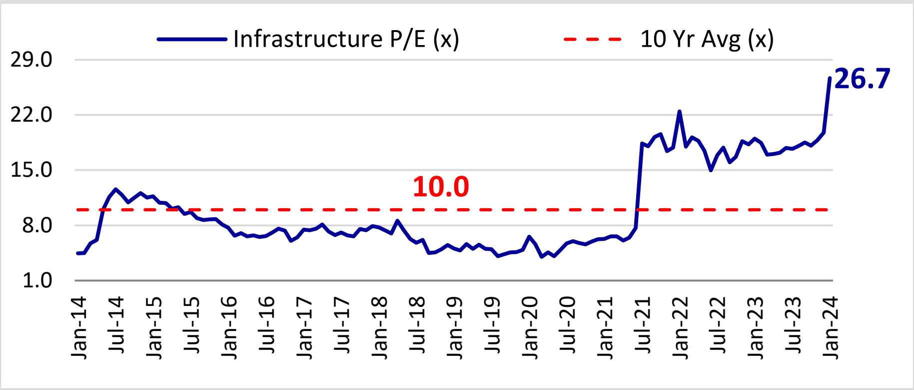
Healthcare P/B relative to Nifty P/B (%)



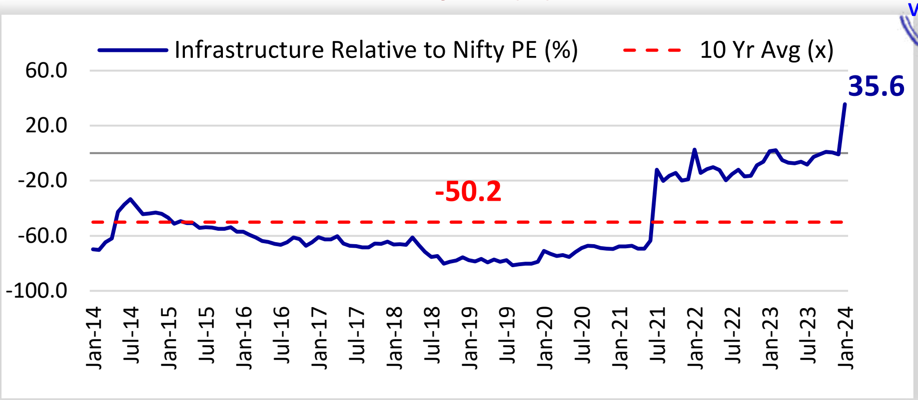
NHAI order awarding remains muted; toll collections increase MoM

- The Infrastructure sector is trading at P/B of 2.4x, a 105% premium to its long-term historical average.
- NHAI project awarding has remained muted over Apr'23-Jan'24. ~700km of projects have been awarded till date in FY24. Muted awarding activity by NHAI and fierce competition in NHAI projects from new and inexperienced players have adversely affected order inflows for large players and many large road construction companies have reduced their order inflow target by as much as 50-60% in FY24.
- With a robust project pipeline, we expect projects awarding to be robust in 4QFY24.
- Toll collections decreased ~11% MoM in Dec'23 to INR59b, with a daily run rate of ~INR1.9b (+7% MoM).

12-month forward Infrastructure P/E (x)

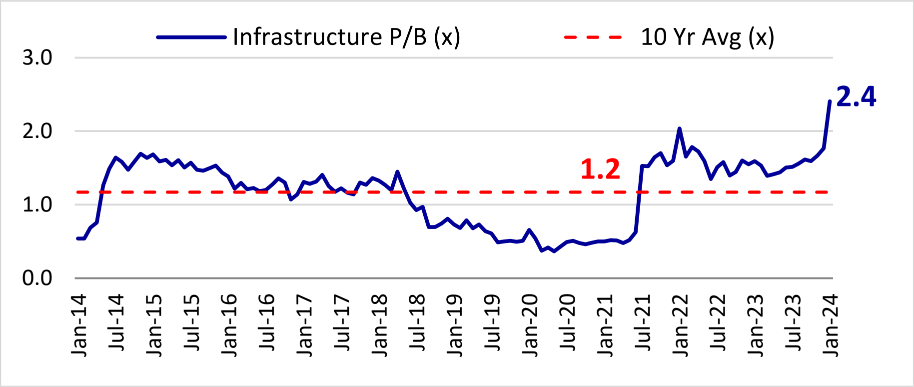


Infrastructure P/E relative to Nifty P/E (%)

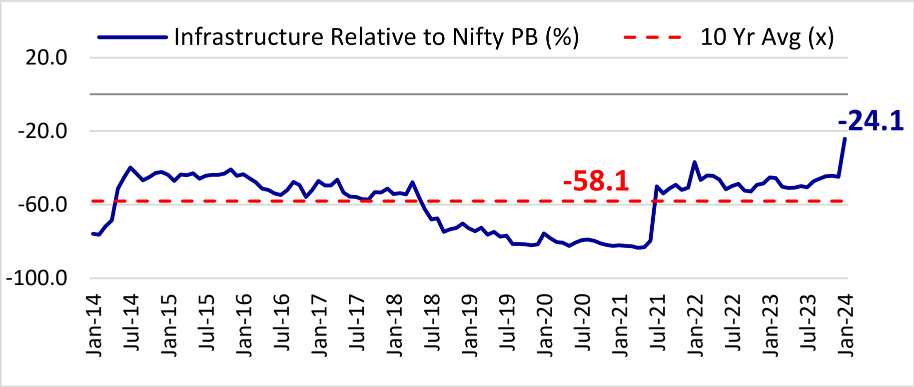


COMPANY VALUATION

12-month forward Infrastructure P/B (x)



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

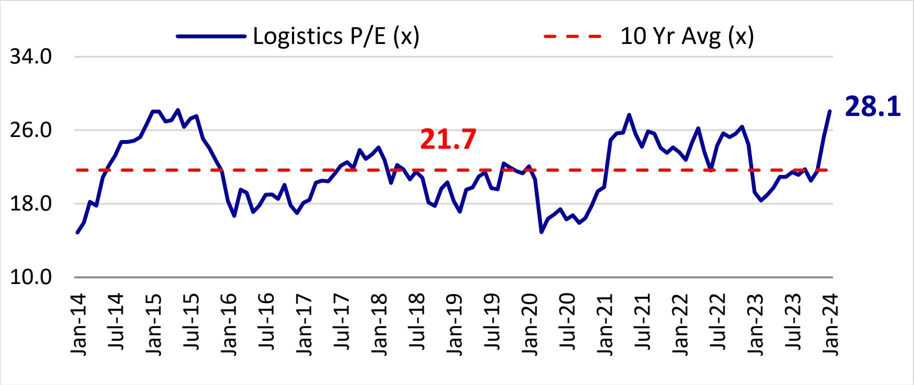


Logistics activity remains stable MoM in Dec'23

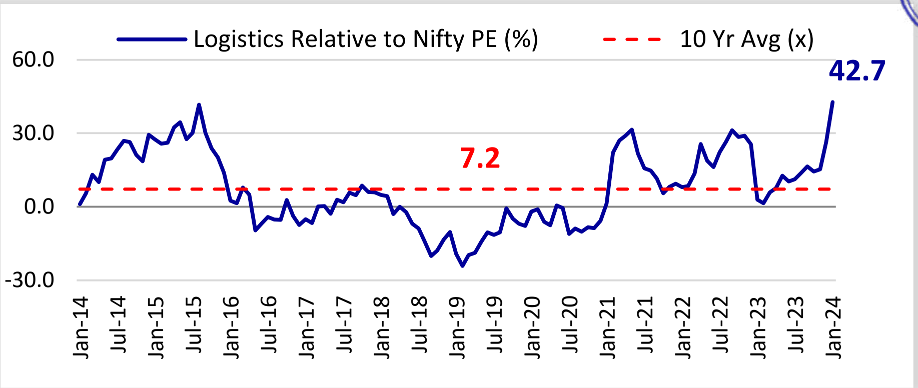
- The Logistics sector is trading at a P/E ratio of 28.1x, below its historical average of 21.7x (30% premium).
- Logistics operations experienced a notable surge with the onset of the festive season in Oct-Dec'23. Daily average e-way bill generations increased ~13% YoY in Dec'23. Fleet utilization stood at 80-85%. Daily average FASTag toll collections rose ~19% YoY in Dec'23.
- Stability in retail fuel prices for more than a year kept freight rates stable in Dec'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.

COMPANY VALUATION

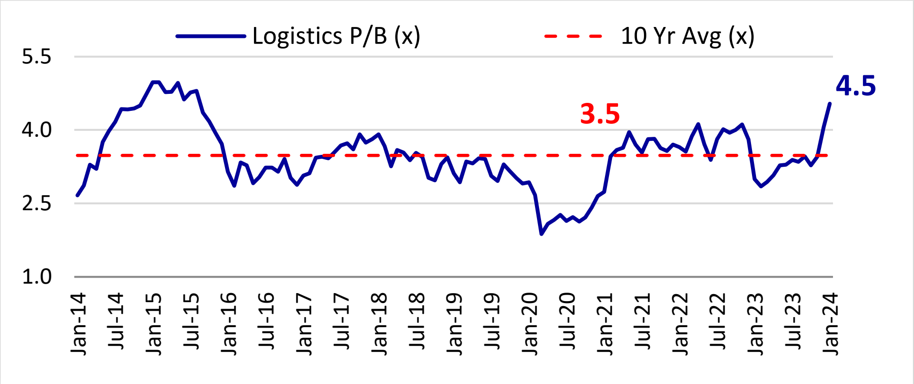
12-month forward Logistics P/E (x)



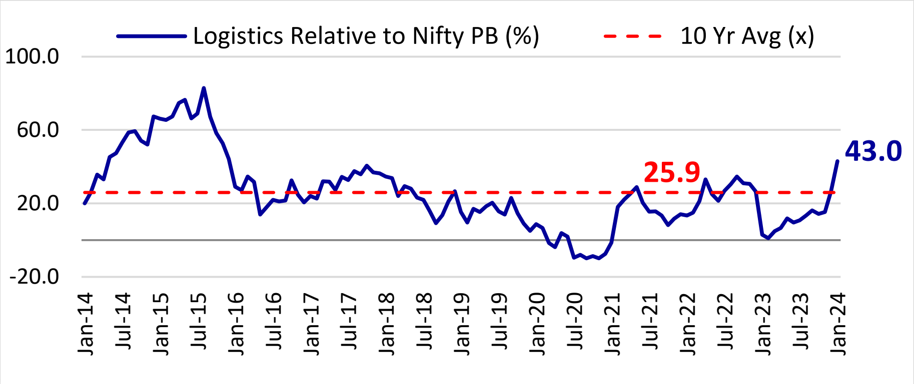
Logistics P/E relative to Nifty P/E (%)



12-month forward Logistics P/B (x)



