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India
Valuation Guide 2024

Preface

Dear Reader,

It is with immense pleasure that we present to you the 2024 edition of the India Valuation Guide— a definitive compendium meticulously crafted to provide invaluable insights into the intricate world of financial valuations. In an economic landscape that is constantly shifting, this guide emerges as a beacon for businesses, investors, and financial professionals alike, offering the tools and knowledge necessary to navigate the complex and often confounding domain of valuations.

India stands on the cusp of a significant economic transformation, driven by robust growth across key sectors such as manufacturing, services, and infrastructure. The country's economy continues to show resilience and dynamism, supported by a series of structural reforms and policy initiatives that have laid a strong foundation for sustainable development. As the Indian economy expands and integrates more deeply into global markets, the importance of accurate and insightful valuations becomes ever more pronounced. Valuation is not just a technical exercise; it is a critical tool for understanding the true worth of businesses and investments within a rapidly evolving market landscape. In an economy characterized by both opportunities and challenges, sound valuation practices are essential for informed decision-making, whether for investors looking to capitalize on growth prospects or businesses navigating the complexities of an increasingly competitive environment.

Valuation lies at the heart of sound financial decision-making. Whether you are assessing the worth of an innovative startup, evaluating the performance of a mature conglomerate, or estimating the fair value of an investment, the principles and techniques of valuation form the bedrock upon which critical financial choices are made. This guide, therefore, seeks to equip you with the necessary instruments to approach these challenges with prudence and precision.

In this year's edition, we have introduced the inclusion of the Nifty EV and New Age Automotive Index (sector/industry) that represent the future of India's automotive landscape. The addition of this sector is apropos, reflecting the nation's commitment to sustainability, innovation, and technological advancement. The evolution of these industries is a far cry from the automotive bubbles of yore, characterized by traditional internal combustion engines and fossil fuel dependency. Today, the focus has shifted toward electric vehicles (EVs) and cutting-edge technologies, marking a significant paradigm shift in the market.

Industry metrics continue to play a pivotal role in the valuation process. These metrics provide a plethora of insights, offering contextual understanding of growth rates, profitability, and risk factors. They serve as benchmarks for comparison, allowing valuators to gauge a company's financial performance in relation to its peers within the industry. Moreover, industry-specific risk metrics are indispensable in enabling accurate risk assessments, which are crucial for determining discount rates and adjusting cash flows in the valuation process.

Preface

In the following pages, you will find a comprehensive array of key metrics that encompass a wide range of financial aspects, including return ratios, debt ratios, activity ratios, multiples, liquidity ratios, capital expenditure and depreciation ratios, working capital ratios, and betas. Covering 17 major industries, the data reflects a diverse set of constituents from the BSE and NSE, ensuring that the analysis is both broad in scope and deep in detail. To ensure utmost accuracy and reliability, we have diligently adjusted for outliers, thereby avoiding any extreme values that could skew the analysis. The inclusion of comparative charts across all sectors further enhances the utility of this guide, providing a visual representation of the key valuation metrics that are critical for informed decision-making.

However, it is essential to recognize that valuation is not a one-size-fits-all endeavor. Each company and industry present its own unique set of challenges and intricacies, necessitating tailored methodologies to ensure accurate and reliable valuations. While our guide provides valuable industry metrics, it is crucial to exercise caution when using them. These metrics should serve as reference points rather than fixed assumptions. They must be employed in conjunction with the valuer's judgment and expertise, supported by a careful consideration of qualitative aspects. It is the harmonious integration of quantitative data and qualitative insights that leads to well-grounded and defensible valuation conclusions.

In this peninsular nation, where proximity to key markets and a diverse economic structure create both opportunities and challenges, the valuation process must be grounded in a comprehensive understanding of the broader economic context. The integration of these factors is essential for arriving at robust valuation conclusions that stand up to scrutiny.

We are immensely proud of the collective efforts that have gone into creating this guide. The dedication, expertise, and passion of our exceptional team members have been instrumental in bringing this resource to life. Their unwavering commitment to excellence has ensured that this guide remains a valuable companion for professionals at all stages of their careers.

In conclusion, we hope that this guide will empower you to embrace the art and science of valuation with enthusiasm and confidence. As you embark on this journey through the intricacies of financial analysis, we wish you success in unlocking the value that lies hidden within the numbers.

Here's to empowered decision-making and insightful valuations!

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About the guide

This guide is intended be used by valuation professionals conducting appraisals of Indian companies and auditors reviewing the fair value of a specific asset. We have strived to be highly transparent in our process and the reasoning behind certain assumptions used to prepare this guide, which has been discussed in this section. After almost five years of using and improvising the India Valuation Guide for our internal benchmarking and valuation purposes, we are thrilled to share the 2024 version with all our readers. In order to add more value to our readers, we continue to enhance this annual publication by adding more data points and qualitative analysis in future versions. We would love your feedback, reviews, opinions, and critiques. Your input can help us improve this guide and add value to what you do. Please feel free to contact us at markets@knavcpa.com with any questions or comments.

Our process

The section below lists the process followed to select our companies and industries:

Step 1: Our team evaluated the top 600 companies listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), based on the market capitalization as of March 31, 2024. The data set was kept limited to avoid including several smaller and non-operating companies, which may have resulted in a very polluted data set.

Step 2: Only companies with a trading history of at least one year were considered for further analysis.

Step 3: These companies were then classified into over 20 industries using the industry classification followed by the BSE.

Step 4: We analysed the number of companies and the comparability of companies in each industry, and our expertise in the industries under consideration, a list of 17 industries was shortlisted, which was then used for compiling this publication. The final number of companies which form a part of this analysis is 395, post elimination of companies with insuffcent or irregular data.

Step 5: Each industry was carefully evaluated for data inconsistencies and irregularities. For the final list of companies, we provided over 30 financial ratios, margins, and multiples as of March 31, 2024, grouped by BSE's industry classification. For each parameter we included the average, median, lower quartile (25^{th} percentile) and higher quartile (75^{th} percentile).

Step 6: All financial data was sourced from S&P Capital IQ, S&P Capital IQ Pro, and the subject company's annual reports.

Our data analysis

There are two ways to interpret industry data. The first is to consider all companies within a particular industry and examine various statistical data points. The second is to adjust the data for outliers to ensure the selected companies represent a consistent set of statistical data points. This guide provides both types of data for each industry. The appropriateness of either dataset is left to the user's judgment.

Outlier analysis

We aimed to eliminate subjectivity in identifying outliers by using statistical techniques. Specifically, we applied the 99% confidence interval to remove data points outside this range. A confidence interval defines a range within which a variable is expected to fall with a certain probability—99% in this case, meaning we can be 99% certain the population mean is within this range. Any data points beyond this were excluded as outliers, ensuring that extreme values were filtered out. Using this method, we proceeded with the following steps to isolate the relevant data:

Step 1: The confidence interval has been computed by applying a confidence limit of 99%.

Step 2: By adding and subtracting the confidence interval from the mean, an upper interval and lower interval has been computed for the respective data points. To ensure no negative data points for certain financial parameters, the lower interval has been considered to be greater than or equal to zero.

Step 3: Only multiples and ratios within the upper and the lower intervals were considered for the computation of the average, median, 25th and 75th percentile, high and low industry multiples and ratios presented.

Our data points have been computed based on statistical measures of individual data points for each company in an industry. For e.g., the median EBITDA margin of a specific industry is computed based on the mean of EBITDA margins of all companies in that industry. The formulas used for computation of the data sets have been listed down in Section 4: Interpretation and Computation of Ratios and Multiples, along with a brief explanation on the significance of each formula. Additionally, a list of companies considered for each industry is also provided on our website, the link for that list is available here.

We have refrained from providing individual data points for specific companies as it would conflict with our terms of agreement with the database provider, S&P Capital IQ Pro. Along with industry-wise margins, multiples, and other financial parameters, we have also provided an estimate of the cost of equity and the weighted average cost of capital (WACC) for companies in these industries. The cost of equity is computed using the standard Capital Asset Pricing Model (CAPM), and the WACC is computed using the cost of debt and debt-to-capital ratio from our data set.

While this may not be an entirely accurate return expectation, it can serve as an acceptable benchmark for users to assess the fairness of their own WACC estimates. This guide is the result of KNAV's decades of global valuation experience, our analysis of various international data points, and the recognition of a gap in India for a comprehensive and reliable database that finance professionals can depend on for their analyses.

Table of Content

Nifty EV and New Age Automotive

The Nifty EV and New Age Automotive Index tracks the performance of companies involved in the electric and new-age automotive vehicle sectors, such as hybrid, hydrogen fuel-based, and green hybrid vehicles. It includes manufacturers of electric vehicles and batteries, as well as producers of components and raw materials for electric and autonomous vehicle technology. Additionally, companies that build autonomous vehicles and supply related technologies are part of this index.

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	23.0%	10.5%	15.2%
Median	20.4%	8.9%	12.7%
25th percentile	14.4%	7.2%	10.2%
75th percentile	27.7%	14.7%	19.5%

Debt Ratios

Debt/equity	Debt/capital
9.1%	6.2%
6.2%	5.2%
4.4%	4.2%
13.8%	7.4%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	50	70	80
Median	50	66	83
25th percentile	25	46	60
75th percentile	61	87	96

Historical CAGR% (3Yr)

Revenue growth
26.9%
25.0%
19.8%
33.5%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	4.6x	52.5x	9.0x
Median	3.4x	43.9x	7.3x
25th percentile	1.8x	28.6x	4.5x
75th percentile	6.1x	62.8x	11.9x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
4.7x	34.1x
3.6x	24.3x
2.1x	14.5x
5.9x	39.0x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	36.5%	15.7%	9.5%
Median	35.2%	14.0%	7.9%
25th percentile	31.2%	11.9%	6.2%
75th percentile	40.8%	18.4%	12.2%

Liquidity Ratios

Current ratio	Quick ratio
1.6x	1.0x
1.3x	0.7x
1.1x	0.5x
1.9x	1.2x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	5.7%	3.1%	90.7%
Median	4.4%	3.1%	59.2%
25th percentile	2.6%	2.1%	48.2%
75th percentile	7.2%	3.8%	96.8%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
24.5%	12.9%
21.4%	11.7%
12.5%	-0.7%
36.2%	22.4%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.83	0.92	0.86
Median	0.81	0.90	0.83
25th percentile	0.63	0.80	0.75
75th percentile	1.00	1.05	0.96

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.86	14.9%
Median	7.1%	9.1%	0.83	14.6%
25th percentile	7.1%	9.1%	0.75	13.9%
75th percentile	7.1%	9.1%	0.96	15.8%

Nifty EV and New Age Automotive Index – Excl. Outliers

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	23.0%	9.5%	14.4%
Median	21.8%	9.3%	13.2%
25th percentile	19.8%	8.9%	12.5%
75th percentile	26.7%	10.1%	16.9%

Debt Ratios

Debt/equity	Debt/capital
9.1%	6.2%
6.2%	5.2%
4.4%	4.2%
13.8%	7.4%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	53	70	81
Median	54	68	83
25th percentile	51	60	73
75th percentile	58	78	88

Historical CAGR% (3Yr)

Revenue growth
25.8%
25.5%
24.6%
26.3%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	4.5x	50.9x	9.0x
Median	4.3x	46.4x	9.1x
25th percentile	3.6x	44.5x	7.4x
75th percentile	5.4x	58.1x	10.6x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
4.6x	31.6x
4.5x	29.6x
3.7x	23.5x
5.3x	39.2x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	36.0%	15.3%	8.5%
Median	36.1%	14.4%	8.0%
25th percentile	34.4%	13.8%	7.7%
75th percentile	37.5%	17.3%	9.6%

Liquidity Ratios

Current ratio	Quick ratio
1.6x	0.9x
1.5x	0.9x
1.3x	0.6x
1.8x	1.2x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	6.0%	3.1%	79.1%
Median	6.3%	3.2%	71.4%
25th percentile	4.9%	2.7%	53.8%
75th percentile	7.1%	3.5%	103.0%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
24.2%	11.8%
24.1%	11.6%
20.4%	10.5%
28.5%	13.1%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.84	0.91	0.85
Median	0.87	0.93	0.83
25th percentile	0.80	0.89	0.81
75th percentile	0.89	0.93	0.88

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.85	14.8%
Median	7.1%	9.1%	0.83	14.7%
25th percentile	7.1%	9.1%	0.81	14.5%
75th percentile	7.1%	9.1%	0.88	15.1%

Strengths:

- **Government Support:** Incentives like subsidies and tax benefits drive industry growth.
- **Technological Advancements:** Innovations in battery tech, charging, and autonomy improve products and boost adoption.
- **Growing Consumer Demand:** Increasing awareness and preference for eco-friendly vehicles fuel EV demand.
- **Established Brand Presence:** Leading automakers leverage their brand trust to enter the EV market.

Weaknesses:

- **Range Anxiety:** Concerns over EV range compared to gasoline vehicles persist.
- **Limited Charging Infrastructure:** Sparse charging stations, especially in rural areas, hinder convenience.
- **High Capital Requirements:** Significant capital investment for R&D and production can be a barrier to entry and growth.
- **Supply Chain Challenges:** Dependence on rare materials like lithium and cobalt creates supply risks.

Opportunities:

- **Expanding Market:** Emerging markets in Asia and Africa offer growth potential.
- **Technological Partnerships:** Collaborations with tech firms can drive innovation in autonomous and connected vehicles.
- **Aftermarket Growth:** The rise of EVs presents opportunities for specialized services like battery recycling and EV maintenance.
- **Energy Integration:** Advances in renewable energy, like solar charging stations, can further boost EV adoption.

Threats:

- **Intense Competition:** Stiff competition from both traditional automakers and new entrants.
- **Regulatory Uncertainty:** Changing policies and regulations could impact industry growth.
- **Economic Downturns:** Recessions may reduce consumer spending, affecting EV sales.
- **Technological Obsolescence:** Rapid changes may render current EV models obsolete, pressuring continuous innovation.

Interesting Facts

- India's COP26 commitments include 500 GW non-fossil fuel energy by 2030, 50% renewable energy, 1 billion tons emission reduction, and net-zero by 2070.
- Initiatives like the FAME India Scheme and NEMMP 2020 support EV adoption, infrastructure, and local manufacturing.
- By March 2024, India's EV market grew 42%, with 1.67 million units sold, driven by two- and three-wheelers (94% of total sales).
- The Nifty EV and New Age Automotive Index, launched in May 2024, tracks 33 companies, including Tata Motors, Maruti Suzuki, and Mahindra & Mahindra.
- The index covers EV manufacturers, battery producers, and autonomous vehicle tech companies, with capped stock weights and regular rebalancing.

Automobile and Auto Components

This sector encompasses both manufacturers and traders engaged in producing and selling passenger/utility vehicles, as well as two and three-wheelers. It also involves the trading and distribution of passenger cars, utility vehicles, and 2/3 wheelers. Also, it includes the production and distribution of automobile components and accessories.

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	20.3%	10.4%	14.8%
Median	18.3%	8.9%	12.9%
25th percentile	14.6%	7.5%	10.8%
75th percentile	24.6%	12.5%	18.1%

Debt Ratios

Debt/equity	Debt/capital
10.2%	7.7%
3.7%	3.5%
0.6%	0.6%
15.5%	13.4%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	44	81	79
Median	39	72	78
25th percentile	22	53	60
75th percentile	54	97	94

Historical CAGR% (3Yr)

Revenue growth
25.1%
22.5%
16.8%
30.8%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	3.6x	42.8x	6.9x
Median	2.8x	32.0x	5.2x
25th percentile	1.5x	24.0x	3.9x
75th percentile	4.5x	46.0x	9.6x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
3.7x	24.1x
3.0x	20.8x
1.9x	12.3x
4.7x	30.6x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	38.8%	15.2%	9.0%
Median	37.5%	13.8%	7.8%
25th percentile	31.9%	12.2%	6.6%
75th percentile	44.0%	17.3%	11.4%

Liquidity Ratios

Current ratio	Quick ratio
1.5x	0.9x
1.3x	0.7x
1.1x	0.4x
1.9x	1.2x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	5.7%	3.2%	68.5%
Median	4.9%	3.2%	59.1%
25th percentile	2.9%	2.0%	51.5%
75th percentile	7.2%	3.9%	78.1%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
23.0%	12.1%
20.0%	11.0%
11.5%	-0.7%
33.4%	20.5%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.77	0.85	0.85
Median	0.76	0.83	0.85
25th percentile	0.62	0.72	0.74
75th percentile	0.92	1.01	0.98

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.85	14.8%
Median	7.1%	9.1%	0.85	14.8%
25th percentile	7.1%	9.1%	0.74	13.8%
75th percentile	7.1%	9.1%	0.98	16.0%

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	19.5%	9.9%	13.6%
Median	19.6%	9.9%	13.4%
25th percentile	18.4%	9.3%	13.0%
75th percentile	20.3%	10.5%	14.1%

Debt Ratios

	Debt/equity	Debt/capital
Average	8.4%	5.4%
Median	5.6%	5.2%
25th percentile	4.9%	4.6%
75th percentile	11.3%	5.3%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	44	76	79
Median	46	77	78
25th percentile	38	66	73
75th percentile	52	87	86

Historical CAGR% (3Yr)

	Revenue growth
Average	24.8%
Median	25.2%
25th percentile	23.3%
75th percentile	26.3%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	3.4x	39.8x	6.1x
Median	3.4x	41.5x	6.0x
25th percentile	2.8x	30.3x	5.3x
75th percentile	4.1x	45.3x	6.7x

Enterprise Value(EV) Multiples

	EV/revenue	EV/EBITDA
Average	3.5x	23.9x
Median	3.3x	23.3x
25th percentile	3.1x	20.7x
75th percentile	4.2x	26.4x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	38.1%	14.3%	8.6%
Median	37.6%	13.9%	8.1%
25th percentile	36.7%	13.8%	7.9%
75th percentile	38.9%	14.4%	9.3%

Liquidity Ratios

	Current ratio	Quick ratio
Average	1.5x	0.9x
Median	1.4x	1.0x
25th percentile	1.3x	0.7x
75th percentile	1.6x	1.1x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	5.7%	3.2%	66.1%
Median	5.3%	3.3%	64.0%
25th percentile	4.8%	2.9%	58.9%
75th percentile	6.7%	3.5%	75.2%

Working Capital Ratios

	DFWC/revenue	DFCFWC/revenue
Average	23.6%	11.9%
Median	24.1%	11.0%
25th percentile	20.0%	10.5%
75th percentile	27.2%	14.4%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.75	0.85	0.86
Median	0.75	0.83	0.85
25th percentile	0.71	0.80	0.83
75th percentile	0.79	0.90	0.90

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.86	14.9%
Median	7.1%	9.1%	0.85	14.8%
25th percentile	7.1%	9.1%	0.83	14.6%
75th percentile	7.1%	9.1%	0.90	15.2%

Strengths:

- **Established Industry:** Strong brand recognition and supply chains.
- **Global Presence:** Wide market access across regions.
- **Technological Innovation:** Continuous advancements in EVs, autonomy, and connectivity.
- **Diverse Product Range:** Wide variety of vehicles and components.
- **Strong OEM Relationships:** Long-term contracts with automakers.

Weaknesses:

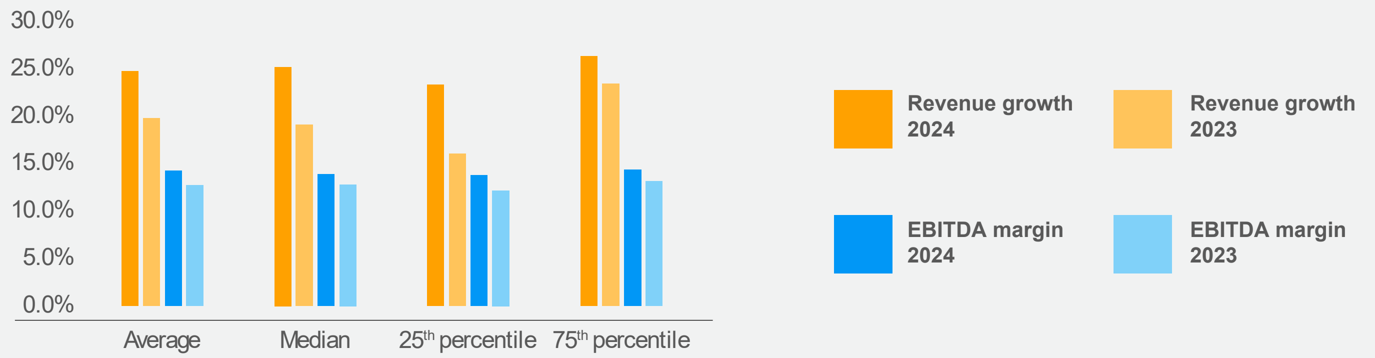
- **High Capital Needs:** Significant investment in R&D and compliance.
- **Cyclical Nature:** Sensitivity to economic fluctuations.
- **Supply Chain Risks:** Vulnerability to global disruptions.
- **Environmental Regulations:** High costs due to rigorous standards.
- **Fossil Fuel Dependency:** Ongoing reliance despite EV growth.

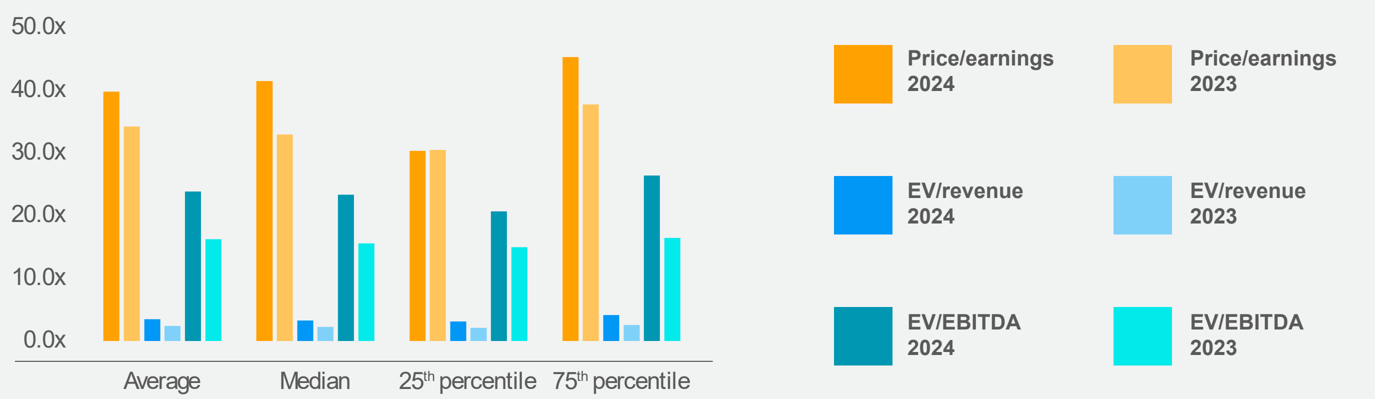
Opportunities:

- **Emerging Markets:** Growth potential in urbanizing regions.
- **EV Transition:** New markets for batteries and components.
- **Autonomous Vehicles:** Innovation opportunities in automation.
- **Aftermarket Growth:** Expanding revenue from services and parts.
- **Sustainability:** Competitive edge through green technologies.

Threats:

- **Intense Competition:** Pressure from established and new players.
- **Regulatory Complexity:** Costly compliance across markets.
- **Economic Downturns:** Impact on sales and profitability.
- **Technological Disruption:** Risk of obsolescence.
- **Raw Material Costs:** Volatility in key material prices.





Banks

This sector covers three main categories: public sector, private sector, and other banks that do not fall into either category. These other banks include small finance banks, payment banks, and foreign banks.

Return Ratios

	Return on assets	Earning asset yield	Gross loans/total deposits
Average	1.3%	6.8%	78.0%
Median	1.2%	7.6%	80.6%
25th percentile	0.9%	7.0%	71.2%
75th percentile	1.7%	8.4%	86.5%

Profitability Ratios

	Net interest margin
Average	4.0%
Median	3.5%
25th percentile	3.1%
75th percentile	4.6%

Capital Adequacy Ratio

	Tier 1 capital	Tier 2 capital	Total capital ratio
Average	13.1%	1.7%	17.8%
Median	14.5%	2.0%	16.9%
25th percentile	12.8%	1.1%	16.2%
75th percentile	15.7%	2.4%	18.5%

Price Multiples

	Price/LTM EPS	
Average	13.9x	1.8x
Median	12.5x	1.6x
25th percentile	7.7x	1.2x
75th percentile	16.9x	2.2x

NPA/NPL Ratios

	Gross NPA/total assets	Gross NPA	Net NPA
Average	2.0%	3.1%	0.8%
Median	1.9%	2.9%	0.6%
25th percentile	1.2%	1.9%	0.5%
75th percentile	2.6%	4.2%	1.1%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	1.14	1.13	1.01
Median	1.10	1.10	1.02
25th percentile	0.99	1.02	0.81
75th percentile	1.33	1.13	1.23

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	1.02	16.4%
Median	7.1%	9.1%	1.02	16.3%
25th percentile	7.1%	9.1%	0.81	14.4%
75th percentile	7.1%	9.1%	1.23	18.3%

Banks - Excl. Outliers

Return Ratios

	Return on assets	Earning asset yield	Gross loans/total deposits
Average	1.2%	7.5%	78.3%
Median	1.2%	7.5%	78.9%
25th percentile	1.1%	7.1%	74.7%
75th percentile	1.3%	7.7%	82.7%

Profitability Ratios

Net interest margin
4.0%
4.0%
3.8%
4.2%

Capital Adequacy Ratio

	Tier 1 capital	Tier 2 capital	Total capital ratio
Average	14.2%	1.8%	17.3%
Median	14.4%	2.0%	17.2%
25th percentile	13.5%	1.7%	16.9%
75th percentile	14.9%	2.0%	17.5%

Price Multiples

Price/LTM EPS	
13.8x	1.7x
14.0x	1.6x
12.8x	1.6x
14.8x	1.7x

NPA/NPL Ratios

	Gross NPA/total assets	Gross NPA	Net NPA
Average	1.9%	3.0%	0.7%
Median	1.9%	3.0%	0.7%
25th percentile	1.8%	2.7%	0.6%
75th percentile	2.1%	3.2%	0.7%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	1.12	1.10	1.01
Median	1.10	1.10	1.02
25th percentile	1.08	1.07	0.97
75th percentile	1.16	1.13	1.04

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	1.01	16.3%
Median	7.1%	9.1%	1.02	16.4%
25th percentile	7.1%	9.1%	0.97	15.9%
75th percentile	7.1%	9.1%	1.04	16.5%

Strengths:

- **Financial Stability:** Strong capital reserves and government backing.
- **Wide Customer Base:** Extensive reach, especially in rural areas.
- **Regulatory Support:** Robust oversight by the RBI.
- **Tech Integration:** Growing adoption of digital and mobile banking.
- **Global Reach:** Presence in multiple markets.

