

CELEBRATING
50
YEARS OF LEADERSHIP
1971-2021



Industry Valuation Multiples Series 6th Edition

Valuation | Investment Banking
Restructuring | Transaction Services
Transaction Tax | Risk Consulting

MAY
2023

Executive Summary

We are delighted to present the 6th Edition of our Report on “Industry wise Valuation Multiples”. These valuation multiples are based on the most recent financials (P&L and Balance Sheet) as of quarter ended December 2022 and stock market data as of March 2023.

The broader markets in India have been more or less flattish in the past 6 months. However, on a sector wise basis, we surely have seen fluctuations in valuation multiples in the recent past.

For instance, (a) technology sector has been under the heat due to the upheavals been experienced in the western world and their valuation multiples have been under pressure. (b) new age companies' multiples too have squeezed due to the funding freeze experienced in these companies.

On the contrary, the valuation multiples for traditional sectors like metal and mining are reverting to mean, given the benign commodity prices.

Given the promise that green and clean energy holds for the future, valuation multiples of companies exposed to these segments have surely improved.

Through this Report, we wish to present to you the current dynamics which are playing out in the market in different industries and sectors.

We hope you find this report interesting and useful...



Rajeev R. Shah
Managing Director & CEO

Executive Summary

Industry wise Valuation Multiples - Summary

INDUSTRY	REPORT	EV/SALES	EV/EBIDTA	P/B	P/E
Auto and Auto Components	6 th Edition*	1.95	14.77	4.68	24.75
	5 th Edition#	2.08	18.92	3.90	18.96
Consumer Durables	6 th Edition*	2.75	34.68	7.10	58.47
	5 th Edition#	3.10	29.96	6.85	41.87
FMCG	6 th Edition*	7.56	40.46	11.51	53.20
	5 th Edition#	6.29	37.91	10.56	50.12
Hotel	6 th Edition*	6.08	26.47	4.17	61.56
	5 th Edition#	6.08	32.77	3.45	36.08
Information Technology	6 th Edition*	2.77	14.62	4.60	20.83
	5 th Edition#	3.95	18.13	7.48	26.32
Infrastructure	6 th Edition*	2.22	11.21	1.17	19.87
	5 th Edition#	1.87	12.53	1.28	18.71
Pharmaceutical	6 th Edition*	3.14	15.92	3.28	27.55
	5 th Edition#	3.99	17.44	3.57	27.15
Banking - Private Banks	6 th Edition*	-	-	1.79	16.01
	5 th Edition#	-	-	1.54	14.93
Banking - PSU Banks	6 th Edition*	-	-	0.63	8.66
	5 th Edition#	-	-	0.39	5.59
Power	6 th Edition*	2.99	8.85	1.97	8.85
	5 th Edition#	4.24	10.41	1.97	10.77
Retail	6 th Edition*	2.38	31.05	14.69	104.03
	5 th Edition#	2.73	28.78	15.85	80.80
Telecommunication	6 th Edition*	5.74	18.55	1.93	9.19
	5 th Edition#	5.29	11.83	1.87	7.06
Real Estate	6 th Edition*	8.87	19.29	1.96	33.39
	5 th Edition#	10.98	23.04	2.26	33.55
Metal and Mining	6 th Edition*	0.81	5.01	1.16	7.60
	5 th Edition#	0.63	2.64	0.96	4.14

* These multiples are based on the most recent financials (P&L and Balance Sheet) as of quarter ended December 2022 and stock market data as of March 2023.

The 5th Edition of our Industry Valuation Multiples was published in September, 2022.

Methodology for estimating Valuation Multiples

The purpose of this Report is to provide an understanding of the sectorial financial performance, movement in the business valuations and corresponding valuation multiples for companies operating in each industrial sector; over time periods.

Financial performance are the basis upon which the market estimates future growth & prospects and thereby forecast business valuation and corresponding valuation multiples for companies.

Movement in Valuation Multiples against financial performance can provide fair idea about the market perspective for companies operating in each industrial sector (and for sector as a whole).

We have identified Key sectors that has significant influence on the overall economy of the country. Further, within each sector, we have identified around 10 companies ("**Representative Companies**") which are a fair representative of the techno financial dynamics in which a given sector operates.

As a part of our Industry Research, we have also derived weighted average Operating margins (EBITDA Margin) and weighted average Net profit Margins (PAT Margin) for Representative Companies in each sector.



SECTORIAL ANALYSIS



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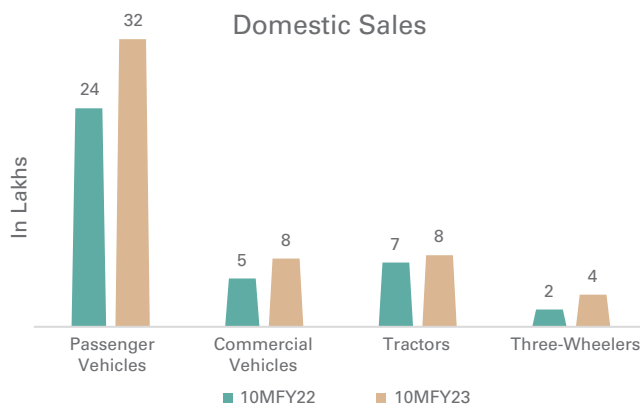
01

AUTO AND AUTO COMPONENTS

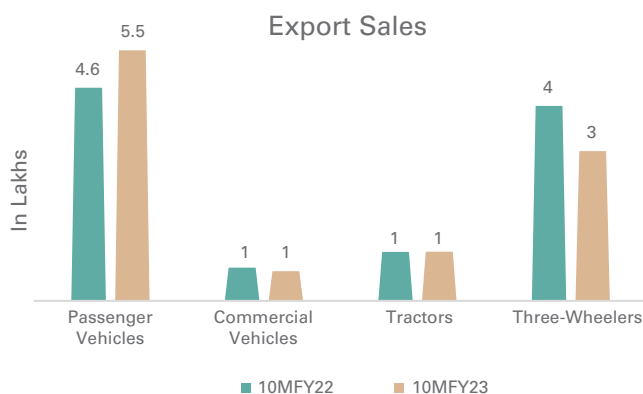
CHAPTER

Auto and Auto Components

- The overalls sale in 10MFY23 grew by 14% compared to 10MFY22, whereas domestic sales in 10MFY23 grew by 22% compared to 10MFY22 and export sales in 10MFY23 declined by -12% compared to 10MFY22 .
- The growth in domestic sales has been driven by the passenger vehicle and commercial vehicle segment, especially the utility vehicles sub-segment under PVs. Robust festival and wedding season and an increase in infrastructure spending led to growth in domestic sales during 10MFY23.
- The exports declined due to macroeconomic uncertainties in key international markets.
- However, gas shortage, rising inflation and Federal Reserve Rates, labour shortages, high consumer demand and unpredictability in the supply chain are some of the handicaps being faced by the automotive industry.



Domestic Sales of Two wheelers has increased from 113 lakhs vehicles in 10MFY 22 to 134 lakhs vehicles in 10MFY 23.



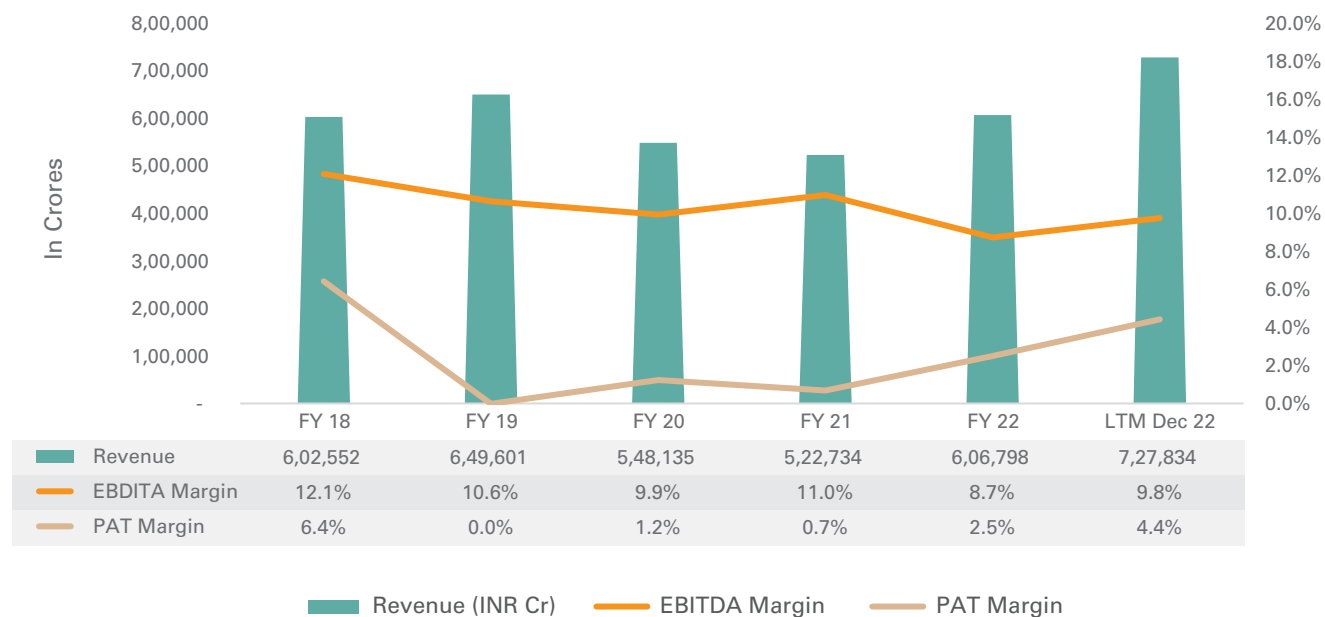
Export sales of Two wheelers has decreased from 37 lakhs vehicles in 10MFY 22 to 32 lakhs vehicles in 10MFY 23.

Representative Companies

Auto and Auto Components

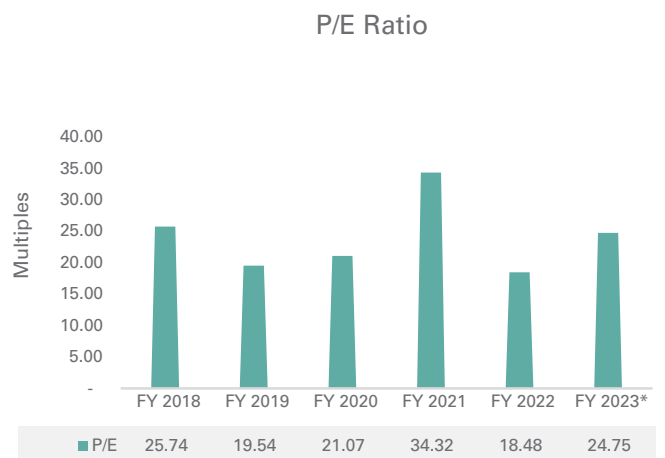
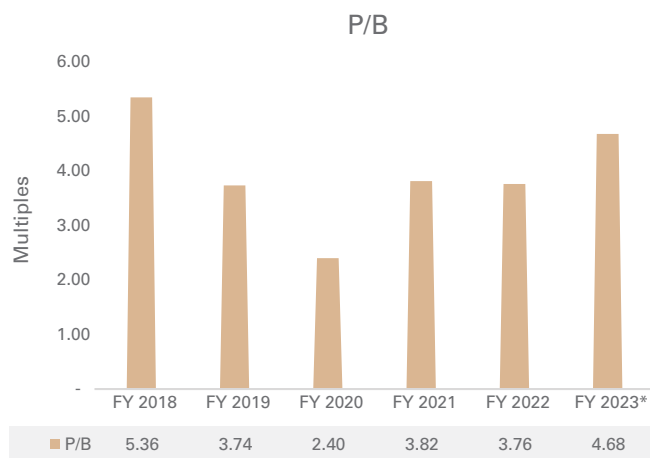
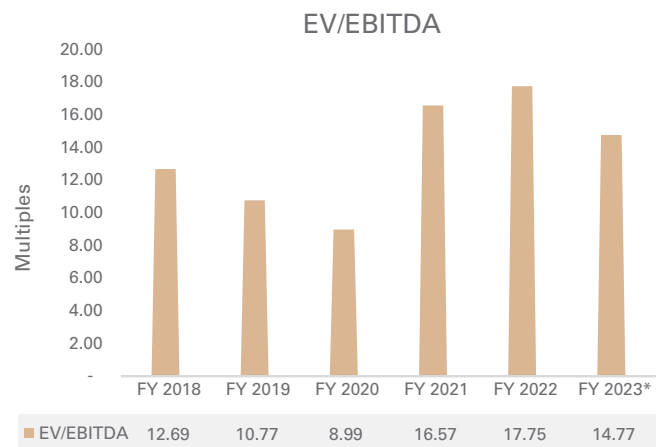
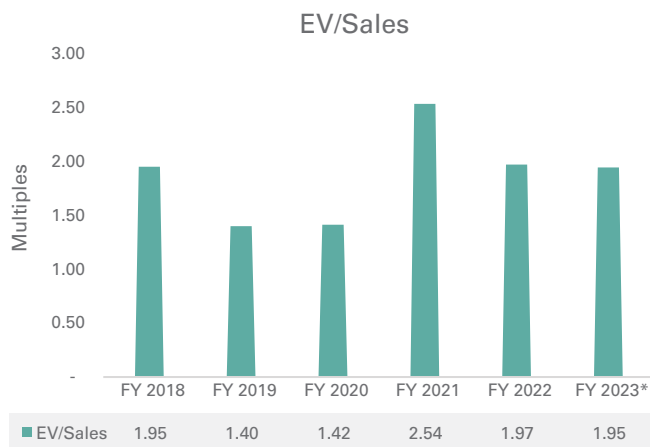
Financial Performance of Representative Companies



- Revenue has increased from INR 6,02,552 crores in FY 18 to INR 7,27,834 crores in LTM Dec 22, showing growth of ~21%.
- In LTM Dec 22, EBITDA Margin and PAT margin have reached pre-covid levels.