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

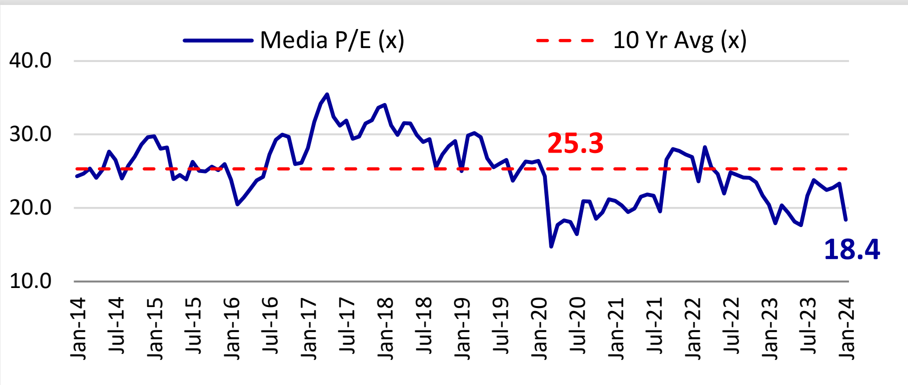


Sony ends USD10b merger with India's Zee

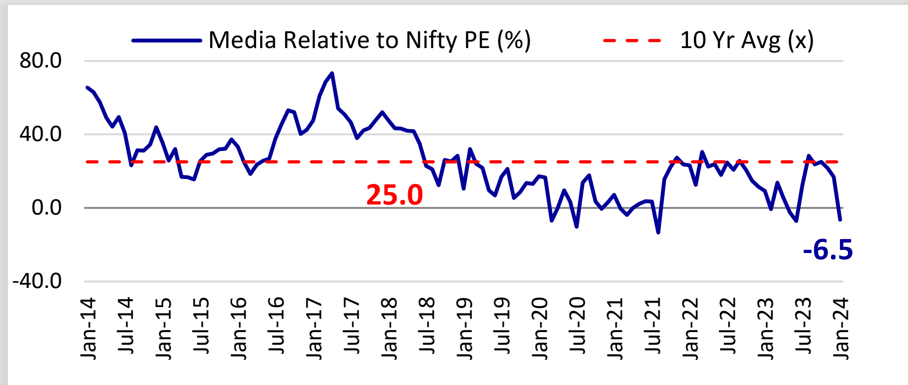
- The P/E ratio for the Media sector, at 18.4x, represents a 27% discount to its 10-year historical average of 25.3x.
- Sony announced ending USD10b merger with India's Zee that could have created one of the South Asian nation's biggest TV broadcasters.
- Media reports suggest that Zee Entertainment Enterprises has informed Disney Star that it will not honor its USD1.5b deal for International Cricket Council's TV rights from 2024-2027, a move that could lead to a legal battle between the two broadcasters

COMPANY VALUATION

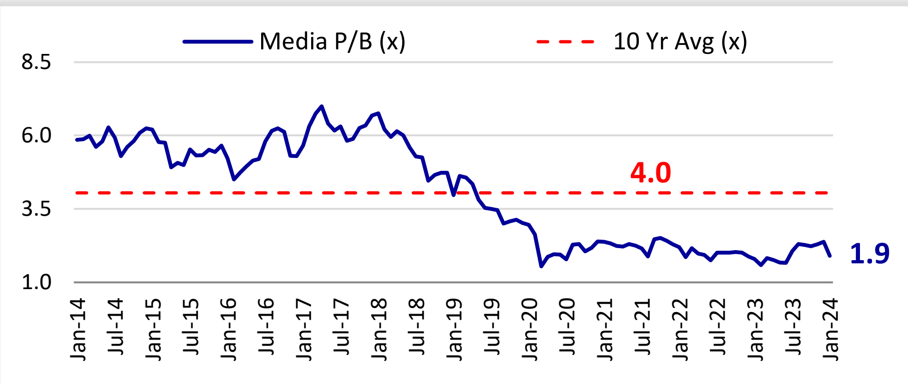
12-month forward Media P/E (x)



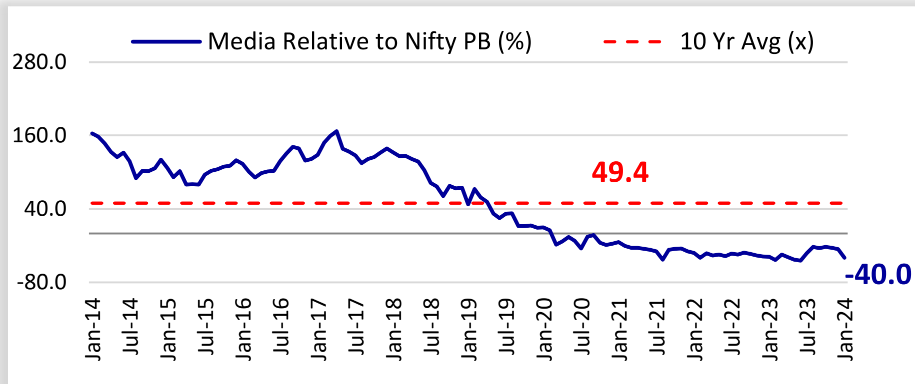
Media P/E relative to Nifty P/E (%)



12-month forward Media P/B (x)



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



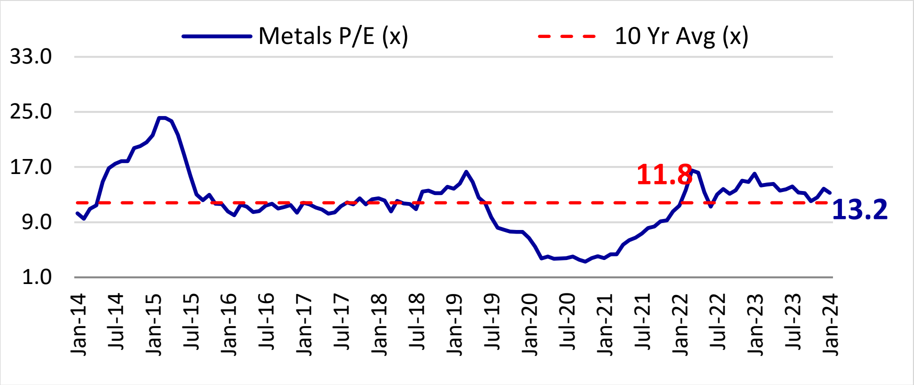
Metals

Metal prices remain in a tight range ahead of Union Budget

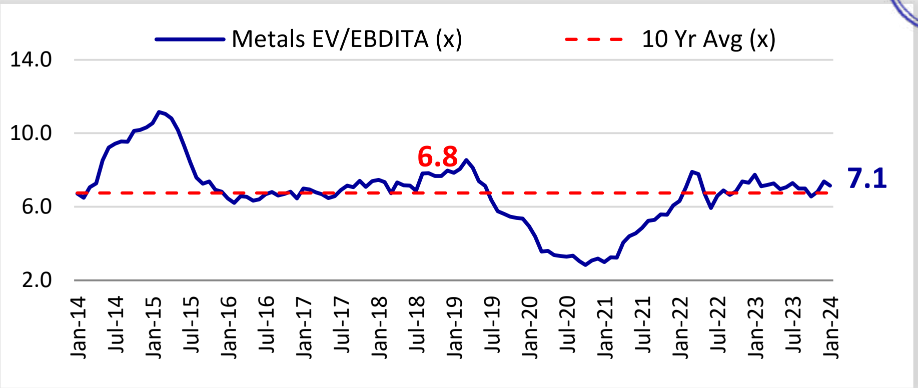
- The Metals sector is trading at EV/EBITDA of 7.1x, higher than its 10-year historical average of 6.8x.
- Rebar prices have corrected 2% MoM to INR51,400/t and have reached the lowest since Aug'23 levels. HRC prices too have corrected 2% to INR54,000/t.
- A ban on non-essential construction in certain parts of North India during the winter season, higher inventory levels, volatility between IF-BF prices, and a liquidity crunch among vendors have collectively contributed to keeping long steel prices subdued.
- Coking coal prices have remained relatively stable MoM, ranging around USD340-350/t levels.
- Lead/ Nickel prices are up 6%/1% MoM, while Aluminum/zinc prices are down 5%/2% MoM. Copper prices remained stable in the range of USD8,450-8,550/t

COMPANY VALUATION

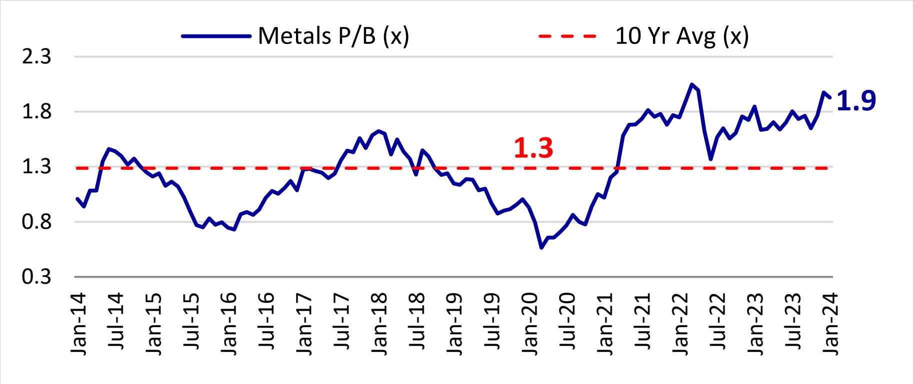
12-month forward Metals P/E (x)



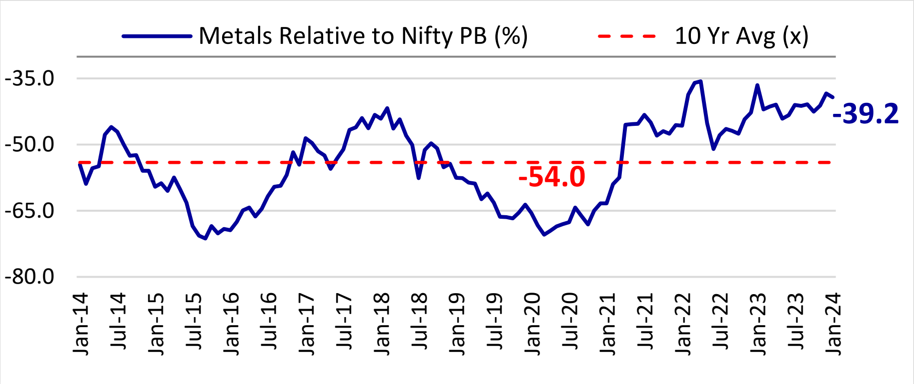
12-month forward Metals EV/EBITDA (x)



12-month forward Metals P/B (x)