Weaknesses:

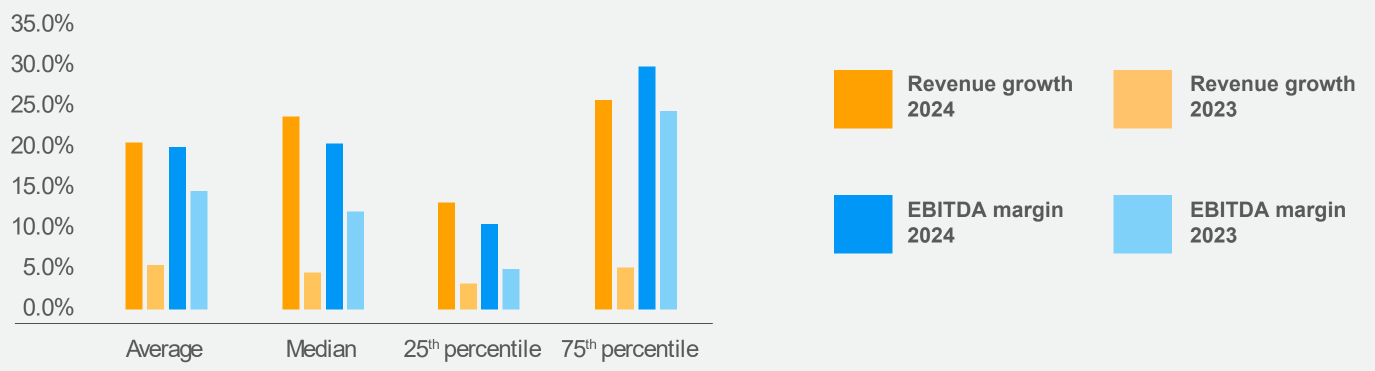
- **Regulatory Costs:** High compliance expenses due to frequent policy changes.
- **Interest Rate Sensitivity:** Margins heavily influenced by RBI's monetary policy.
- **Operational Complexity:** Managing diverse regional operations.
- **Risk Management:** Issues with NPAs and credit risk.
- **Slow Innovation:** Challenges in keeping pace with fintech advancements.

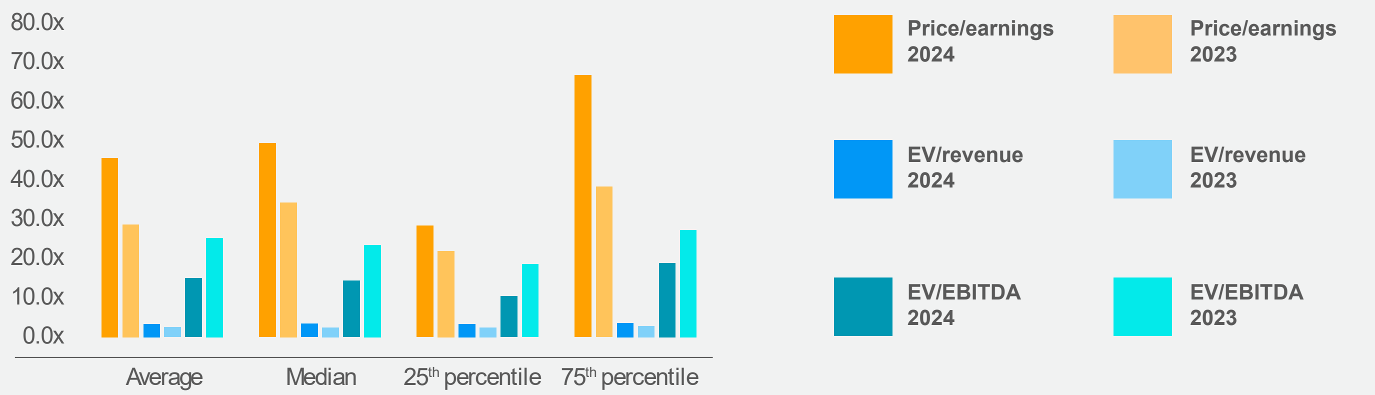
Opportunities:

- **Digital Growth:** Expanding digital services, especially in rural areas.
- **Emerging Markets:** Potential in underbanked semi-urban and rural regions.
- **Financial Inclusion:** Serving unbanked populations through government initiatives.
- **Sustainable Finance:** Rising demand for green investments.
- **Fintech Collaborations:** Opportunities for innovation through partnerships.

Threats:

- **Economic Slowdowns:** Higher NPAs and reduced profitability.
- **Regulatory Changes:** Increased compliance costs from frequent policy shifts.
- **Cybersecurity Risks:** Growing threats with increased digital banking.
- **Non-Bank Competition:** Challenges from fintech and digital payment platforms.
- **Rate Volatility:** Impact on lending and margins from RBI rate changes.





Chemicals & Petrochemicals

This sector includes manufacturers of commodity chemicals, specialty chemicals, petrochemicals, and carbon black. It also encompasses businesses involved in the production, supply, and distribution of dyes and pigments, explosives, printing inks, and industrial gases.

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	12.5%	8.6%	11.1%
Median	12.5%	8.1%	11.3%
25th percentile	7.5%	5.0%	6.4%
75th percentile	17.9%	10.8%	15.3%

Debt Ratios

Debt/equity	Debt/capital
8.5%	6.5%
2.2%	2.2%
0.2%	0.2%
10.3%	10.3%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	60	111	85
Median	61	84	82
25th percentile	50	67	52
75th percentile	78	121	111

Historical CAGR% (3Yr)

Revenue growth
20.5%
17.4%
12.8%
22.2%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	5.5x	47.5x	6.2x
Median	3.8x	47.2x	4.6x
25th percentile	1.8x	30.0x	3.3x
75th percentile	7.5x	58.0x	6.5x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
5.5x	31.7x
3.7x	24.9x
2.1x	16.9x
7.9x	39.5x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	38.3%	17.2%	9.8%
Median	37.5%	16.2%	8.7%
25th percentile	30.0%	12.1%	6.3%
75th percentile	46.6%	21.7%	13.1%

Liquidity Ratios

Current ratio	Quick ratio
2.4x	1.5x
1.8x	1.0x
1.4x	0.6x
2.6x	1.7x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	13.2%	3.7%	46.0%
Median	10.2%	3.7%	35.1%
25th percentile	6.0%	2.6%	22.9%
75th percentile	16.9%	5.1%	53.3%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
36.2%	20.1%
27.0%	17.5%
21.8%	12.9%
42.9%	23.3%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.73	0.82	0.78
Median	0.73	0.77	0.74
25th percentile	0.54	0.65	0.66
75th percentile	0.89	1.05	0.94

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.78	14.2%
Median	7.1%	9.1%	0.74	13.8%
25th percentile	7.1%	9.1%	0.66	13.1%
75th percentile	7.1%	9.1%	0.94	15.7%

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	13.6%	9.1%	11.7%
Median	13.2%	9.4%	11.9%
25th percentile	12.3%	8.1%	11.3%
75th percentile	14.6%	10.1%	12.7%

Debt Ratios

Debt/equity	Debt/capital
5.9%	5.7%
5.1%	5.8%
2.3%	3.1%
9.2%	8.1%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	58	97	85
Median	57	97	85
25th percentile	51	75	70
75th percentile	63	120	97

Historical CAGR% (3Yr)

Revenue growth
18.8%
`18.2%
15.9%
21.1%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	5.1x	47.6x	5.7x
Median	4.9x	50.7x	5.9x
25th percentile	3.8x	36.5x	4.8x
75th percentile	6.3x	57.0x	6.4x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
4.9x	30.6x
4.3x	27.7x
3.7x	24.4x
6.1x	37.8x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	39.3%	16.7%	9.3%
Median	38.5%	15.8%	9.8%
25th percentile	37.4%	15.0%	7.8%
75th percentile	41.2%	19.2%	10.3%

Liquidity Ratios

Current ratio	Quick ratio
2.0x	1.3x
1.9x	1.2x
1.7x	1.0x
2.1x	1.6x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	11.7%	3.7%	44.4%
Median	10.6%	3.8%	44.5%
25th percentile	9.2%	3.4%	35.8%
75th percentile	13.7%	3.9%	52.0%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
31.2%	18.3%
28.7%	18.4%
26.7%	15.3%
34.8%	20.9%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.77	0.76	0.79
Median	0.76	0.77	0.79
25th percentile	0.70	0.72	0.74
75th percentile	0.83	0.79	0.82

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.79	14.3%
Median	7.1%	9.1%	0.79	14.2%
25th percentile	7.1%	9.1%	0.74	13.8%
75th percentile	7.1%	9.1%	0.82	14.6%

Strengths:

- **Diverse Applications:** Crucial in India's agriculture, pharma, textiles, and manufacturing.
- **High Demand:** Strong domestic need driven by industrial growth.
- **Technological Advancements:** Ongoing innovations and investments in the sector.
- **Global Reach:** Major exporter with established international markets.
- **R&D Focus:** Strong emphasis on developing specialty and agrochemicals.

Weaknesses:

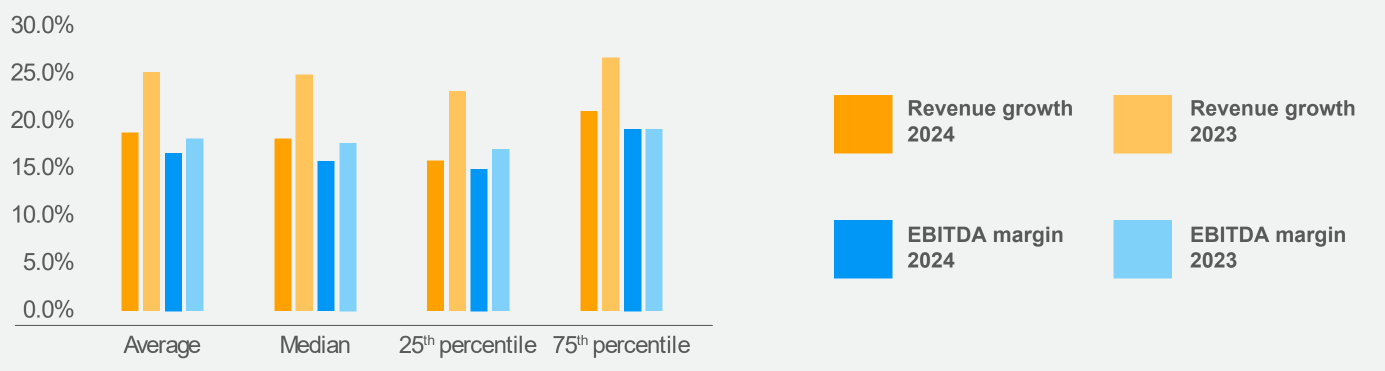
- **Environmental Impact:** High pollution and carbon emissions.
- **Regulatory Pressure:** Costly compliance with rigorous regulations.
- **Raw Material Dependency:** Reliance on imported crude oil and natural gas.
- **High Capital Needs:** Significant investment required for plant setup and upgrades.
- **Cyclical Nature:** Profitability tied to economic cycles.

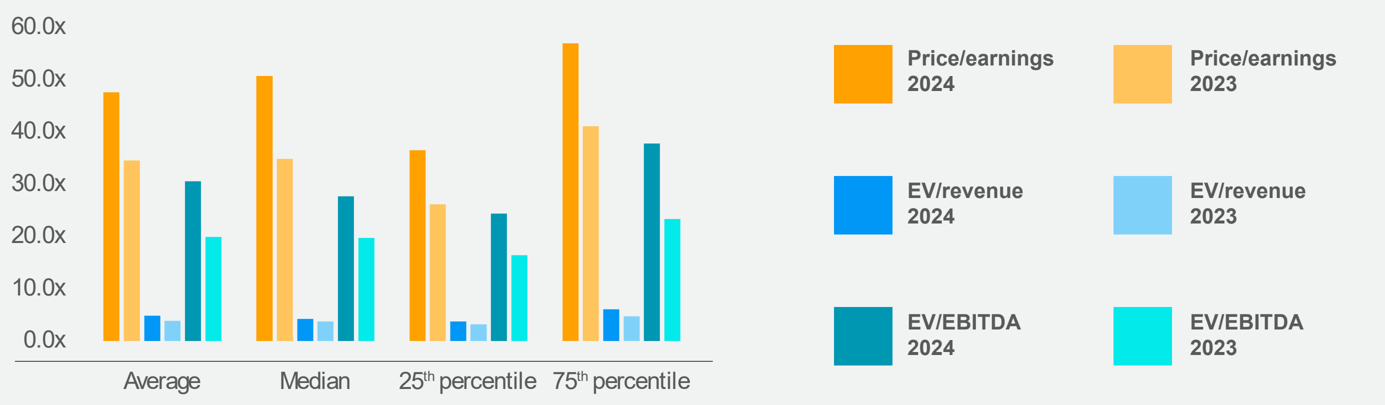
Opportunities:

- **Sustainability:** Rising demand for eco-friendly and green chemicals.
- **Domestic Growth:** Expanding market due to urbanization and industrialization.
- **Tech Integration:** Potential in digital technologies and automation.
- **Circular Economy:** Focus on recycling and sustainable practices.
- **Specialty Chemicals:** Growing demand, especially in pharma and agriculture.

Threats:

- **Economic Volatility:** Vulnerability to global economic downturns.
- **Regulatory Changes:** Increasing compliance costs with more rigorous regulations.
- **Competition:** Fierce domestic and international rivalry.
- **Geopolitical Risks:** Dependence on imports from volatile regions.
- **Price Volatility:** Fluctuations in crude oil and natural gas prices impact costs.





Consumer Durables

Manufacturers and distributors of bicycles, furniture, and furnishings such as plywood, ceramics, granite, and marble. Also includes businesses in sanitaryware, paints, houseware, household appliances, consumer electronics, plastic products for everyday use, gems and jewelry, watches, leisure products, leather products, and footwear.

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	16.1%	8.4%	12.2%
Median	15.2%	7.5%	10.9%
25th percentile	8.8%	4.9%	7.6%
75th percentile	22.8%	11.0%	15.3%

Debt Ratios

Debt/equity	Debt/capital
4.9%	4.5%
2.7%	2.7%
1.2%	1.2%
7.7%	7.2%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	43	133	79
Median	39	107	76
25th percentile	23	80	61
75th percentile	49	173	94

Historical CAGR% (3Yr)

Revenue growth
21.6%
18.1%
15.1%
28.7%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	4.1x	64.9x	9.2x
Median	3.4x	58.8x	7.2x
25th percentile	2.5x	44.2x	5.2x
75th percentile	5.3x	75.5x	10.9x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
4.2x	35.0x
3.5x	32.2x
2.5x	26.2x
5.3x	41.5x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	37.4%	12.3%	7.2%
Median	38.6%	12.0%	6.8%
25th percentile	30.5%	7.3%	3.2%
75th percentile	47.5%	15.9%	10.1%

Liquidity Ratios

Current ratio	Quick ratio
2.1x	1.1x
1.8x	0.9x
1.3x	0.6x
2.6x	1.6x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	6.2%	3.0%	90.0%
Median	3.4%	2.4%	71.6%
25th percentile	2.4%	1.7%	37.6%
75th percentile	6.2%	3.8%	117.3%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
29.7%	16.8%
26.9%	15.3%
17.4%	4.3%
40.6%	22.3%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.59	0.68	0.66
Median	0.60	0.63	0.66
25th percentile	0.43	0.51	0.55
75th percentile	0.68	0.82	0.76

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.66	13.1%
Median	7.1%	9.1%	0.66	13.1%
25th percentile	7.1%	9.1%	0.55	12.1%
75th percentile	7.1%	9.1%	0.76	14.0%

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	16.2%	7.8%	11.7%
Median	15.7%	7.4%	12.0%
25th percentile	15.1%	6.9%	10.5%
75th percentile	17.5%	8.8%	12.4%

Debt Ratios

Debt/equity	Debt/capital
3.7%	3.5%
3.6%	3.4%
2.9%	2.8%
4.1%	3.9%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	42	118	80
Median	41	110	78
25th percentile	38	105	71
75th percentile	44	123	85

Historical CAGR% (3Yr)

Revenue growth
19.1%
18.1%
17.0%
21.2%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	4.1x	66.3x	8.6x
Median	4.0x	66.8x	8.2x
25th percentile	3.5x	60.3x	7.0x
75th percentile	4.7x	74.0x	10.2x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
4.1x	34.5x
3.9x	35.2x
3.7x	31.0x
4.4x	36.0x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	37.4%	12.0%	7.3%
Median	38.0%	12.0%	6.9%
25th percentile	33.9%	10.4%	6.1%
75th percentile	40.1%	13.6%	8.4%

Liquidity Ratios

Current ratio	Quick ratio
2.0x	1.0x
2.0x	1.0x
1.8x	0.9x
2.2x	1.0x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	5.0%	2.8%	85.6%
Median	4.5%	2.6%	80.3%
25th percentile	4.0%	2.3%	70.6%
75th percentile	6.2%	3.2%	97.7%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
28.2%	17.6%
27.0%	17.6%
26.7%	15.2%
31.3%	19.7%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.60	0.68	0.66
Median	0.60	0.67	0.66
25th percentile	0.58	0.63	0.65
75th percentile	0.65	0.74	0.70

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.66	13.1%
Median	7.1%	9.1%	0.66	13.1%
25th percentile	7.1%	9.1%	0.65	13.0%
75th percentile	7.1%	9.1%	0.70	13.4%

Strengths:

- **Brand Loyalty:** Strong consumer trust in established brands.
- **Diverse Products:** Wide range catering to various income levels.
- **Innovation:** Continuous advancements, especially in energy efficiency.
- **Urbanization Growth:** Rising demand from growing urban middle class.
- **Distribution Network:** Strong retail and expanding e-commerce channels.

Weaknesses:

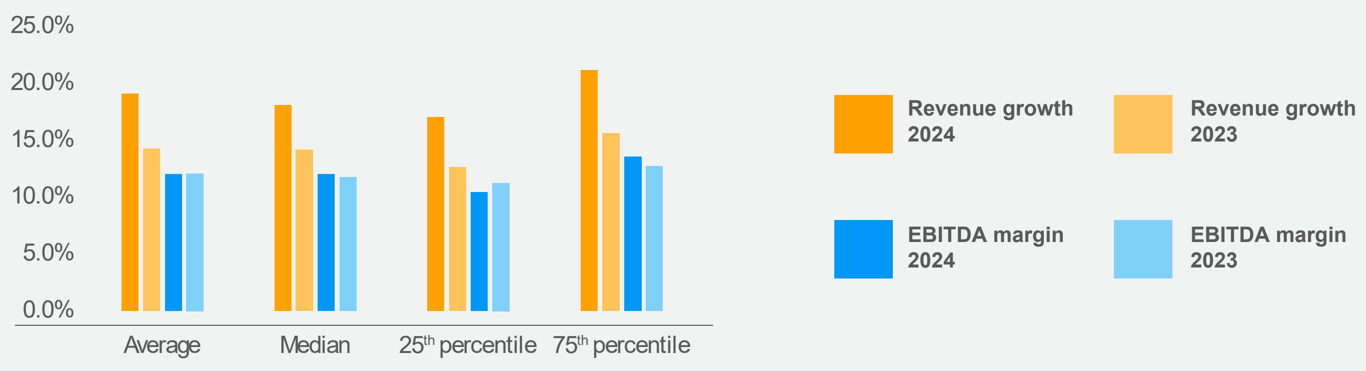
- **High Competition:** Intense rivalry, including from unorganized sectors.
- **Seasonal Sales:** Sales peak during festive seasons, leading to uneven revenue streams.
- **High Costs:** Rising expenses for raw materials and labor.
- **Import Dependency:** Reliance on imported components, especially from China.
- **Slow Replacement:** Long product lifespans slow repeat purchases.

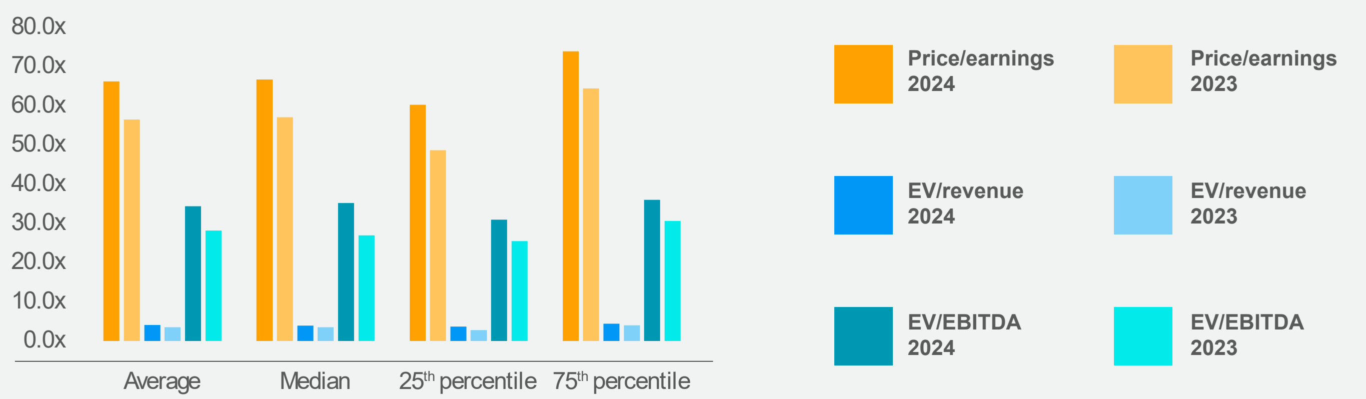
Opportunities:

- **Rural Expansion:** Growth potential in rural markets with rising incomes.
- **E-commerce Growth:** Expanding online sales channels.
- **Sustainability:** Increasing demand for eco-friendly products.
- **Smart Homes:** Opportunities in smart, connected appliances.
- **Government Support:** Incentives like "Make in India" and energy efficiency programs.

Threats:

- **Economic Downturns:** Reduced consumer spending during slowdowns.
- **Regulatory Changes:** More rigorous product safety and environmental standards.
- **Currency Fluctuations:** Profit impact from exchange rate volatility.
- **Tech Disruption:** Need for constant innovation due to rapid changes.
- **Supply Chain Risks:** Vulnerability to disruptions from geopolitical tensions.





Construction Materials

This sector includes companies involved in designing, constructing, and maintaining various infrastructures such as roads, bridges, canals, dams, and similar projects. Additionally, it encompasses companies engaged in engineering, procurement, and commercial projects.