Auto and Auto Components



*Market Data is considered as on March, 2023 and Financial Performance as on LTM Dec 2022.

auto and auto components

02

CONSUMER DURABLES












CHAPTER

Consumer Durables

- The consumer durables sector can be broadly categorised into two segments:
 - Consumer Electronics: televisions, laptops, cameras, computers, and audio systems
 - Consumer Appliances: washing machines, microwave ovens, cleaning equipment, air conditioners, refrigerators, kitchen appliances, and other household appliances
- The consumer durables segment is one of the largest contributors to the overall organised retail industry. Backed by the rising traction for electronics, especially mobiles, this segment is expected to continue to dominate the organised retail segment. Moreover, with 54% ORP, a majority of the demand for this segment comes from the organised sector.
- CRISIL Research estimates the size of India's consumer durables industry, including large consumer durables, mobile phones and smaller appliances, at Rs 3-3.2 trillion as of fiscal 2022. The industry recorded ~12% CAGR between fiscals 2017 and 2020, backed by increasing disposable incomes, lower penetration, a widening product base, competitive pricing, lowering replacement cycles and an expanding product portfolio. However, the industry recorded a decline of 20% on year in fiscal 2021 amid the Covid-19 pandemic.
- Key demand drivers for consumer durables in India
 - Changing demographics
 - Rising per-capita income
 - Improving power situation
 - Expanding internet connectivity
 - Changing lifestyles and perception of products
 - Change from one product per family to one product per family member
 - Growth of multiple sales channels
 - Increasing product range and options
 - Multiple financing options

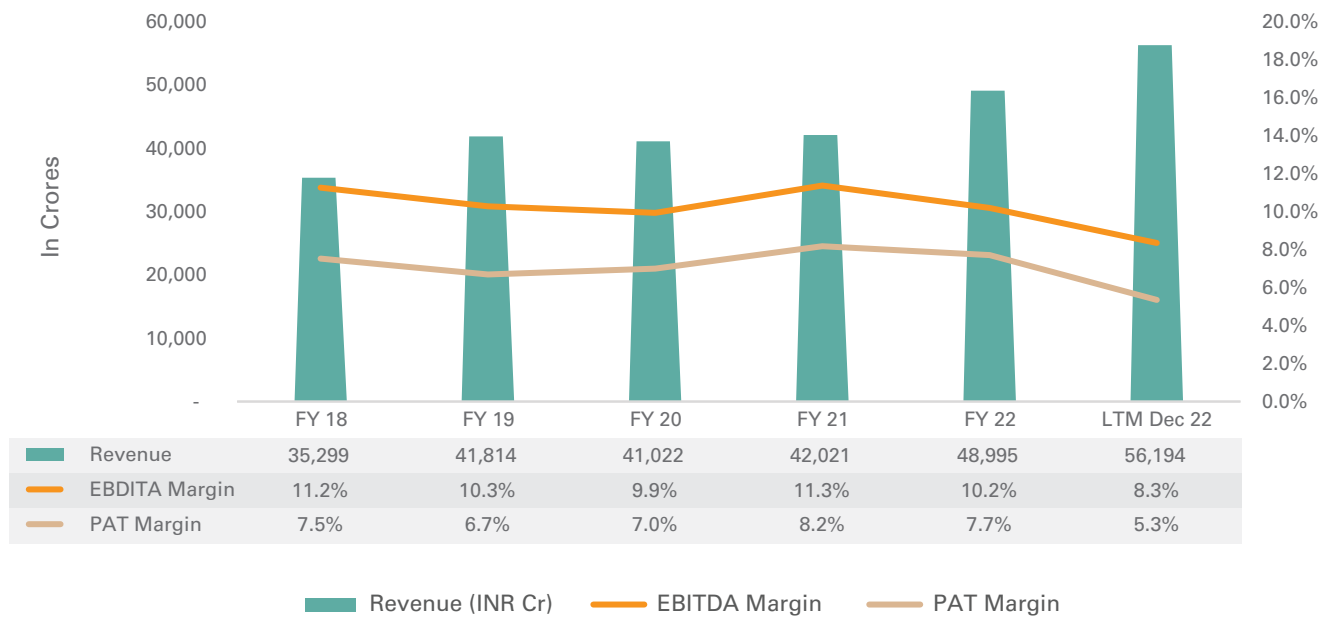
Representative Companies



Consumer Durables

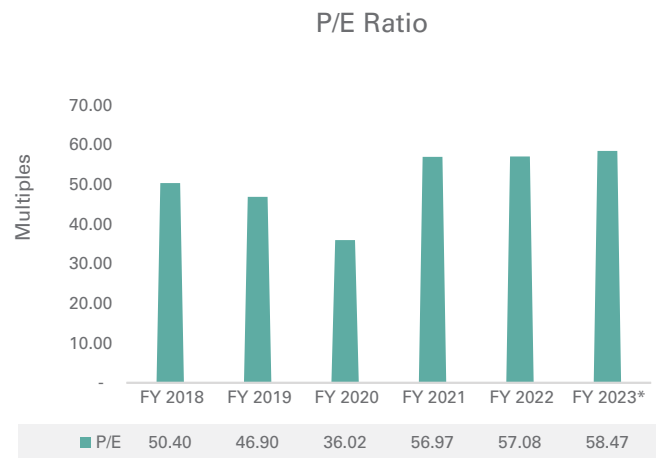
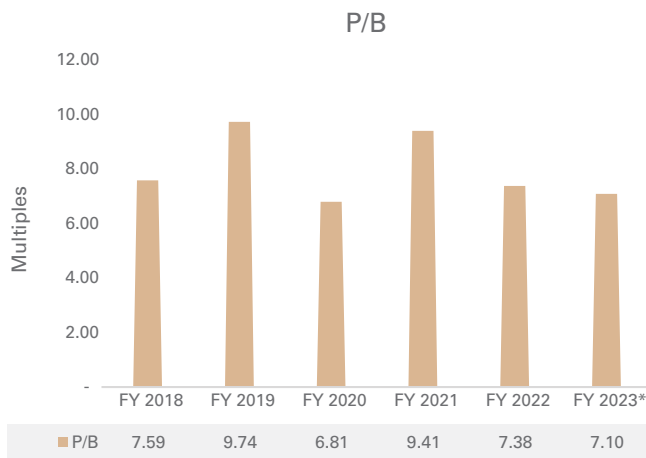
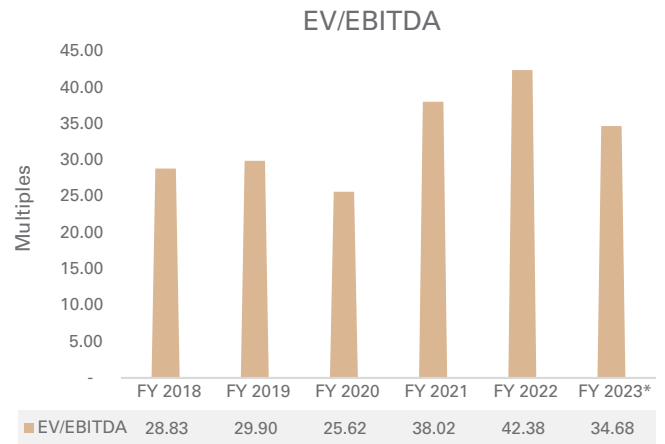
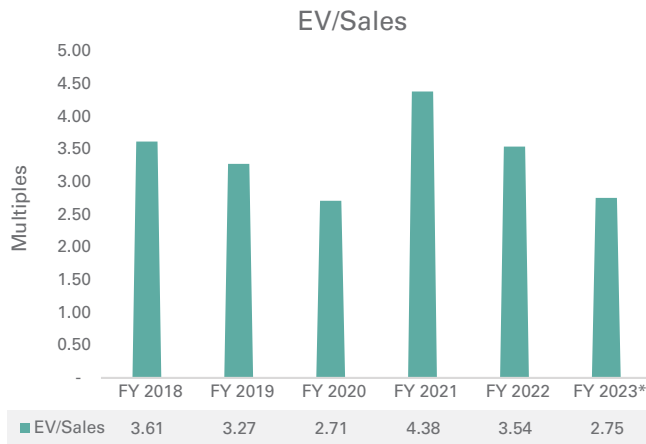
Financial Performance of Representative Companies



- The sector witnessed good recovery after Covid-19.
- Increasing urbanization, rural spending and nuclear families along with easier availability of financing and growing supply chain of ecommerce platforms will push the structural growth further in coming years.
- Revenue witnessed a CAGR of ~12% in last five years from FY 2018 to FY 2022 which is higher than overall GDP growth rate of India.
- EBITDA Margins have reduced by ~100 bps during FY 2018-FY 2022.



Consumer Durables



*Market Data is considered as on March, 2023 and Financial Performance as on LTM Dec 2022.

consumer durables

03

FMCG



CHAPTER

FMCG

- FMCG sector is the fourth-largest sector in the Indian economy.
- India's packaged food business is currently valued at ₹4,240 billion. It has grown significantly in last five years on account of changing lifestyles, rising incomes and urbanization. In Fiscal 2015, the packaged food retail revenue was worth ₹2,434 billion and has registered a CAGR of approximately 8.3% from Fiscal 2015 to Fiscal 2022. It is estimated to grow at CAGR of 8% in next five years to reach at ₹5,798 billion.
- 4 Realities Accelerating a Structural Shift in India's Food Consumption Landscape
 - Brand
 - Hygiene
 - Convenience
 - Food Hygiene
- Factors Energising India's Food Sector
 - Increased space for food processing
 - Changing diets
 - More of health
 - Enhanced awareness
 - Regional influence
 - Move to packaging