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

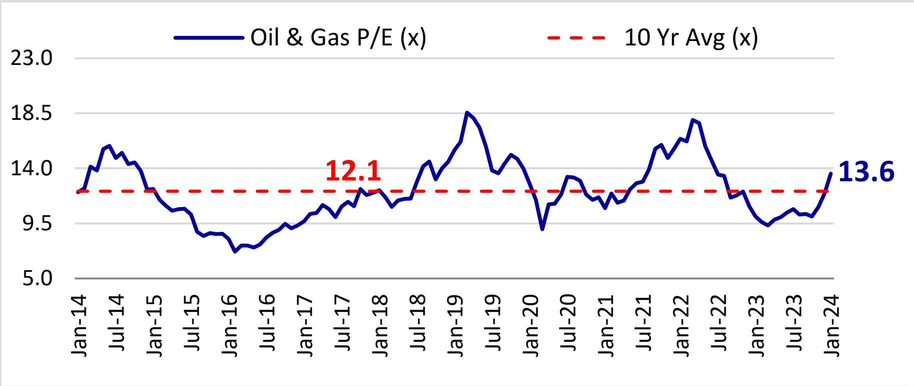


Oil prices decline amid rising geopolitical concerns; SG GRM higher MoM

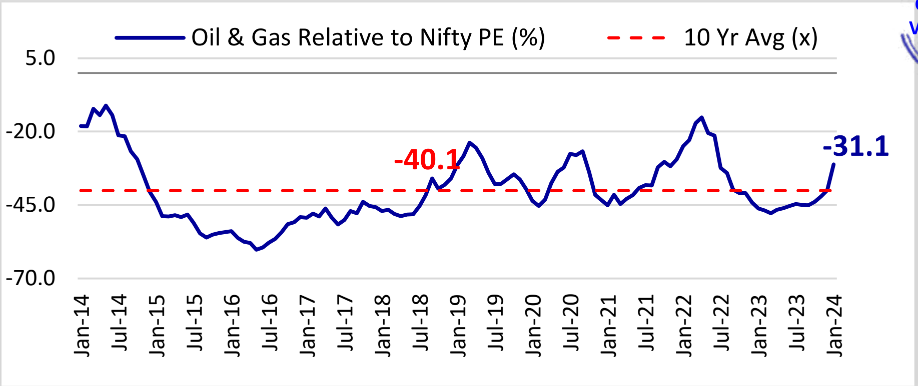
- The sector is trading at P/B of 1.7x and P/E of 13.6x vs. historical average of 1.4x P/B and 12.1x P/E.
- Brent crude oil price averaged USD80/bbl in Jan'24 (up 3% MoM) as higher global economic growth forecast and escalating tensions in the Middle East offset concerns around Chinese demand.
- SG GRM increased to USD7.7/bbl in Jan’24 from USD7.4/bbl in Dec'23. Gasoil cracks marginally improved to USD16.5/bbl in Jan’24. ATF cracks increased to USD24.21/bbl in Jan’24. Gasoline cracks improved to USD16.7/bbl in Jan’24 from USD16.7/bbl in Dec'23.
- Gross marketing margin for petrol increased to INR11/liter in Jan’24 from INR10.8/liter in Dec’23, while gross marketing for diesel stood at INR8.6/lit vs. INR7.2/lit in Dec’23.

COMPANY VALUATION

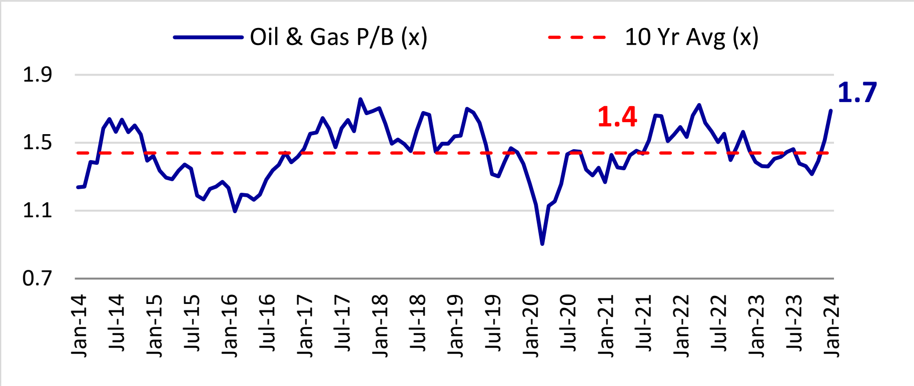
12-month forward Oil & Gas P/E (x)



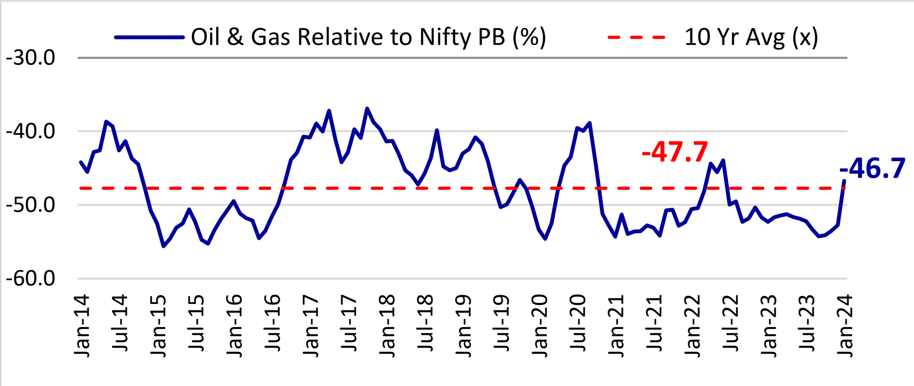
Oil & Gas P/E relative to Nifty P/E (%)



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



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

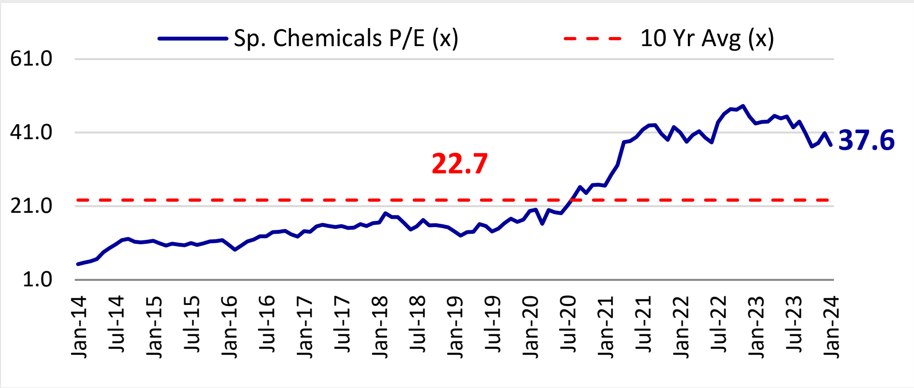


Prices surge as crude rises

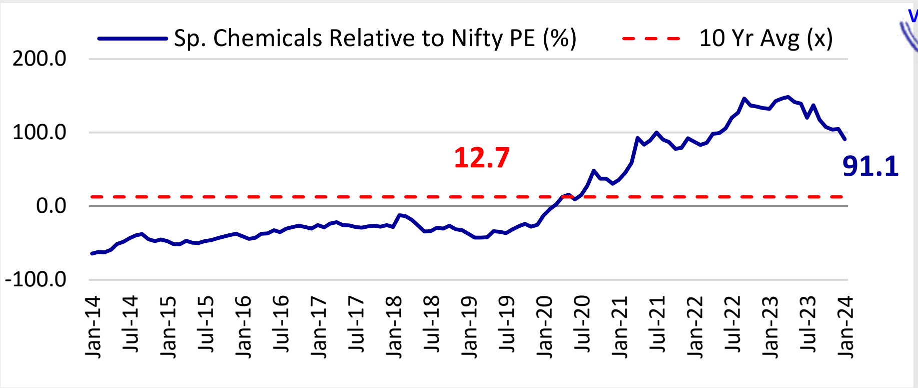
- The sector is trading at P/B of 5.2x and P/E of 37.6x vs. its historical average of 3.9x and 22.7x, respectively.
- Brent crude oil price averaged USD80/bbl in Jan'24 (up 3% MoM) as higher global economic growth forecast and escalating tensions in the Middle East offset concerns around Chinese demand.
- Toluene/Butadiene (Korea) prices increased 3%/10% MoM, while Propylene (Korea) price was flat MoM. Benzene (Korea) price increased 5% MoM, while Styrene (Korea) price increased 3% MoM. Acetonitrile price was up 8% MoM. Acetone price was down 4% MoM, while phenol price was up 5%. Caustic Soda Lye price was up 6%, while caustic soda flakes price increased 2% MoM. IPA price was up 3% MoM.
- Volumes are likely to remain subdued in the near term amid continued 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.

COMPANY VALUATION

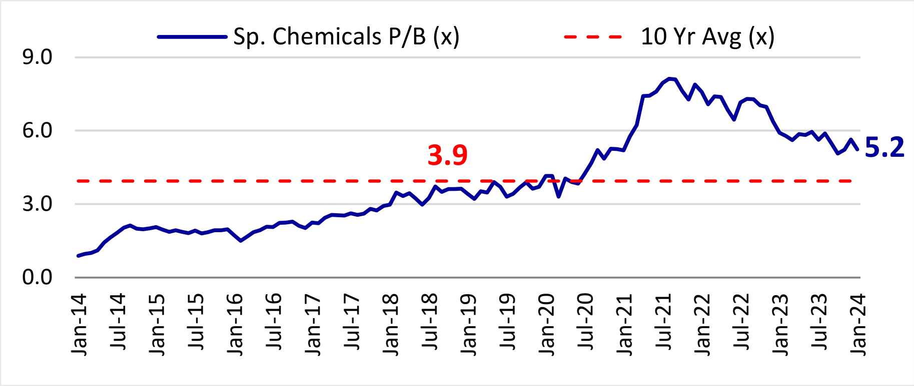
12-month forward Sp. Chemicals P/E (x)



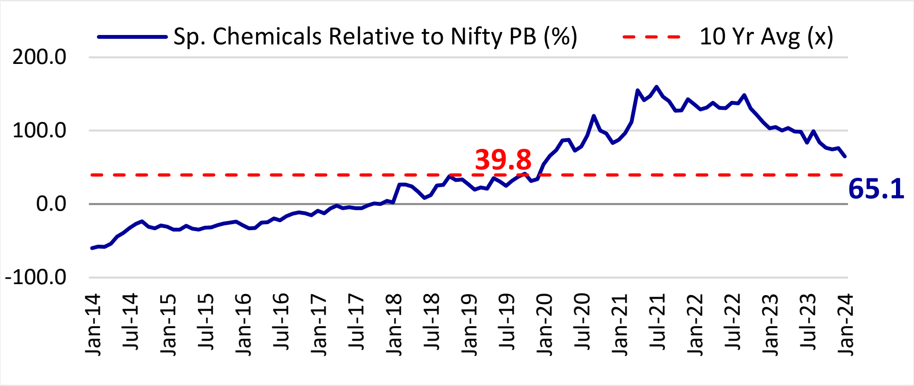
Sp. Chemicals P/E relative to Nifty P/E (%)