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	9.1%	5.7%	7.9%
Median	10.6%	5.4%	8.5%
25th percentile	5.5%	3.9%	5.1%
75th percentile	13.5%	7.6%	10.7%

Debt Ratios

Debt/equity	Debt/capital
22.2%	15.1%
18.5%	15.4%
2.4%	2.3%
33.1%	24.8%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	21	105	97
Median	20	88	84
25th percentile	16	78	66
75th percentile	24	111	100

Historical CAGR% (3Yr)

Revenue growth
14.8%
14.0%
12.7%
19.3%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	2.3x	33.5x	3.0x
Median	2.2x	36.4x	2.8x
25th percentile	1.2x	26.3x	1.8x
75th percentile	1.0x	-29.0x	1.1x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
2.6x	20.6x
2.5x	14.6x
1.8x	11.5x
1.4x	9.4x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	57.0%	16.5%	6.1%
Median	58.2%	17.3%	6.2%
25th percentile	52.7%	15.1%	4.0%
75th percentile	41.1%	1.9%	-4.4%

Liquidity Ratios

Current ratio	Quick ratio
1.2x	0.7x
1.0x	0.4x
0.9x	0.3x
0.4x	0.1x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	13.1%	5.8%	65.6%
Median	13.1%	5.0%	50.8%
25th percentile	6.6%	4.4%	33.7%
75th percentile	2.5%	3.6%	14.1%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
13.3%	-0.8%
14.9%	-4.6%
1.7%	-6.5%
-14.1%	-15.1%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.94	0.91	0.84
Median	0.90	0.88	0.87
25th percentile	0.78	0.81	0.76
75th percentile	1.04	0.97	0.93

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.84	14.7%
Median	7.1%	9.1%	0.87	15.0%
25th percentile	7.1%	9.1%	0.76	14.0%
75th percentile	7.1%	9.1%	0.93	15.6%

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	8.7%	6.0%	8.4%
Median	8.2%	6.2%	9.0%
25th percentile	6.3%	4.5%	6.1%
75th percentile	11.7%	7.4%	10.5%

Debt Ratios

Debt/equity	Debt/capital
22.0%	15.9%
19.9%	15.9%
18.1%	15.0%
24.4%	16.6%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	20	94	85
Median	20	88	87
25th percentile	16	84	77
75th percentile	22	102	91

Historical CAGR% (3Yr)

Revenue growth
13.8%
13.0%
12.8%
14.4%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	2.4x	32.2x	2.8x
Median	2.4x	32.5x	2.8x
25th percentile	2.1x	26.3x	2.6x
75th percentile	1.5x	20.0x	2.2x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
2.6x	15.1x
2.5x	14.0x
2.5x	11.4x
2.1x	9.4x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	57.6%	17.3%	5.3%
Median	58.4%	17.3%	5.0%
25th percentile	57.4%	15.3%	4.3%
75th percentile	52.6%	14.9%	3.8%

Liquidity Ratios

Current ratio	Quick ratio
1.0x	0.6x
1.0x	0.6x
0.9x	0.5x
0.9x	0.4x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	13.6%	5.1%	51.3%
Median	14.2%	4.9%	50.8%
25th percentile	12.9%	4.4%	35.6%
75th percentile	10.1%	4.4%	33.4%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
14.7%	3.9%
18.8%	3.9%
7.5%	3.4%
2.0%	3.0%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.92	0.89	0.84
Median	0.91	0.88	0.86
25th percentile	0.85	0.82	0.82
75th percentile	1.00	0.95	0.88

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.84	14.8%
Median	7.1%	9.1%	0.86	14.9%
25th percentile	7.1%	9.1%	0.82	14.5%
75th percentile	7.1%	9.1%	0.88	15.1%

Strengths:

- **High Demand:** Driven by infrastructure projects and urbanization.
- **Wide Product Range:** Diverse materials like cement, steel, and concrete.
- **Local Sourcing:** Abundant domestic raw materials, reducing import reliance.
- **Established Market:** Strong presence in residential, commercial, and industrial sectors.
- **Technological Advancements:** Innovations in sustainable and efficient materials.

Weaknesses:

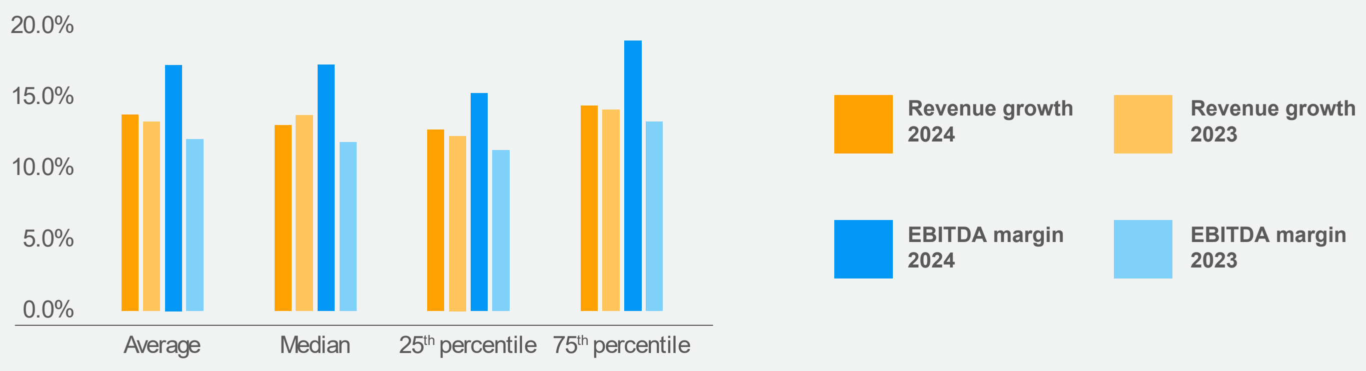
- **High Costs:** Rising energy and raw material expenses.
- **Environmental Impact:** Significant carbon footprint, especially in cement production.
- **Fragmented Industry:** Intense price competition due to many small players.
- **Supply Chain Issues:** Dependence on transportation can cause delays.
- **Regulatory Compliance:** High costs due to stringent environmental regulations.

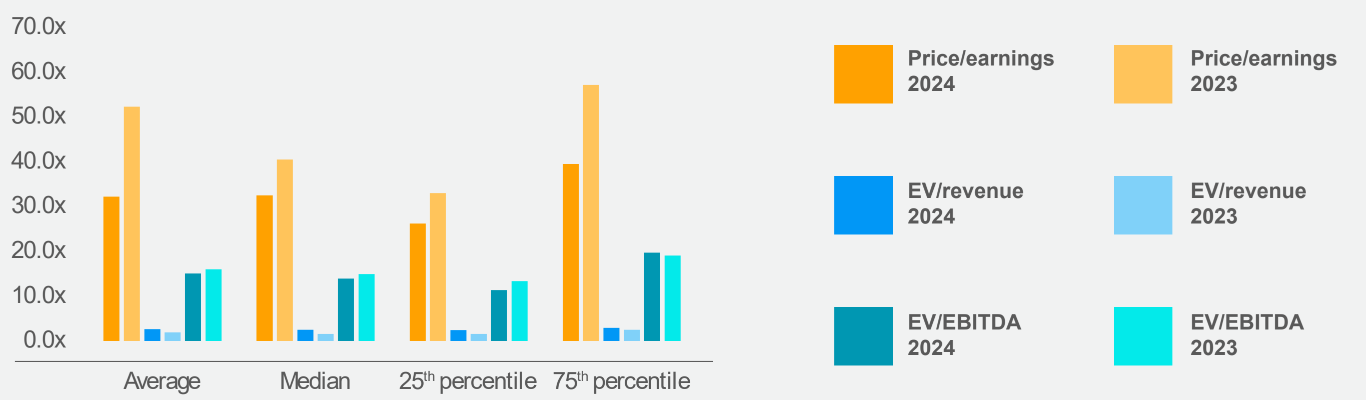
Opportunities:

- **Infrastructure Growth:** Government projects like 'Smart Cities' and 'Housing for All.'
- **Sustainable Materials:** Rising demand for eco-friendly construction options.
- **Urbanization:** Continuous growth from urban development and affordable housing.
- **Tech Integration:** Adoption of advanced manufacturing technologies.
- **Export Potential:** Opportunities in neighboring and emerging markets.

Threats:

- **Economic Downturns:** Reduced construction during slowdowns.
- **Regulatory Changes:** More rigorous environmental laws may increase costs.
- **Price Volatility:** Fluctuations in raw material costs impact margins.
- **Competition:** Fierce rivalry, especially from unorganized sectors.
- **Supply Chain Disruptions:** Risks from transportation and geopolitical tensions.





Electrical Equipment

Manufacturers and distributors of power generating equipment and other heavy machinery, including power turbines, transmission towers, and similar items.

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	21.8%	8.3%	16.0%
Median	15.9%	7.6%	16.6%
25th percentile	10.8%	4.3%	10.1%
75th percentile	26.7%	12.9%	22.6%

Debt Ratios

Debt/equity	Debt/capital
6.0%	4.8%
0.7%	0.7%
0.1%	0.1%
6.7%	6.2%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	116	117	117
Median	96	79	129
25th percentile	59	48	74
75th percentile	199	130	175

Historical CAGR% (3Yr)

Revenue growth
25.3%
25.3%
19.9%
34.4%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	6.5x	57.3x	15.2x
Median	6.9x	73.2x	10.9x
25th percentile	4.5x	42.2x	7.2x
75th percentile	9.0x	98.6x	17.6x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
6.7x	60.9x
6.8x	55.5x
5.3x	45.6x
8.7x	68.4x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	34.0%	12.3%	7.4%
Median	34.3%	13.4%	6.9%
25th percentile	29.9%	9.2%	2.4%
75th percentile	37.7%	15.2%	11.0%

Liquidity Ratios

Current ratio	Quick ratio
1.3x	0.8x
1.4x	0.9x
1.1x	0.5x
1.6x	1.0x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	7.8%	2.0%	68.9%
Median	1.9%	1.3%	64.7%
25th percentile	1.2%	1.0%	32.7%
75th percentile	3.2%	1.7%	91.8%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
42.2%	26.6%
26.3%	14.1%
19.3%	4.8%
45.1%	27.3%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.84	0.81	0.71
Median	0.72	0.80	0.71
25th percentile	0.53	0.64	0.61
75th percentile	1.15	0.88	0.80

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.71	13.5%
Median	7.1%	9.1%	0.71	13.5%
25th percentile	7.1%	9.1%	0.61	12.7%
75th percentile	7.1%	9.1%	0.80	14.3%

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	21.6%	8.6%	14.8%
Median	22.9%	8.8%	14.7%
25th percentile	15.6%	6.4%	11.9%
75th percentile	26.7%	10.3%	18.2%

Debt Ratios

Debt/equity	Debt/capital
1.6%	1.5%
0.2%	0.2%
0.0%	0.0%
1.9%	1.9%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	94	95	115
Median	90	85	111
25th percentile	82	68	106
75th percentile	99	105	129

Historical CAGR% (3Yr)

Revenue growth
26.0%
25.3%
23.2%
29.1%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	6.8x	73.1x	13.2x
Median	6.9x	73.2x	12.5x
25th percentile	5.8x	57.4x	8.5x
75th percentile	7.7x	87.8x	17.3x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
6.6x	61.5x
6.4x	61.3x
5.9x	53.9x
7.3x	68.4x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	33.0%	13.1%	7.6%
Median	32.5%	13.6%	7.4%
25th percentile	30.2%	12.2%	5.6%
75th percentile	35.9%	14.8%	10.1%

Liquidity Ratios

Current ratio	Quick ratio
1.3x	0.9x
1.4x	0.9x
1.1x	0.7x
1.5x	1.0x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	2.4%	1.4%	69.7%
Median	1.8%	1.3%	65.5%
25th percentile	1.2%	1.0%	61.4%
75th percentile	2.6%	1.6%	80.7%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
32.7%	18.6%
31.3%	14.9%
24.4%	8.9%
41.0%	23.9%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.94	0.82	0.71
Median	0.77	0.82	0.87
25th percentile	0.72	0.80	0.64
75th percentile	0.82	0.85	0.76

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.71	13.6%
Median	7.1%	9.1%	0.87	13.7%
25th percentile	7.1%	9.1%	0.64	12.9%
75th percentile	7.1%	9.1%	0.76	14.0%

Strengths:

- **Diverse Range:** Includes transformers, breakers, and switches for various needs.
- **Tech Advancements:** Innovations in energy efficiency.
- **Growing Demand:** Driven by infrastructure and industrial growth.
- **Established Market:** Strong presence across sectors.
- **Global Reach:** Export opportunities and international access.

Weaknesses:

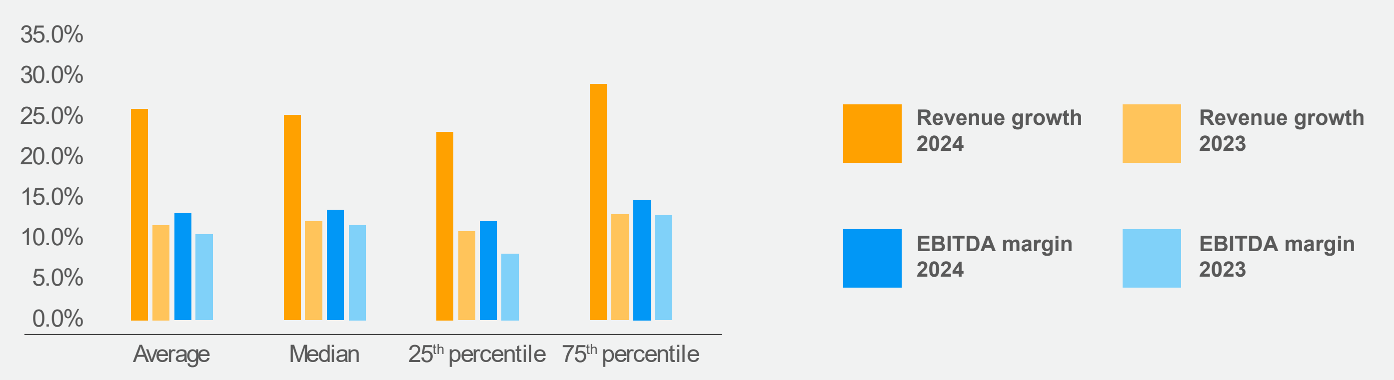
- **High Costs:** Rising expenses for materials and technology.
- **Regulations:** Stringent safety and quality standards increase costs.
- **Market Saturation:** Market saturation in certain segments.
- **Supply Chain Issues:** Dependence on global supply chains.
- **Obsolescence:** Rapid tech changes may render products outdated.

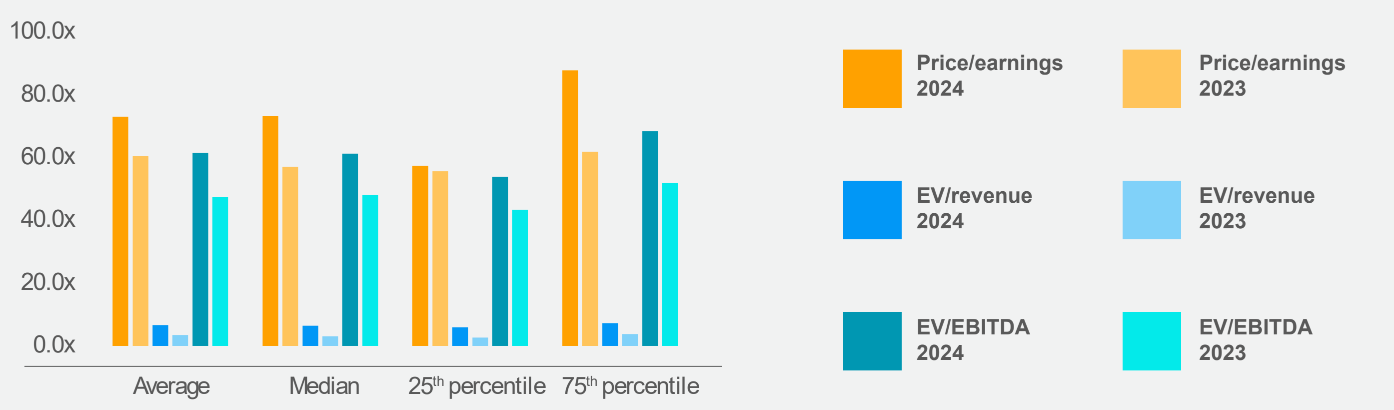
Opportunities:

- **Infrastructure Projects:** Growth from smart cities and urban expansion.
- **Renewable Energy:** Rising demand for solar and wind equipment.
- **Smart Tech:** Opportunities in smart grids and IoT.
- **Emerging Markets:** Potential in smaller towns and rural areas.
- **Government Support:** Incentives under 'Make in India.'

Threats:

- **Economic Fluctuations:** Impact from economic downturns.
- **Regulatory Changes:** Stringent regulations could raise costs.
- **Material Prices:** Unstable input costs.
- **Competition:** High from global and local players.
- **Supply Chain Risks:** Disruptions from global issues.





Fast Moving Consumer Goods

Manufacturers and distributors of various products. This includes agricultural food and related items, beverages, cigarettes, and tobacco products, as well as personal consumable and discretionary items, and household products.

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	25.1%	12.9%	20.4%
Median	17.7%	10.3%	13.4%
25th percentile	11.9%	7.1%	8.9%
75th percentile	29.5%	17.2%	22.5%

Debt Ratios

Debt/equity	Debt/capital
11.7%	7.8%
2.7%	2.6%
0.3%	0.3%
13.0%	11.5%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	26	109	59
Median	20	88	48
25th percentile	10	54	20
75th percentile	34	143	105

Historical CAGR% (3Yr)

Revenue growth
13.4%
11.4%
8.4%
18.9%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	5.0x	54.4x	12.0x
Median	4.0x	43.7x	7.1x
25th percentile	1.3x	18.3x	2.4x
75th percentile	7.3x	70.7x	11.1x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
5.1x	29.6x
4.1x	30.7x
1.4x	16.9x
7.2x	38.2x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	40.9%	16.6%	10.0%
Median	42.8%	16.2%	9.4%
25th percentile	28.6%	12.1%	5.7%
75th percentile	51.0%	21.3%	14.6%

Liquidity Ratios

Current ratio	Quick ratio
1.8x	0.8x
1.6x	0.7x
1.2x	0.3x
1.8x	1.0x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	4.6%	2.5%	97.0%
Median	2.6%	2.3%	72.6%
25th percentile	1.6%	1.8%	43.9%
75th percentile	5.6%	3.1%	107.0%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
29.0%	17.5%
20.6%	10.6%
13.8%	1.7%
35.5%	20.2%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.63	0.68	0.65
Median	0.62	0.63	0.63
25th percentile	0.45	0.48	0.54
75th percentile	0.79	0.87	0.75

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.65	13.0%
Median	7.1%	9.1%	0.63	12.8%
25th percentile	7.1%	9.1%	0.54	12.0%
75th percentile	7.1%	9.1%	0.75	13.9%

Fast Moving Consumer Goods - Excl. Outliers

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	21.2%	11.8%	18.6%
Median	19.9%	11.4%	19.1%
25th percentile	16.7%	10.4%	14.2%
75th percentile	22.8%	13.0%	21.7%

Debt Ratios

	Debt/equity	Debt/capital
Average	8.5%	6.6%
Median	3.7%	4.8%
25th percentile	3.3%	3.4%
75th percentile	14.0%	10.0%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	23	101	58
Median	21	108	59
25th percentile	19	79	48
75th percentile	25	114	65

Historical CAGR% (3Yr)

	Revenue growth
Average	12.7%
Median	12.9%
25th percentile	11.7%
75th percentile	13.1%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	5.1x	47.5x	9.1x
Median	5.4x	46.7x	9.2x
25th percentile	4.0x	26.0x	6.9x
75th percentile	5.7x	61.4x	10.5x

Enterprise Value(EV) Multiples

	EV/revenue	EV/EBITDA
Average	4.9x	30.0x
Median	5.2x	30.7x
25th percentile	4.0x	27.7x
75th percentile	5.6x	31.5x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	42.6%	16.9%	9.8%
Median	42.7%	17.0%	9.4%
25th percentile	41.5%	14.9%	7.6%
75th percentile	44.5%	18.4%	11.5%

Liquidity Ratios

	Current ratio	Quick ratio
Average	1.6x	0.8x
Median	1.6x	0.8x
25th percentile	1.4x	0.7x
75th percentile	1.7x	0.9x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	4.4%	2.4%	91.8%
Median	4.2%	2.3%	87.3%
25th percentile	3.3%	2.2%	75.2%
75th percentile	4.9%	2.5%	103.2%

Working Capital Ratios

	DFWC/revenue	DFCFWC/revenue
Average	26.7%	13.6%
Median	24.7%	13.0%
25th percentile	20.6%	10.5%
75th percentile	32.8%	15.7%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.62	0.65	0.64
Median	0.61	0.63	0.63
25th percentile	0.57	0.62	0.61
75th percentile	0.65	0.67	0.68

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.64	12.9%
Median	7.1%	9.1%	0.63	12.8%
25th percentile	7.1%	9.1%	0.61	12.6%
75th percentile	7.1%	9.1%	0.68	13.3%

Strengths:

- **Strong Demand:** Consistent need for essential products like food and beverages.
- **Established Brands:** Well-known Indian and international brands with significant market presence.
- **Wide Distribution:** Extensive distribution networks covering urban and rural areas.
- **Innovation:** Continuous development of new products and variants.
- **Market Reach:** High market penetration across diverse regions.

Weaknesses:

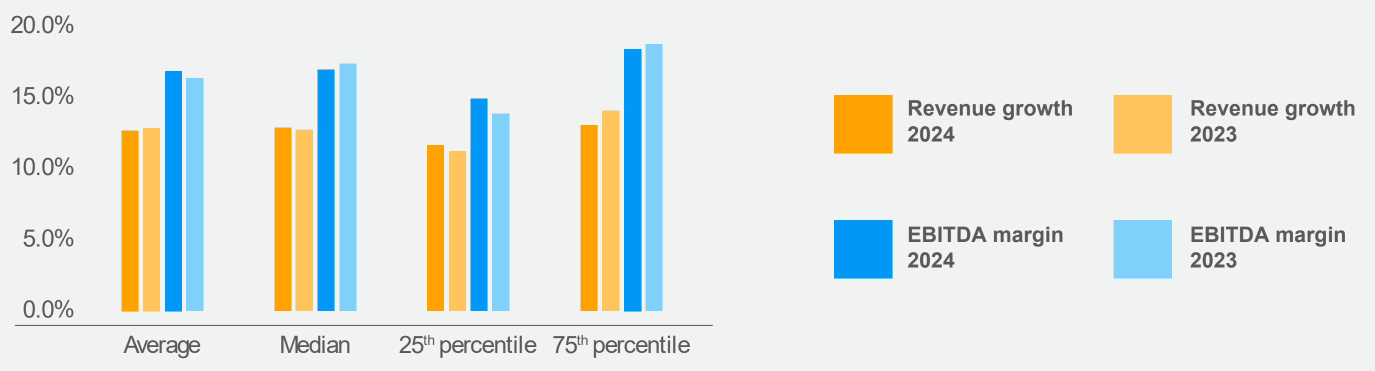
- **Low Margins:** Intense competition leading to thin profit margins.
- **High Competition:** Numerous brands and new entrants create a competitive environment.
- **Dependence on Retailers:** Reliance on a vast network of retailers for distribution.
- **Supply Chain Vulnerabilities:** Challenges related to logistics and supply chain disruptions.
- **Price Sensitivity:** Consumer behavior is highly sensitive to price fluctuations.

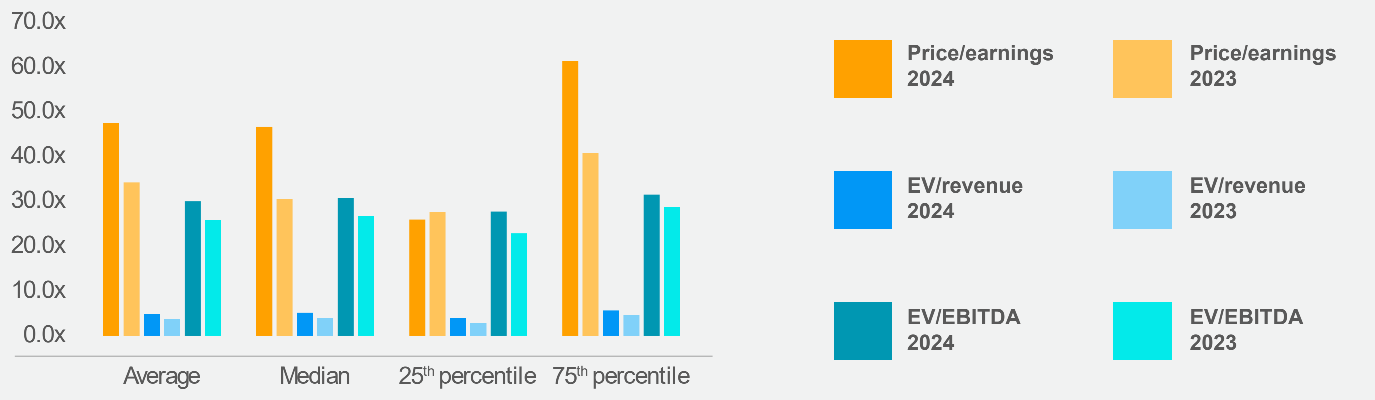
Opportunities:

- **Health Trends:** Increasing demand for health-conscious and organic products.
- **E-commerce Growth:** Expanding online retail channels and digital shopping.
- **Emerging Markets:** Growing consumer spending in tier-2 and tier-3 cities.
- **Sustainability Initiatives:** Rising focus on eco-friendly and sustainable products.
- **Product Diversification:** Potential for expanding into new product categories and markets.

Threats:

- **Economic Downturns:** Economic slowdowns affecting consumer purchasing power.
- **Regulatory Changes:** New regulations on product standards and labeling.
- **Supply Chain Disruptions:** Risks from global and domestic supply chain issues.
- **Consumer Preferences:** Rapid shifts in consumer preferences and trends.
- **Intense Competition:** Pressure from many competitors and new entrants.





Fertilizers and Agrochemicals

This sector includes companies involved in manufacturing of fertilizers, agrochemicals, and pesticides.