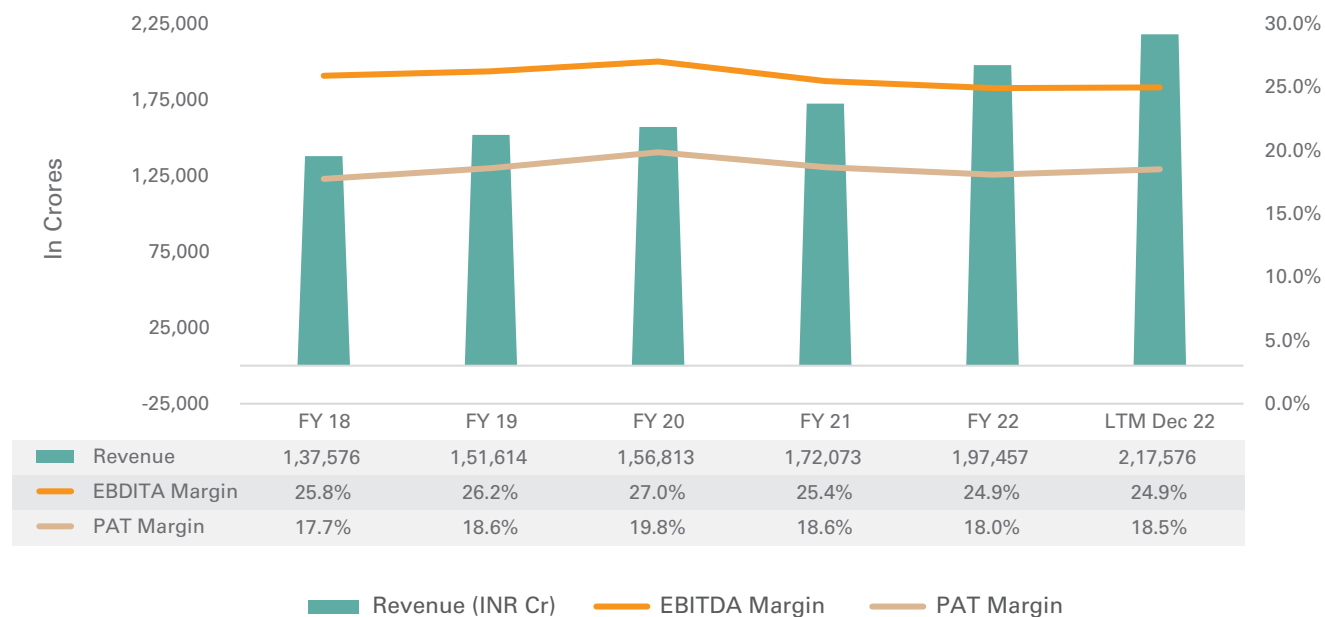
Representative Companies



FMCG

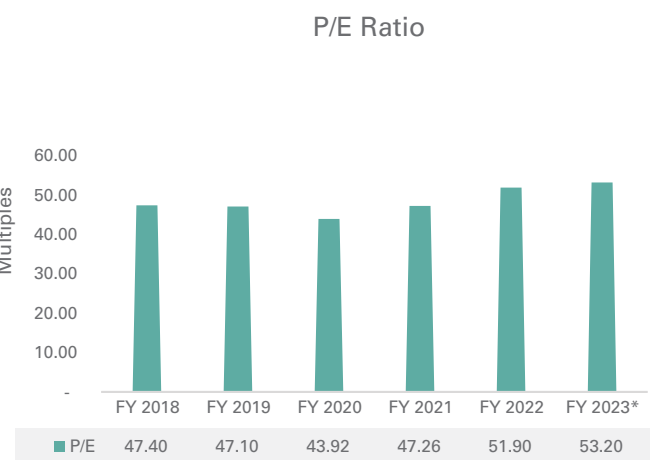
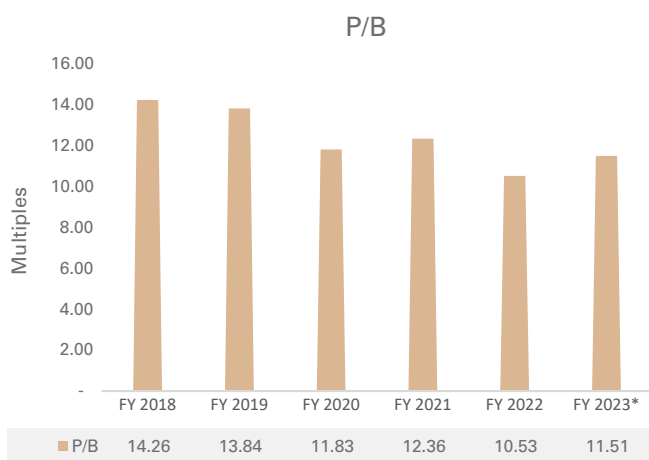
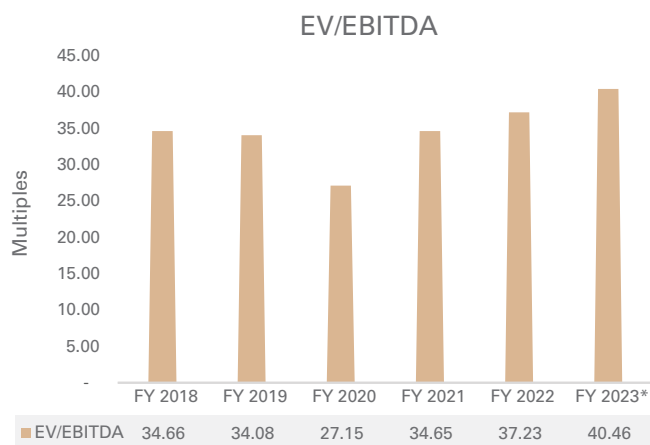
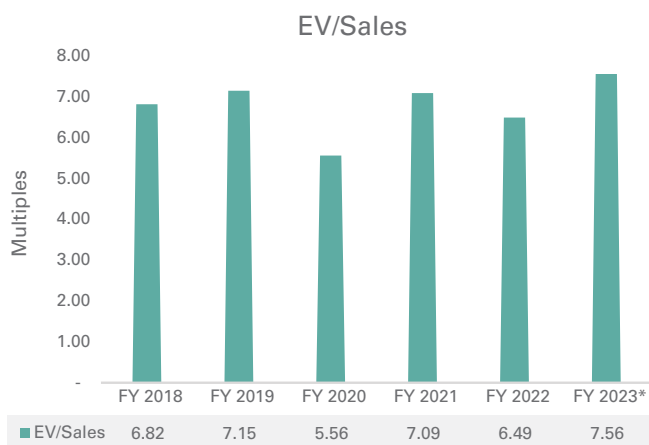
Financial Performance of Representative Companies



- FMCG sector has grown at a ~9% CAGR between FY 2018 - FY 2022 with majority growth coming in FY 2022.
- EBITDA Margins have been in range of ~25% - 27% in FY 2018 - FY 2022.



FMCG



*Market Data is considered as on March, 2023 and Financial Performance as on LTM Dec 2022.



04

HOTEL

CHAPTER



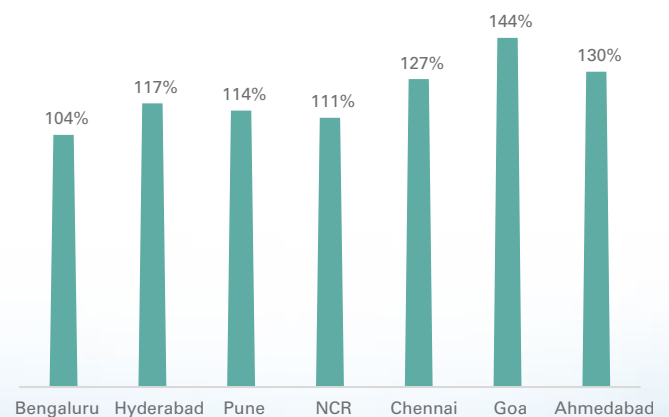
Hotel

- As per the World Travel and Tourism Council's (WTTC) Global Economic Impact Trends 2020 report, India ranked 10th in comparison to global markets in terms of travel and tourism GDP contribution with US\$194 billion, reflecting a 5% increase in comparison to the previous year.
- As of September 2022, India has over 350,000 keys including branded hotels, independently run hotels and aggregators. Of this, the current branded inventory market size as of September 2022 stands at ~150,000.
- Occupancy levels for the overall branded hotel segment in India are gradually inching towards the pre-COVID-19 pandemic levels. While several key markets have surpassed all previous performance, the Indian average occupancy as of September 2022 is just a few points shy of 2019's figures.
- RevPAR (Revenue generated per available room) across segments in India has shown a health recovery as of year-to-date November, 2022 (Financial Year 2023) with most cities outperforming 2019 levels. Given a well-established supply base, low new supply across key markets and continued demand growth, further improvement in average room rates is expected in the hospitality industry in India.

Representative Companies

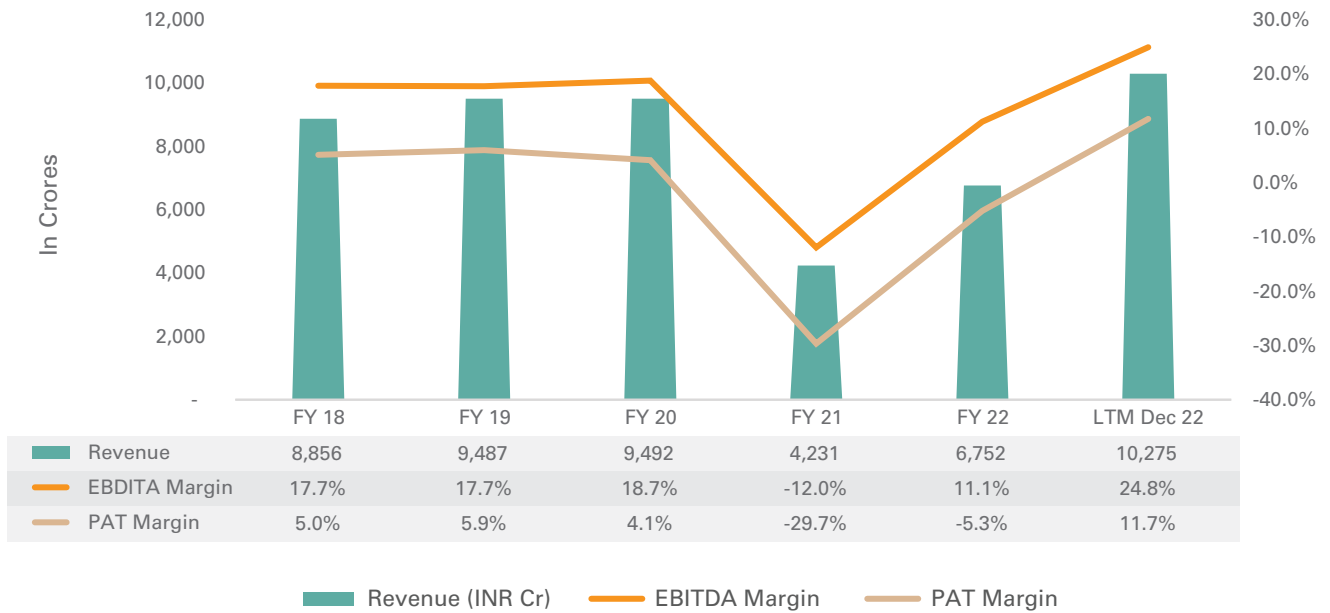
	
	
	

RevPAR recovery during the first half of the Financial Year 2023 over the Financial Year 2020



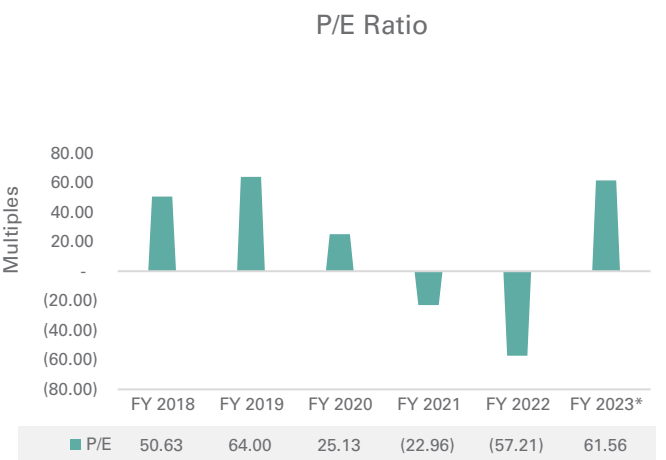
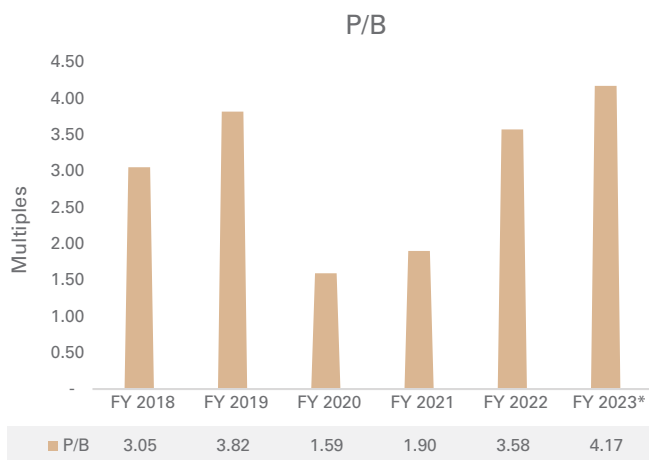
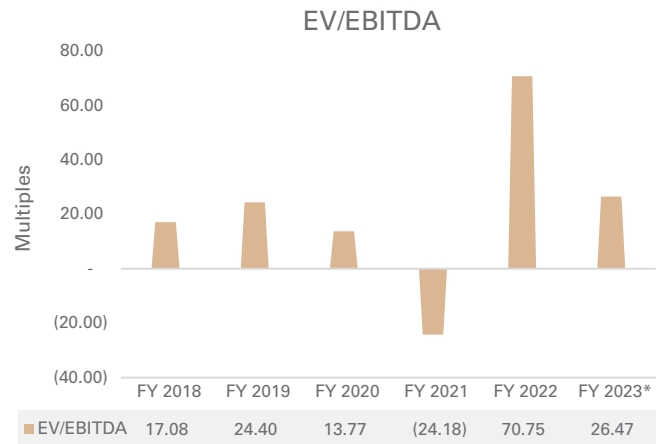
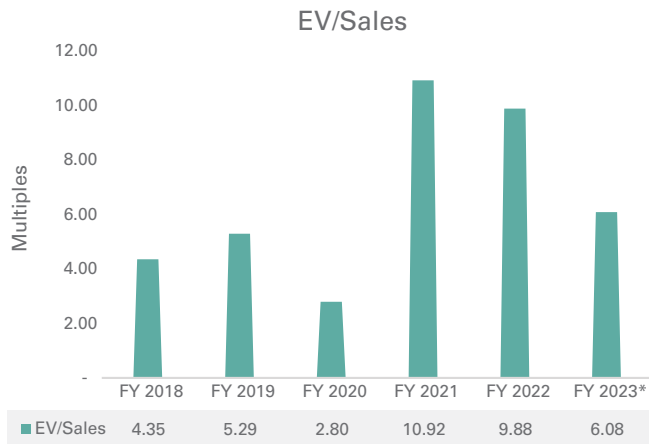
Hotel

Financial Performance of Representative Companies



- Hotel sector has witnessed revenue CAGR of -1 % between FY 2018 - FY 2022 on account of COVID-19 and omicron wave-III.
- After COVID-19, EBITDA Margins have resumed to 25%, which have crossed pre-covid level. Hotel Industry margin was adversely affected in FY 2021.
- Being one of the sectors with the most adverse impact due to Covid 19 pandemic, the market cap and revenue fell drastically by more ~50% post imposition of lockdown.

Hotel



*Market Data is considered as on March, 2023 and Financial Performance as on LTM Dec 2022.

hotel

05

INFORMATION TECHNOLOGY

CHAPTER

Information Technology

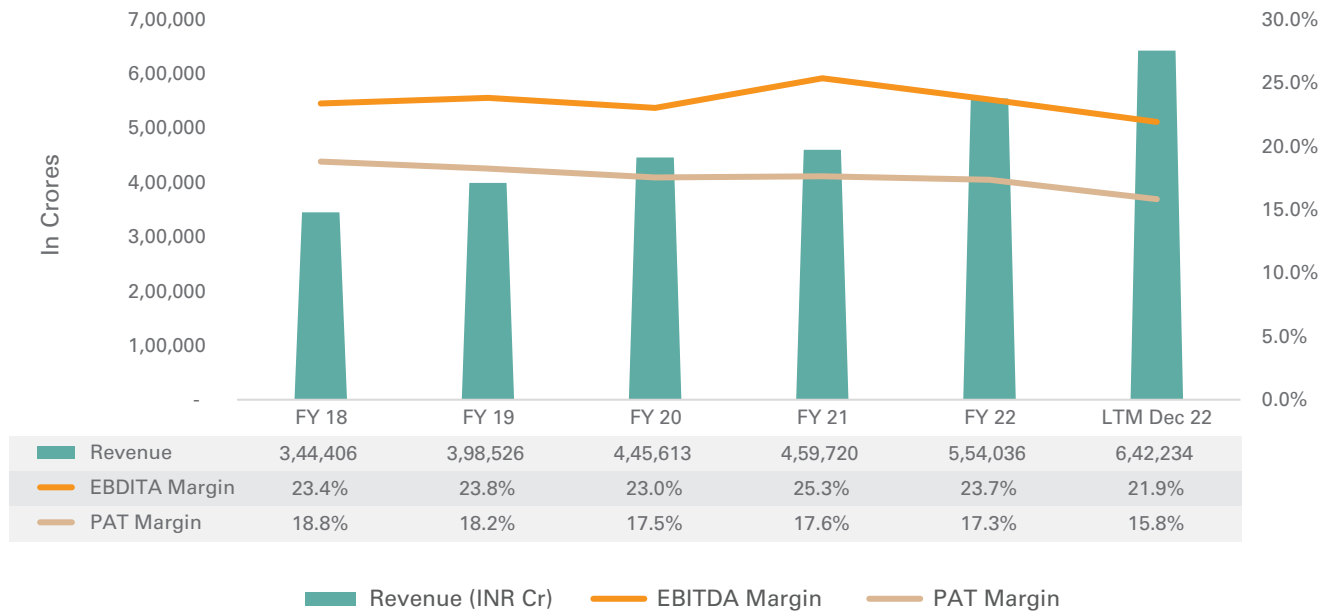
- The global information technology market grew from \$8179.48 billion in 2022 to \$8852.41 billion in 2023 at a compound annual growth rate (CAGR) of 8.2%. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. The information technology market is expected to grow to \$11995.97 billion in 2027 at a CAGR of 7.9%.
- The IT & BPM sector has become one of the most significant growth catalysts for the Indian economy, contributing significantly to the country's GDP and public welfare. The IT industry accounted for 7.4% of India's GDP in FY22, and it is expected to contribute 10% to India's GDP by 2025.
- According to National Association of Software and Service Companies (Nasscom), the Indian IT industry's revenue touched US\$ 227 billion in FY22, a 15.5% YoY growth.