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



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

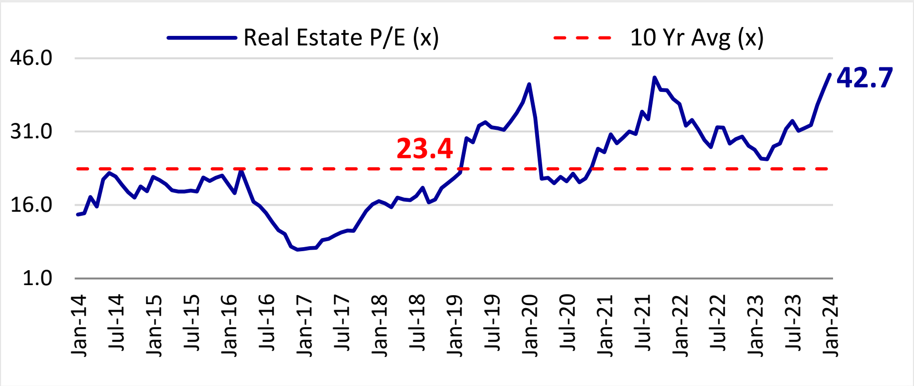


Sales hit decadal high; affordability intact

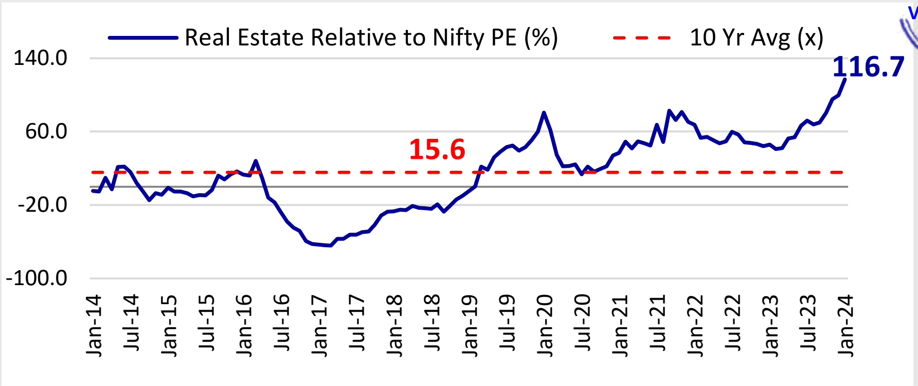
- The sector is trading at P/E of 42.7x, a 82% premium to its 10-year historical average of 23.4x.
- As per Knight Frank, residential sales in the top 8 cities grew 5% YoY to ~330,000 units in CY23, matching the CY13 run rate, but 9% below the peak sales of 360,000 units clocked in CY12.
- Despite the price hikes of 4-11% YoY across markets, improved affordability is evident as income growth outpaced pricing growth. This dynamic is expected to sustain momentum in demand and pricing.
- Mumbai city is projected to witness registration of 10,901 properties in Jan’24, up 21% YoY on the back of strong residential demand.

COMPANY VALUATION

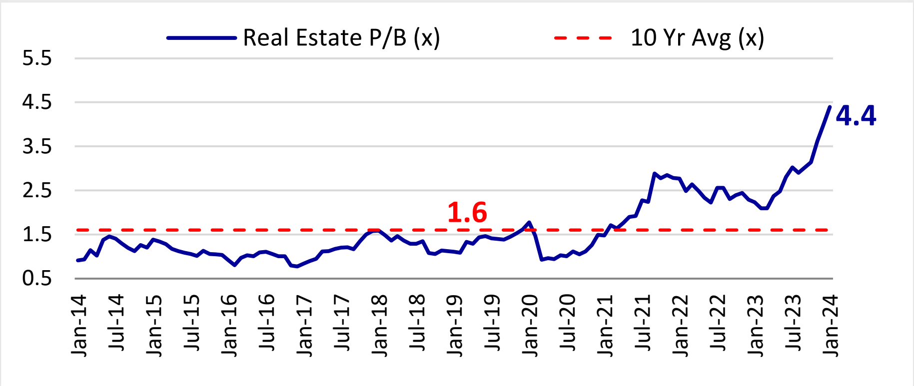
12-month forward Real Estate P/E (x)



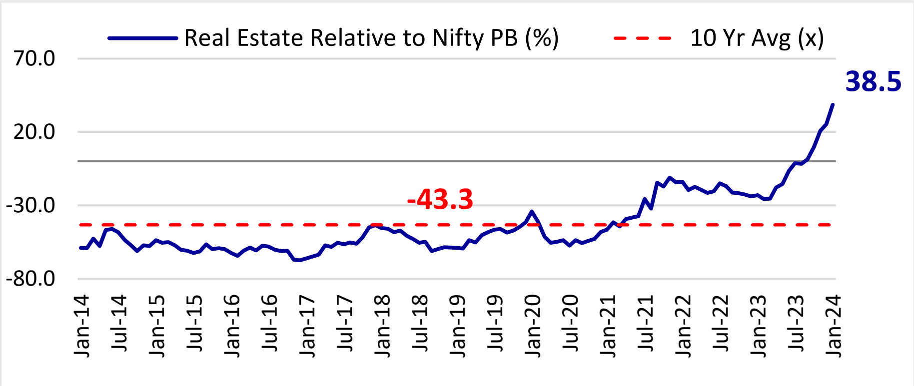
Real Estate P/E relative to Nifty P/E (%)



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



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

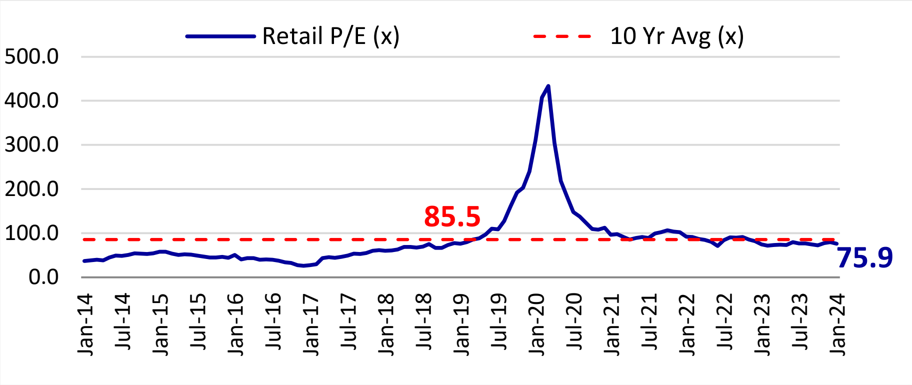


Demand for apparels to remains subdued

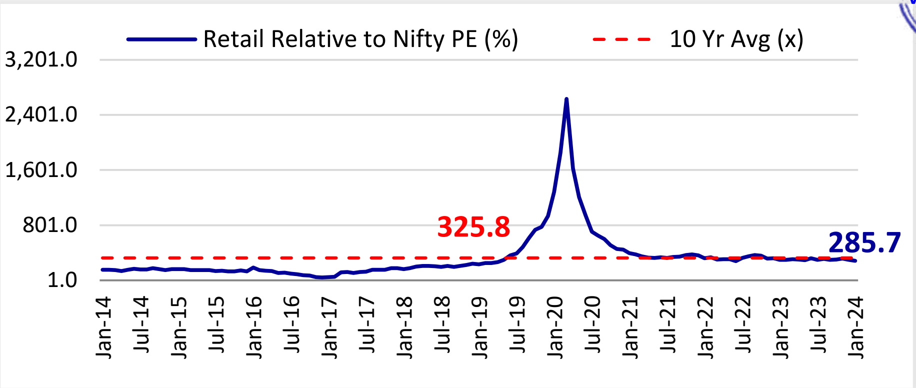
- The sector is trading at a P/E ratio of 75.9x, a discount of 11% to its 10-year historical average of 85.5x.
- As per a report by the Retail Association of India, December 2023 retail sales in India grew 4%, marking a slow quarter, despite the festive season.
- As per media reports, the Indian apparel industry is showing signs of another financial quarter slowdown, as the early onset of EOSS is observed.

COMPANY VALUATION

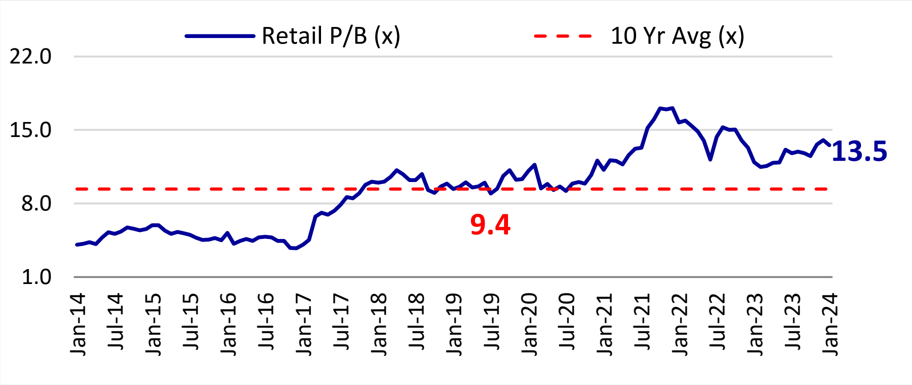
12-month forward Retail P/E (x)



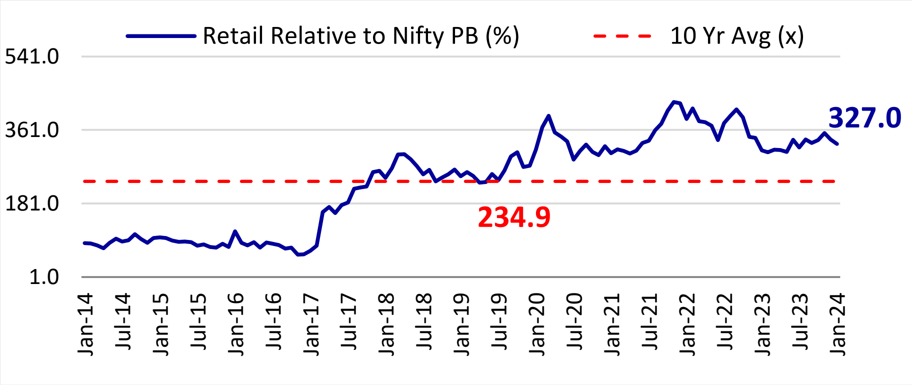
Retail P/E relative to Nifty P/E (%)



12-month forward Retail P/B (x)



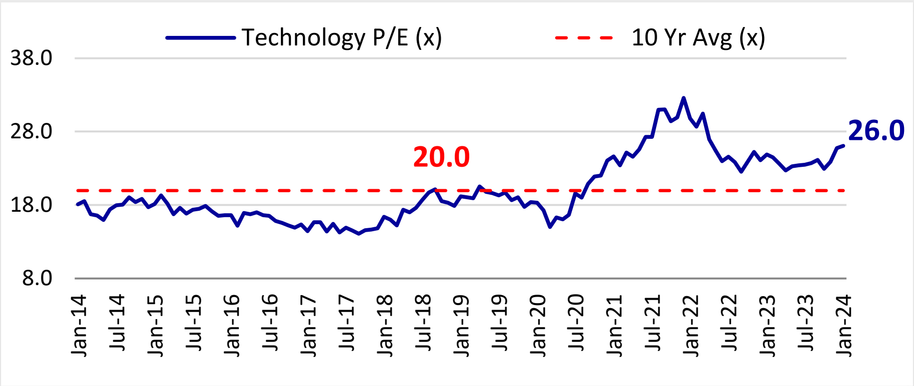
Retail P/B relative to Nifty P/B (%)