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	13.0%	7.7%	12.0%
Median	14.5%	8.7%	12.9%
25th percentile	6.4%	2.9%	4.8%
75th percentile	18.7%	10.9%	17.6%

Debt Ratios

Debt/equity	Debt/capital
17.2%	10.5%
3.0%	2.9%
0.2%	0.2%
17.0%	11.8%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	59	119	96
Median	56	111	99
25th percentile	21	77	46
75th percentile	73	147	110

Historical CAGR% (3Yr)

Revenue growth
12.5%
14.0%
6.2%
16.4%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	3.1x	45.2x	6.1x
Median	1.1x	25.3x	2.6x
25th percentile	0.8x	11.8x	1.2x
75th percentile	5.7x	34.1x	7.0x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
3.0x	1.4x
2.0x	1.0x
1.5x	0.7x
3.1x	2.0x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	32.9%	12.2%	7.5%
Median	35.7%	11.2%	6.6%
25th percentile	24.6%	7.6%	2.9%
75th percentile	41.8%	15.6%	11.6%

Liquidity Ratios

Current ratio	Quick ratio
2.4x	1.4x
2.0x	1.0x
1.5x	0.7x
3.1x	2.0x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	3.2%	2.2%	81.8%
Median	2.8%	1.6%	50.5%
25th percentile	2.4%	1.4%	44.6%
75th percentile	3.4%	2.0%	88.2%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
39.8%	16.0%
40.1%	21.4%
25.2%	12.3%
47.5%	22.7%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.99	0.88	0.80
Median	1.09	0.89	0.83
25th percentile	0.71	0.69	0.70
75th percentile	1.19	1.10	0.95

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.80	14.4%
Median	7.1%	9.1%	0.83	14.6%
25th percentile	7.1%	9.1%	0.70	13.4%
75th percentile	7.1%	9.1%	0.95	15.7%

Return Ratios

	Return on equity	Return on assets	Return on capital
Average	15.4%	8.7%	13.6%
Median	15.3%	9.2%	13.2%
25th percentile	13.7%	8.2%	12.6%
75th percentile	17.8%	10.7%	16.0%

Debt Ratios

	Debt/equity	Debt/capital
Average	4.8%	3.7%
Median	0.9%	0.9%
25th percentile	0.2%	0.2%
75th percentile	6.8%	6.0%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	64	121	90
Median	68	117	102
25th percentile	61	105	72
75th percentile	71	129	110

Historical CAGR% (3Yr)

	Revenue growth
Average	13.1%
Median	15.8%
25th percentile	9.2%
75th percentile	16.2%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	1.7x	25.0x	3.5x
Median	0.9x	25.3x	1.9x
25th percentile	0.8x	13.1x	1.0x
75th percentile	1.4x	32.6x	6.7x

Enterprise Value(EV) Multiples

	EV/revenue	EV/EBITDA
Average	2.0x	16.7x
Median	1.4x	12.5x
25th percentile	1.2x	10.7x
75th percentile	2.2x	23.0x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	32.0%	11.3%	6.6%
Median	34.6%	11.2%	6.6%
25th percentile	24.8%	9.4%	3.8%
75th percentile	36.9%	12.4%	7.4%

Liquidity Ratios

	Current ratio	Quick ratio
Average	1.9x	0.9x
Median	2.0x	0.8x
25th percentile	1.6x	0.7x
75th percentile	2.1x	1.0x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	2.9%	1.6%	57.7%
Median	2.8%	1.4%	49.7%
25th percentile	2.6%	1.4%	45.9%
75th percentile	3.3%	1.9%	63.8%

Working Capital Ratios

	DFWC/revenue	DFCFWC/revenue
Average	40.6%	19.9%
Median	40.2%	22.0%
25th percentile	40.0%	17.6%
75th percentile	45.7%	22.5%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	1.08	0.86	0.79
Median	1.14	0.81	0.82
25th percentile	1.04	0.80	0.70
75th percentile	1.18	0.97	0.83

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.79	14.3%
Median	7.1%	9.1%	0.82	14.5%
25th percentile	7.1%	9.1%	0.70	13.5%
75th percentile	7.1%	9.1%	0.83	14.7%

Strengths:

- **High Demand:** Essential for India's agriculture and food security.
- **Established Market:** Wide range of products and strong presence.
- **Tech Advancements:** Improved fertilizer formulations and efficiency.
- **Government Support:** Subsidies and policies favoring agriculture.
- **Growing Agribusiness:** Increased agricultural activities boost demand.

Weaknesses:

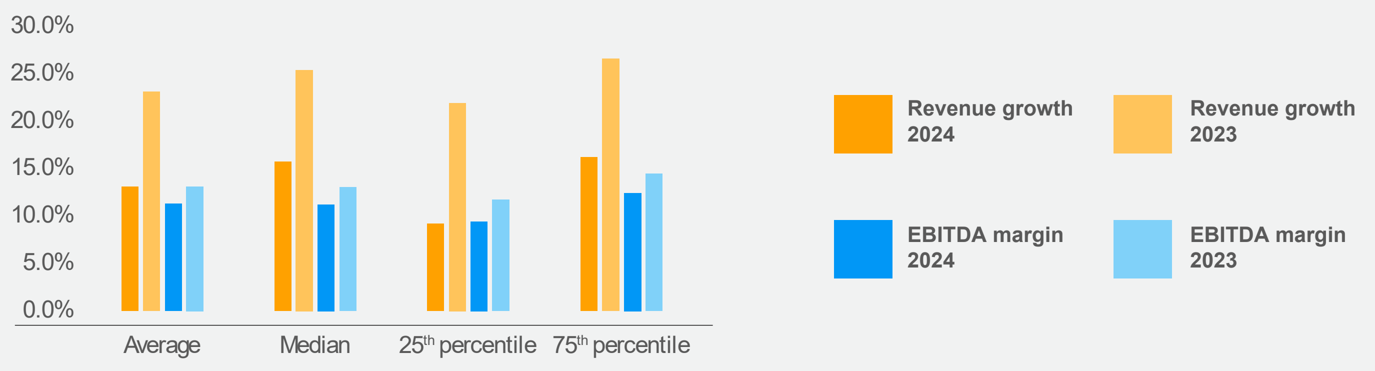
- **Environmental Impact:** Pollution and sustainability concerns.
- **Regulatory Pressure:** Rising regulations on chemicals.
- **High Costs:** Expensive production and raw materials.
- **Import Dependency:** Reliance on imported raw materials.
- **Market Saturation:** Intense competition and saturated segments.

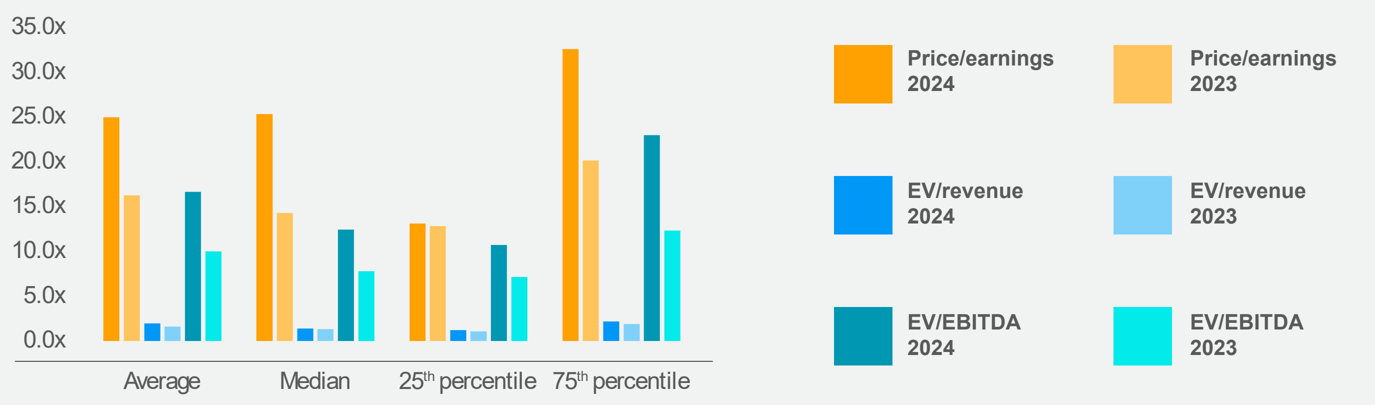
Opportunities:

- **Sustainable Practices:** Rising demand for organic and eco-friendly options.
- **Tech Integration:** Precision agriculture and smart farming innovations.
- **Emerging Markets:** Growth potential in rural areas.
- **Government Initiatives:** Support for modernizing agriculture.
- **R&D Investment:** Development of new products and formulations.

Threats:

- **Economic Volatility:** Price fluctuations and income variability.
- **Climate Change:** Effects on crop yields and demand.
- **Regulatory Changes:** Stringent environmental laws increasing costs.
- **Competition:** Intense competition from domestic and international players.
- **Supply Chain Risks:** Global disruptions and geopolitical issues.





Healthcare Services

The healthcare industry encompasses various types of companies. Companies involved in the development, manufacturing, and distribution of biotechnology products and medical equipment's, companies that own and operate healthcare facilities, as well as those providing diagnostic services like pathological laboratories and companies dedicated to healthcare research and analytics.

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	15.5%	9.5%	11.9%
Median	13.7%	9.6%	11.5%
25th percentile	12.6%	8.1%	10.5%
75th percentile	18.9%	12.2%	13.9%

Debt Ratios

	Debt/equity	Debt/capital
Average	4.0%	3.8%
Median	3.6%	3.4%
25th percentile	2.1%	2.1%
75th percentile	6.0%	5.7%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	41	40	88
Median	33	16	73
25th percentile	26	13	64
75th percentile	45	38	104

Historical CAGR% (3Yr)

	Revenue growth
Average	15.8%
Median	19.6%
25th percentile	12.7%
75th percentile	24.1%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	8.0x	71.6x	8.5x
Median	7.3x	55.2x	9.0x
25th percentile	5.3x	53.0x	7.2x
75th percentile	9.6x	74.9x	9.9x

Enterprise Value(EV) Multiples

	EV/revenue	EV/EBITDA
Average	8.1x	31.7x
Median	7.4x	29.8x
25th percentile	5.6x	26.1x
75th percentile	9.4x	35.9x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	58.0%	26.3%	12.9%
Median	57.4%	25.6%	14.6%
25th percentile	47.7%	23.1%	9.6%
75th percentile	64.7%	29.1%	15.9%

Liquidity Ratios

	Current ratio	Quick ratio
Average	1.6x	1.3x
Median	1.4x	1.3x
25th percentile	1.2x	0.9x
75th percentile	2.1x	1.9x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	13.4%	8.3%	82.8%
Median	14.1%	5.9%	62.0%
25th percentile	7,.2%	4.8%	33.3%
75th percentile	17.7%	8.7%	104.5%

Working Capital Ratios

	DFWC/revenue	DFCFWC/revenue
Average	22.6%	2.3%
Median	22.3%	-3.4%
25th percentile	9.8%	-5.5%
75th percentile	30.7%	1.6%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.46	0.54	0.53
Median	0.38	0.58	0.50
25th percentile	0.24	0.43	0.48
75th percentile	0.68	0.61	0.57

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.54	11.9%
Median	7.1%	9.1%	0.50	11.6%
25th percentile	7.1%	9.1%	0.48	11.5%
75th percentile	7.1%	9.1%	0.57	12.3%

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	16.0%	9.4%	12.0%
Median	15.7%	9.0%	11.5%
25th percentile	13.3%	8.2%	10.8%
75th percentile	18.4%	10.5%	13.1%

Debt Ratios

Debt/equity	Debt/capital
3.6%	2.9%
3.6%	2.8%
2.3%	2.2%
4.0%	3.5%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	37	19	76
Median	35	14	71
25th percentile	31	13	65
75th percentile	43	18	82

Historical CAGR% (3Yr)

Revenue growth
17.3%
18.2%
13.0%
22.2%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	7.2x	60.9x	8.7x
Median	7.3x	54.9x	9.0x
25th percentile	6.6x	53.1x	8.0x
75th percentile	8.0x	70.5x	9.7x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
7.3x	28.7x
7.4x	28.9x
7.2x	26.9x
7.8x	29.9x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	59.9%	25.9%	13.2%
Median	59.7%	25.6%	14.6%
25th percentile	56.6%	23.8%	11.5%
75th percentile	62.0%	27.4%	15.2%

Liquidity Ratios

Current ratio	Quick ratio
1.4x	1.2x
1.3x	1.1x
1.2x	1.0x
1.5x	1.3x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	13.3%	6.4%	74.4%
Median	14.1%	5.6%	63.4%
25th percentile	13.7%	4.8%	54.1%
75th percentile	14.4%	6.8%	94.7%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
20.7%	2.3%
22.3%	2.6%
10.5%	1.6%
29.0%	3.2%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.42	0.56	0.52
Median	0.38	0.58	0.50
25th percentile	0.36	0.52	0.49
75th percentile	0.45	0.59	0.56

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.52	11.8%
Median	7.1%	9.1%	0.50	11.6%
25th percentile	7.1%	9.1%	0.49	11.6%
75th percentile	7.1%	9.1%	0.56	12.2%

Strengths:

- **Growing Demand:** Rising population and aging demographics increase need.
- **Tech Advancements:** Innovations in medical tech and telemedicine.
- **Established Infrastructure:** Extensive network of hospitals and clinics.
- **Skilled Workforce:** Large pool of trained healthcare professionals.
- **Government Support:** Initiatives like Ayushman Bharat improve access.

Weaknesses:

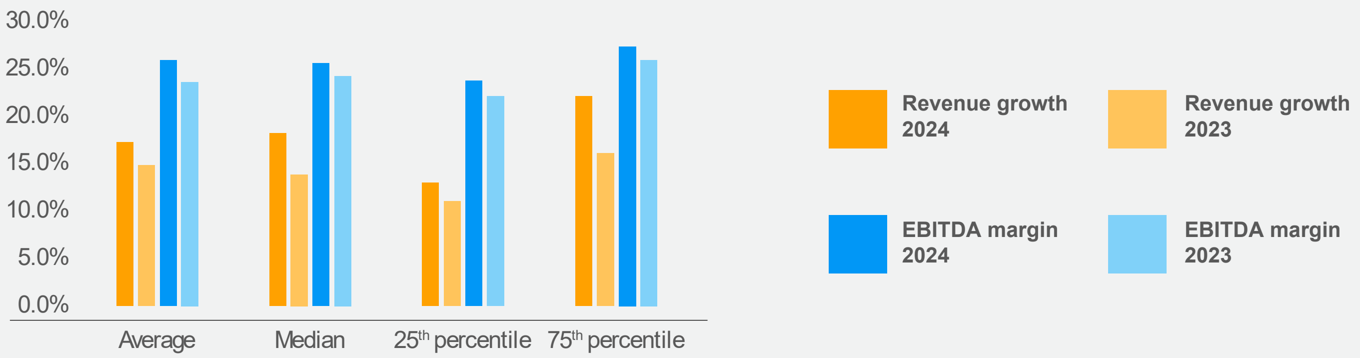
- **High Costs:** Expensive treatments and services.
- **Infrastructure Gaps:** Disparities between urban and rural areas.
- **Regulatory Challenges:** Complex compliance requirements.
- **Workforce Shortages:** Lack of healthcare professionals in remote areas.
- **Inefficiencies:** Operational and administrative challenges.

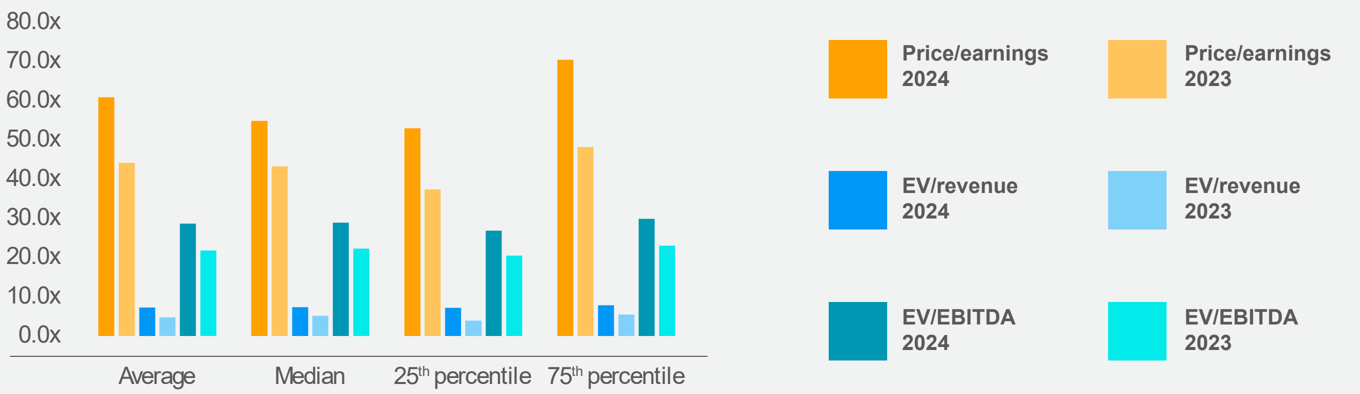
Opportunities:

- **Telemedicine Growth:** Expanding access, especially in rural areas.
- **Health Innovations:** Advances in personalized medicine and diagnostics.
- **Public-Private Partnerships:** Enhancing infrastructure and services.
- **Preventive Care:** Focus on health and wellness programs.
- **Emerging Markets:** Increasing demand in smaller towns and developing regions.

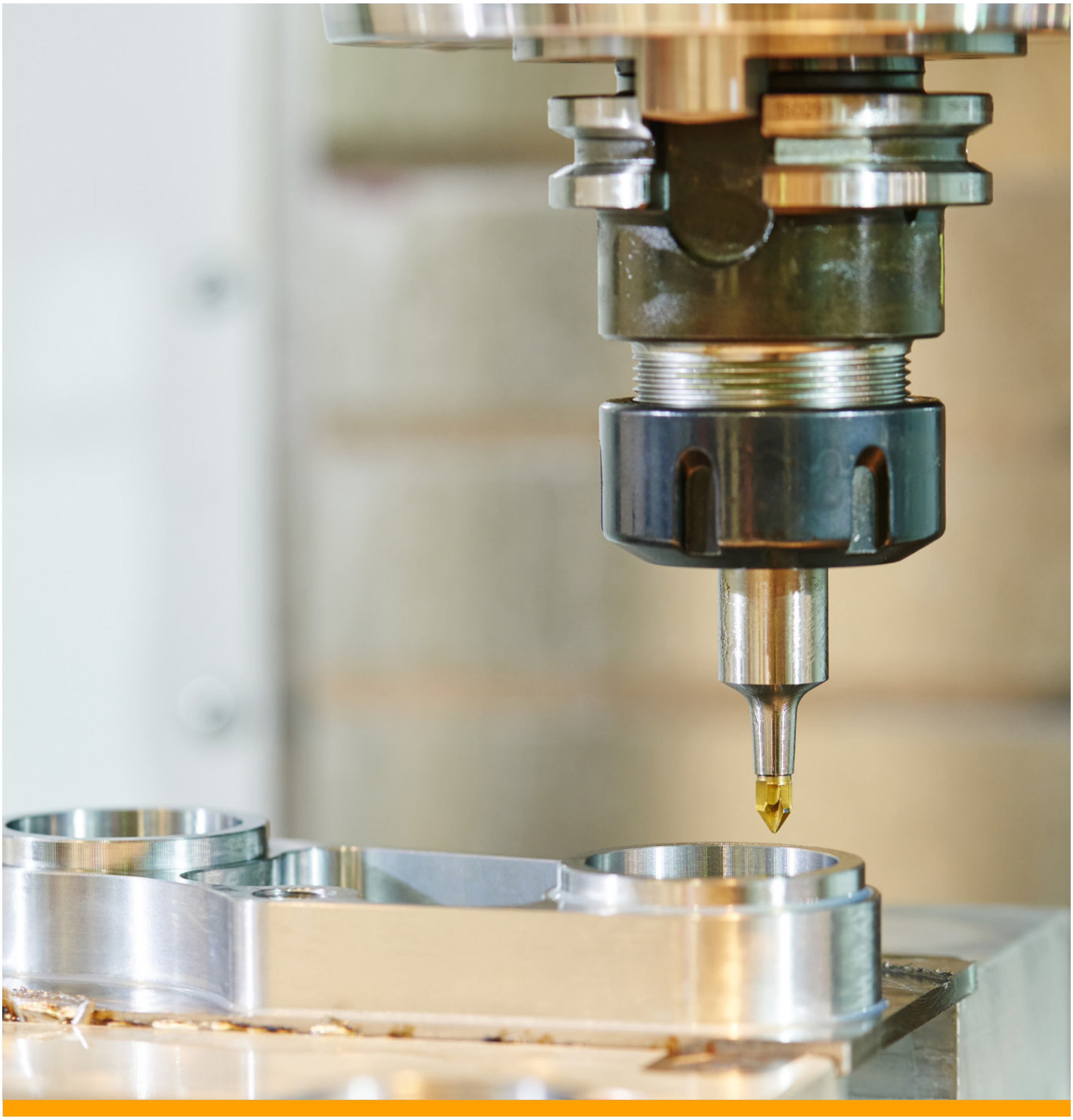
Threats:

- **Economic Pressures:** Impact on funding and affordability.
- **Regulatory Changes:** Shifts in policies affecting delivery.
- **Health Crises:** Pandemics and outbreaks overwhelming the system.
- **Data Security:** Risks from data breaches and cybersecurity.





Industrial Products



Manufacturers and distributors of electrical cables/wires, castings/forgings, packaging materials, plastic products, rubber, glass, products of aluminum, copper, zinc, iron, steel, abrasives & bearings, compressors, pumps, diesel engines, electrodes, and refractories.

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	18.6%	11.0%	15.2%
Median	18.5%	10.7%	15.5%
25th percentile	15.4%	8.7%	11.0%
75th percentile	22.1%	13.6%	19.1%

Debt Ratios

	Debt/equity	Debt/capital
Average	5.1%	4.3%
Median	1.2%	1.2%
25th percentile	0.2%	0.2%
75th percentile	4.0%	3.9%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	60	122	69
Median	65	105	71
25th percentile	33	73	43
75th percentile	75	152	85

Historical CAGR% (3Yr)

	Revenue growth
Average	24.0%
Median	23.0%
25th percentile	18.8%
75th percentile	28.1%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	4.4x	30.5x	7.3x
Median	3.9x	34.2x	6.6x
25th percentile	2.6x	23.2x	3.0x
75th percentile	5.5x	52.1x	9.6x

Enterprise Value(EV) Multiples

	EV/revenue	EV/EBITDA
Average	4.3x	26.7x
Median	3.8x	24.7x
25th percentile	2.6x	17.2x
75th percentile	5.4x	35.9x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	39.8%	15.6%	11.1%
Median	40.8%	15.8%	10.6%
25th percentile	34.0%	13.0%	8.1%
75th percentile	47.5%	19.1%	13.2%

Liquidity Ratios

	Current ratio	Quick ratio
Average	2.8x	1.8x
Median	2.5x	1.3x
25th percentile	1.6x	0.9x
75th percentile	3.0x	2.1x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	5.4%	2.7%	70.7%
Median	4.2%	2.2%	48.7%
25th percentile	2.7%	1.6%	34.3%
75th percentile	7.5%	2.9%	63.1%

Working Capital Ratios

	DFWC/revenue	DFCFWC/revenue
Average	44.1%	22.7%
Median	39.7%	21.1%
25th percentile	29.8%	13.0%
75th percentile	48.3%	32.0%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.71	0.82	0.78
Median	0.67	0.82	0.76
25th percentile	0.52	0.60	0.66
75th percentile	0.89	1.02	0.92

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.78	14.2%
Median	7.1%	9.1%	0.76	14.0%
25th percentile	7.1%	9.1%	0.66	13.1%
75th percentile	7.1%	9.1%	0.92	15.4%

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	19.0%	10.9%	15.4%
Median	18.6%	10.6%	15.5%
25th percentile	17.5%	9.5%	13.3%
75th percentile	21.5%	12.6%	17.6%

Debt Ratios

Debt/equity	Debt/capital
3.8%	2.7%
3.1%	2.6%
2.2%	2.1%
3.9%	3.5%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	63	125	71
Median	66	130	71
25th percentile	59	102	67
75th percentile	67	143	75

Historical CAGR% (3Yr)

Revenue growth
24.2%
24.0%
22.0%
26.5%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	4.5x	29.8x	7.2x
Median	4.5x	31.7x	7.3x
25th percentile	3.9x	23.9x	6.5x
75th percentile	4.9x	34.2x	7.7x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
4.3x	26.7x
4.2x	25.2x
3.8x	21.7x
4.9x	32.6x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	40.7%	15.7%	11.4%
Median	40.8%	15.7%	12.1%
25th percentile	39.4%	15.0%	9.8%
75th percentile	42.6%	16.3%	13.0%

Liquidity Ratios

Current ratio	Quick ratio
2.7x	1.7x
2.6x	1.5x
2.5x	1.3x
2.9x	2.1x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	4.8%	2.5%	54.6%
Median	4.4%	2.5%	52.0%
25th percentile	4.2%	2.2%	48.4%
75th percentile	4.9%	2.7%	57.1%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
41.9%	22.9%
42.8%	22.9%
39.0%	20.6%
45.6%	25.7%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.71	0.79	0.75
Median	0.67	0.79	0.76
25th percentile	0.64	0.75	0.74
75th percentile	0.80	0.83	0.76

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.75	13.9%
Median	7.1%	9.1%	0.76	14.0%
25th percentile	7.1%	9.1%	0.74	13.9%
75th percentile	7.1%	9.1%	0.76	14.0%

Strengths:

- **Diverse Offerings:** Wide range of products for various industries.
- **Tech Innovation:** Advances in manufacturing and design.
- **Established Market:** Strong presence in key sectors.
- **Robust Supply Chains:** Well-developed networks.
- **Skilled Workforce:** Availability of trained professionals.

Weaknesses:

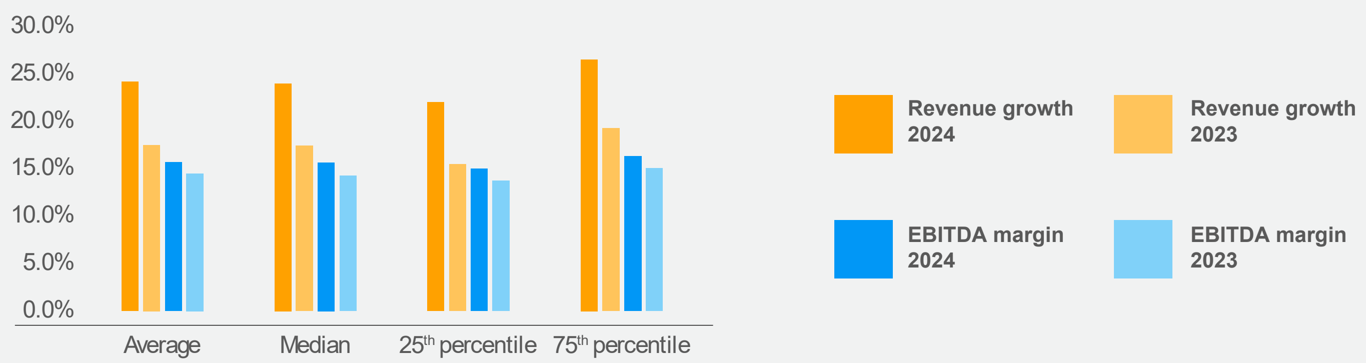
- **High Costs:** Expensive raw materials and production.
- **Regulatory Compliance:** Complex regulations increase challenges.
- **Market Saturation:** Intense competition in some segments.
- **Economic Sensitivity:** Vulnerable to economic downturns.
- **Supply Chain Disruptions:** Risks from global issues.