Representative Companies

Information Technology

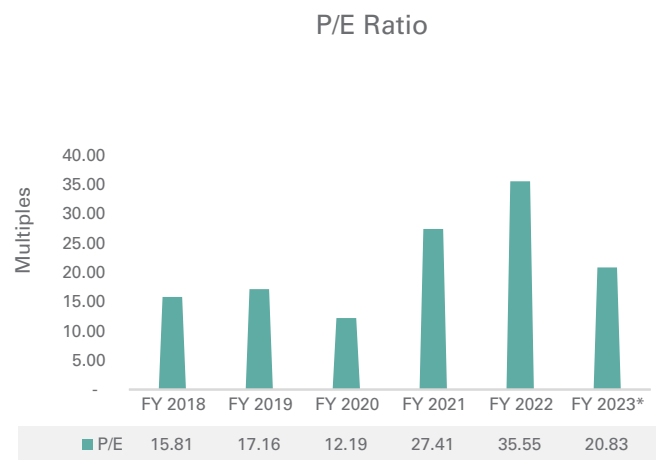
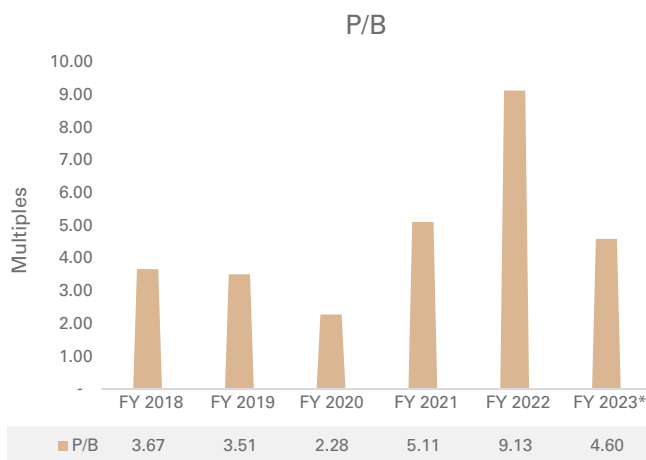
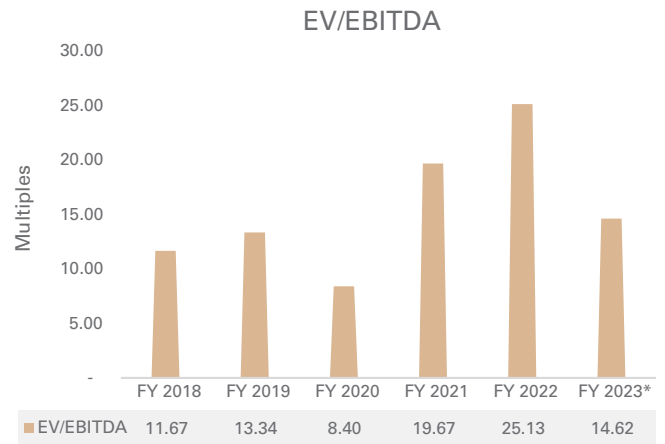
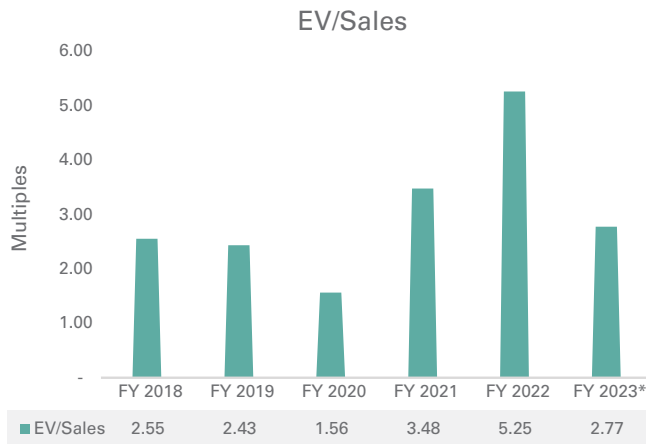
Financial Performance of Representative Companies



- Information Technology have witnessed strong revenue growth of 10% CAGR between FY 2018 - FY 2022.
- EBITDA margin has normalised around 22-25%.
- PAT Margins have normalised around 16%.



Information Technology



*Market Data is considered as on March, 2023 and Financial Performance as on LTM Dec 2022.

Information technology

06

INFRASTRUCTURE

CHAPTER

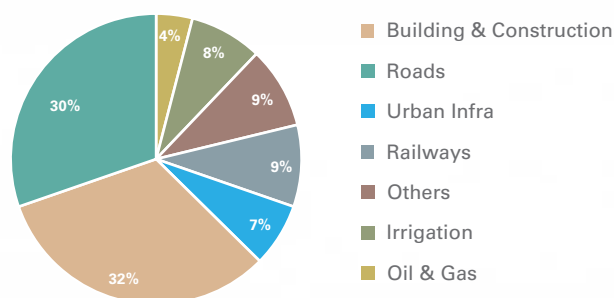
Infrastructure

- Developing and modernising the infrastructure sector has been a priority area for the Government of India and has witnessed increasing public investments and budgetary support. Further, the government has also undertaken several reforms and initiatives in the infrastructure sector which has resulted in robust secular growth in most of the segments within the sector.
- Construction capex is projected to rise 13-16% on year in fiscal 2023 led by infrastructure segment To Rs. 10.6 to 10.8 lakh crore.
- The growth in capex for fiscal 2023 is in continuing momentum from FY2022 where despite challenges due to coronavirus variant, the sector showed an estimated rise of 35-40% on a low base in FY21. In FY22 the sector returned to normalcy and challenges faced during the lockdown. Growth in FY23 is attributable to rise in state and central government expenditures in various sectors such as roads, railways, urban infra, water supply and sanitation etc

Representative Companies

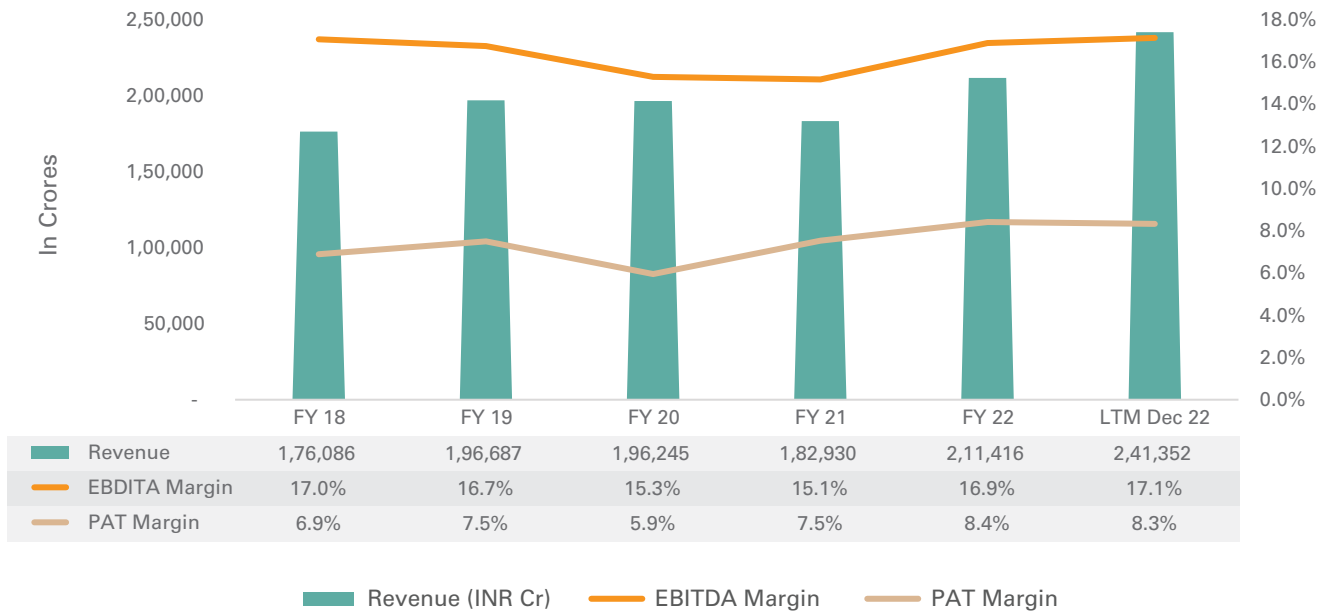
	
	
	
	

Share of major segments in overall construction spending from FY 18-22E



Infrastructure

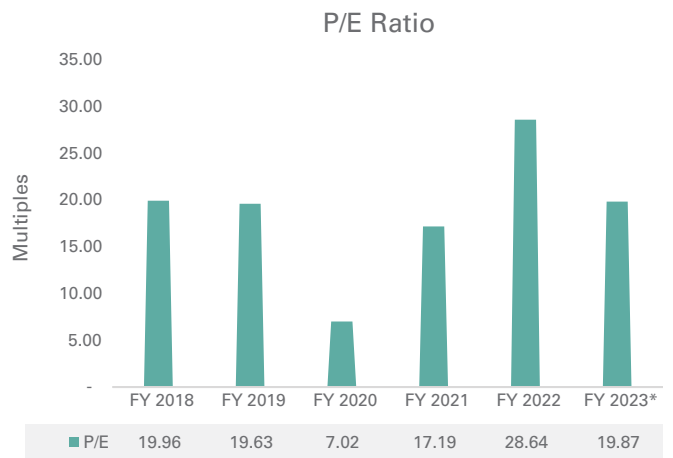
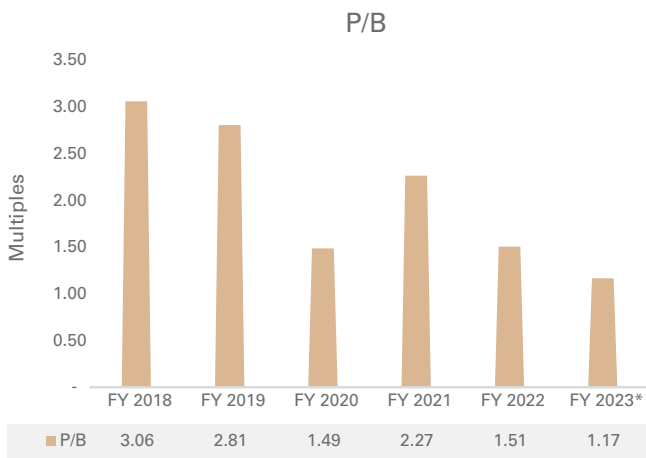
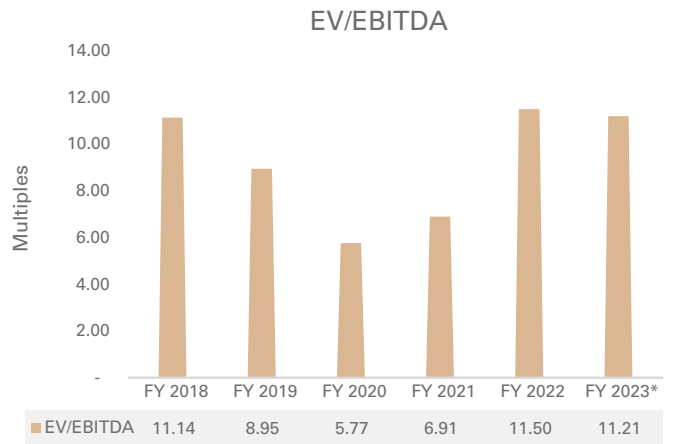
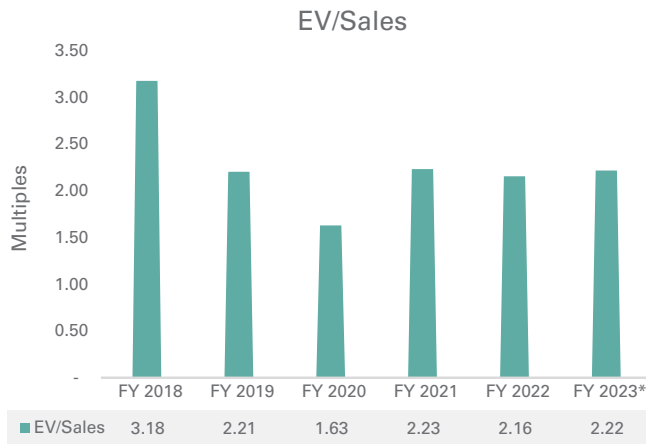
Financial Performance of Representative Companies



- Infrastructure sector has witnessed decent revenue growth with 5% CAGR between FY 2018 - FY 2022.
- EBITDA Margins have been hovering around 15-17% with an exception in FY 2020 & FY 2021.