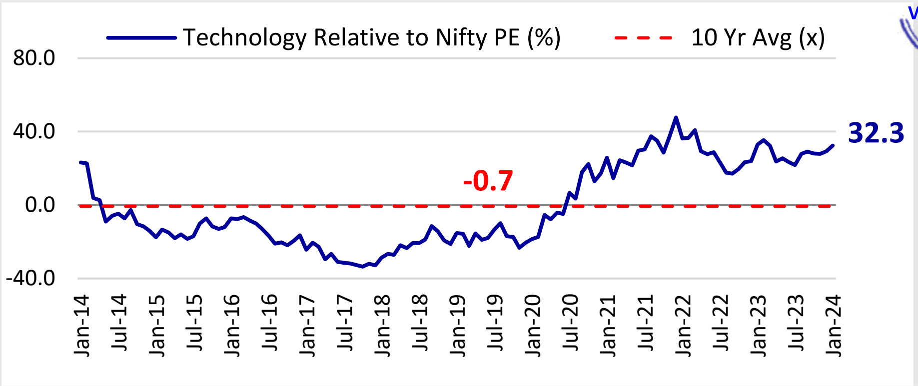
Weakness continues due to global slowdown, anticipated recovery in 2HFY25

- The sector is trading at a P/E ratio of 26.0x, a 30% premium to its long-term average of 20x.
- The slowdown across key verticals (BFSI, Retail) continues with some sign of stability witnessed in Manufacturing and Life Science verticals. The deal TCV moderated due to higher furloughs and extended deal closure activities in 3Q.
- 4Q operating performance is likely to be modest due to structural slowdown and cut down in discretionary spends. However, operating costs are expected to be on a tighter band, with a continued emphasis on headcount reduction and efforts to enhance productivity across companies.
- The focus has now shifted to 2HFY25; we expect enterprises to revisit tech budgets and gradually improve their spends in CY24.

12-month forward Technology P/E (x)

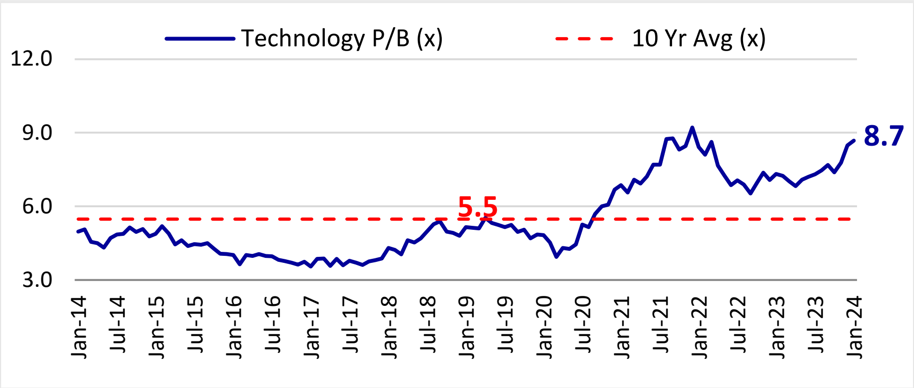


Technology P/E relative to Nifty P/E (%)

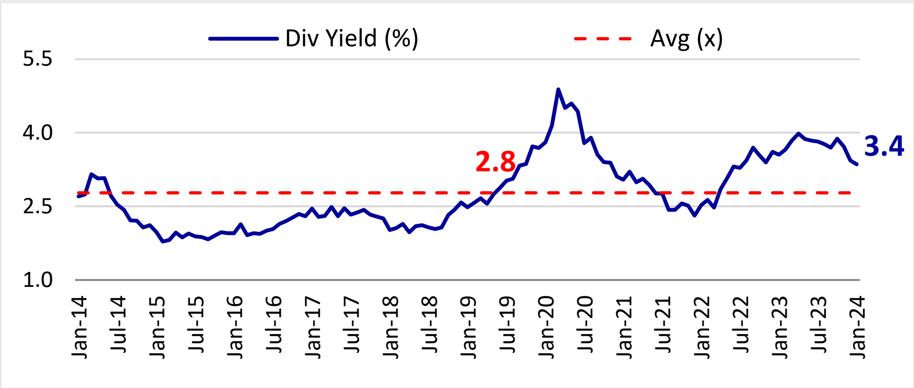


COMPANY VALUATION

12-month forward Technology P/B (x)



Technology Div Yield (%)

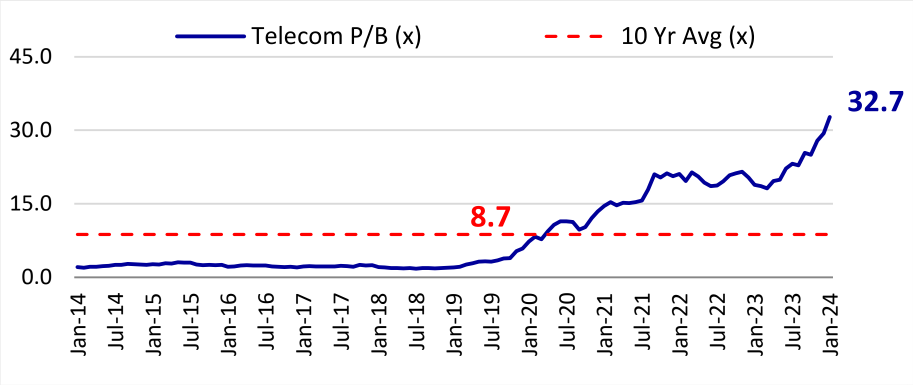


Airtel pre-pays INR83.25b to DoT towards spectrum acquired in 2015 auction

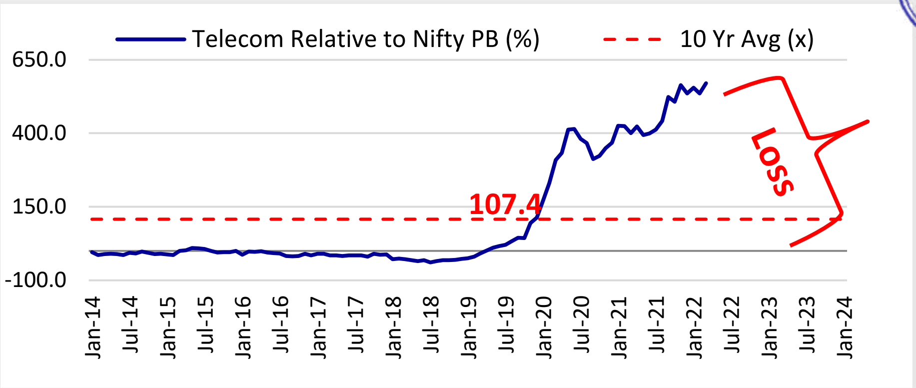
- The sector is trading at an EV/EBITDA ratio of 9.0x, which is higher by 5% to its 10-year historical average of 8.6x.
- As per company communication, Airtel announced prepayment of INR83.25b to DoT for the spectrum acquired in the 2015 auction.
- Telecom data released by TRAI indicated an industry-wide slowdown in Gross/active subscribers by 0.8m/1.4m.

COMPANY VALUATION

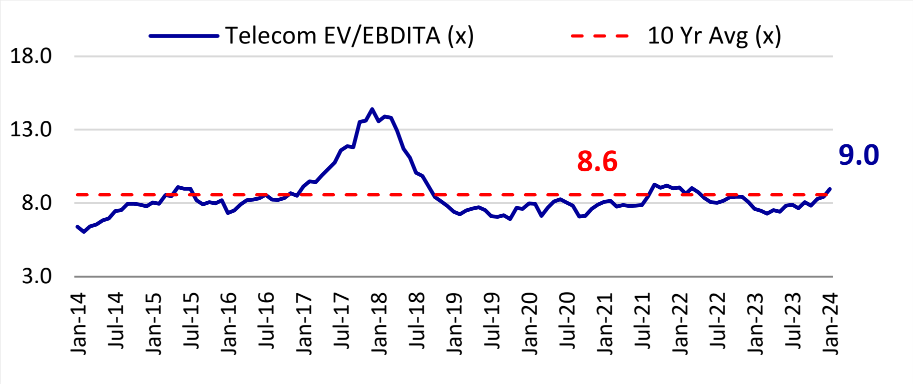
12-month forward Telecom P/B (x)



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



12-month forward Telecom EV/EBITDA (x)