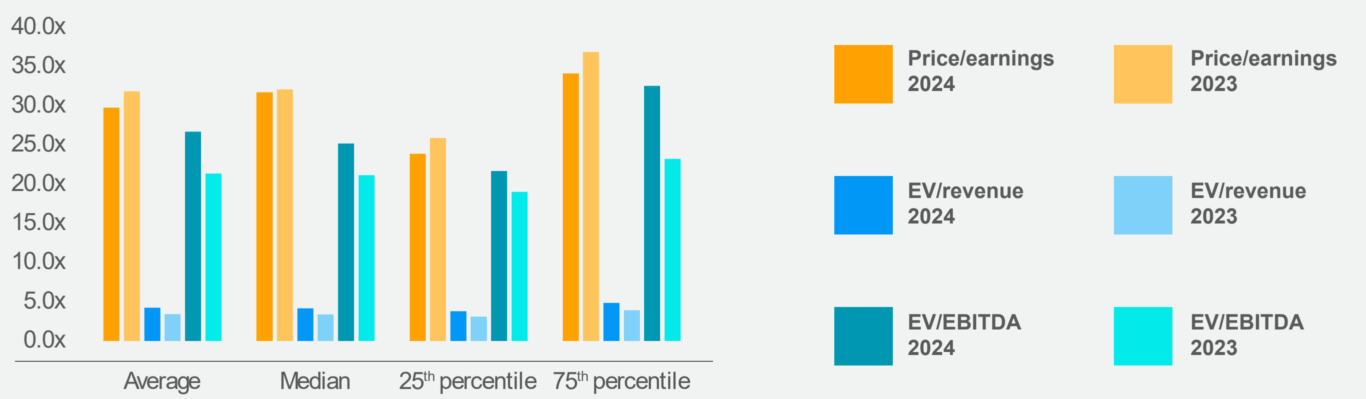
Opportunities:

- **Tech Growth:** Innovations in automation and smart manufacturing.
- **Emerging Markets:** Expanding in rural and underserved regions.
- **Sustainability:** Demand for eco-friendly products.
- **Public-Private Partnerships:** Collaborative infrastructure projects.
- **Customization:** Rising demand for specialized products.

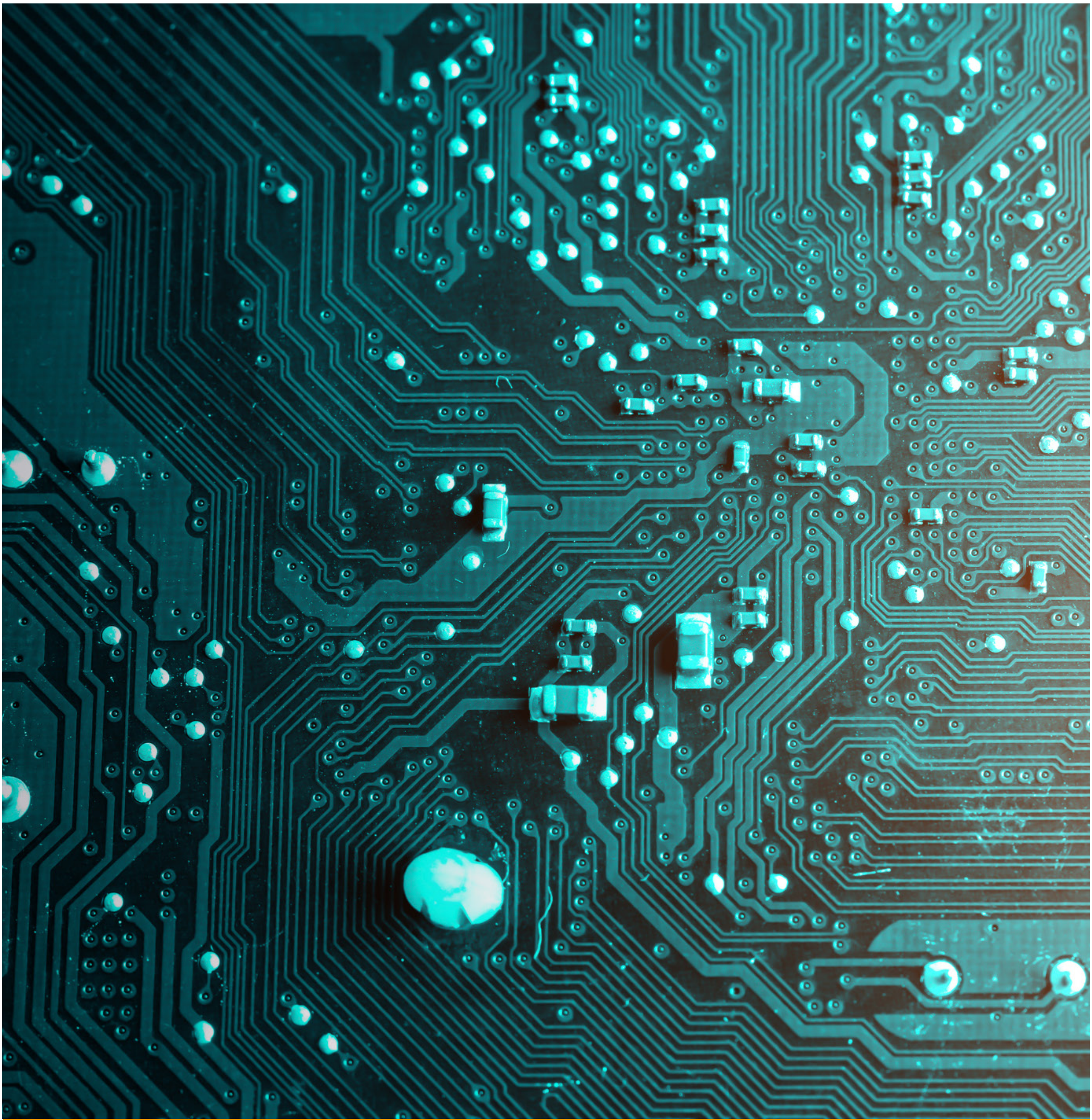
Threats:

Economic Fluctuations: Impact on demand and investment.
Regulatory Changes: New regulations affecting production.
Global Competition: Pressure from international rivals.
Raw Material Volatility: Fluctuating prices and availability.
Tech Obsolescence: Rapid changes may outpace products.





Information Technology



The category of companies under information technology (IT) industry comprises various types of businesses. Companies involved in software development, IT consulting, and data analytics along with manufacturers and distributors of computer hardware and equipment.

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	21.9%	13.1%	18.1%
Median	22.3%	12.7%	17.0%
25th percentile	14.8%	9.1%	11.7%
75th percentile	25.6%	15.7%	23.3%

Debt Ratios

	Debt/equity	Debt/capital
Average	2.2%	2.1%
Median	1.1%	1.1%
25th percentile	0.5%	0.5%
75th percentile	3.0%	2.9%

Activity Ratios

	Days of sales	Days of inventory
Average	83	38
Median	83	28
25th percentile	70	20
75th percentile	98	53

Historical CAGR% (3Yr)

	Revenue growth
Average	23.7%
Median	20.6%
25th percentile	12.2%
75th percentile	27.7%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	6.5x	42.4x	8.3x
Median	4.0x	44.1x	6.7x
25th percentile	2.9x	27.8x	5.0x
75th percentile	8.1x	55.0x	10.3x

Enterprise Value(EV) Multiples

	EV/revenue	EV/EBITDA
Average	6.2x	29.2x
Median	3.9x	25.3x
25th percentile	2.7x	17.2x
75th percentile	7.7x	36.9x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	36.7%	20.1%	14.7%
Median	37.0%	18.7%	13.5%
25th percentile	29.5%	16.7%	10.5%
75th percentile	43.5%	21.4%	16.6%

Liquidity Ratios

	Current ratio	Quick ratio
Average	3.3x	2.9x
Median	2.5x	2.3x
25th percentile	1.8x	1.5x
75th percentile	3.3x	3.0x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	2.4%	2.7%	269.0%
Median	1.2%	2.9%	212.4%
25th percentile	0.7%	1.8%	108.3%
75th percentile	2.9%	3.3%	299.0%

Working Capital Ratios

	DFWC/revenue	DFCFWC/revenue
Average	47.8%	13.1%
Median	34.4%	11.4%
25th percentile	23.4%	8.8%
75th percentile	67.7%	16.1%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	1.02	1.00	0.80
Median	1.04	1.06	0.76
25th percentile	0.86	0.89	0.68
75th percentile	1.22	1.13	0.85

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.80	14.4%
Median	7.1%	9.1%	0.76	14.0%
25th percentile	7.1%	9.1%	0.68	13.3%
75th percentile	7.1%	9.1%	0.85	14.8%

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	21.9%	13.2%	18.5%
Median	22.7%	13.5%	18.4%
25th percentile	20.9%	11.3%	16.7%
75th percentile	23.2%	14.8%	20.8%

Debt Ratios

Debt/equity	Debt/capital
1.5%	1.4%
1.4%	1.3%
1.2%	1.2%
1.6%	1.5%

Activity Ratios

	Days of sales	Days of inventory
Average	85	33
Median	85	30
25th percentile	81	27
75th percentile	88	38

Historical CAGR% (3Yr)

Revenue growth
23.1%
22.7%
20.3%
26.0%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	6.3x	45.1x	7.7x
Median	6.0x	44.5x	7.5x
25th percentile	5.4x	44.3x	6.7x
75th percentile	8.0x	46.6x	9.1x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
6.3x	28.3x
5.9x	27.4x
5.7x	25.0x
7.7x	31.9x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	37.5%	19.5%	13.6%
Median	37.2%	19.5%	13.5%
25th percentile	35.6%	17.9%	12.2%
75th percentile	40.1%	20.9%	15.0%

Liquidity Ratios

Current ratio	Quick ratio
2.5x	2.4x
2.5x	2.4x
2.0x	1.7x
3.1x	2.9x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	2.0%	2.8%	256.8%
Median	1.5%	2.8%	264.0%
25th percentile	1.3%	2.7%	212.4%
75th percentile	2.8%	2.9%	288.1%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
39.7%	11.8%
36.7%	11.4%
34.2%	9.9%
39.5%	13.6%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	1.00	1.04	0.79
Median	1.02	1.06	0.80
25th percentile	0.92	1.02	0.75
75th percentile	1.06	1.06	0.82

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.79	14.3%
Median	7.1%	9.1%	0.80	14.4%
25th percentile	7.1%	9.1%	0.75	13.9%
75th percentile	7.1%	9.1%	0.82	14.6%

Strengths:

- **Rapid Innovation:** Continuous advancements in software and technology.
- **Global Reach:** Strong presence in the global IT market.
- **Scalability:** Solutions can be easily scaled for various needs.
- **Diverse Applications:** Broad use across sectors like finance, healthcare, and education.
- **Skilled Workforce:** Large pool of IT professionals and engineers.

Weaknesses:

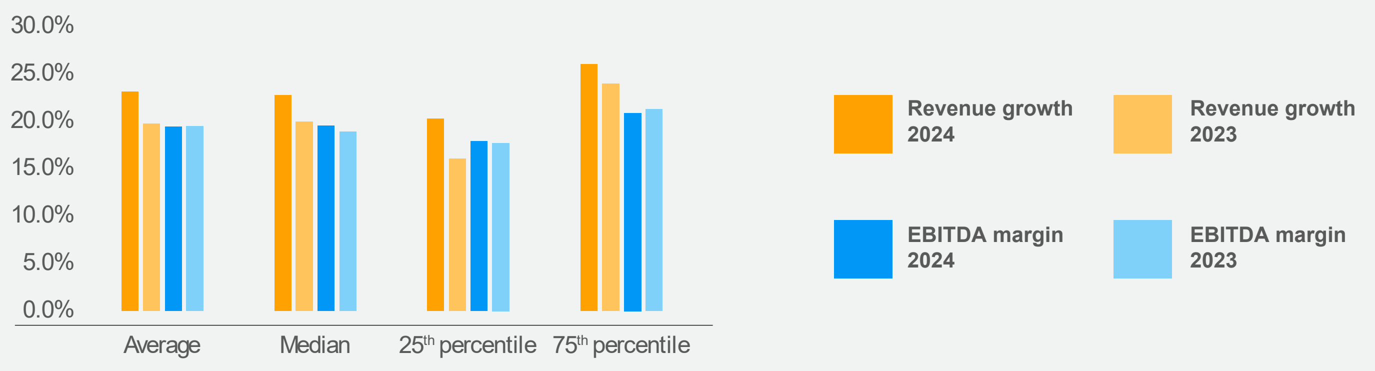
- **High Competition:** Intense competition several developing nations.
- **Cybersecurity Risks:** Exposure to data breaches and cyber threats.
- **Rapid Change:** Need to keep up with fast-paced technological advancements.
- **High Costs:** Significant investment in technology and infrastructure.
- **Regulatory Challenges:** Compliance with evolving data protection and IT regulations.

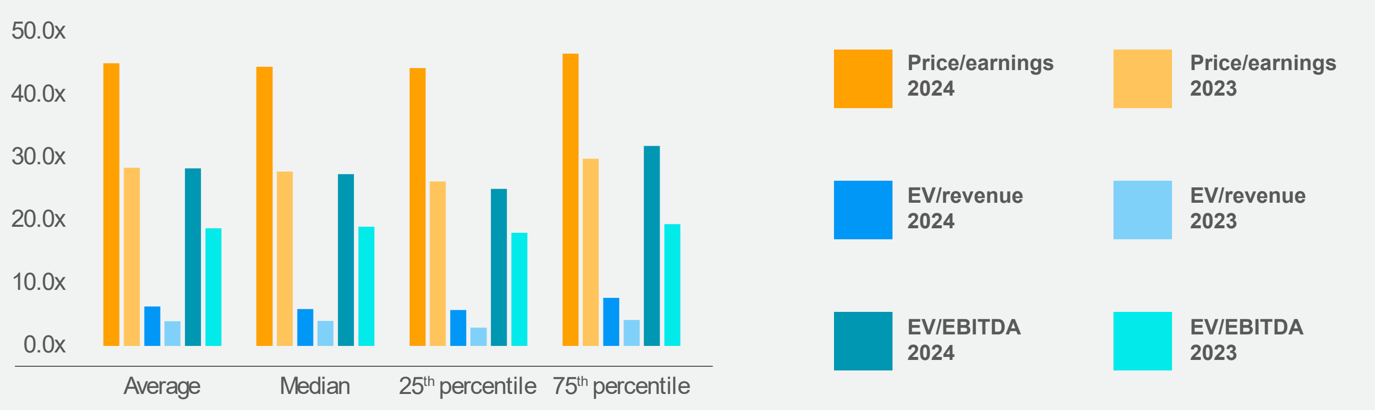
Opportunities:

- **Emerging Technologies:** Growth in AI, blockchain, and IoT applications.
- **Digital Transformation:** Rising demand for technology solutions in various industries.
- **Cloud Computing:** Expansion of cloud services and solutions.
- **Global Expansion:** Opportunities to grow in international markets.
- **Public-Private Partnerships:** Collaborations on technology initiatives and infrastructure.

Threats:

- **Economic Uncertainty:** Impact of economic fluctuations on IT budgets.
- **Regulatory Changes:** New regulations and compliance requirements.
- **Cyber Threats:** Increasing sophistication of cyber-attacks.
- **Talent Shortage:** Difficulty in finding and retaining skilled IT professionals.
- **Technological Disruption:** Rapid technological changes may disrupt existing models.





Media, Entertainment, and Publication

Companies providing advertising, public relations and marketing services, publishers of newspapers, magazines and other periodicals, and web-based media services.

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	4.6%	3.8%	3.9%
Median	1.8%	2.7%	2.9%
25th percentile	-0.4%	0.0%	-0.4%
75th percentile	9.3%	5.9%	7.6%

Debt Ratios

Debt/equity	Debt/capital
33.8%	12.1%
1.7%	1.7%
0.3%	0.3%
71.2%	21.8%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	69	159	80
Median	70	231	77
25th percentile	63	12	57
75th percentile	75	282	95

Historical CAGR% (3Yr)

Revenue growth
43.2%
25.5%
16.1%
30.9%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	3.4x	-60.5x	1.8x
Median	2.1x	12.3x	1.8x
25th percentile	1.2x	-99.8x	0.8x
75th percentile	5.0x	49.5x	2.2x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
3.7x	1.5x
3.4x	11.5x
2.7x	-13.9x
4.0x	20.7x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	42.4%	18.3%	10.3%
Median	51.9%	11.2%	1.6%
25th percentile	17.6%	1.1%	-0.5%
75th percentile	63.7%	30.2%	14.8%

Liquidity Ratios

Current ratio	Quick ratio
3.9x	1.8x
4.1x	1.3x
2.5x	1.0x
5.0x	3.6x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	14.8%	7.9%	100.4%
Median	11.7%	5.2%	71.6%
25th percentile	10.7%	2.8%	16.4%
75th percentile	22.4%	10.8%	170.2%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
133.8%	58.8%
134.5%	33.4%
110.2%	13.9%
176.4%	108.9%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.88	1.04	0.91
Median	0.80	1.04	0.94
25th percentile	0.74	0.94	0.85
75th percentile	0.92	1.15	1.06

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.91	15.4%
Median	7.1%	9.1%	0.94	15.6%
25th percentile	7.1%	9.1%	0.85	14.8%
75th percentile	7.1%	9.1%	1.06	16.7%

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	3.2%	4.1%	5.2%
Median	3.2%	3.0%	3.5%
25th percentile	2.5%	2.5%	2.9%
75th percentile	3.9%	4.6%	5.8%

Debt Ratios

Debt/equity	Debt/capital
13.3%	7.7%
0.5%	1.1%
0.2%	0.2%
1.7%	16.2%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	69	272	74
Median	70	282	77
25th percentile	64	265	71
75th percentile	74	289	78

Historical CAGR% (3Yr)

Revenue growth
20.5%
23.8%
13.1%
25.8%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	2.6x	45.7x	1.9x
Median	1.8x	49.5x	2.0x
25th percentile	1.1x	28.4x	1.6x
75th percentile	3.9x	66.8x	2.2x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
3.4x	15.0x
3.4x	14.3x
3.3x	10.4x
3.6x	18.9x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	36.4%	20.0%	10.4%
Median	34.9%	20.4%	5.0%
25th percentile	17.7%	10.5%	3.3%
75th percentile	53.6%	29.9%	14.8%

Liquidity Ratios

Current ratio	Quick ratio
3.8x	1.8x
4.1x	1.2x
2.8x	1.0x
5.0x	2.4x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	11.3%	5.5%	70.5%
Median	11.5%	4.5%	39.2%
25th percentile	10.9%	2.3%	8.7%
75th percentile	11.7%	5.9%	104.0%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
123.6%	38.0%
125.0%	26.4%
112.9%	16.6%
135.7%	47.8%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.82	1.09	0.97
Median	0.80	1.07	0.99
25th percentile	0.77	1.04	0.90
75th percentile	0.85	1.13	1.06

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.97	15.9%
Median	7.1%	9.1%	0.99	16.1%
25th percentile	7.1%	9.1%	0.90	15.3%
75th percentile	7.1%	9.1%	1.06	16.8%

Strengths:

- **Growing Demand:** High consumption of media and entertainment content.
- **Diverse Content:** Wide variety of content in multiple languages and formats.
- **Digital Growth:** Expansion of streaming services and digital platforms.
- **Strong Brands:** Established media and entertainment brands.
- **Tech Innovation:** Adoption of new technologies like OTT and interactive media.

Weaknesses:

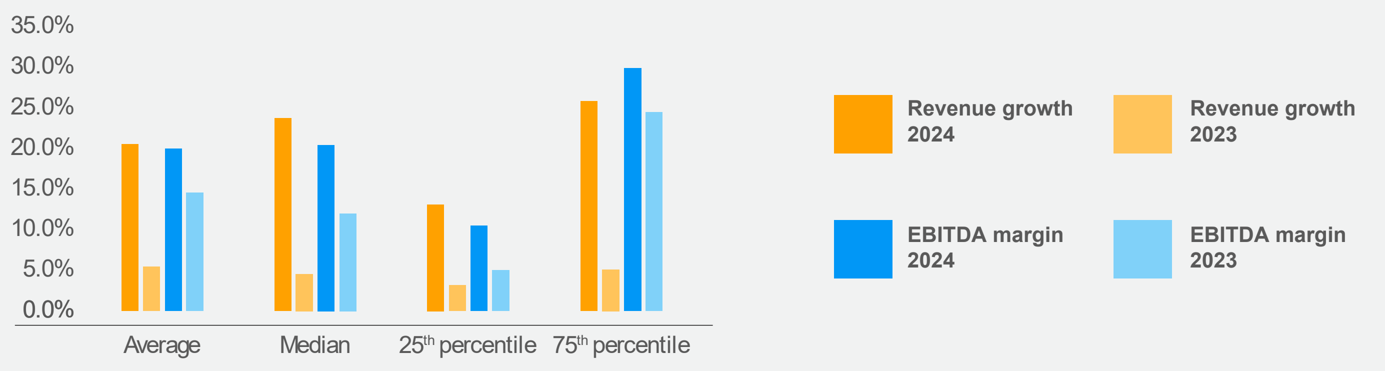
- **Revenue Dependency:** Reliance on fluctuating advertising revenue.
- **High Production Costs:** Significant expenses related to content creation and distribution.
- **Content Piracy:** Issues with unauthorized content distribution.
- **Regulatory Constraints:** Complex and evolving media regulations.
- **Changing Preferences:** Rapid shifts in consumer tastes and habits.

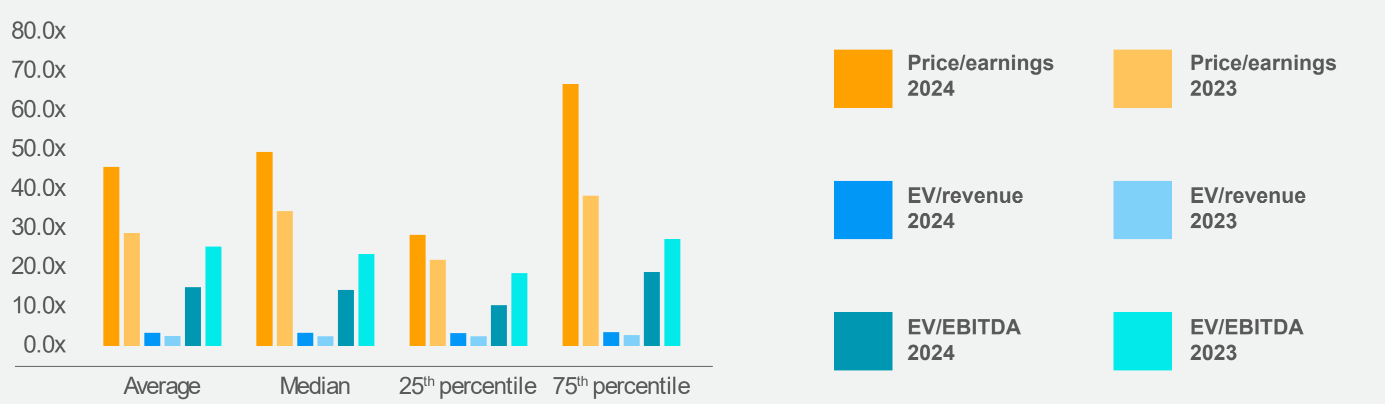
Opportunities:

- **Digital Expansion:** Growth in OTT and online media consumption.
- **Global Markets:** Potential for content export and international collaboration.
- **Personalized Content:** Demand for customized media experiences.
- **Tech Innovations:** Use of AR/VR and AI for enhanced experiences.
- **New Revenue Streams:** Growth in subscriptions and branded content.

Threats:

- **Economic Fluctuations:** Economic downturns affecting revenue.
- **Regulatory Changes:** New regulations impacting media and content.
- **Tech Disruptions:** Rapid technology changes affecting media models.
- **Content Saturation:** Oversupply leading to reduced engagement.
- **Piracy Issues:** Ongoing challenges with content protection.





Metals

The category of companies under metal sector includes a wide range of businesses. Manufacturers and distributors dealing with ferrous and non-ferrous metals, as well as diversified metals. Additionally, it encompasses companies engaged in mining, production, and distribution of industrial materials, with the exception of coal.