Infrastructure



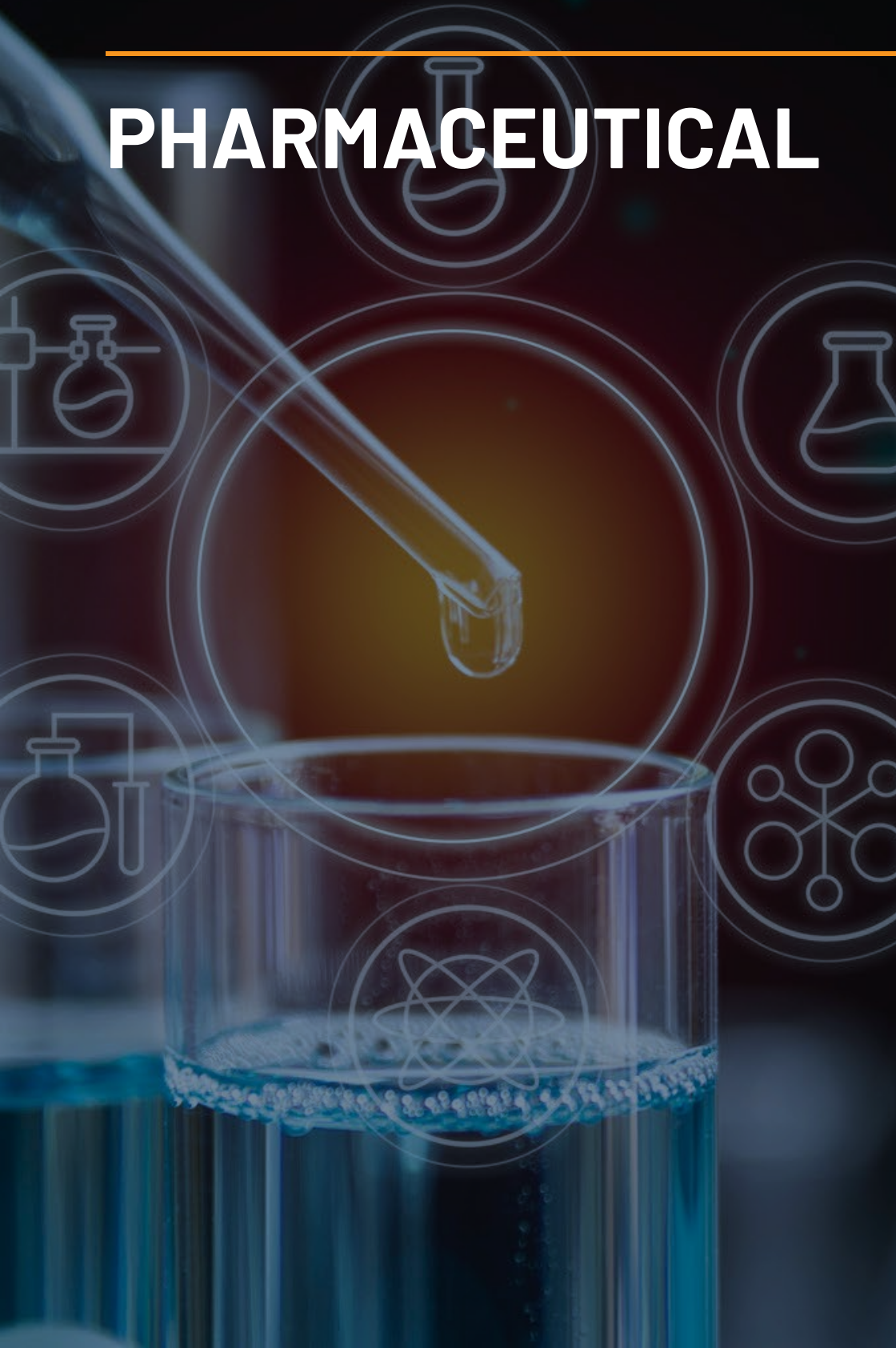
*Market Data is considered as on March, 2023 and Financial Performance as on LTM Dec 2022.

infrastructure

07

PHARMACEUTICAL

CHAPTER



Pharmaceutical

- With a market size of around USD 47-49 billion in FY22 (April 1 to March 31), the Indian pharmaceutical industry globally ranks third in terms of volume and thirteenth in terms of value.
- Pharma sector had witnessed a significant jump in its operating profitability (PBILDT) margin in FY21 over FY20 on account of sharp reduction in marketing, travelling and conveyance expenses in the backdrop of Covid-19 pandemic restrictions.
- Pharma Industry is witnessing multiple challenges such as rising prices of active pharmaceutical ingredients (APIs) and key starting materials (KSM), the surge in solvent prices, rise in freight and energy cost and continued pricing pressure in the US generic market.
- India's Current Healthcare Expenditure is 3% of GDP as per the NHA estimates 2021.
- Further, India's public spending on healthcare services is much lower than that of its global peers. For instance, India's per-capita expenditure on healthcare (at an international dollar rate, adjusted for purchasing power parity) was only USD 57 in 2020 vs the USD 11,702, the UK's USD 4,927 and Singapore's USD 3,537.

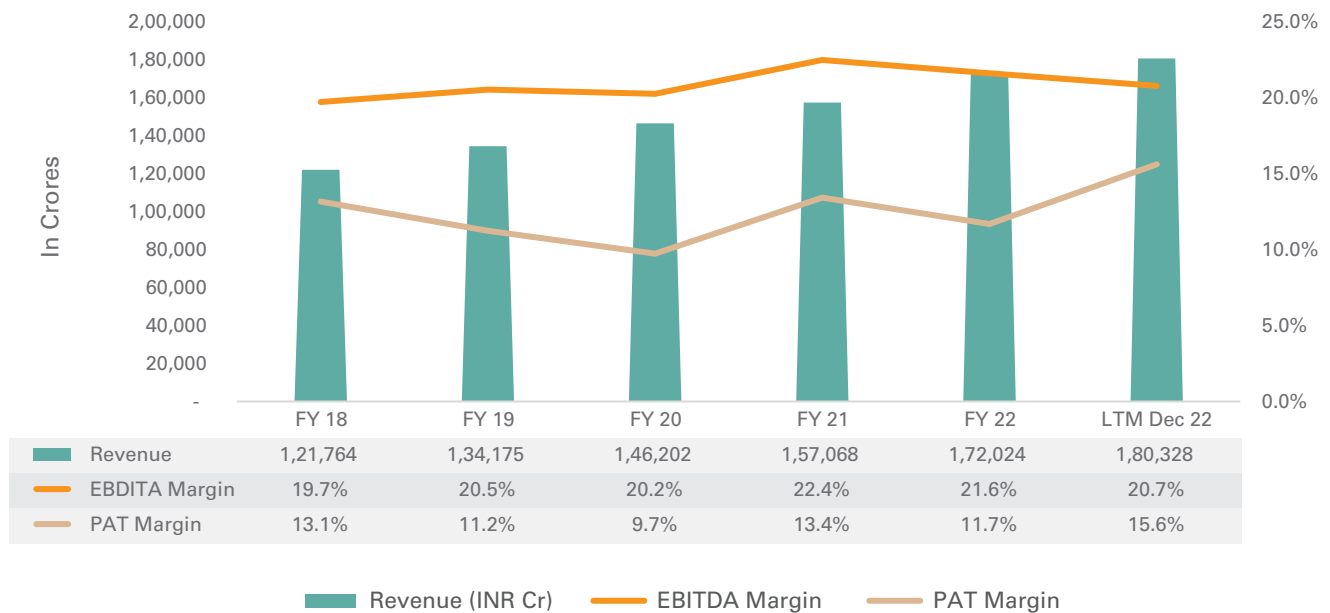
Representative Companies



Pharmaceutical

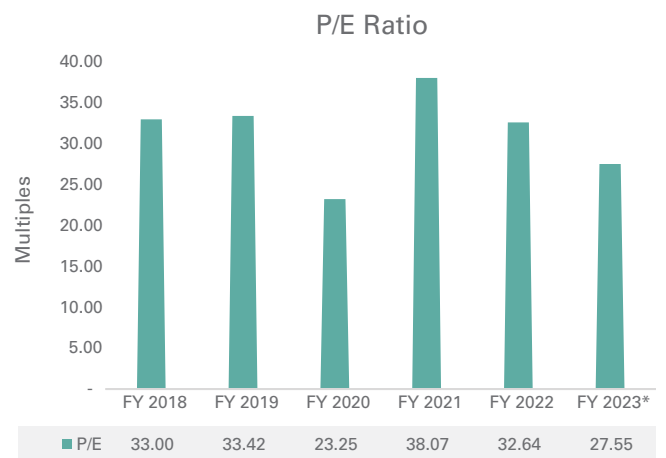
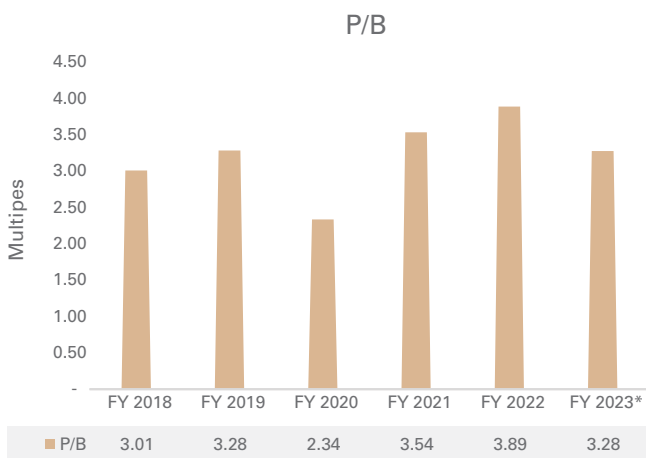
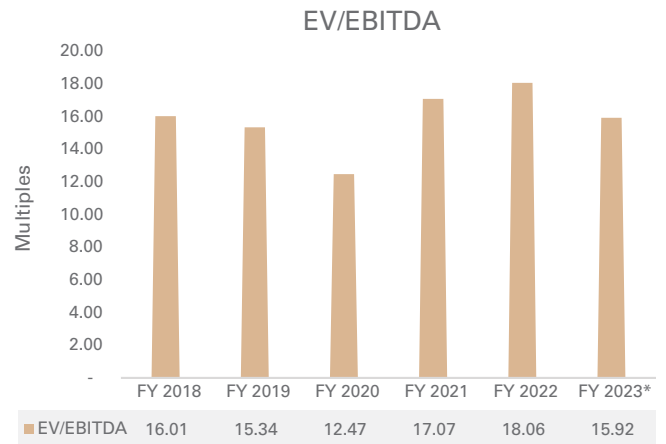
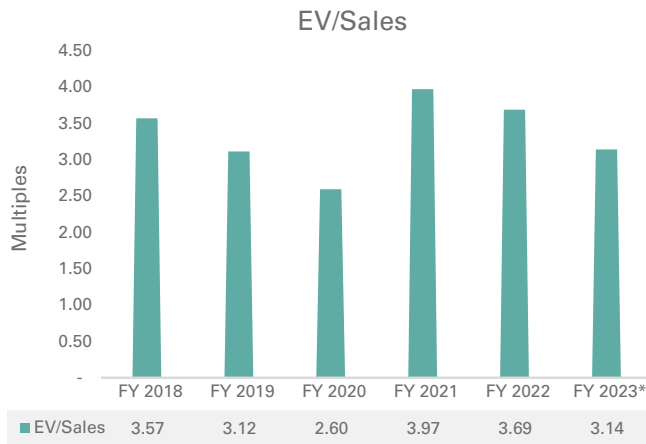
Financial Performance of Representative Companies



- Pharmaceutical sector have witnessed moderate growth of ~9% CAGR from FY 2018 - FY 2022.
- EBITDA margins have been in the range of ~20% on account of price competition among the companies
- The sector is positively impacted due to Covid – 19 pandemic where revenue has grown by 5% y-o-y for FY 2021 with EBITDA margins improvement of ~200 bps.



Pharmaceutical



*Market Data is considered as on March, 2023 and Financial Performance as on LTM Dec 2022.

pharmaceutical

08

BANKING




CHAPTER

Banking

- Net Interest Income (NII) of Scheduled Commercial Banks (SCBs) grew by 25.5% year on year (y-o-y) to Rs.1.8 lakh crore in Q3FY23 due to a healthy improvement in credit offtake, and a higher yield on advances.
- SCBs reported a robust rise in its advances by 18.5% y-o-y in Q3FY23. Public Sector Banks (PSBs) net advances grew by 18.9% in the quarter whereas Private Sector Banks (PVBs) rose by 17.9%.
- During FY 23, on a cumulative basis, RBI has increased the repo rate by 250 bps to 6.5%. Weighted Average Lending Rates (WALR) on fresh loans increased by 120 bps y-o-y to 8.9% in December 2022 from December 2021.
- Aggregate NII (Net Interest Income) of PSBs and PVBs grew by 24.6% and 26.7% y-o-y, respectively, in Q3FY23. PVBs reported a higher NII growth as compared to PSBs, indicating their strong franchise with both depositors as well as borrowers.
- Banks are expected to shore up their liability franchise by raising capital (AT1 bonds, other debt instruments such as infrastructure bonds) and deposits, to support credit-off take. The market has been facing lower liquidity and elevated inflation, hence borrowing costs for deposits and the cost of raising capital are expected to increase.