Company valuations

	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
Company	**Current**	**10 Yr Avg**	**Prem/Disc (%)**	**+1SD (x)**	**-1SD (x)**	**Current**	**10 Yr Avg**	**Current**	**10 Yr Avg**	**Prem/Disc (%)**	**+1SD (x)**	**-1SD (x)**	**Current**	**10 Yr Avg**
Automobiles	**23.1**	**27.0**	**-14**	**36.4**	**17.6**	**17**	**33**	**4.4**	**3.4**	**29**	**3.9**	**2.9**	**37**	**22**
Amara Raja Energy	16.8	22.5	-25	30.0	14.9	-14	11	2.4	3.8	-37	5.4	2.1	-25	37
Ashok Leyland	16.6	22.2	-25	28.7	15.6	-16	9	4.1	3.8	7	4.9	2.8	29	39
Apollo Tyres	16.8	14.1	19	19.2	9.1	-14	-30	1.7	1.1	54	1.5	0.8	-45	-59
Balkrishna Inds	27.9	21.8	28	31.5	12.1	42	8	5.2	3.8	36	5.2	2.4	63	38
Bajaj Auto	25.1	17.6	43	19.7	15.4	28	-13	7.2	4.3	67	5.0	3.6	126	56
Bharat Forge	32.4	41.9	-23	67.1	16.7	65	107	6.4	5.0	27	6.2	3.8	101	81
Bosch	34.2	38.0	-10	45.1	30.8	74	87	5.2	5.4	-4	6.9	4.0	65	97
CEAT	14.2	17.0	-17	29.6	4.5	-28	-16	2.3	1.7	38	2.1	1.2	-27	-40
Craftsman Auto	22.7	21.5	5	24.6	18.4	15	6	4.6	4.0	14	4.9	3.2	45	45
Eicher Motors	23.4	31.5	-26	37.3	25.6	19	55	5.1	7.2	-29	9.9	4.6	62	162
Endurance Tech.	35.3	32.7	8	40.0	25.5	79	62	5.3	5.0	6	6.1	3.8	67	80
Escorts Kubota	29.2	16.2	80	24.1	8.3	49	-20	3.6	1.9	87	2.8	1.0	14	-30
Exide Inds.	21.8	20.4	7	24.6	16.2	11	1	2.2	2.4	-8	3.2	1.6	-30	-13
Hero MotoCorp	21.7	18.2	19	21.1	15.3	10	-10	4.5	4.6	-1	6.0	3.2	43	67
CIE Automotive	18.8	25.9	-28	37.4	14.5	-5	28	2.8	2.2	29	3.1	1.3	-10	-20
Mahindra & Mahindra	17.7	18.5	-4	21.9	15.0	-10	-9	3.4	2.7	25	3.2	2.2	6	-2
Maruti Suzuki	22.9	29.5	-22	40.3	18.7	16	46	3.5	4.0	-12	4.9	3.2	11	46
MRF	26.6	21.8	22	33.5	10.0	35	7	3.2	2.3	43	2.6	1.9	2	-18
Samvardhana	22.6	46.4	-51	72.6	20.1	15	129	2.9	3.2	-11	4.5	2.0	-9	17
Sona BLW Precis.	54.4	69.5	-22	89.9	49.1	176	243	11.8	12.9	-9	15.9	10.0	273	369
Tata Motors	Na	17.7	Na	25.1	10.2	Na	-13	4.4	2.2	104	3.1	1.2	39	-21
Tube Investments	55.0	31.8	73	43.9	19.8	179	57	12.7	6.5	95	9.7	3.4	300	136
TVS Motor	38.3	29.9	28	38.4	21.4	94	47	9.7	6.3	54	8.1	4.6	207	130
Banks-Private	**14.9**	**20.9**	**-29**	**26.4**	**15.4**	**-24**	**3**	**2.3**	**2.5**	**-8**	**2.8**	**2.2**	**-27**	**-8**
AU Small Finance	21.2	29.8	-29	39.6	20.0	8	47	3.1	4.3	-29	5.3	3.2	-4	55
Axis Bank	12.1	38.1	-68	90.0	-13.9	-38	88	2.0	2.0	-1	2.3	1.6	-38	-28
Bandhan Bank	9.2	24.2	-62	35.0	13.4	-53	19	1.5	3.3	-55	5.0	1.7	-52	21
DCB Bank	7.3	12.8	-43	18.0	7.6	-63	-37	0.8	1.3	-37	1.8	0.7	-74	-53
Equitas Small Fin.	12.6	12.9	-2	17.4	8.4	-36	-36	1.8	1.4	33	1.7	1.1	-43	-51
Federal Bank	8.1	11.9	-32	17.0	6.9	-59	-41	1.1	1.2	-4	1.5	0.9	-65	-58
HDFC Bank	15.6	20.7	-24	23.2	18.2	-21	2	2.3	3.2	-29	3.6	2.8	-27	17
ICICI Bank	15.9	21.3	-25	31.5	11.1	-19	5	2.7	2.1	30	2.6	1.6	-15	-25
IDFC First Bank	15.0	20.5	-27	30.4	10.6	-24	1	1.6	1.3	25	1.6	1.0	-49	-53
IndusInd Bank	11.2	18.8	-40	26.0	11.5	-43	-7	1.7	2.5	-31	3.4	1.5	-47	-11

	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
Company	**Current**	**10 Yr Avg**	**Prem/Disc (%)**	**+1SD (x)**	**-1SD (x)**	**Current**	**10 Yr Avg**	**Current**	**10 Yr Avg**	**Prem/Disc (%)**	**+1SD (x)**	**-1SD (x)**	**Current**	**10 Yr Avg**
Kotak Mah. Bank	18.1	27.0	-33	31.7	22.2	-8	33	2.5	3.3	-26	3.8	2.9	-22	21
RBL Bank	10.6	26.1	-60	42.0	10.3	-46	29	1.0	1.7	-40	2.7	0.6	-68	-39
Banks-PSU	**7.2**	**9.9**	**-28**	**16.0**	**3.9**	**-64**	**-51**	**1.2**	**0.8**	**41**	**1.0**	**0.6**	**-63**	**-70**
Bank of Baroda	6.4	6.6	-3	11.5	1.6	-68	-68	1.0	0.8	32	1.0	0.5	-67	-72
Canara Bank	5.2	4.9	7	7.7	2.1	-73	-76	0.9	0.6	52	0.8	0.4	-71	-78
Indian Bank	7.2	10.0	-28	20.0	0.0	-63	-51	1.1	0.6	88	0.8	0.3	-66	-79
Punjab Natl.Bank	11.4	12.1	-5	17.4	6.7	-42	-40	1.1	0.7	52	1.0	0.4	-65	-73
St Bk of India	7.3	12.7	-42	20.3	5.1	-63	-37	1.2	1.1	11	1.3	0.9	-61	-60
Union Bank (I)	6.3	6.2	2	9.6	2.9	-68	-69	1.0	0.6	79	0.8	0.4	-68	-79
NBFC	**16.3**	**16.9**	**-3**	**20.0**	**13.7**	**-17**	**-17**	**2.5**	**2.3**	**8**	**2.7**	**1.9**	**-22**	**-17**
Aditya Birla Cap	12.8	17.6	-28	25.3	9.9	-35	-13	1.6	1.9	-16	2.8	1.0	-50	-32
AAVAS Financiers	19.9	38.1	-48	49.3	26.9	1	88	2.7	4.8	-43	6.2	3.4	-14	74
Bajaj Fin.	23.5	29.8	-21	41.1	18.5	19	47	4.7	4.9	-5	7.1	2.8	48	79
Can Fin Homes	12.3	13.3	-7	17.9	8.7	-37	-34	2.1	2.3	-11	3.2	1.4	-35	-16
Cholaman.Inv.&Fn	21.9	17.6	25	21.6	13.6	11	-13	4.3	3.0	42	3.9	2.2	34	9
CreditAccess	14.5	25.5	-43	42.0	9.1	-26	26	3.1	2.6	20	3.1	2.1	-1	-6
Fusion Micro	9.4	8.6	8	9.8	7.5	-52	-57	1.9	1.7	12	1.9	1.4	-41	-40
Home First Fin.	24.2	25.1	-4	28.7	21.5	23	24	3.7	3.4	9	3.7	3.0	15	21
IndoStar Capital	12.5	16.0	-22	24.3	7.7	-36	-21	0.8	1.0	-22	1.3	0.7	-75	-64
LIC Housing Fin.	7.5	9.9	-24	13.3	6.4	-62	-51	1.0	1.4	-28	2.0	0.8	-68	-49
L&T Fin.Holdings	15.1	14.7	3	18.0	11.4	-23	-27	1.7	1.5	16	2.0	1.0	-46	-46
Manappuram Finance	6.3	7.5	-16	9.9	5.1	-68	-63	1.2	1.4	-16	1.9	0.9	-63	-50
MAS Financial	17.9	21.8	-18	27.7	15.8	-9	7	2.8	3.2	-11	3.9	2.4	-11	15
M & M Fin. Serv.	13.5	16.8	-19	23.9	9.7	-31	-17	1.9	1.5	28	1.7	1.2	-41	-47
Muthoot Finance	12.4	10.1	23	12.7	7.4	-37	-50	2.1	1.9	6	2.5	1.4	-35	-30
Piramal Enterprises	17.2	16.0	8	22.7	9.3	-12	-21	0.7	0.7	-5	0.9	0.6	-78	-73
PNB Housing	11.2	11.2	0	16.9	5.4	-43	-45	1.2	1.2	0	2.1	0.4	-61	-55
Poonawalla Fincorp	27.2	24.4	11	30.9	17.9	38	20	4.0	1.9	105	2.9	0.9	25	-30
Repco Home Fin	6.3	13.4	-53	21.8	4.9	-68	-34	0.8	2.0	-60	3.4	0.6	-75	-28
Shriram Finance	11.3	10.6	7	13.8	7.4	-42	-48	1.7	1.4	19	1.8	1.0	-47	-49
Spandana Sphoorty	12.1	43.1	-72	82.6	3.6	-39	113	1.8	1.4	24	2.0	0.9	-43	-48
360 ONE WAM	24.8	22.5	10	27.9	17.1	26	11	6.5	4.3	51	5.3	3.3	104	56
Angel One	20.7	11.5	80	15.8	7.1	5	-43	7.7	4.5	72	6.2	2.8	144	63
Cams Services	35.2	37.7	-7	46.7	28.8	79	86	13.9	14.8	-6	18.5	11.2	338	437
ICICI Securities	14.9	13.8	8	18.0	9.6	-24	-32	6.7	6.7	0	8.5	4.9	111	142