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	19.9%	10.1%	14.9%
Median	12.3%	7.9%	9.8%
25th percentile	10.1%	5.3%	7.4%
75th percentile	14.5%	9.9%	15.8%

Debt Ratios

Debt/equity	Debt/capital
22.0%	15.1%
16.1%	12.5%
3.2%	3.1%
43.5%	30.1%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	20	119	89
Median	15	98	88
25th percentile	10	85	67
75th percentile	28	114	104

Historical CAGR% (3Yr)

Revenue growth
30.7%
17.8%
13.6%
32.1%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	3.4x	7.4x	4.9x
Median	1.7x	16.6x	2.4x
25th percentile	1.2x	14.1x	1.9x
75th percentile	3.8x	23.8x	8.2x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
3.5x	-5.4x
1.9x	9.9x
1.2x	8.8x
4.3x	12.9x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	44.1%	18.0%	8.8%
Median	45.1%	14.1%	7.0%
25th percentile	35.4%	11.8%	3.4%
75th percentile	51.0%	21.8%	13.7%

Liquidity Ratios

Current ratio	Quick ratio
1.4x	0.5x
1.1x	0.5x
1.0x	0.3x
1.4x	0.8x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	12.1%	4.8%	47.6%
Median	9.0%	4.6%	47.8%
25th percentile	6.9%	3.1%	33.1%
75th percentile	14.3%	5.6%	59.6%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
16.1%	5.4%
14.5%	4.2%
4.2%	0.2%
16.2%	9.9%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	1.21	1.14	1.05
Median	1.18	1.14	1.14
25th percentile	1.03	0.94	0.86
75th percentile	1.35	1.31	1.22

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	1.05	16.6%
Median	7.1%	9.1%	1.14	17.5%
25th percentile	7.1%	9.1%	0.86	14.9%
75th percentile	7.1%	9.1%	1.22	18.2%

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	12.4%	7.6%	11.2%
Median	12.3%	7.9%	9.8%
25th percentile	10.7%	6.3%	8.4%
75th percentile	14.3%	9.2%	13.8%

Debt Ratios

Debt/equity	Debt/capital
15.0%	12.6%
17.0%	13.8%
12.0%	10.3%
18.7%	15.6%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	18	99	87
Median	17	98	88
25th percentile	14	92	77
75th percentile	22	109	91

Historical CAGR% (3Yr)

Revenue growth
24.0%
19.3%
14.0%
31.5%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	2.1x	18.8x	2.8x
Median	1.7x	16.6x	2.5x
25th percentile	1.2x	14.4x	2.4x
75th percentile	2.3x	22.9x	2.9x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
2.3x	14.4x
1.9x	10.2x
1.6x	8.8x
2.4x	13.9x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	44.5%	16.3%	8.4%
Median	46.4%	14.1%	7.4%
25th percentile	38.5%	12.0%	5.0%
75th percentile	49.1%	22.9%	12.3%

Liquidity Ratios

Current ratio	Quick ratio
1.2x	0.5x
1.1x	0.5x
1.0x	0.4x
1.4x	0.5x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	11.0%	4.5%	45.5%
Median	11.8%	4.7%	47.8%
25th percentile	8.9%	4.0%	36.0%
75th percentile	12.8%	5.0%	51.5%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
15.6%	4.5%
15.3%	4.2%
13.5%	1.9%
16.1%	6.0%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	1.21	1.18	1.12
Median	1.18	1.17	1.15
25th percentile	1.12	1.13	1.07
75th percentile	1.33	1.24	1.18

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	1.12	17.3%
Median	7.1%	9.1%	1.15	17.6%
25th percentile	7.1%	9.1%	1.07	16.9%
75th percentile	7.1%	9.1%	1.18	17.8%

Strengths:

- **High Demand:** Crucial for sectors like construction, automotive, and infrastructure.
- **Established Industry:** Well-developed production and supply chain infrastructure.
- **Resource Availability:** Rich deposits of iron ore, coal, and other metals.
- **Technological Advancements:** Progress in processing and production technologies.
- **Economic Impact:** Significant contributor to GDP and employment.

Weaknesses:

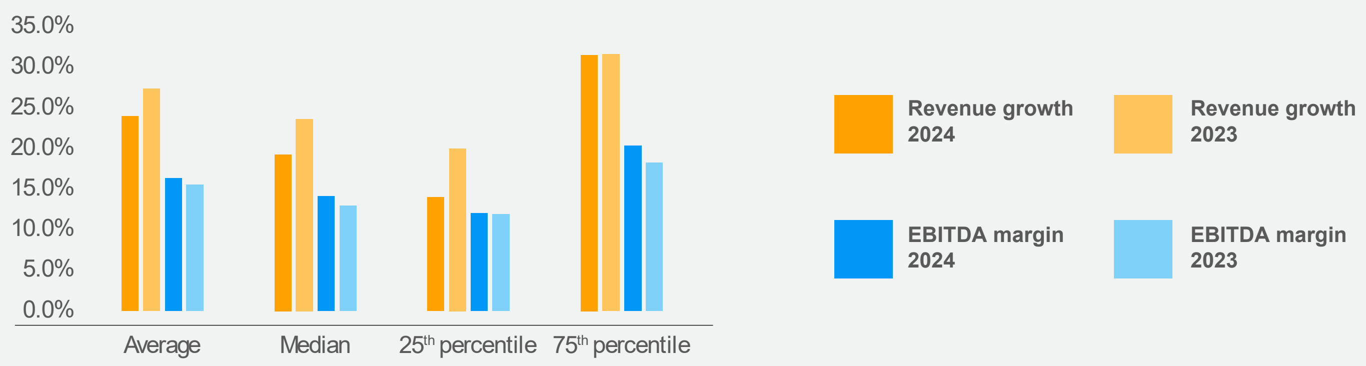
- **High Costs:** Rising costs of raw materials and energy.
- **Environmental Impact:** Environmental concerns and regulatory pressures.
- **Market Volatility:** Price fluctuations and demand uncertainties.
- **Global Competition:** Competition from both domestic and international markets.
- **Regulatory Compliance:** Complex environmental and safety regulations.

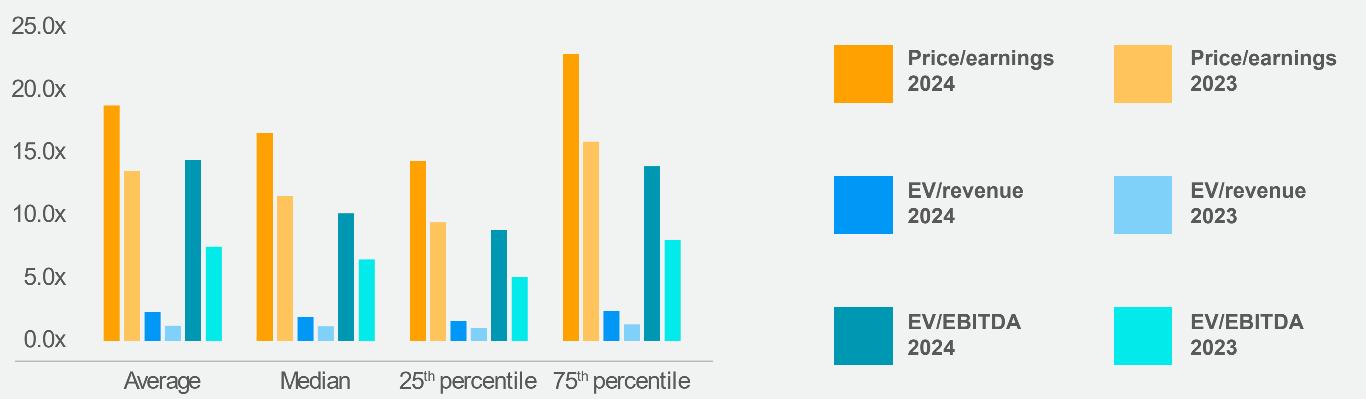
Opportunities:

- **Emerging Markets:** Increased demand in rural and developing regions.
- **Sustainability Trends:** Growing focus on recycling and green practices.
- **Technological Innovations:** Enhancements in efficiency and quality.
- **Infrastructure Development:** Opportunities from large infrastructure projects.
- **Public-Private Partnerships:** Collaboration for research and development.

Threats:

- **Economic Fluctuations:** Vulnerability to economic cycles affecting demand and prices.
- **Regulatory Changes:** New environmental and safety regulations.
- **Trade Policies:** Impact of tariffs and trade restrictions on global trade.
- **Supply Chain Disruptions:** Risks from geopolitical issues and natural events.
- **Technological Disruption:** Innovations potentially disrupting traditional methods.





Oil, Gas, and Consumable Fuels

Companies involved in oil exploration and production, as well as those responsible for distributing both oil and coal. This sector also encompasses businesses offering offshore drilling services, storage, and transportation facilities to oil companies. Additionally, manufacturers of oil extraction equipment are part of this category.It also includes companies engaged in refining and marketing oil, gas, and petroleum products, including lubricants and distributors of natural gases.

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	25.8%	12.0%	18.6%
Median	22.5%	11.0%	15.8%
25th percentile	15.6%	8.7%	12.4%
75th percentile	34.7%	14.1%	22.6%

Debt Ratios

Debt/equity	Debt/capital
22.3%	15.0%
17.1%	14.0%
1.2%	1.2%
36.0%	25.5%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	19	40	38
Median	22	25	31
25th percentile	8	7	22
75th percentile	27	44	39

Historical CAGR% (3Yr)

Revenue growth
27.7%
25.8%
19.9%
36.8%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	2.6x	21.0x	4.0x
Median	1.6x	10.7x	2.2x
25th percentile	0.4x	6.9x	1.5x
75th percentile	2.2x	19.2x	3.2x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
2.6x	13.4x
1.5x	6.6x
0.6x	5.1x
2.4x	13.2x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	29.3%	17.3%	10.6%
Median	24.1%	14.8%	7.7%
25th percentile	16.6%	10.0%	6.2%
75th percentile	37.2%	22.8%	14.7%

Liquidity Ratios

Current ratio	Quick ratio
1.2x	0.7x
1.0x	0.6x
0.8x	0.3x
1.3x	1.0x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	8.9%	3.2%	52.5%
Median	7.7%	2.9%	47.7%
25th percentile	2.2%	1.6%	33.4%
75th percentile	11.7%	4.3%	68.7%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
9.4%	-2.2%
4.6%	-1.3%
2.3%	-6.2%
19.2%	3.1%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.99	0.78	0.78
Median	1.10	0.80	0.75
25th percentile	0.72	0.69	0.71
75th percentile	1.14	0.84	0.85

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.78	14.1%
Median	7.1%	9.1%	0.75	13.9%
25th percentile	7.1%	9.1%	0.71	13.6%
75th percentile	7.1%	9.1%	0.85	14.8%

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	25.0%	11.5%	17.0%
Median	24.2%	11.2%	16.5%
25th percentile	22.4%	9.9%	14.9%
75th percentile	27.1%	13.5%	19.0%

Debt Ratios

Debt/equity	Debt/capital
21.5%	13.5%
18.3%	14.1%
17.1%	13.9%
26.9%	15.4%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	21	32	30
Median	24	34	31
25th percentile	18	25	23
75th percentile	25	41	35

Historical CAGR% (3Yr)

Revenue growth
26.4%
25.8%
24.1%
28.5%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	1.4x	13.2x	2.2x
Median	1.2x	10.7x	2.0x
25th percentile	0.4x	6.8x	1.4x
75th percentile	2.2x	15.2x	2.9x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
1.4x	8.6x
1.2x	6.5x
0.6x	5.0x
2.3x	11.5x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	27.8%	16.0%	8.6%
Median	29.0%	16.7%	7.7%
25th percentile	19.7%	14.0%	7.4%
75th percentile	34.8%	17.7%	8.5%

Liquidity Ratios

Current ratio	Quick ratio
1.0x	0.8x
1.0x	0.7x
0.9x	0.5x
1.2x	1.0x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	8.6%	3.0%	51.6%
Median	8.7%	3.0%	54.3%
25th percentile	7.2%	2.8%	45.1%
75th percentile	9.4%	3.3%	56.4%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
4.6%	NM
4.3%	NM
3.8%	NM
5.4%	NM

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	1.09	0.79	0.75
Median	1.11	0.81	0.75
25th percentile	1.09	0.73	0.73
75th percentile	1.12	0.83	0.76

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.75	13.9%
Median	7.1%	9.1%	0.75	13.9%
25th percentile	7.1%	9.1%	0.73	13.7%
75th percentile	7.1%	9.1%	0.76	14.0%

Strengths:

- **High Demand:** Crucial for energy production, transportation, and industry.
- **Established Infrastructure:** Developed infrastructure for exploration, refining, and distribution.
- **Economic Impact:** Significant contribution to GDP and employment.
- **Resource Availability:** Known reserves and ongoing exploration projects.
- **Technological Advancements:** Progress in extraction and refining technologies.

Weaknesses:

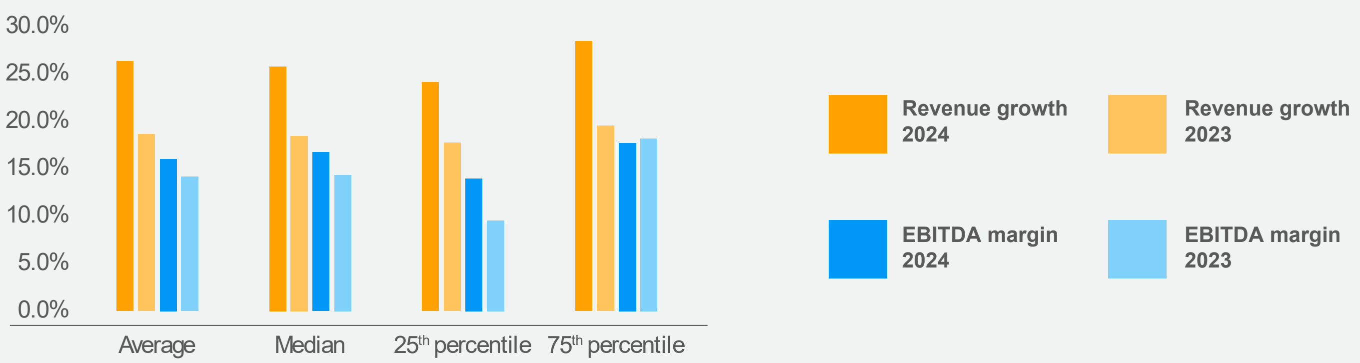
- **Volatile Prices:** Fluctuating global oil and gas prices can affect profitability.
- **Environmental Concerns:** High environmental impact and regulatory pressures.
- **High Costs:** Expensive extraction and production processes.
- **Geopolitical Risks:** Vulnerability to global geopolitical tensions.
- **Dependency on Imports:** Reliance on imported oil and gas, impacting energy security.

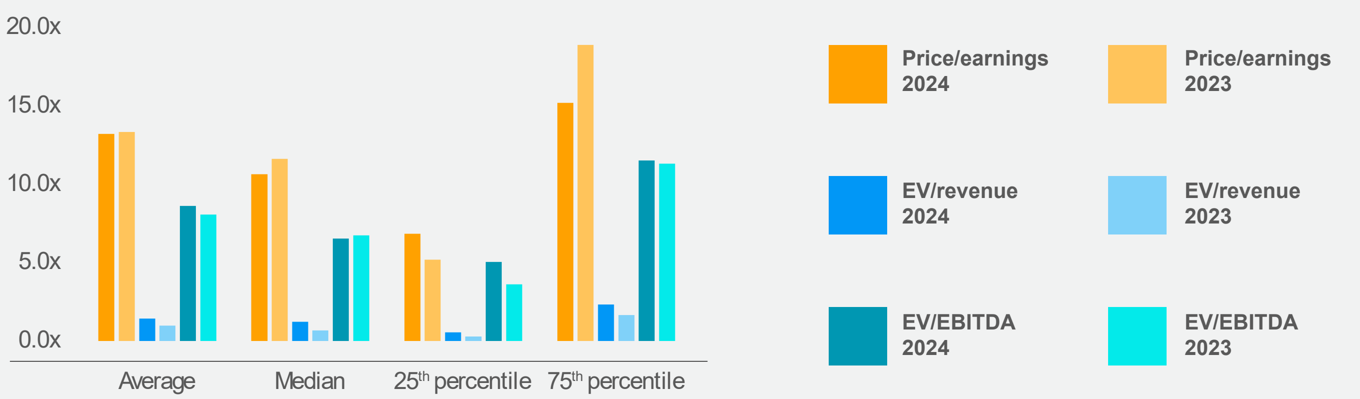
Opportunities:

- **Carbon Management:** Investments in carbon capture and storage technologies.
- **Technological Innovations:** Advances in extraction techniques and energy efficiency.
- **Emerging Markets:** Rising energy demand, especially in urban and rural areas.
- **Energy Efficiency:** Investments in cleaner and more efficient technologies.
- **Public-Private Partnerships:** Collaboration on infrastructure and technology projects.

Threats:

- **Economic Fluctuations:** Impact of economic downturns on fuel demand and prices.
- **Regulatory Changes:** Stricter environmental regulations and policies in India.
- **Geopolitical Risks:** Potential political instability affecting global supply chains.
- **Market Disruptions:** Competition from renewable energy sources and technological advancements.
- **Environmental Incidents:** Risks of spills and other environmental issues impacting operations.





Pharmaceuticals and Biotechnology

The category of companies under Pharma industry comprises two main groups. It includes manufacturers and distributors of pharmaceuticals, as well as companies actively involved in the research and development of pharmaceutical products.

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	12.2%	9.8%	12.3%
Median	16.3%	10.2%	12.7%
25th percentile	9.7%	7.2%	8.8%
75th percentile	23.0%	14.7%	17.9%

Debt Ratios

	Debt/equity	Debt/capital
Average	7.1%	5.5%
Median	1.4%	1.3%
25th percentile	0.3%	0.3%
75th percentile	4.6%	4.4%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	72	205	123
Median	76	205	121
25th percentile	60	163	85
75th percentile	93	263	143

Historical CAGR% (3Yr)

	Revenue growth
Average	9.5%
Median	10.7%
25th percentile	4.2%
75th percentile	15.8%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	9.7x	31.3x	8.8x
Median	4.9x	31.1x	4.5x
25th percentile	3.3x	21.9x	3.5x
75th percentile	7.8x	47.3x	8.3x

Enterprise Value(EV) Multiples

	EV/revenue	EV/EBITDA
Average	2.7x	1.8x
Median	2.1x	1.3x
25th percentile	1.3x	0.7x
75th percentile	3.3x	2.0x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	61.5%	8.9%	0.0%
Median	60.4%	24.7%	15.8%
25th percentile	56.5%	17.5%	9.1%
75th percentile	66.0%	28.3%	19.7%

Liquidity Ratios

	Current ratio	Quick ratio
Average	2.7x	1.8x
Median	2.1x	1.3x
25th percentile	1.3x	0.7x
75th percentile	3.3x	2.0x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	6.8%	4.7%	103.3%
Median	5.1%	4.5%	85.3%
25th percentile	3.5%	3.1%	54.1%
75th percentile	8.6%	5.3%	114.6%

Working Capital Ratios

	DFWC/revenue	DFCFWC/revenue
Average	52.9%	21.3%
Median	45.3%	27.7%
25th percentile	35.7%	11.0%
75th percentile	63.8%	35.9%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.58	0.55	0.55
Median	0.52	0.52	0.53
25th percentile	0.37	0.38	0.41
75th percentile	0.76	0.71	0.69

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.55	12.1%
Median	7.1%	9.1%	0.53	11.9%
25th percentile	7.1%	9.1%	0.41	10.8%
75th percentile	7.1%	9.1%	0.69	13.4%

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	14.2%	10.1%	12.7%
Median	15.9%	9.5%	12.2%
25th percentile	11.7%	7.8%	9.5%
75th percentile	17.5%	12.4%	15.9%

Debt Ratios

Debt/equity	Debt/capital
4.8%	3.4%
4.0%	3.6%
2.5%	2.5%
4.6%	4.2%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	70	207	122
Median	66	200	122
25th percentile	64	194	115
75th percentile	77	228	132

Historical CAGR% (3Yr)

Revenue growth
27.7%
25.8%
19.9%
36.8%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	5.6x	29.9x	5.4x
Median	4.7x	30.0x	4.5x
25th percentile	3.2x	23.6x	3.5x
75th percentile	7.3x	34.7x	6.2x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
5.6x	23.3x
4.7x	22.5x
3.4x	19.9x
7.3x	26.6x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	62.5%	23.4%	16.5%
Median	62.8%	24.8%	17.1%
25th percentile	60.6%	17.8%	12.5%
75th percentile	64.5%	28.3%	19.9%

Liquidity Ratios

Current ratio	Quick ratio
2.4x	1.6x
2.4x	1.7x
2.1x	1.3x
2.6x	1.9x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	6.2%	4.7%	95.8%
Median	5.6%	4.6%	95.1%
25th percentile	4.8%	4.4%	85.2%
75th percentile	7.6%	5.2%	106.1%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
51.7%	23.8%
50.2%	25.9%
45.6%	20.9%
57.4%	28.6%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.56	0.53	0.55
Median	0.57	0.55	0.55
25th percentile	0.51	0.49	0.50
75th percentile	0.61	0.56	0.61

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.55	12.1%
Median	7.1%	9.1%	0.55	12.1%
25th percentile	7.1%	9.1%	0.50	11.7%
75th percentile	7.1%	9.1%	0.61	12.6%

Strengths:

- **Growing Market:** Increasing demand domestically.
- **Cost Efficiency:** Competitive production costs.
- **R&D Infrastructure:** Strong research and development capabilities.
- **Skilled Workforce:** Availability of skilled professionals.
- **Government Support:** Favorable policies and incentives.

Weaknesses:

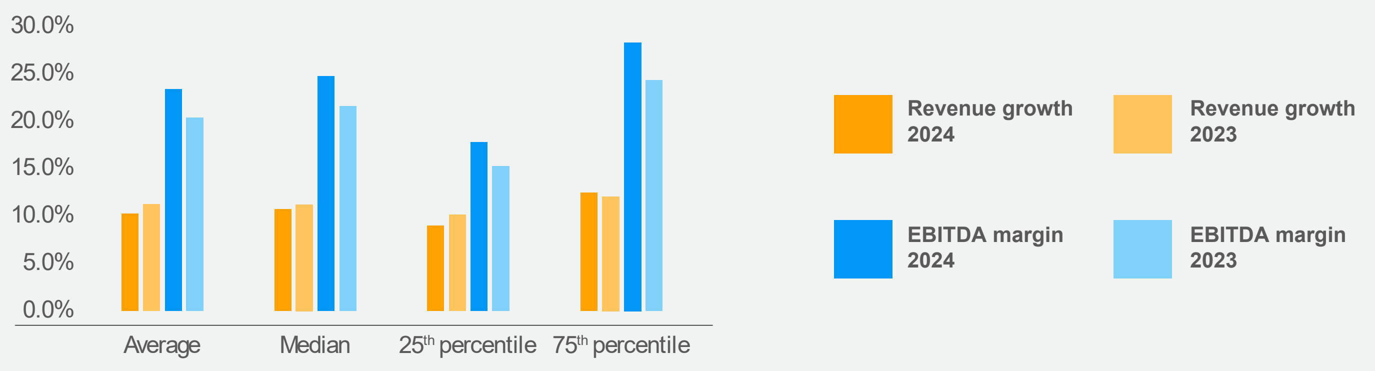
- **Regulatory Complexity:** Evolving and complex regulations.
- **Infrastructure Issues:** Challenges with logistics and infrastructure.
- **Quality Concerns:** Issues with quality control.
- **Patent Challenges:** Intellectual property and patent issues.
- **High R&D Costs:** Significant investment needed for development.

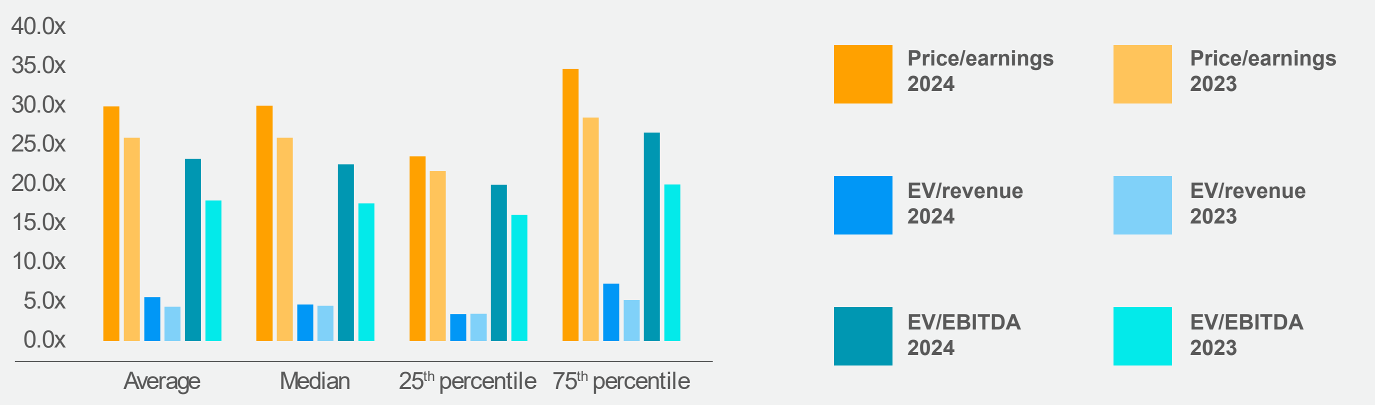
Opportunities:

- **Export Potential:** Growth in international markets.
- **Innovation:** Advancements in genomics and biologics.
- **Public Health Focus:** Government investment in healthcare.
- **Partnerships:** Collaborations with global firms.
- **Emerging Markets:** Expanding opportunities in new regions.

Threats:

- **Regulatory Changes:** Uncertainty in regulations.
- **Global Competition:** Competition from advanced markets.
- **Economic Downturns:** Impact on funding and investment.
- **Supply Chain Risks:** Disruptions and shortages.
- **Counterfeits:** Risks from counterfeit drugs.