Representative Companies - Private Banks

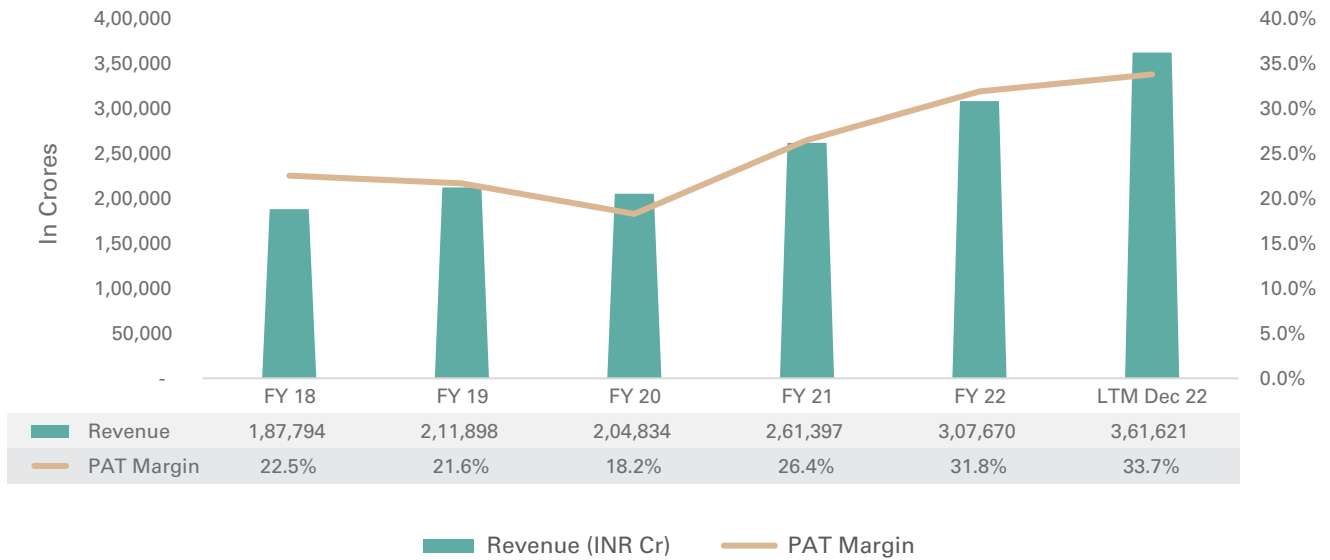
Representative Companies - PSU Banks

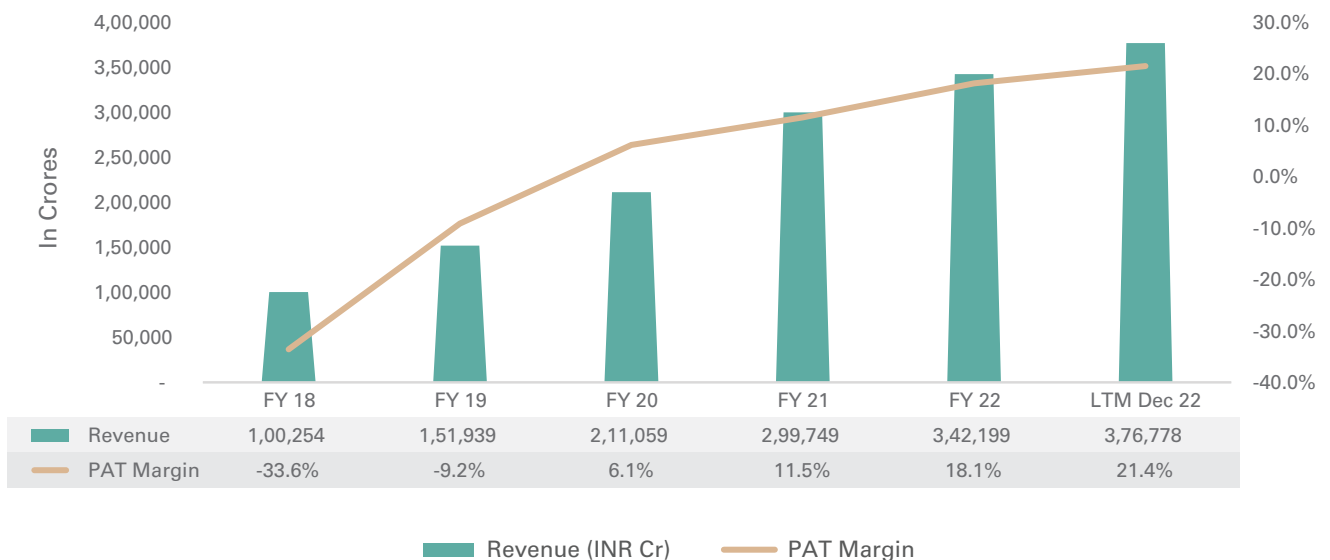


Banking

Financial Performance of Representative Companies - Private Banks



Financial Performance of Representative Companies - PSU Banks

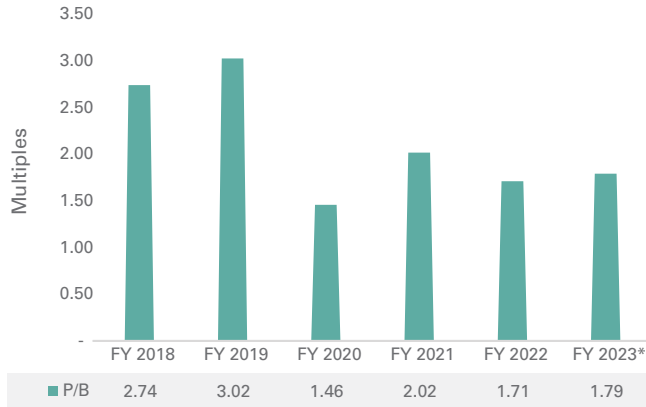


- Private Bank have witnessed good growth in revenue with CAGR of ~13% from FY 2018 - FY 2022.

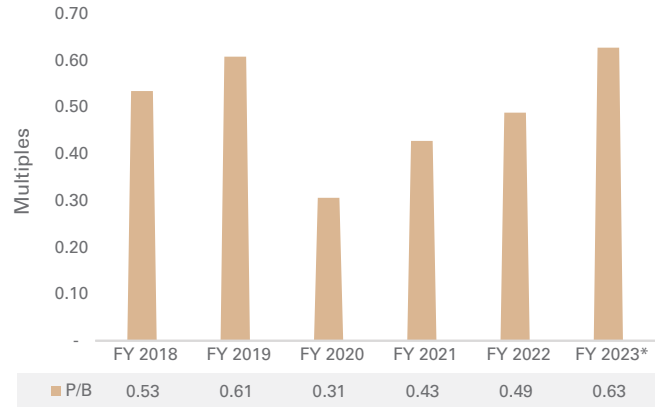
- PSU Bank have witnessed good growth in revenue with CAGR of ~36% from FY 2018 - FY 2022.

Banking

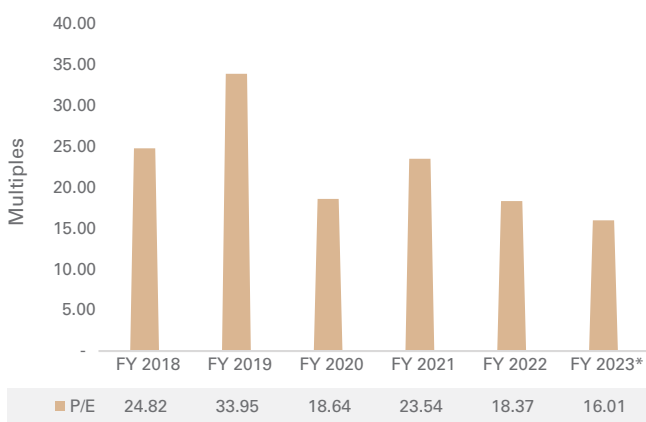
P/B-Private Banks



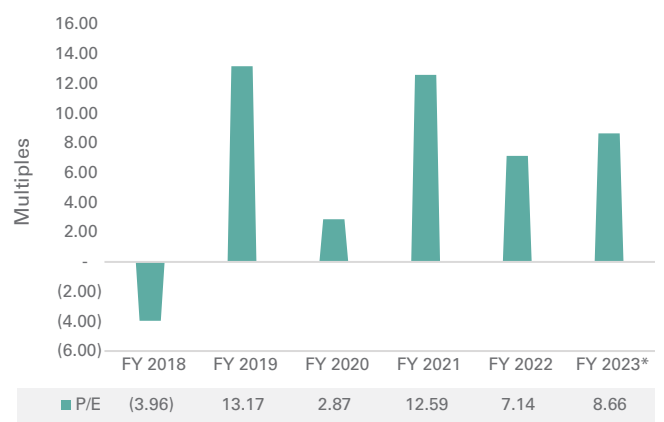
P/B-PSU Banks



P/E-Private Banks



P/E Ratio-PSU Banks



*Market Data is considered as on March, 2023 and Financial Performance as on LTM Dec 2022.

banking

09

POWER

CHAPTER



Power

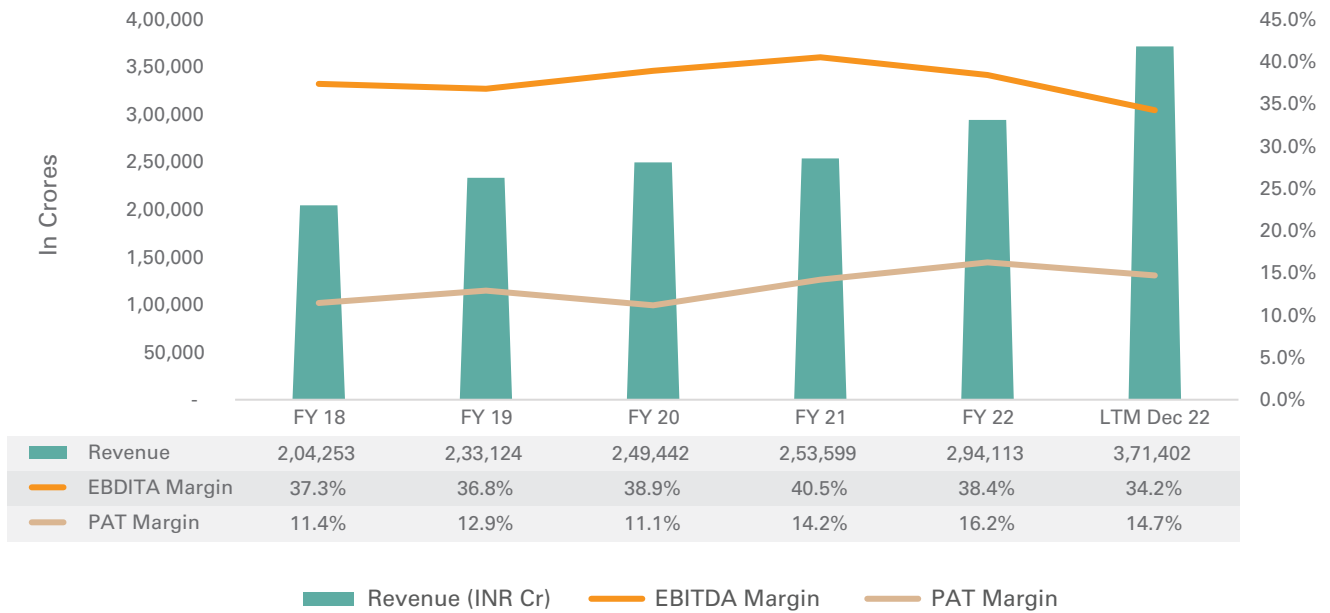
- India stands 4th globally in Renewable Energy Installed Capacity (including Large Hydro), 4th in Wind Power capacity & 4th in Solar Power capacity (as per REN21 Renewables 2022 Global Status Report).
- The electricity generation target of thermal, hydro, nuclear & Bhutan import for the year 2021-22 has been fixed as 1356 Billion Unit (BU). i.e. growth of around 9.83% over actual generation of 1234.608 BU for the previous year (2020-21). The generation from above categories during 2020-21 was 1234.608 BU as compared to 1250.784 BU generated during 2019-20, representing a negative growth of about 1.29%.
- Initiatives by Government:
 - Solar Parks Scheme
 - Pradhan Mantri Kisan Urja Suraksha
 - Solar Rooftop
 - Off-Grid Solar - Off-grid Decentralized and Solar PV Applications Programme
 - Green Energy Corridor Projects
 - Bioenergy - Programme on Energy from Urban, Industrial and Agricultural Wastes/Residues
 - Production Linked Incentive (PLI) Scheme
 - Solarisation of sun-temple and town of Modhera, Gujarat
 - National Green Hydrogen Mission