Company valuations

Company	PE (x) Current	PE (x) 10 Yr Avg	PE (x) Prem/Disc (%)	PE Std. Deviation +1SD (x)	PE Std. Deviation -1SD (x)	Relative to Nifty P/E (%) Current	Relative to Nifty P/E (%) 10 Yr Avg	PB (x) Current	PB (x) 10 Yr Avg	PB (x) Prem/Disc (%)	PB Std. Deviation +1SD (x)	PB Std. Deviation -1SD (x)	Relative to Nifty P/B (%) Current	Relative to Nifty P/B (%) 10 Yr Avg
Capital Goods	**40.2**	**30.7**	**31**	**36.7**	**24.6**	**104**	**51**	**6.8**	**3.1**	**118**	**4.0**	**2.2**	**113**	**12**
ABB India	70.0	80.2	-13	98.8	61.6	256	296	13.9	8.0	73	10.4	5.6	337	190
Bharat Electronics	34.3	9.2	272	16.7	1.8	74	-54	7.7	1.9	307	3.6	0.1	142	-32
Cummins India	43.3	30.0	44	36.4	23.7	120	48	9.9	5.7	74	7.3	4.1	213	107
Hitachi Energy	100.4	87.7	15	133.9	41.4	410	333	16.2	8.9	82	12.4	5.4	411	223
KEC International	25.4	21.8	16	34.7	9.0	29	8	3.7	2.7	37	3.4	2.0	15	-4
Kalpataru Proj.	15.1	15.4	-1	20.8	10.0	-23	-24	2.0	1.5	29	2.0	1.0	-38	-45
Kirloskar Oil	24.6	18.5	33	25.5	11.5	25	-9	3.6	2.0	78	2.9	1.2	14	-27
Larsen & Toubro	29.9	23.6	27	28.7	18.5	52	16	4.9	2.8	71	3.5	2.2	53	3
Siemens	65.5	65.7	0	87.6	43.8	233	224	10.2	6.4	58	8.1	4.7	221	133
Thermax	53.7	42.3	27	49.2	35.5	173	109	7.6	4.4	73	5.5	3.2	140	59
Triveni Turbine	37.0	32.4	14	40.7	24.1	88	60	10.5	7.6	37	10.3	4.9	230	176
Cement	**31.7**	**26.6**	**19**	**31.7**	**21.5**	**61**	**31**	**3.4**	**2.8**	**24**	**3.1**	**2.4**	**8**	**0**
ACC	21.6	27.6	-22	35.7	19.6	10	36	2.7	2.7	0	3.2	2.3	-14	-1
Ambuja Cem.	46.6	33.9	37	42.1	25.8	137	67	3.0	2.5	19	3.1	2.0	-5	-8
Birla Corpn.	22.2	26.2	-15	55.5	-3.0	13	29	1.8	1.2	45	1.5	0.9	-44	-56
Grasim Inds	22.5	13.5	67	17.3	9.7	14	-33	2.8	1.8	56	2.2	1.3	-12	-36
India Cements	na	44.6	na	67.7	21.4	na	120	1.4	0.8	74	1.1	0.5	-55	-70
J K Cements	34.6	28.8	20	43.5	14.0	76	42	5.6	3.2	74	4.4	2.1	76	16
JK Lakshmi Cem.	20.8	34.1	-39	67.3	1.0	5	68	3.1	2.5	21	3.3	1.8	-3	-8
Shree Cement	47.7	43.6	9	52.8	34.4	142	115	4.8	5.3	-9	6.2	4.4	51	91
The Ramco Cement	35.7	29.7	20	40.8	18.6	81	47	3.1	3.1	2	3.7	2.4	-1	11
UltraTech Cem.	34.5	33.0	5	40.2	25.8	75	63	4.4	3.4	29	3.9	2.9	40	24
Consumer	**44.6**	**40.3**	**10**	**44.1**	**36.6**	**126**	**99**	**11.5**	**10.2**	**13**	**11.0**	**9.4**	**264**	**269**
Consumer Ex ITC	**54.0**	**49.7**	**9**	**57.1**	**42.3**	**174**	**145**	**13.1**	**13.1**	**0**	**14.4**	**11.8**	**312**	**374**
Asian Paints	48.6	53.3	-9	65.5	41.1	147	163	15.1	14.1	7	17.1	11.1	375	412
Britannia Inds.	53.9	44.2	22	54.6	33.9	174	118	32.4	19.5	66	27.2	11.7	921	605
Colgate-Palm.	51.4	38.1	35	44.6	31.6	161	88	32.7	22.6	45	27.1	18.0	930	718
Dabur India	45.1	44.2	2	53.5	34.9	129	118	9.0	10.6	-14	11.6	9.5	185	282
Emami	23.5	31.5	-25	42.0	21.1	19	55	8.3	10.5	-21	13.1	7.8	162	280
Godrej Consumer	53.6	40.6	32	48.1	33.2	172	100	7.3	6.2	18	8.7	3.7	131	125
Hind. Unilever	51.4	51.2	0	60.2	42.2	161	153	11.1	23.1	-52	34.7	11.4	251	736
Indigo Paints	36.9	72.2	-49	109.2	35.1	87	256	6.7	10.7	-37	15.1	6.2	112	286
ITC	25.8	24.2	7	29.3	19.0	31	19	7.7	5.8	33	7.1	4.5	144	110
Jyothy Lab.	47.0	33.4	41	43.0	23.7	139	65	10.1	4.9	105	6.2	3.7	218	78
Marico	42.4	40.3	5	49.9	30.8	116	99	16.8	14.3	18	17.9	10.7	430	418
Nestle India	71.7	59.4	21	72.0	46.8	264	193	70.9	46.8	52	72.9	20.6	2136	1594

	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
Company	**Current**	**10 Yr Avg**	**Prem/Disc (%)**	**+1SD (x)**	**-1SD (x)**	**Current**	**10 Yr Avg**	**Current**	**10 Yr Avg**	**Prem/Disc (%)**	**+1SD (x)**	**-1SD (x)**	**Current**	**10 Yr Avg**
P & G Hygiene	64.3	62.2	3	75.0	49.4	227	207	47.5	35.5	34	49.3	21.7	1397	1185
Page Industries	60.8	63.9	-5	79.0	48.9	209	215	22.5	27.3	-18	33.8	20.9	609	891
Pidilite Inds.	59.7	55.6	7	75.4	35.8	203	174	13.9	12.5	11	15.4	9.5	337	351
Tata Consumer	63.7	45.7	40	59.8	31.5	224	125	4.8	2.9	67	3.9	1.8	51	4
United Breweries	71.1	90.3	-21	122.8	57.7	261	346	10.5	9.5	11	10.9	8.1	231	244
United Spirits	58.4	63.0	-7	76.1	49.9	197	211	9.5	14.2	-33	20.4	8.1	199	416
Varun Beverages	66.8	42.4	58	50.9	33.8	240	109	18.8	7.8	142	11.3	4.2	492	181
Healthcare	**30.4**	**26.6**	**15**	**30.5**	**22.6**	**55**	**31**	**4.4**	**3.9**	**12**	**4.7**	**3.1**	**37**	**40**
Ajanta Pharma	28.2	22.8	23	28.4	17.3	43	13	5.9	5.4	10	7.3	3.5	87	96
Alembic Pharma	29.1	22.2	31	28.9	15.4	48	9	3.6	4.1	-13	5.6	2.6	13	49
Alkem Lab	29.6	24.3	21	30.0	18.7	50	20	5.1	4.1	24	4.6	3.6	61	49
Apollo Hospitals	72.5	80.6	-10	112.2	49.0	268	298	11.0	6.3	73	8.5	4.2	246	130
Aurobindo Pharma	20.0	15.6	28	19.4	11.9	2	-23	2.1	2.8	-25	4.2	1.4	-34	1
Biocon	22.2	40.6	-45	56.4	24.9	13	100	1.7	3.6	-54	5.2	2.0	-48	31
Cipla	23.7	27.5	-14	33.8	21.2	21	36	3.6	3.3	10	3.9	2.7	15	20
Divi's Lab.	47.2	34.0	39	47.9	20.0	140	68	6.4	6.1	6	7.9	4.3	103	121
Dr Reddy's Labs	19.0	25.7	-26	34.8	16.5	-3	27	3.2	3.6	-11	4.4	2.7	0	29
ERIS Lifescience	27.4	24.7	11	30.5	18.9	39	22	4.4	5.4	-18	7.4	3.4	40	95
Gland Pharma	30.6	40.6	-25	56.3	24.8	56	100	3.3	5.0	-33	7.1	2.8	4	79
Glaxosmit Pharma	54.2	55.3	-2	72.6	37.9	176	173	16.5	12.3	35	14.2	10.4	421	344
Glenmark Pharma.	24.8	23.4	6	30.5	16.4	26	16	2.3	3.1	-27	4.9	1.4	-28	13
Granules India	17.0	15.0	13	20.4	9.6	-14	-26	2.7	2.4	10	3.2	1.7	-15	-12
Ipca Labs.	32.1	32.2	0	45.8	18.7	63	59	4.1	3.6	13	4.5	2.7	28	30
Laurus Labs	36.3	33.0	10	50.9	15.0	85	63	4.4	4.4	-1	6.6	2.3	39	60
Lupin	37.7	39.3	-4	54.5	24.0	92	94	4.4	3.9	12	5.5	2.4	39	43
Max Healthcare	46.1	31.1	48	37.9	24.3	134	53	7.0	4.3	62	5.6	3.0	120	56
Sun Pharma.Inds.	30.8	30.3	2	39.2	21.3	56	49	4.7	4.0	18	5.4	2.6	49	45
Torrent Pharma.	39.8	29.9	33	37.0	22.7	102	47	5.6	6.0	-7	7.2	4.8	77	118
Zydus Lifesciences	22.7	20.5	11	24.9	16.1	15	1	3.3	3.8	-12	5.2	2.4	5	37
Infrastructure	**26.7**	**10.0**	**167**	**15.4**	**4.6**	**36**	**-51**	**2.4**	**1.2**	**105**	**1.6**	**0.7**	**-24**	**-58**
IRB Infra.Devl.	43.7	14.9	194	21.5	8.3	122	-27	2.8	1.1	142	1.6	0.7	-13	-59
KNR Construct.	15.4	12.9	19	17.4	8.4	-22	-36	2.2	2.1	4	2.7	1.5	-32	-24
Media	**18.4**	**25.3**	**-27**	**29.6**	**21.1**	**-6**	**25**	**1.9**	**4.0**	**-53**	**5.8**	**2.3**	**-40**	**46**
PVR Inox	29.9	48.2	-38	68.2	28.2	52	138	1.8	4.1	-57	5.4	2.8	-44	49
Sun TV Network	13.5	16.1	-16	21.6	10.5	-31	-21	2.5	3.7	-32	5.2	2.1	-22	32
Zee Entertainment	23.9	35.8	-33	48.2	23.4	22	77	1.5	4.4	-67	6.6	2.2	-54	59

Company valuations

	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
Company	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
Logistics	**28.1**	**21.7**	**30**	**25.0**	**18.3**	**43**	**7**	**4.5**	**3.5**	**30**	**4.1**	**2.8**	**43**	**26**
Adani Ports	26.7	18.1	47	22.0	14.3	35	-10	4.4	3.3	35	4.0	2.5	40	19
Blue Dart Expres	36.1	77.8	-54	124.2	31.3	83	284	9.2	17.0	-46	25.2	8.7	191	514
Container Corpn.	36.4	30.7	19	36.7	24.6	85	51	4.3	3.2	36	3.7	2.7	35	15
TCI Express	30.5	33.9	-10	43.3	24.4	55	67	6.3	8.2	-23	10.1	6.2	98	195
Transport Corp.	17.3	15.1	15	19.5	10.7	-12	-26	3.1	2.4	29	3.0	1.7	-3	-14
VRL Logistics	32.6	31.8	3	41.3	22.3	66	57	5.7	4.7	22	5.9	3.4	79	69
Mahindra Logis.	85.9	69.1	24	104.6	33.7	336	241	5.6	6.2	-10	7.7	4.7	77	124
Metals	**13.2**	**11.8**	**12**	**16.3**	**7.3**	**-33**	**-42**	**1.9**	**1.3**	**50**	**1.6**	**0.9**	**-39**	**-53**
Coal India	9.9	10.5	-6	15.8	5.2	-50	-48	3.1	4.7	-34	7.3	2.2	-1	72
Hindalco Inds.	10.5	9.4	12	11.7	7.1	-47	-54	1.5	1.1	32	1.4	0.8	-54	-60
Hind.Zinc	14.1	12.2	15	15.4	9.1	-29	-40	7.3	4.1	78	6.7	1.5	130	48
Jindal Steel	13.1	8.1	62	13.9	2.3	-33	-60	1.6	0.7	112	1.1	0.3	-50	-73
JSW Steel	13.3	14.7	-10	23.5	5.9	-33	-27	2.3	1.8	33	2.3	1.2	-26	-36
Natl. Aluminium	18.0	11.8	53	19.8	3.7	-9	-42	1.9	1.0	88	1.3	0.7	-40	-63
NMDC	10.5	6.0	74	8.2	3.8	-47	-70	2.3	1.2	96	1.5	0.8	-29	-58
S A I L	17.5	15.5	13	26.4	4.6	-11	-23	0.9	0.6	40	0.8	0.4	-72	-77
Tata Steel	14.0	20.5	-32	47.6	-6.7	-29	1	1.7	1.2	38	1.8	0.7	-46	-55
Vedanta	14.5	10.9	33	16.3	5.4	-26	-46	4.0	1.8	127	2.8	0.7	26	-36
Oil & Gas	**13.6**	**12.1**	**12**	**14.7**	**9.6**	**-31**	**-40**	**1.7**	**1.4**	**17**	**1.6**	**1.3**	**-47**	**-48**
Oil & Gas Ex RIL	**7.5**	**8.9**	**-15**	**12.4**	**5.5**	**-62**	**-56**	**1.3**	**1.2**	**4**	**1.5**	**0.9**	**-59**	**-55**
Aegis Logistics	24.4	29.0	-16	42.0	16.0	24	43	3.2	4.0	-19	5.3	2.6	1	43
B P C L	6.0	8.9	-33	13.7	4.1	-70	-56	1.4	1.8	-23	2.4	1.3	-56	-34
Castrol India	22.9	23.5	-3	31.6	15.5	16	16	8.8	15.8	-44	26.2	5.3	177	471
GAIL (India)	13.0	11.4	14	15.6	7.1	-34	-44	1.6	1.3	22	1.6	1.0	-51	-54
Gujarat Gas	32.0	24.4	31	33.2	15.6	62	20	4.7	4.7	0	5.8	3.5	48	70
Guj.St.Petronet	18.8	13.6	38	16.1	11.1	-5	-33	1.9	1.6	17	1.9	1.4	-39	-40
H P C L	5.5	5.4	1	7.7	3.1	-72	-73	1.3	1.2	10	1.6	0.8	-59	-57
I O C L	7.5	7.4	2	15.2	-0.4	-62	-64	1.1	0.9	22	1.3	0.6	-64	-66
Indraprastha Gas	17.4	19.9	-13	25.9	13.9	-12	-2	3.2	3.9	-17	5.0	2.8	1	40
Mahanagar Gas	12.5	13.8	-9	18.0	9.5	-36	-32	2.7	3.0	-11	3.9	2.1	-16	8
M R P L	11.8	7.6	57	13.5	1.6	-40	-63	2.2	1.4	66	1.7	1.0	-29	-51
Oil India	7.0	6.8	2	9.7	3.9	-65	-66	1.1	0.8	43	1.0	0.5	-65	-72
O N G C	5.7	7.9	-28	12.3	3.5	-71	-61	0.9	0.9	1	1.3	0.6	-70	-66
Petronet LNG	11.7	12.5	-7	14.9	10.1	-41	-38	2.2	2.6	-16	3.3	2.0	-31	-4
Reliance Inds.	24.3	15.0	62	22.2	7.7	23	-26	1.9	1.4	36	1.7	1.2	-39	-48