Power

This sector includes producers and transmitters of both renewable and non-renewable power, as well as entities engaged in the trading of electricity.

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	16.6%	7.2%	11.5%
Median	12.0%	5.4%	6.8%
25th percentile	9.4%	3.5%	5.4%
75th percentile	15.6%	8.5%	10.6%

Debt Ratios

Debt/equity	Debt/capital
47.6%	26.9%
39.6%	26.7%
19.0%	15.8%
65.5%	36.8%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	95	105	112
Median	77	62	76
25th percentile	67	36	43
75th percentile	109	100	112

Historical CAGR% (3Yr)

Revenue growth
21.6%
17.0%
9.6%
24.3%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	6.9x	46.0x	7.4x
Median	3.3x	20.9x	3.1x
25th percentile	1.8x	12.3x	1.4x
75th percentile	8.6x	51.8x	5.1x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
8.9x	21.3x
4.5x	16.2x
2.8x	11.4x
9.9x	24.4x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	55.3%	38.8%	14.9%
Median	51.0%	35.4%	14.6%
25th percentile	34.4%	19.6%	7.4%
75th percentile	77.3%	46.4%	22.8%

Liquidity Ratios

Current ratio	Quick ratio
1.2x	0.9x
1.1x	0.7x
0.8x	0.5x
1.3x	0.9x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	41.1%	11.1%	80.6%
Median	17.3%	8.7%	50.5%
25th percentile	5.0%	6.8%	28.4%
75th percentile	32.7%	14.2%	150.9%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
26.7%	2.4%
27.4%	6.9%
15.5%	-4.4%
41.5%	25.5%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	1.19	0.91	0.68
Median	1.23	0.92	0.69
25th percentile	0.83	0.72	0.58
75th percentile	1.46	1.09	0.78

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.68	13.3%
Median	7.1%	9.1%	0.69	13.4%
25th percentile	7.1%	9.1%	0.58	12.3%
75th percentile	7.1%	9.1%	0.78	14.2%

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	13.4%	6.1%	8.1%
Median	12.0%	5.6%	6.8%
25th percentile	10.1%	4.6%	5.7%
75th percentile	14.5%	7.9%	10.0%

Debt Ratios

Debt/equity	Debt/capital
47.4%	26.3%
42.6%	26.7%
38.6%	24.0%
49.3%	29.4%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	84	79	100
Median	79	63	98
25th percentile	71	55	76
75th percentile	91	90	112

Historical CAGR% (3Yr)

Revenue growth
18.4%
18.4%
12.1%
23.8%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	5.5x	26.5x	3.4x
Median	5.6x	16.9x	2.5x
25th percentile	2.4x	14.0x	1.4x
75th percentile	7.6x	35.5x	4.3x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
7.3x	19.1x
8.3x	18.7x
4.3x	13.8x
9.8x	23.4x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	50.5%	37.2%	12.8%
Median	54.3%	36.3%	13.1%
25th percentile	44.7%	34.1%	8.5%
75th percentile	56.1%	38.9%	15.3%

Liquidity Ratios

Current ratio	Quick ratio
1.2x	0.8x
1.1x	0.8x
1.0x	0.7x
1.3x	0.9x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	23.4%	10.1%	59.7%
Median	17.3%	9.1%	51.5%
25th percentile	5.2%	7.9%	47.7%
75th percentile	25.1%	12.3%	55.1%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
25.7%	11.6%
24.0%	9.9%
18.8%	3.4%
32.9%	15.7%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	1.23	0.93	0.68
Median	1.28	0.93	0.70
25th percentile	1.18	0.91	0.61
75th percentile	1.30	0.97	0.74

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.68	13.3%
Median	7.1%	9.1%	0.70	13.5%
25th percentile	7.1%	9.1%	0.61	12.6%
75th percentile	7.1%	9.1%	0.74	13.8%

Strengths:

- **Established Infrastructure:** Extensive network of generation, transmission, and distribution systems.
- **Diverse Energy Sources:** Use of coal, natural gas, renewables (solar, wind), and nuclear energy.
- **Government Support:** Strong policies and incentives for renewable energy and infrastructure development.
- **Technological Advancements:** Progress in smart grids and energy efficiency technologies.
- **Economic Contribution:** Crucial for supporting economic growth and industrial development.

Weaknesses:

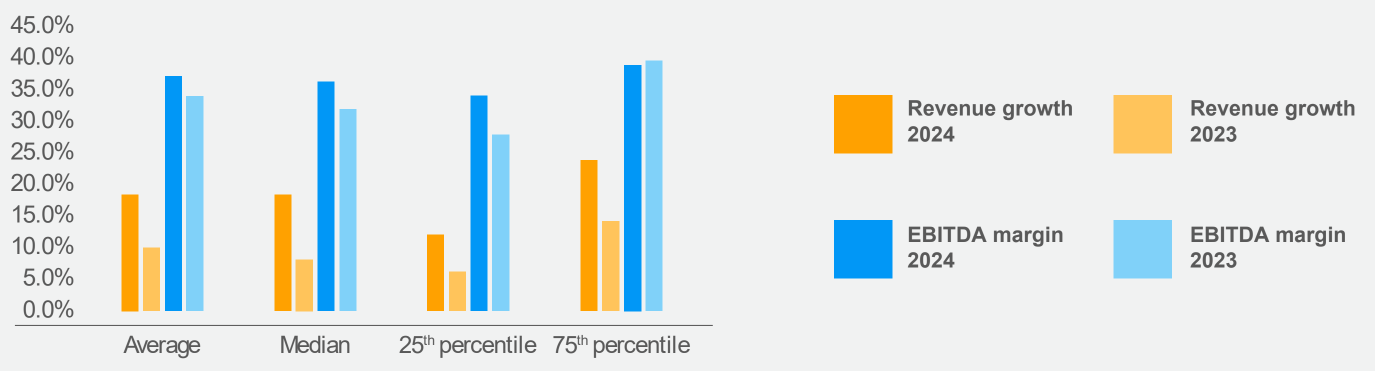
- **High Capital Costs:** Significant investments required for infrastructure and modernization.
- **Environmental Impact:** Concerns over pollution and ecological damage, especially from coal-fired power plants.
- **Regulatory Complexity:** Compliance with evolving environmental and safety regulations can be challenging.
- **Dependency on Imports:** Reliance on imported fuels for energy generation, which poses supply risks.
- **Aging Infrastructure:** Need for upgrading outdated transmission and distribution networks.

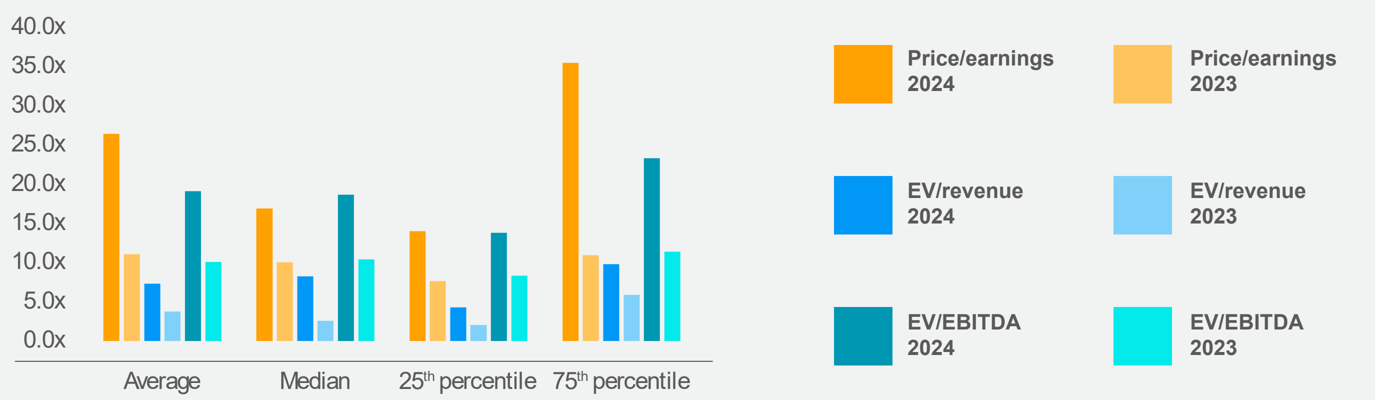
Opportunities:

- **Renewable Energy Expansion:** Large potential for growth in solar, wind, and other renewable sources.
- **Technological Innovations:** Advances in energy storage and grid management technologies.
- **Energy Diversification:** Integration of cleaner and more sustainable energy sources.
- **Government Initiatives:** Supportive policies for renewable energy projects and infrastructure upgrades.
- **Market Growth:** Rising energy demand in both urban and rural areas, as well as emerging markets.

Threats:

- **Regulatory Changes:** Potential impacts from new regulations and environmental policies.
- **Economic Fluctuations:** Economic slowdowns affecting energy demand and investment.
- **Climate Change:** Risks from extreme weather events impacting energy production and infrastructure.
- **Technological Disruption:** Rapid advancements in technology and energy storage affecting traditional models.
- **Geopolitical Risks:** Political instability affecting fuel imports and prices.





Textiles

Manufacturers and distributors of garments and apparel, fabrics, and yarn. It includes companies engaged in spinning of cotton/synthetic/other yarn and cotton ginning operations.

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	17.3%	8.3%	11.1%
Median	14.4%	7.0%	10.8%
25th percentile	9.4%	6.2%	7.3%
75th percentile	18.9%	10.9%	13.1%

Debt Ratios

Debt/equity	Debt/capital
29.6%	16.1%
14.1%	12.3%
9.7%	8.8%
19.9%	16.5%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	46	163	71
Median	47	177	56
25th percentile	36	120	46
75th percentile	48	220	94

Historical CAGR% (3Yr)

Revenue growth
15.4%
14.8%
11.6%
17.7%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	2.8x	32.2x	5.4x
Median	2.1x	26.8x	3.8x
25th percentile	1.3x	19.9x	2.3x
75th percentile	3.8x	45.4x	5.7x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
3.4x	85.0x
2.5x	19.1x
1.5x	13.2x
4.9x	27.4x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	42.9%	12.9%	6.9%
Median	44.3%	13.8%	6.8%
25th percentile	35.4%	10,2%	4.3%
75th percentile	50.1%	16.6%	12.6%

Liquidity Ratios

Current ratio	Quick ratio
1.8x	0.7x
1.7x	0.7x
1.5x	0.6x
1.9x	0.9x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	3.3%	3.2%	157.9%
Median	2.9%	3.1%	93.2%
25th percentile	2.0%	2.0%	59.6%
75th percentile	3.6%	4.1%	137.8%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
37.1%	28.3%
41.6%	24.7%
20.8%	17.2%
48.4%	43.2%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.67	0.90	0.77
Median	0.76	0.93	0.70
25th percentile	0.43	0.69	0.64
75th percentile	0.86	1.10	0.80

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.77	14.1%
Median	7.1%	9.1%	0.70	13.5%
25th percentile	7.1%	9.1%	0.64	12.9%
75th percentile	7.1%	9.1%	0.80	15.1%

Return Ratios

	Return on equity	Return on assets	Return oncapital
Average	15.1%	7.9%	11.1%
Median	15.8%	7.0%	10.9%
25th percentile	12.0%	6.6%	9.0%
75th percentile	18.0%	8.7%	12.5%

Debt Ratios

Debt/equity	Debt/capital
13.8%	13.7%
14.0%	12.4%
7.9%	12.0%
18.3%	16.3%

Activity Ratios

	Days of sales	Days of inventory	Days of payables
Average	46	175	58
Median	47	177	55
25th percentile	44	151	51
75th percentile	48	203	60

Historical CAGR% (3Yr)

Revenue growth
15.1%
15.1%
12.7%
17.4%

Price Multiples

	Price/revenue	Price/earnings	Market/book
Average	2.1x	27.4x	4.2x
Median	2.0x	21.0x	3.8x
25th percentile	1.4x	20.3x	2.5x
75th percentile	2.5x	33.9x	5.4x

Enterprise Value(EV) Multiples

EV/revenue	EV/EBITDA
3.4x	20.7x
3.3x	16.6x
2.4x	12.7x
4.6x	23.7x

Profitability Ratios

	Gross margin	EBITDA margin	Net profit margin
Average	45.5%	12.8%	7.1%
Median	47.2%	13.5%	6.6%
25th percentile	41.3%	10.6%	4.4%
75th percentile	48.7%	14.4%	9.5%

Liquidity Ratios

Current ratio	Quick ratio
1.8x	0.7x
1.7x	0.7x
1.7x	0.7x
1.9x	0.8x

Capital Expenditure and Depreciation Ratios

	Capex/revenue	D&A/revenue	D&A/Capex
Average	2.8%	3.4%	90.6%
Median	2.9%	3.2%	92.8%
25th percentile	2.3%	3.1%	59.2%
75th percentile	3.3%	3.9%	118.3%

Working Capital Ratios

DFWC/revenue	DFCFWC/revenue
42.3%	23.3%
44.1%	20.7%
41.1%	18.8%
47.5%	28.7%

Betas (levered)

	1 Yr	3 Yr	5 yr
Average	0.75	0.89	0.73
Median	0.77	0.91	0.70
25th percentile	0.74	0.79	0.68
75th percentile	0.84	0.96	0.77

Cost of Equity

	Risk free rate	ERP	Beta	Cost of equity
Average	7.1%	9.1%	0.73	13.7%
Median	7.1%	9.1%	0.70	13.5%
25th percentile	7.1%	9.1%	0.68	13.2%
75th percentile	7.1%	9.1%	0.77	14.1%

Strengths:

- **Established Industry:** Robust textile sector with a strong supply chain.
- **Diverse Products:** Wide range including traditional fabrics and garments.
- **Skilled Workforce:** Large pool of skilled labor in manufacturing and design.
- **Export Growth:** Major contributor to India's export revenue.
- **Government Support:** Incentives and policies promoting industry growth.

Weaknesses:

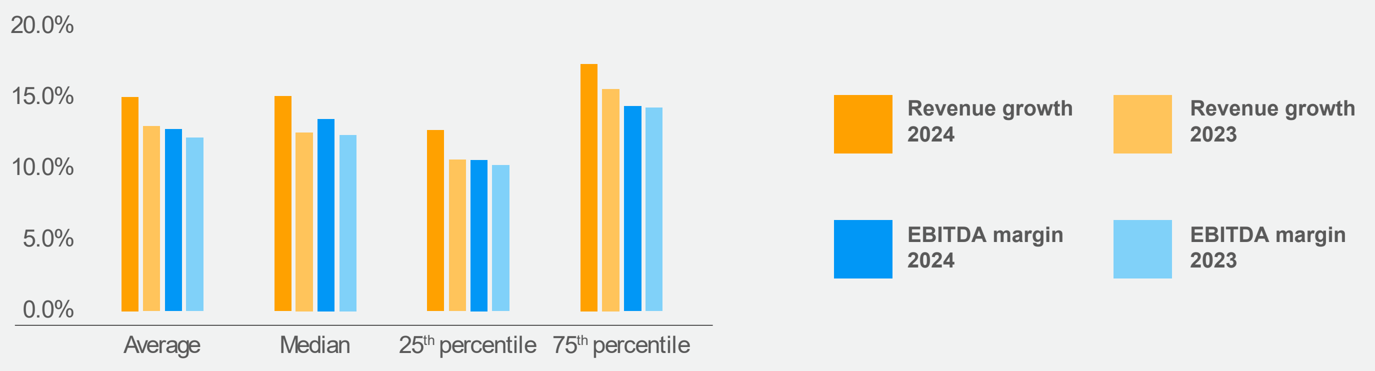
- **Price Competition:** Intense rivalry from low-cost producers.
- **Environmental Impact:** Significant pollution and water usage concerns.
- **Raw Material Dependence:** Vulnerability to fluctuations in prices and availability.
- **Regulatory Challenges:** Complex compliance with evolving regulations.
- **Aging Technology:** Need for modernization and tech upgrades.

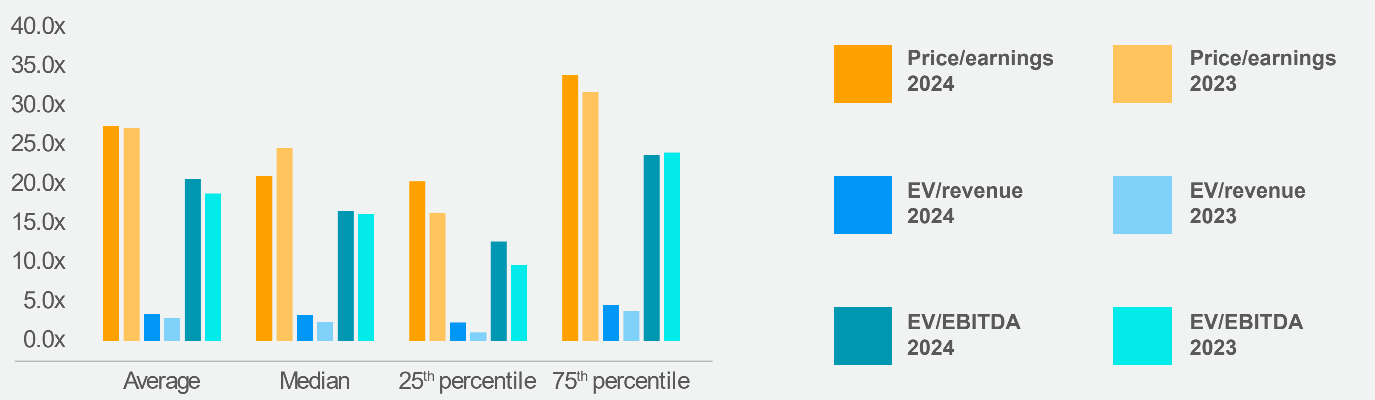
Opportunities:

- **Sustainable Practices:** Growing demand for eco-friendly textiles.
- **Tech Innovations:** Advances in automation and smart textiles.
- **Market Expansion:** Potential in emerging markets and growing domestic demand.
- **Fashion Trends:** Opportunities in luxury and niche segments.
- **Government Initiatives:** Support for innovation and export promotion.

Threats:

- **Global Competition:** Pressure from low-cost producers abroad.
- **Economic Fluctuations:** Economic downturns affecting demand.
- **Supply Chain Disruptions:** Risks from global supply issues.
- **Environmental Regulations:** Stricter compliance requirements.
- **Market Saturation:** Excessive product availability leading to lower margins and higher competition.





Interpretation And Computation Of Ratios And Multiples

Return on Equity (ROE)

Return on equity measures the profitability of a company in relation to the shareholders' equity. It shows how much profit a company generates for each rupee of shareholders' equity. It is a key indicator of a company's efficiency in utilizing its equity capital to generate profits for its shareholders. Higher ROE values generally indicate better financial performance and effectiveness in using shareholders' investments.

Formula	Net Income to Equity Excluding Extra Items / Average Shareholders' Equity	
1	Net income to equity excluding extra items	= Revenue from Operations - Cost of Revenue +/- Other Operating Income / Expense +/- Changes in Inventory +/- Interest Income / Expense +/- Investment Income / Expense +/- Other Non-Operating Income / Expense - Depreciation and Amortization - Provision for Income Taxes +/- Unusual Items
2	Average shareholders' equity	= Average of opening and closing common equity
3	Shareholders' equity (book value)	= Equity share capital + Retained Earnings + Treasury Stock and Other

Return on Assets (ROA)

The return on assets formula is a financial ratio that measures a company's profitability in relation to its total assets. ROA shows how efficiently a company utilizes its assets to generate profits. It provides insight into the company's ability to generate earnings from its investments in assets. A higher ROA value generally indicates better financial performance, as the company is effectively using its assets to generate profits.

Formula	EBIT*(1- Corporate Tax Rate) / Average Total Assets	
1	EBIT	= Total Revenue - Cost of Revenue - Selling General & Administrative Expenses - Depreciation & Amortization - Other Operating Expense
2	Average total assets	= Average of opening and closing total assets
3	Total assets	= Total Receivables + Cash & Short-Term Investments + Net Property, Plant & Equipment + Other Intangibles + Inventory + Long-term Investments + Goodwill + Other Current Assets + Other Assets

Return on Capital (ROC)

The return on capital is a financial metric that assesses a company's profitability and efficiency in generating returns from both debt and equity capital. In essence, ROC evaluates how effectively a company uses both borrowed funds (debt) and shareholders' investments (equity) to generate profits. This metric is helpful for understanding the overall performance of the company's capital structure. A higher ROC value generally indicates that the company is efficiently utilizing its capital to generate returns for its investors and creditors.

Formula	EBIT*(1- Corporate Tax Rate) / Average Total Capital	
1	EBIT	= Total Revenue - Cost of Revenue - Selling General & Administrative Expenses - Depreciation & Amortization - Other Operating Expense
2	Average total capital	= Average of opening and closing capital
3	Total capital (book value)	= Shareholders' equity + Total Debt + Preferred stock
4	Shareholders' equity	= Equity share capital + Retained Earnings + Treasury Stock and Other
5	Total Debt	= Short-term Borrowings + Current Portion of Long-Term Debt + Current Portion of Leases + Long-Term Debt + Long-Term Leases

Debt/Equity (D/E)

The debt-to-equity ratio is a financial metric that compares a company's total debt to its shareholders' equity. The D/E ratio indicates how much debt a company is using to finance its assets relative to the amount of value represented in shareholders' equity. A high D/E ratio suggests that the company relies more on debt financing, which can increase financial risk but may also lead to higher potential returns. On the other hand, a low D/E ratio indicates a more conservative financing structure, with less reliance on debt and potentially lower risk.

Formula	Total Debt / Market Capitalization	
1	Total Debt	= Short-term Borrowings + Current Portion of Long-Term Debt + Current Portion of Leases + Long-Term Debt + Long-Term Leases
2	Market capitalization	= No. of equity shares outstanding*Market price per share

Debt / Total Capital (D/C)

The debt-to-capital ratio is a financial metric that compares a company's total debt to its total capital, which includes both debt and equity. In essence, the D/C ratio measures the proportion of a company's capital that is financed through debt. It provides insights into the company's financial leverage and risk. A high D/C ratio indicates that a significant portion of the company's capital comes from debt, which can increase financial risk but may also offer higher potential returns. On the other hand, a low D/C ratio suggests a more conservative capital structure, with less reliance on debt financing and potentially lower risk.

Formula	Total Debt / Market Value of Invested Capital	
1	Total Debt	= Short-term Borrowings + Current Portion of Long-Term Debt + Current Portion of Leases + Long-Term Debt + Long-Term Leases
2	Market value of Invested Capital	= Market Capitalization + Preferred stock + Minority interest + Total Debt
3	Market capitalization	= No. of equity shares outstanding*Market price per share
4	Minority interest	Portion of equity in a non-wholly owned, consolidated subsidiary that is attributable to the minority owners.

Activity Ratios

Days Sales Outstanding (DSO)

The days of sales is a financial metric that measures the average number of days it takes for a company to collect revenue from its customers. This ratio is an activity ratio quantifying a firm's effectiveness in extending credit and in collecting debts. A lower number of days of sales indicates that the company is collecting payments more quickly, which is generally a positive sign of effective credit and collection policies. Conversely, a higher number of days of sales suggests that the company takes longer to collect payments, which may indicate potential issues with cash flow or credit policies. Reducing the days of sales can help improve a company's cash flow and overall financial performance.

Formula	= (Average Accounts Receivable / Revenue) *Number of Days in a Period	
1	Average accounts receivable	= Average of opening and closing accounts receivable (adjusted for allowance for doubtful accounts receivable)

Days Inventory Outstanding (DIO)

The day of inventory is a financial metric that measures the average number of days it takes for a company to sell its inventory. It helps to assess how efficiently a company manages its inventory. A lower number of days of inventory indicates that the company is selling its inventory more quickly, which is generally a positive sign as it suggests effective inventory management and turnover. On the other hand, a higher number of days of inventory implies that the company takes longer to sell its inventory, which may indicate overstocking or slow moving products, potentially tying up capital and affecting profitability.

Formula	= (Average Inventory / Cost of Goods Sold) *Number of Days in a Period	
1	Average inventory	= Average of opening and closing inventory

Days Payable Outstanding (DPO)

The days of payables is a financial metric that measures the average number of days it takes for a company to pay its suppliers and vendors. It helps to assess the efficiency of a company's accounts payable management. A higher number of days of payables indicates that the company takes longer to pay its suppliers, which may suggest favourable credit terms and better cash flow management. On the other hand, a lower number of days of payables may indicate that the company pays its suppliers more quickly, which could be an advantage in maintaining good supplier relationships and potentially securing early payment discounts.

Formula	= (Average Accounts Payable / (Cost Of Goods Sold - Opening Inventory - Closing Inventory)) *Number Of Days In A Period	
1	Average accounts payable	= Average of opening and closing accounts payable

Growth Ratios

The compound annual growth rate (CAGR) is the mean annual growth rate of an investment over a specified period longer than one year. It is calculated by dividing the investment value at the end by the beginning investment value, raising the result to the power of one divided by the period length. Subsequently one is subtracted to arrive at the CAGR.

We have presented the 3-year Revenue in our analysis.

3 year - Revenue CAGR

Formula	= (Total Revenue (Yr. 3) / Total Revenue (Yr. 0)) ^ (1/3)-1

Price Multiples

Equity value multiples are used to arrive at an equity valuation for an entity after factoring leverage. A key assumption of any fundamental value technique is that the value of the security is driven by the fundamentals of the entity's underlying business.

Price / Revenue

The price to revenue is a valuation ratio that compares a company's stock price to its revenues. It can be calculated either by dividing the company's market capitalization by its total revenue over a 12-month period, or on a per-share basis by dividing the stock price by revenue per share for a 12-month period. In our database, we have calculated it by dividing the market capitalization by total revenue.