Representative Companies

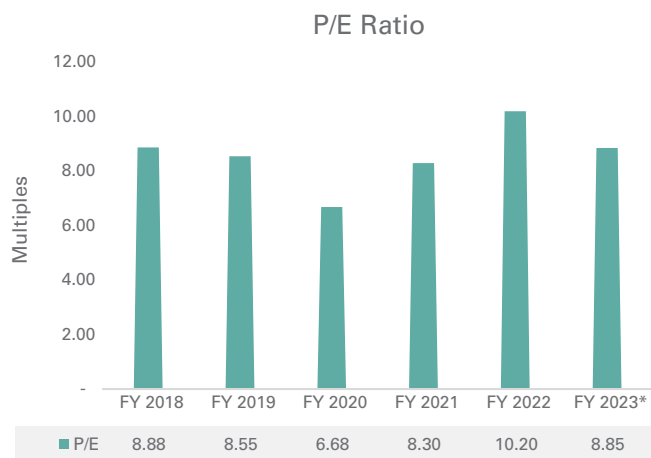
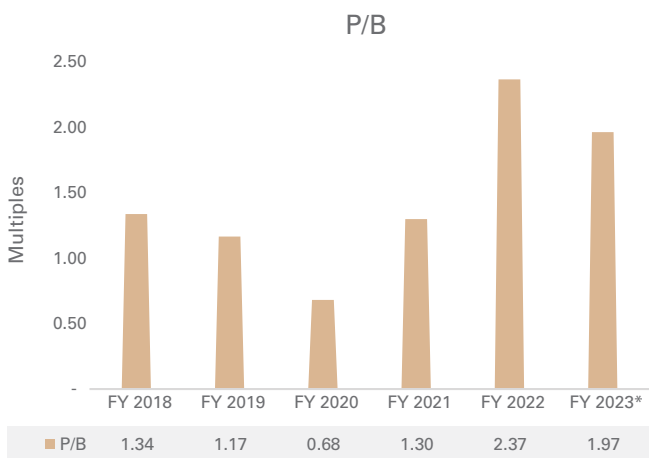
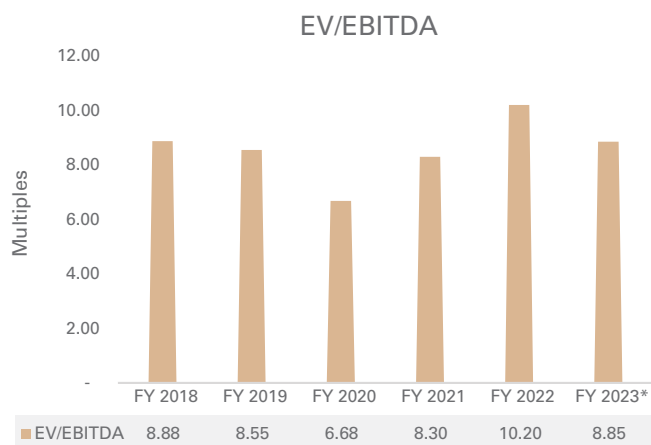
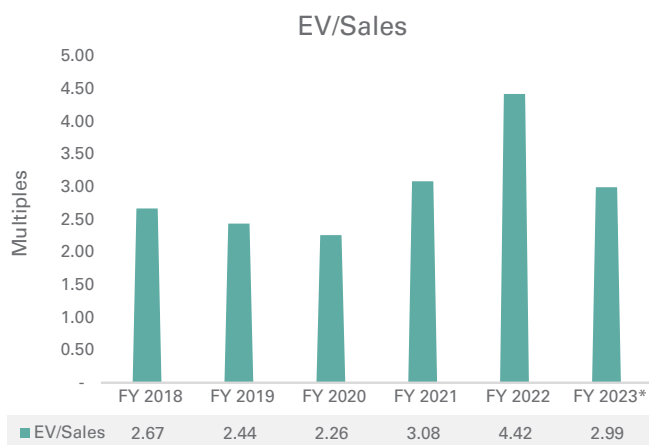
Power

Financial Performance of Representative Companies



- Power companies have seen good growth in revenue with CAGR of 10% from FY 2018 - FY 2022. This is mainly on account of India becoming power surplus country with no new major capacity being added by this observations. The sector was not impacted significantly on account of Covid – 19 pandemic.
- EBITDA Margins have fluctuated in range of 36% to 40% on account of fluctuating fuel prices.
- PAT Margins have fluctuated from 11% to 15%.

Power



*Market Data is considered as on March, 2023 and Financial Performance as on LTM Dec 2022.

power

10

RETAIL








CHAPTER

Retail

- The industry saw a decline of 8.5% in FY 2021, but it recovered in 2022 to reach \$836 billion with 81.5% contribution from traditional retail.
- The overall retail industry is estimated to have grown by 16-17% in FY 2021-22 and within this the organised brick and mortar industry is estimated to have grown by 19-21% (Source: Crisil Research).
- The Indian economy is propelled by a solid domestic demand that accounts for 56% of India's GDP, which provides a strong foundation for a sustained growth of the Indian retail market.
- While unorganised retail forms substantial part of retail sector and online retailers are witnessing high growth, they are not sufficiently represented by the listed retail companies. This is a major limiting factor for our identified companies for the retail sector.

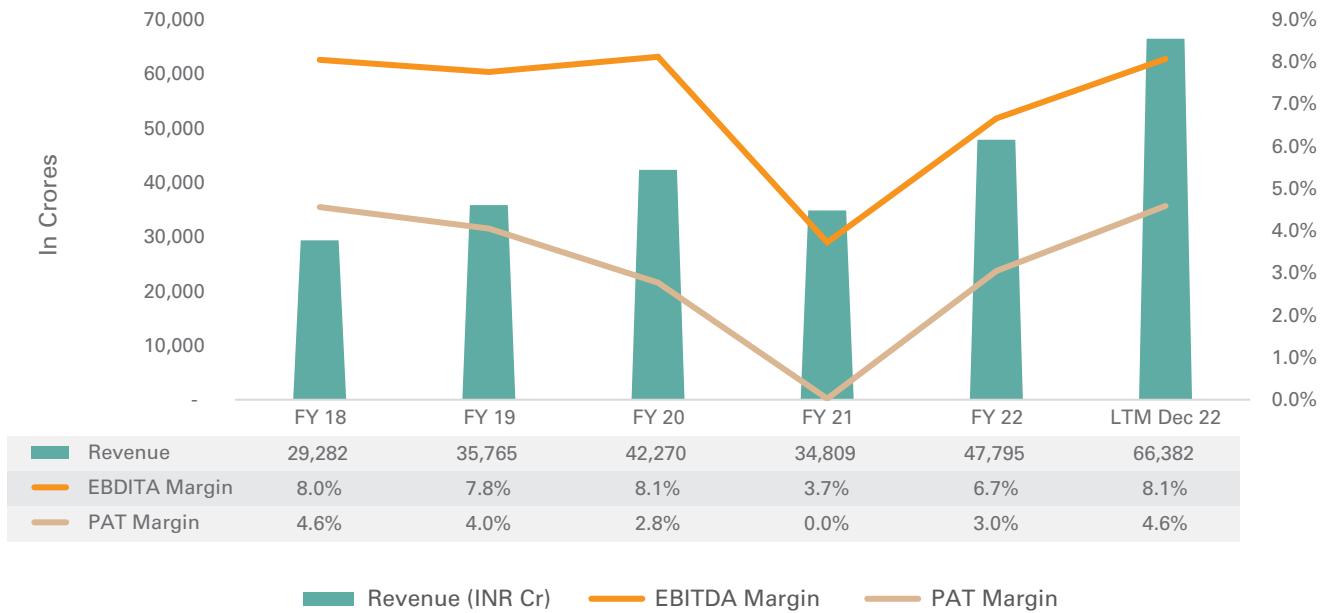
Representative Companies



Retail

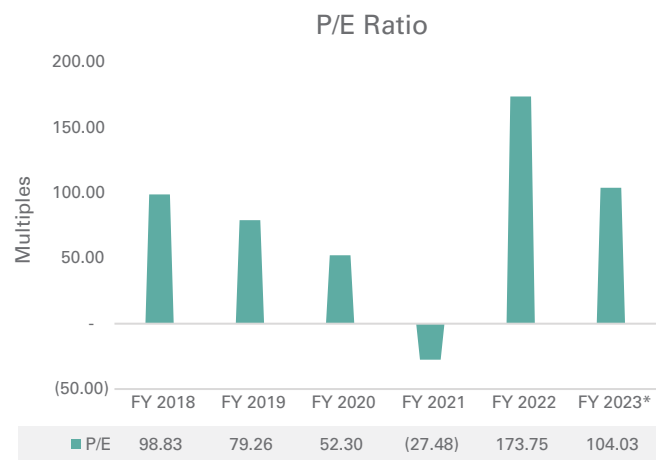
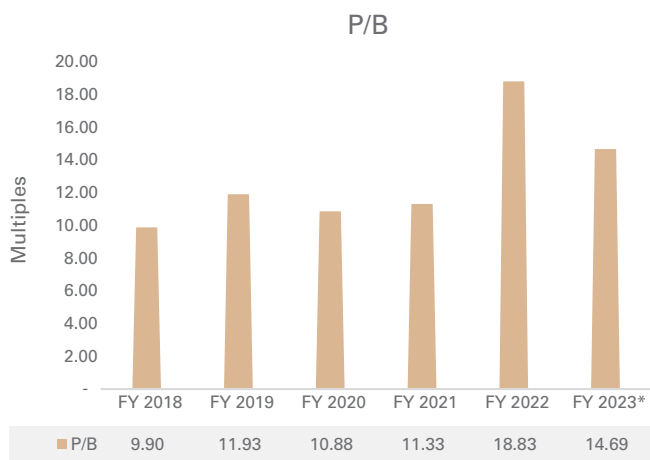
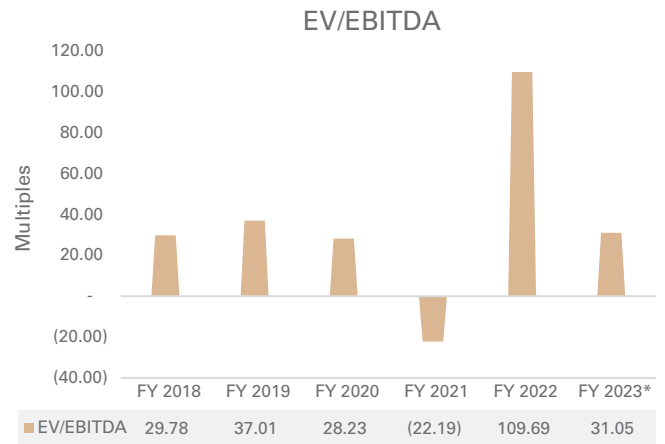
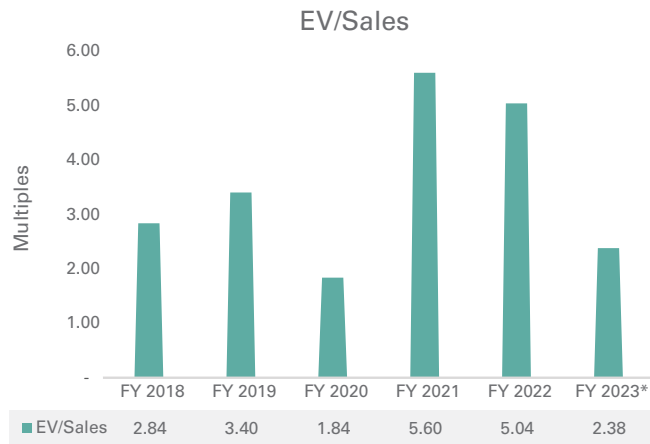
Financial Performance of Representative Companies



- The sector registered revenue CAGR of 13% from FY 2018 to FY 2022. The sector was substantially impacted due to nation wide lockdown on account of covid – 19 pandemic resulting in y-o-y decline in revenue in FY 2021.
- EBITDA Margins have stabilised in the recent years at around 8%.



Retail



*Market Data is considered as on March, 2023 and Financial Performance as on LTM Dec 2022.

retail

11

TELECOMMUNICATIONS

CHAPTER

Telecommunications

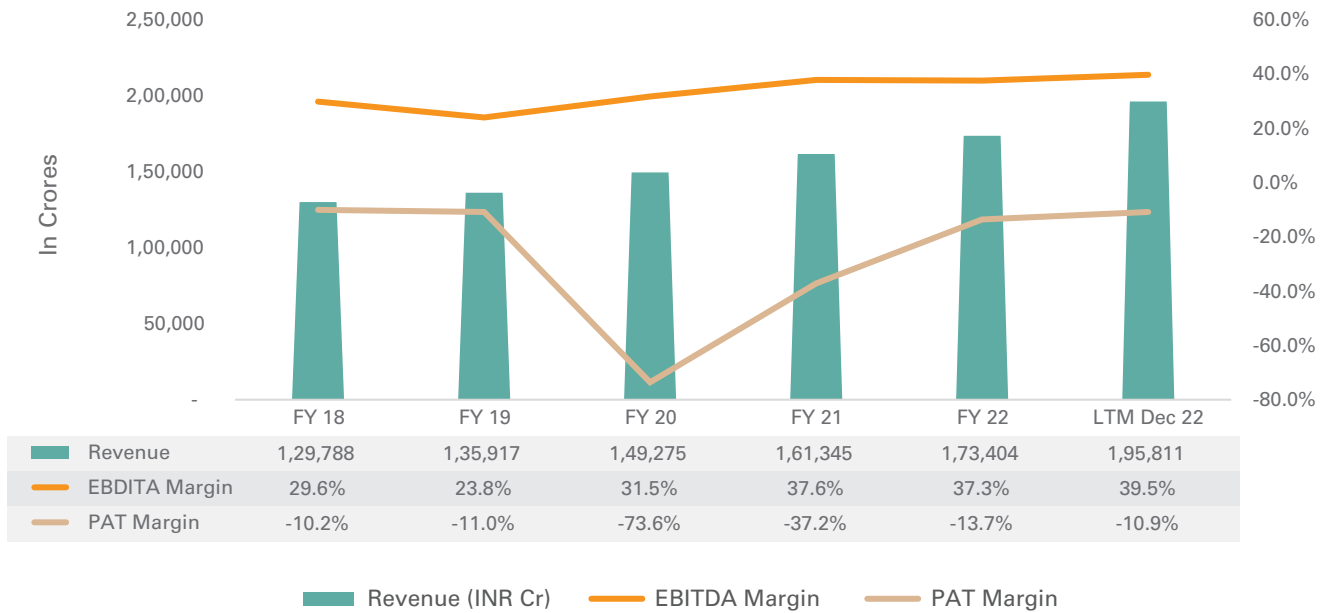
- 5G services were launched in India by the Hon'ble Prime Minister on 1st October 2022. 5G use cases developed by Telecom Service Providers and start-ups in Education, Health, Worker safety, Smart agriculture etc. are now being deployed across the country.
- Total telephone connections rose to 117.02 crore in October 2022 from 93.30 crore in March 2014, with a growth of 25.42 %. The number of mobile connections reached to 114.4 crore in October 2022. The tele-density which was 75.23% in March 2014 has reached 84.67% in October 2022.
- Urban telephone connections rose to 64.99 crores in October 2022 from 55.52 crore in March 2014, a growth of 17.06% while the growth in rural telephone connections was 37.69%, which is double of urban increase, rising from 37.78 crore in March 2014 to 52.02 crores in October 2022. The rural tele-density jumped from 44% in March 2014 to 57.91% in October 2022
- Internet connections jumped from 25.15 crore in March 2014 to 83.69 crore in June 2022, registering a growth of 232%.
- Broadband connections rose from 6.1 crore in March 2014 to 81.62 crores in September, 2022 growing by 1238%.
- Initiatives by Government:
 - Design-Led Manufacturing Under Telecom PLI Scheme
 - Telecom Technology Development Fund (TTDF) Scheme
 - Revival Plan of MTNL and BSNL
 - Champion Service Sector Scheme
 - Transition to the Next Generation of Internet Protocol
 - Establishment of Digital Intelligence Unit (DIU)
 - National Broadband Mission
 - Public procurement Preference to Make in India (PPP-MII)
 - Development of Online License Management System of DoT
 - Launch of Bharat Digicom Innovation Portal
 - Synergy Initiatives
 - Sanchar Kaushal Initiatives
 - M2M Service Provider and WPAN/WLAN Connectivity Providers Registration