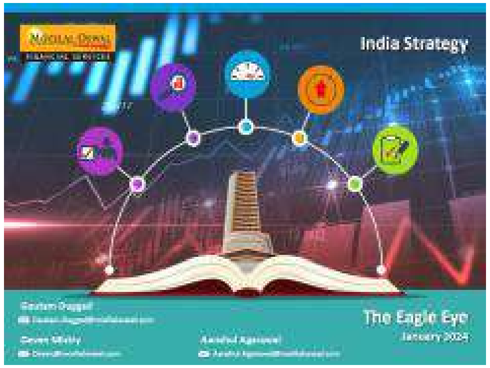
Company valuations

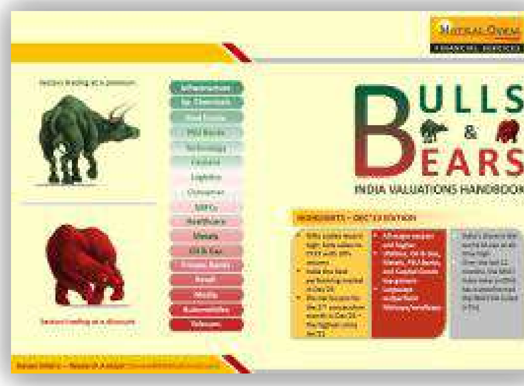
Company	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
Sp. Chemicals	**37.6**	**22.7**	**66**	**35.7**	**9.6**	**91**	**12**	**5.2**	**3.9**	**33**	**6.0**	**1.9**	**65**	**43**
Alkyl Amines	51.3	30.7	67	59.3	2.1	161	51	8.4	6.1	38	10.9	1.3	166	121
Atul	47.0	28.9	63	46.2	11.7	139	43	3.6	3.5	2	4.8	2.3	13	28
Deepak Nitrite	30.2	19.4	56	28.4	10.4	54	-4	5.6	3.6	56	5.7	1.5	75	29
Fine Organic	45.6	34.3	33	44.6	24.0	132	69	6.9	7.9	-12	9.4	6.3	118	185
Galaxy Surfactants	25.7	24.8	4	30.8	18.8	30	22	4.1	4.7	-13	5.7	3.8	29	72
Navin Fluorine	43.3	29.8	45	52.1	7.5	120	47	6.3	4.5	40	7.5	1.4	97	62
NOCIL	27.1	16.3	66	23.7	8.9	38	-20	2.6	1.8	42	2.5	1.1	-18	-34
Vinati Organics	42.9	31.9	35	46.3	17.4	118	57	6.4	6.2	3	8.2	4.2	101	124
Real Estate	**42.7**	**23.4**	**82**	**32.1**	**14.7**	**117**	**15**	**4.4**	**1.6**	**174**	**2.3**	**0.9**	**38**	**-42**
Brigade Enterpr.	31.5	24.9	26	37.0	12.9	60	23	5.1	1.8	179	2.7	1.0	60	-34
DLF	52.8	42.9	23	68.6	17.1	168	111	3.4	1.2	174	1.8	0.7	7	-55
Godrej Properties	59.0	72.8	-19	99.4	46.3	200	259	6.1	5.0	22	6.8	3.1	91	80
Macrotech Developers	46.6	35.3	32	41.3	29.3	137	74	6.7	4.1	63	5.2	3.1	112	50
Mahindra Lifespace	0.0	6.3	-100	10.3	2.3	-100	-69	4.5	1.2	284	2.6	-0.2	43	-57
Oberoi Realty	29.8	23.1	29	27.0	19.2	51	14	3.2	2.1	53	2.6	1.7	2	-24
Prestige Estates	60.4	22.5	168	29.8	15.1	207	11	4.1	1.8	129	2.4	1.3	30	-35
Phoenix Mills	35.0	40.8	-14	68.3	13.3	78	101	4.2	2.5	67	2.9	2.1	32	-10
Sobha	39.4	26.4	49	40.0	12.8	100	30	4.8	1.8	167	2.5	1.1	51	-35
Sunteck Realty	30.9	47.5	-35	72.3	22.8	57	135	2.2	1.9	17	2.4	1.5	-30	-31
Retail	**75.9**	**85.5**	**-11**	**150.5**	**20.6**	**286**	**322**	**13.5**	**9.4**	**44**	**13.1**	**5.7**	**327**	**240**
Aditya Birla Fashion	0.0	96.6	-100	144.2	48.9	-100	376	6.7	8.5	-21	11.2	5.8	111	208
Avenue Supermarts	72.5	98.9	-27	122.4	75.3	268	388	11.4	12.8	-11	15.6	9.9	259	363
Bata India	43.8	46.9	-7	63.5	30.4	122	132	8.9	8.9	1	12.4	5.3	182	221
Jubilant	100.5	68.6	47	101.4	35.8	411	238	16.8	12.4	35	18.7	6.1	429	349
Raymond	14.3	21.1	-32	31.9	10.3	-27	4	2.2	1.8	21	2.4	1.2	-30	-33
Relaxo Footwear	78.6	67.8	16	111.1	24.6	299	235	9.8	9.7	0	12.7	6.7	208	253
Shoppers Stop	51.5	48.4	6	61.8	34.9	162	139	14.4	10.3	40	17.1	3.5	354	274
Titan	69.4	55.8	25	72.1	39.4	253	175	19.2	12.5	54	16.4	8.5	505	352
Trent	92.1	89.2	3	109.0	69.4	368	340	22.6	8.0	182	12.9	3.1	613	190
V-Mart Retail	na	41.2	na	72.5	10.0	na	103	5.1	5.6	-9	8.0	3.3	61	104
Technology	**26.0**	**20.0**	**30**	**24.4**	**15.5**	**32**	**-1**	**8.7**	**5.5**	**58**	**7.0**	**3.9**	**173**	**98**
Coforge	34.3	21.6	59	31.2	12.1	74	7	9.8	4.7	108	7.5	2.0	209	71
Cyient	23.7	17.1	38	22.1	12.2	20	-15	5.4	2.9	87	3.9	1.9	69	4
HCL Technologies	23.9	15.9	50	19.1	12.6	21	-22	6.7	3.8	77	4.7	2.9	111	37
Infosys	25.0	19.8	26	24.9	14.8	27	-2	9.1	5.4	69	7.5	3.2	186	95

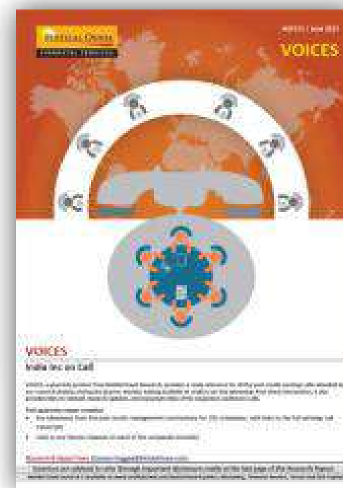
Company valuations

	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
Company	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
LTI Mindtree	31.0	22.8	36	32.8	12.9	58	13	7.3	10.0	-27	12.7	7.2	131	262
L&T Technology	38.0	25.6	49	34.6	16.5	93	26	9.9	6.4	56	8.4	4.3	213	130
MphasiS	27.3	18.4	48	25.9	11.0	39	-9	5.3	3.4	59	5.1	1.6	68	21
Persistent Sys	48.5	24.1	101	34.2	14.0	147	19	11.7	4.1	190	6.5	1.6	270	47
TCS	26.6	23.5	13	28.0	19.0	35	16	16.3	9.6	70	12.9	6.3	413	247
Tech Mahindra	27.2	17.1	59	22.2	12.0	38	-16	4.1	3.1	30	3.9	2.4	28	13
Wipro	21.2	17.4	22	21.7	13.0	8	-14	3.5	2.9	18	3.6	2.3	10	6
Zensar Tech.	22.9	15.4	49	21.2	9.6	16	-24	3.5	2.4	49	3.0	1.7	11	-15
Telecom	**na**	**35.1**	**na**	**49.6**	**20.6**	**na**	**73**	**32.7**	**8.7**	**274**	**17.1**	**0.3**	**931**	**217**
Bharti Airtel	na	33.2	na	48.5	17.9	na	64	5.4	3.1	74	4.4	1.8	71	13
Indus Towers	10.7	19.0	-43	26.8	11.2	-45	-6	1.9	3.4	-43	4.4	2.4	-40	22
Vodafone Idea	na	16.1	na	24.1	8.1	na	-21	0.0	1.5	-100	4.0	-1.0	-100	-45
Tata Comm	32.8	29.1	13	44.3	13.8	67	43	14.8	24.3	-39	39.3	9.3	366	781

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

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