Formula	= Market Capitalization / Total Revenue	
1	Market capitalization	= No. of equity shares outstanding*Market price per share

Price / Earnings (P/E) Ratio

The price to earnings ratio is the ratio for valuing a company that measures its current share price relative to its per-share earnings. The ratio is calculated by dividing the current stock price by earnings per share.

Formula	= Price Per Share / Earnings Per Share	
1	Earnings per share	= Net income to equity excluding extra items/ Weighted Average Basic Shares Outstanding
2	Net income to equity excluding extra items	= Revenue from Operations - Cost of Revenue +/- Other Operating Income / Expense +/- Changes in Inventory +/- Interest Income / Expense +/- Investment Income / Expense +/- Other Non-Operating Income / Expense - Depreciation and Amortization - Provision for Income Taxes +/- Unusual Items

Market / Book

The market to book ratio is used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the book value per share.

Formula	= Price Per Share / Book Value Per Share	
1	Book value per share	= (Total shareholders' equity + Total minority interest) / Total no. of common shares outstanding
2	Shareholders' equity	= Equity share capital + Retained Earnings + Treasury Stock and Other

Enterprise Value (EV) Multiples

The enterprise value is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. Enterprise value is calculated as the market capitalization plus debt, minority interest and preferred shares, minus total cash and cash equivalents.

An enterprise multiple is a ratio used to determine the value of a company. Some analysts prefer enterprise value multiples over equity value multiples as the former allows for direct comparison across firms, regardless of capital structure. The enterprise multiple looks at an entity as a potential acquirer would, taking into account the company's debt and not just the equity component as we observed while analysing the equity multiples.

EV / Revenue

The EV/ Revenue gives investors a quantifiable metric of how much it costs to purchase the company's sales. This measure is an expansion of the price-to-sales (P/S) valuation, which uses market capitalization instead of enterprise value. It is calculated by dividing enterprise value by total revenue for the financial year.

Formula	= Total Enterprise Value / Total Revenue	
1	Total enterprise value	= Market value of Invested Capital - Cash and cash equivalents
2	Market value of Invested Capital	= Market Capitalization + Preferred stock + Minority interest + Total Debt
3	Market capitalization	= No. of equity shares outstanding*Market price per share
4	Minority interest	Portion of equity in a non-wholly owned, consolidated subsidiary that is attributable to the minority owners.
5	Total Debt	= Short-term Borrowings + Current Portion of Long-Term Debt + Current Portion of Leases + Long-Term Debt + Long-Term Leases
6	Cash and cash equivalents	The total of cash, cash equivalents and short-term investments reported on the company's balance sheet. Includes cash, cash in hand, cash at bank, cash and cash equivalents, bank balances, short-term deposits, deposits. Any adjustments for surplus cash credit or restricted cash are handled through separate adjustments. Restricted cash is included here under International Financial Reporting Standards ("IFRS")

EV / EBITDA

The EV / EBITDA equals a company's enterprise value divided by earnings before interest, tax, depreciation, and amortization (EBITDA) for the financial year. It is a measure of the cost of a stock which is more frequently valid for comparisons across companies than the price-to earnings ratio.

Formula	= Total Enterprise Value / EBITDA	
1	Total enterprise value	As defined above

We have also presented Historical EV/Revenue multiples for periods FY-1, FY-2 and FY-3 and Historical EV / EBITDA multiples for the periods FY-1 and FY-2 in our analysis.

Profitability Ratios

A profitability ratio measures a company's performance. They highlight how effectively the profitability of a company is being managed with insights into the financial health and performance of the entity and provides a basis of comparison against other similarly situated companies.

Gross Margin

The gross margin is a financial metric that measures the profitability of a company's core business operations. It represents the percentage of revenue that exceeds the direct costs of producing the goods or services sold by the company. A higher gross margin generally indicates that the company is generating more profit from each sale, which is a positive sign of operational efficiency and pricing strategy.

Formula	= Gross Profit / Revenue	
1	Gross profit	= Revenue from Operations - Cost of revenue
2	Cost of revenue	= Cost of Materials Consumed +/- Changes in Inventory

EBITDA Margin

The EBITDA margin is a financial metric that assesses the operational profitability of a company. It represents the percentage of total revenue that the company retains as EBITDA, which is a measure of its operating performance before accounting for non-operating expenses such as interest, taxes, depreciation, and amortization. A higher EBITDA margin typically indicates that the company's core operations are more profitable, without the influence of financing decisions or tax-related matters.

Formula	= EBITDA / Revenue	
1	EBITDA	= Revenue from Operations - Cost of Revenue - Selling General & Administrative Expenses - Other Operating Expense
2	Cost of revenue	As defined above

Net Profit Margin

The net profit margin is a financial metric that measures the profitability of a company's overall operations. The net profit margin represents the percentage of total revenue that the company retains as net profit after deducting all expenses, including the cost of goods sold, operating expenses, interest, taxes, and other non-operating costs. A higher net profit margin generally indicates that the company is effectively controlling costs and operating efficiently, leading to higher profitability. On the other hand, a lower net profit margin may suggest that the company is facing challenges in controlling expenses or experiencing lower revenues.

Formula	= Net Income to Company / Revenue	
1	Net income to company	= Revenue from Operations - Cost of Revenue - Other Operating Expense - Other Non-Operating Expense - Net Interest Expense - Income Tax Expense
2	Cost of revenue	As defined above

Liquidity Ratios

Current Ratio

The current ratio is a financial metric that measures a company's short-term liquidity and its ability to pay off its current liabilities using its current assets. In simple terms, the current ratio helps assess a company's ability to meet its short-term financial obligations. It compares the company's current assets, which are assets that are expected to be converted into cash within one year, to its current liabilities, which are debts and obligations due within the same period.

A current ratio above 1 indicates that the company has more current assets than current liabilities, suggesting that it is likely to be able to meet its short-term obligations. A current ratio below 1 may indicate that the company may face difficulties in paying off its short-term debts with its current assets alone, potentially indicating liquidity issues.

Formula	= Total Current Assets / Total Current Liabilities	
1	Total current assets	= Cash & Short-Term Investments + Total Receivables + Inventory + Prepaid Expense + Other Current Assets
2	Total current liabilities	= Accounts Payable + Accrued Expense + Short-term Borrowings + Current portion long-term debt and Leases + Other Current Liabilities

Quick Ratio

The quick ratio, also known as the acid-test ratio, is a financial metric that assesses a company's short-term liquidity and ability to pay off its current liabilities without relying on the sale of inventory. In simple terms, the quick ratio measures how well a company can meet its immediate short-term obligations using its most liquid assets, excluding inventory. Inventory is excluded because it may take time to convert into cash, and in times of financial stress, it may not be easy to sell at its full value.

A quick ratio above 1 indicates that the company can cover its current liabilities with its quick assets, which typically include cash, cash equivalents, marketable securities, and accounts receivable. This is generally seen as a positive sign of good liquidity and financial health. On the other hand, a quick ratio below 1 suggests that the company may face difficulties in paying off its short-term obligations without relying on selling inventory.

Formula	= Current Assets / Total Current Liabilities	
1	Current assets	'= Cash & Short-Term Investments + Accounts Receivables + Other Receivables
2	Total current liabilities	As defined above

Capital Expenditure and Depreciation Ratios

Capex / Revenue

Capital expenditure to revenue is a financial metric that measures how much a company is investing in capital assets relative to its generated revenue. Capital assets are long-term, significant investments such as property, plants, and equipment (PPE). The metric is generally expressed as a percentage and provides an indication of a company's investment strategy. A high ratio suggests that a company is heavily investing in its future growth or maintaining its existing assets, while a low ratio suggests the opposite. However, whether a high or low ratio is 'good' or 'bad' can depend heavily on the industry, the company's stage of growth, and other factors.

Formula	= Capital Expenditure / Revenue	
1	Capital expenditure	Capital expenditure include acquiring fixed assets, upgrading existing assets, capitalized research and development ("R&D"), investments in infrastructure, software and licenses, expansion projects, and significant maintenance and repairs of fixed assets.

D&A / Revenue

Depreciation & amortization to revenue is a financial metric that measures the proportion of a company's revenue that is allocated to depreciating or amortizing its fixed assets and intangible assets, respectively. A high ratio suggests that a large proportion of a company's revenue is being used to account for the decrease in value of its assets, while a low ratio suggests the opposite. This can give an indication of a company's capital intensity, the age of its assets, and its strategy around investing in assets. The interpretation of this ratio can depend on the industry and the nature of the company's assets.

Formula	= Total Depreciation and Amortization Expense / Revenue	
1	Total depreciation and amortization expense	= Depreciation on Right of Use Assets + Depreciation and Amortization
2	Depreciation and amortization	Depreciation and amortization include the allocation of the cost of tangible assets (depreciation) and intangible assets (amortization) over their respective useful lives.

D&A / Capex

Depreciation & amortization to capital expenditure is a financial metric that measures the proportion of a company's capital expenditures that are allocated to depreciating or amortizing its fixed assets and intangible assets, respectively. A high ratio suggests that a large proportion of a company's capital expenditures is being used to account for the decrease in value of its assets, while a low ratio suggests the opposite. This can give an indication of how quickly a company's assets are depreciating or amortizing relative to how much it's investing in new assets.

Formula	= Total Depreciation & Amortization Expense / Capital Expenditure	
1	Total depreciation and amortization expense	As defined above
2	Capital expenditure	As defined above

Working Capital Ratios

DFWC / Revenue

Debt-free working capital is a measure that represents the excess of current assets over current liabilities, excluding any interest-bearing debt. It provides insight into the company's ability to cover its short-term obligations without considering the impact of debt. This metric provides insights into the company's liquidity position and its capacity to handle short-term financial obligations using its operational cash flow and non-debt-related assets. A higher percentage may indicate a strong ability to cover short-term obligations without relying on debt, while a lower percentage may suggest potential liquidity risks.

Formula	= DFWC / Revenue	
1	DFWC	= Total current assets - Total current liabilities + Short-term borrowings + Current Portion of long-term Debt + Current Portion of Leases
2	Total current assets	= Cash & short-term investments + Total receivables + Inventory + Prepaid expense + Other current Assets
3	Total current liabilities	= Accounts Payable + Accrued Expense + Short-term Borrowings + Current portion long-term debt and leases + Other Current Liabilities

DFCFWC / Revenue

Debt-free cash-free working capital is a measure that represents the excess of current assets over current liabilities, excluding any interest-bearing debt and cash. It provides a snapshot of the company's ability to cover its short-term obligations without relying on borrowed funds or cash reserves. This metric provides insights into the company's liquidity position and its capacity to handle short-term financial obligations using its operational cash flow and non-debt-related assets. A higher percentage may indicate a strong ability to cover short-term obligations without relying on debt or cash reserves, while a lower percentage may suggest potential liquidity risks.

Formula	= DFCFWC / Revenue	
1	DFCFWC	= Total current assets - Total current liabilities + Short-term borrowings + Current Portion of Long-Term Debt + Current Portion of Leases - Cash & Short-Term Investments
2	Total current assets	As defined above
3	Total current liabilities	As defined above

Cost of Equity

Beta

Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. Beta is used in the capital asset pricing model (CAPM) to calculate the expected return on an asset.

The BSE Sensex index is considered a benchmark for the purpose of computing beta.

The BSE Sensex index is the Bombay Stock Exchange's benchmark broad-based stock market index for the Indian equity market. It represents the weighted average of 30 Indian company stocks and is a free-float market capitalization.

1-year beta

It is the slope of the daily regression of change in stock relative to BSE Sensex for the past 1 year.

3-year beta

It is the slope of the daily regression of change in stock relative to BSE Sensex for the past 3 years.

5-year beta

It is the slope of the daily regression of change in stock relative to BSE Sensex for the past 5 years.

Risk-Free Rate (RF)

The risk-free rate is the rate available on instruments considered to have virtually no possibility of default, such as Government of India securities. The yield on the 10-year Government bond as of March 31, 2024, i.e., 7.1% has been considered as the risk-free rate.

Equity Risk Premium (ERP)

The equity risk premium is the additional return that investors expect to earn in excess of government securities to compensate for the additional risk, or the degree of uncertainty, that the expected future equity returns will not be realized. It is a forward-looking concept in that the discount rate should reflect what investors think the risk premium will be going forward. The premium represents large company total returns over long-term government bond income returns. The equity risk premium considered is 9.1%.

Formula	= Average of Last 10-Year Annual Return on BSE Sensex - Average of Last 10-Year Yield on 10-Year Government Bond	
1	Annual return on BSE Sensex	= ((Ending BSE Sensex - Beginning BSE Sensex + Dividend)/Beginning BSE Sensex) *100

Cost of Equity (Concluded)

The cost of equity based on the CAPM is the expected return required by investors for holding a company's stock. It represents the rate of return that compensates investors for the risk they take by investing in the company's equity. CAPM calculates the cost of equity by considering the risk-free rate of return, the stock's beta (a measure of its volatility compared to the overall market), and the market risk premium (the additional return investors expect for taking on market risk). Ultimately, the cost of equity reflects the minimum return a company must generate on its projects to maintain its stock's value and attract investors.

Formula	= Rf + (ERP * β)	
1	Rf	As defined above
1	ERP	As defined above
3	Beta (“β”)	The beta considered for computing Cost of Equity is the 5-year beta, which is the slope of the daily regression of change in stock relative to BSE Sensex for the past 5 years.

Banks Specific Ratios

Some industries have unique characteristics that require analysis beyond the conventional ratios. The companies falling under such industries have been analysed using industry specific ratios.

Return Ratios

Return on Assets (ROA)

The return on assets for banks is a financial metric used to evaluate a bank's profitability and efficiency in generating earnings from its assets. The ROA ratio indicates how effectively the bank is utilizing its assets to generate profits. A higher ROA suggests that the bank is more efficient in using its assets to earn income, while a lower ROA may indicate that the bank's assets are not generating sufficient earnings.

Formula	= (Earnings from Continuing Operations / Average Total Assets) *100	
1	Earnings from Continuing Operations	= Total Revenue - Other Operating Expenses - Other Non-Operating Expenses - Income Tax Expense +/- Unusual items
2	Average total assets	= Average of opening and closing total assets
3	Total assets	= Cash and Equivalents + Total Investments + Net Loans + Net Property, Plant & Equipment + Goodwill + Other Current and Non-current Assets

Earning Asset Yield

The earning asset yield for banks is a financial metric that measures the rate of return or yield generated by a bank's earning assets. The earning asset yield ratio provides insight into how effectively the bank is generating interest income from its earning assets. A higher earning asset yield indicates that the bank's earning assets are generating a higher rate of return, which is generally favourable for the bank's profitability. On the other hand, a lower earning asset yield may suggest that the bank's earning assets are not generating as much income relative to their value. This metric is valuable for assessing the bank's ability to deploy its assets to generate interest income and can be used to compare the performance of different banks within the industry.

Formula	= (Interest Income / Average Interest-Earning Assets) *100	
1	Interest income	Total interest income earned from loans, investments, and interest-bearing securities.
2	Average interest-earning assets	Average of opening and closing interest-earning assets.
3	Interest-earning assets	Loans, investments, and interest-bearing securities which include debt and equity securities, loans and leases, balances from other depositories, federal funds sold, trading accounts.

Gross Loan / Total Deposits

The gross loan / total deposits for banks is a financial metric that measures the proportion of a bank's total loans to its total customer deposits. This ratio is essential for assessing the bank's loan-to-deposit ratio, which indicates the bank's reliance on customer deposits to fund its lending activities. A higher ratio suggests that the bank is lending a significant portion of its customer deposits, which may increase the risk of liquidity issues if a large number of depositors simultaneously request withdrawals. Conversely, a lower ratio may indicate that the bank is more conservative in its lending practices and maintains a higher proportion of customer deposits as reserves or invests in other liquid assets. However, an excessively low ratio might imply that the bank is not effectively utilizing its customer deposits to generate earnings through lending.

Formula	= (Gross Loans / Total Deposits) * 100	
1	Gross loans	This represents the aggregate value of all loans extended by the bank to its customers, including various types of loans such as mortgages, personal loans, business loans, etc.
2	Total deposits	= Interest Bearing Deposits + Non-Interest-Bearing Deposits

Profitability Ratios

Net Interest Margin (NIM)

The net interest margin ratio represents the net interest income as a percentage of average total interest-earning assets. It indicates the net yield on interest-earning assets. In simpler terms, it calculates the profit margin of a bank's interest-earning activities, indicating how efficiently a bank can generate income from its interest-earning assets compared to the cost of funds (interest expenses) it pays to depositors and lenders. A higher NIM typically signifies that the bank is earning more from its interest-earning activities relative to its costs, which is generally a positive sign for its profitability. On the other hand, a lower NIM might indicate that the bank is facing challenges in generating sufficient income to cover its interest expenses, potentially impacting its profitability.

Formula	= (Net Interest Income / Average Interest-Earning Assets) * 100	
1	Net Interest Income	Net Interest Income (NII) represents the difference between the interest income earned on loans, investments, and other interest-earning assets and the interest expenses paid on deposits and other interest bearing liabilities.
2	Average interest-earning assets	Average of opening and closing interest-earning assets
3	Interest-earning assets	As defined above

Capital Adequacy Ratios

Tier 1 Capital

Tier 1 capital is a key financial metric used by regulators and analysts to assess a bank's financial strength and ability to absorb losses. It represents the core capital of a bank, mainly consisting of equity capital and disclosed reserves, which provide a strong buffer against unexpected losses. Tier 1 capital is a crucial measure of a bank's financial stability and its ability to maintain solvency under adverse economic conditions. Regulators often require banks to maintain a minimum Tier 1 capital ratio, which is calculated by dividing the Tier 1 capital by the bank's risk-weighted assets. This ratio ensures that banks have sufficient capital to withstand financial stress and protect depositors and other stakeholders. Higher Tier 1 capital ratios indicate a more robust and resilient bank, while lower ratios may suggest potential vulnerability to financial shocks.

Formula	= ((Common Equity Tier 1 (CET1) Capital + Additional Tier 1 (AT1) Capital)/ Total Risk-Weighted Assets) *100	
1	Common Equity Tier 1 (CET1) Capital	This component includes the bank's shareholders' equity, which represents the most basic form of ownership interest in the bank. It includes common shares, retained earnings, and other comprehensive income but excludes any other capital instruments.
2	Additional Tier 1 (AT1) Capital	This component includes non-shareholders' equity capital instruments, such as preferred shares or hybrid instruments, which have features that allow them to absorb losses and strengthen the bank's capital position.
3	Total Risk-Weighted Assets	This refers to the total value of a bank's assets, weighted according to their risk levels. Different assets carry different risk weights based on their credit risk, market risk, and operational risk. The risk-weights are assigned by regulatory guidelines.

Tier 2 Capital

Tier 2 capital is another important financial metric used by regulators and analysts to evaluate a bank's financial strength and ability to absorb losses. It represents the supplementary capital of a bank, which provides an additional layer of protection beyond Tier 1 capital. Maintaining sufficient Tier 2 capital is essential for a bank to comply with regulatory requirements and safeguard its financial stability in times of economic stress. A strong Tier 2 capital position indicates that the bank has an additional layer of protection to weather adverse economic conditions and maintain solvency.

Formula	= ((Tier 2 Debt + Additional Tier 1 (AT1) Capital Disallowed from Tier 1) / Total Risk-Weighted Assets) *100	
1	Tier 2 Debt	This component includes subordinated debt and other instruments that have specific features to absorb losses and enhance the bank's capital position. Subordinated debt holders are paid only after other senior debt holders and depositors, making it riskier and qualifying it as supplementary capital.
2	Additional Tier 1 (AT1) Capital Disallowed from Tier 1	Some elements of Additional Tier 1 capital that are included in the Tier 1 capital calculation may not be counted again in the Tier 2 capital calculation. These elements are disallowed to avoid double-counting.
3	Total Risk-Weighted Assets	As defined above

Total Capital Ratio

The Total capital ratio is a critical financial metric used by regulators and analysts to assess a bank's overall financial strength and capital adequacy. It indicates the proportion of a bank's total capital in relation to its risk-weighted assets. The Total Capital Ratio is a critical measure of a bank's capital adequacy as it shows how well the bank is capitalized to handle potential losses and unexpected financial shocks. Regulators set minimum capital adequacy requirements, which banks must meet to ensure financial stability and protect against insolvency. A higher Total Capital Ratio indicates that the bank has a stronger capital position relative to its risk exposures, providing greater resilience in turbulent economic conditions. Conversely, a lower Total Capital Ratio might indicate that the bank's capital is relatively weaker, which could signal potential vulnerabilities in its ability to withstand financial stress.

Formula	= Total Capital Ratio = (Total Capital / Total Risk-Weighted Assets) *100	
1	Total Capital	= Tier 1 capital (CET1 + AT1) + Tier 2 capital (subordinated debt and certain AT1 disallowed from Tier 1)
2	Total Risk-Weighted Assets	As defined above

Price Multiples

Price / LTM EPS Ratio

The Price to Last twelve months (LTM) EPS ratio is the ratio for valuing a company that measures its current share price relative to its per-share earnings. The ratio is calculated by dividing the current stock price by earnings per share for the last twelve months.

Formula	= Price Per Share / LTM Earnings Per Share	
1	LTM Earnings per share	= LTM Net income to equity excluding extra items / Weighted Average Basic Shares Outstanding
2	LTM Net income to equity excl. extra items	= Revenue from Operations - Cost of Revenue +/- Other Operating Income / Expense +/- Other Non-Operating Income / Expense - Depreciation and Amortization - Provision for Income Taxes +/- Unusual Items

Price / Book

The price to book ratio is used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the book value per share.

Formula	= Price Per Share / Book Value Per Share	
1	Book value per share	= (Total shareholders' equity + Total minority interest) / Total no. of common shares outstanding
2	Shareholders' equity	= Equity Stock and Add Paid in Capital + Retained Earnings + Treasury Stock and Other

NPA/NPL Ratios

Gross NPA / Total Assets

The Gross Non-Performing Assets (NPA) to Total Assets is a financial metric for banks that measures the quality of a bank's assets, specifically how much of its total assets are non performing. A high ratio indicates that a large proportion of a bank's assets are non performing, suggesting a higher level of credit risk and potential for loss. Conversely, a low ratio indicates a lower level of credit risk, suggesting that the bank has a healthier loan portfolio.

Formula	= (Gross Non-Performing Assets / Total Assets)	
1	Gross Non-Performing assets	Gross Non-Performing Assets refer to the sum of all loan assets that are classified as non-performing as per the bank's asset classification norms. NPAs are loans where the borrower has defaulted or is in arrears, typically classified as such when loan payments have not been made for 90 days or more.
2	Total assets	= Cash and Equivalents + Total Investments + Net Loans + Net Property, Plant & Equipment + Goodwill + Other Current and Non-current Assets

Gross NPA

Gross Non-Performing Assets is a measure used in banking to indicate the value of loans where the borrowers have defaulted or are late on their payments. These are typically classified as such when loan payments have not been made for 90 days or more, but the exact classification can vary by country and by bank. Gross NPA provides an indication of the quality of a bank's loan portfolio. A high level of Gross NPAs suggests that a large number of loans in the bank's portfolio are not being repaid, which could potentially lead to significant losses for the bank. It also indicates that the bank might have been less diligent in its lending practices. Conversely, a low level of Gross NPAs suggests that most of the bank's loans are being repaid as scheduled.

Formula	= Sum of all Non-Performing Loans / Gross Loans	
1	Non- Performing loan	'A Non-Performing Loan is a sum of borrowed money upon which the debtor has not made the scheduled payments for a specified period (usually 90 days for commercial banking loans).
2	Gross loans	This represents the aggregate value of all loans extended by the bank to its customers, including various types of loans such as mortgages, personal loans, business loans, etc.

Net NPA

Net Non-Performing Assets for a bank refers to the value of non-performing loans that are not covered by provisions or reserves. In other words, it's the portion of defaulted loans that are potentially a total loss for the bank. Net NPA provides an indication of the potential losses the bank faces from defaulted loans, after taking into account the funds it has set aside to cover those losses. A high level of Net NPAs suggests that a bank faces potentially significant losses and might have been less diligent in its lending practices or its provisioning. Conversely, a low level of Net NPAs suggests that the bank has either a healthy loan portfolio or has made sufficient provisions to cover potential losses.

Formula	= (Gross NPA - Provisions) / Gross Loans	
1	Gross NPA	Gross NPA is the sum of all loan assets that are classified as non-performing as per the bank's asset classification norms.
2	Provisions	Provisions are the funds that the bank sets aside to cover potential losses from non-performing loans.
3	Gross loans	As defined above

Glossary of Acronyms

Term	Full Forms
AP Turnover	Accounts Payable Turnover
AR Turnover	Accounts Receivables Turnover
CAGR	Compound Annual Growth Rate
Capex	Capital Expenditure
Curr. Port. of LT Debt	Current Portion of Long term Debt
CY	Current Year
D&A	Depreciation and Amortisation
DFCFWC	Debt Free Cash Free Working Capital
DFWC	Debt Free Working Capital
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EBT	Earnings Before Tax
EPS	Earnings Per Share
EV	Enterprise Value
IFRS	International Financial Reporting Standards
LTM	Last Twelve Months
LY	Last Year
MVIC	Market Value of Invested Capital
N/A	Not Applicable
N/M	Not Material
NPA	Non Performing Assets
NPL	Non Performing Loans
P/E	Price–Earnings Ratio

Sources of Information

Sr. No.	Source
1	S&P Capital IQ Pro Database
2	S&P Capital IQ Database
3	BSE Website
4	NSE Website
5	Companies Financial Statements
6	Analyst Research Reports

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