Representative Companies



Telecommunications

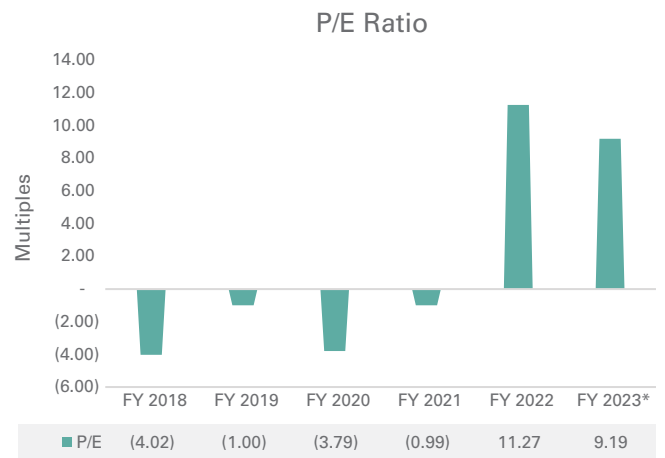
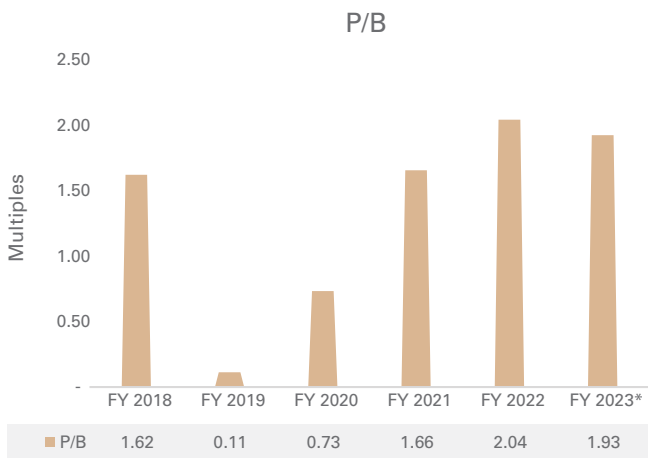
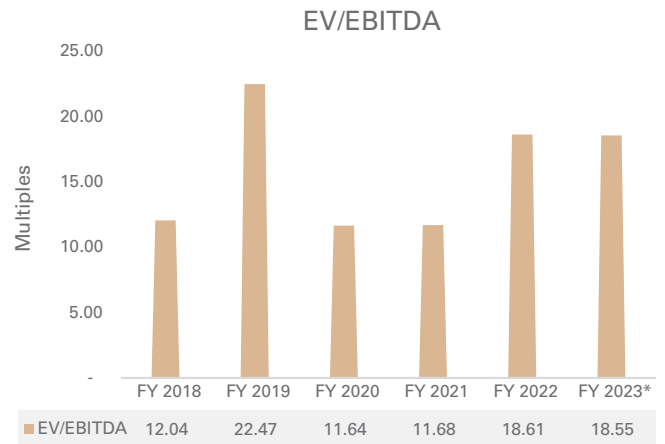
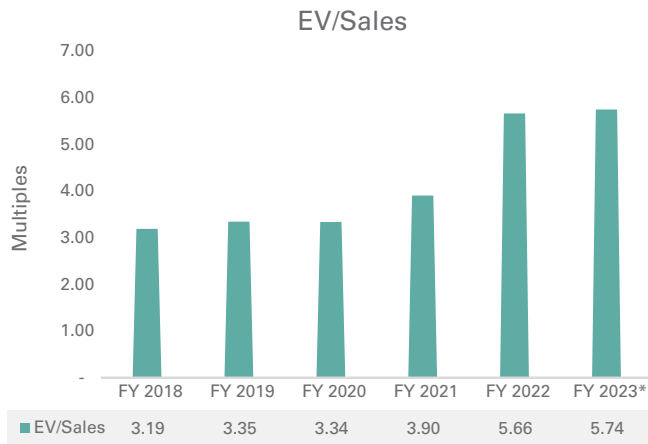
Financial Performance of Representative Companies



- EBITDA Margins have improved from 30% to ~41% on account of increase in ARPU by the tele companies.
- The sector registered revenue CAGR of 7% from FY 2018 to FY 2022. The sector was not substantially impacted due to nation wide lockdown as the work from home increased the requirement of broadband connection.



Telecommunications



*Market Data is considered as on March, 2023 and Financial Performance as on LTM Dec 2022.

telecommunications

12


REAL ESTATE

CHAPTER

Real Estate

- Unsold inventory stood at 8.5 lakh at the end of 2022, with 80% of the stocks under various stages of construction, as per PropTiger data
- The improvement in sales in 2022 has been instrumental in lowering the inventory burden for India’s real estate developers. Consequently, inventory overhang - the estimated time builders would take to sell off the existing unsold stock, based on the current sales velocity - has now declined to 33 months as compared to 42 months in 2021. The inventory overhang is the lowest since 2020.
- Initiatives by Government:
 - Housing for All
 - Pradhan Mantri Awas Yojana
 - Smart Cities Mission
- Government Initiatives that Propelled the Growth of the Indian Real Estate Sector
 - RERA (Status update by MOHUA as of 8th October 2022)
 - 94,513 real estate projects and 69,776 real estate agents have registered
 - 1 Lakh+ complaints have been disposed-off
 - GST - The introduction of Goods and Services Tax (GST) in July 2017 lowered the transaction cost of owning a house as it does away with double taxation. Only under-construction properties attract GST
 - Pradhan Mantri Awas Yojana – Urban (PMAY-U) was launched to address the urban housing shortage among the EWS/LIG and MIG categories including the slum dwellers. Affordable housing got further impetus under Union Budget 2022-23 through the allocation of INR 48,000 Cr and a plan to develop 80 Lakh houses.

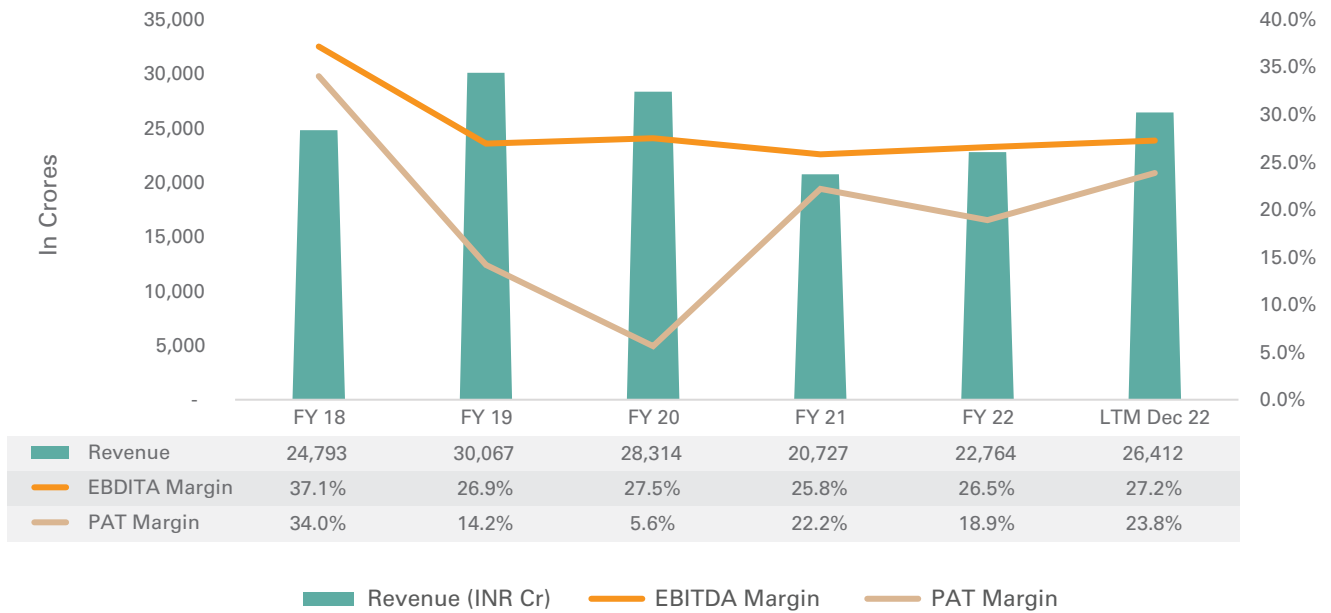
Representative Companies



Real Estate

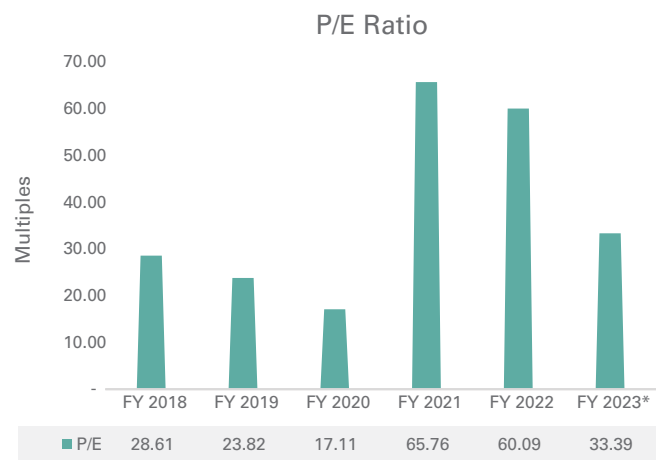
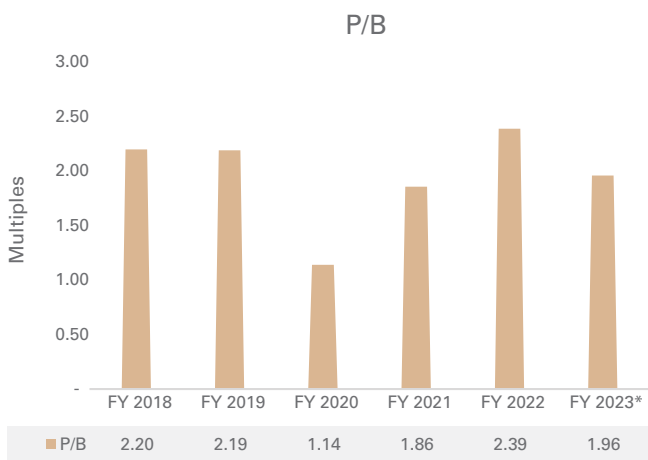
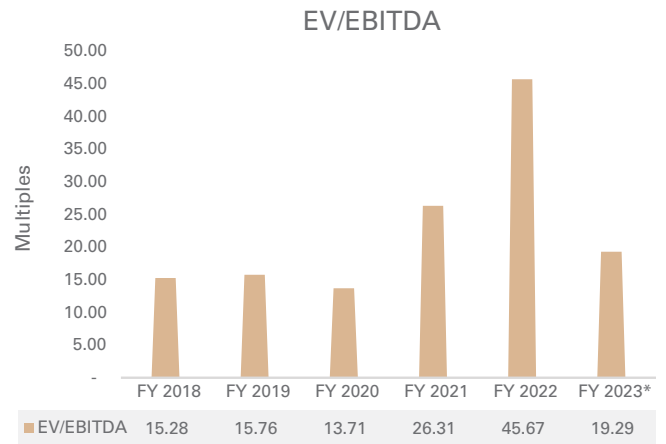
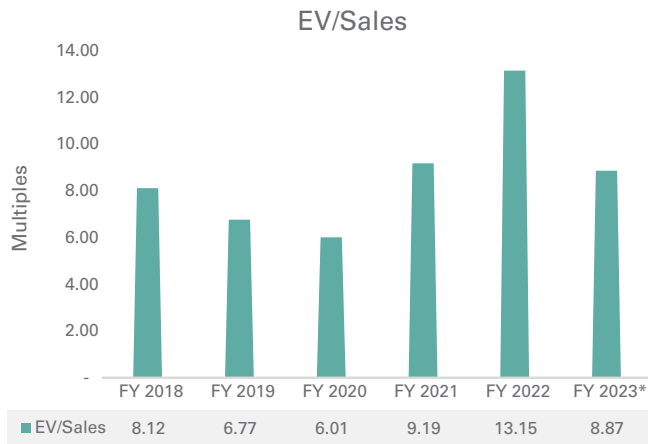
Financial Performance of Representative Companies



- The sector registered stagnant revenue growth from FY 2018 to FY 2022 and the sector is still trying to reach pre covid levels.
- EBITDA Margins have dropped from 37% to ~26% on account of spike in Steel and other commodity price.



Real Estate



*Market Data is considered as on March, 2023 and Financial Performance as on LTM Dec 2022.

real estate

13

METAL AND MINING

CHAPTER

Metal and Mining

- The world production of Primary Aluminium Metal during April-December, 2022, was about 52.40 million tonnes against world consumption of 52.41 million tonnes, resulting in a market deficit of 0.01 million tonnes.
- The world Copper Mine production from December, 2021 to November, 2022 was about 21,734 thousand metric tonnes (TMT). The share of India in the world production was 23.87 TMT i.e. 0.11% during December, 2021 to November, 2022.
- The world Zinc metal production from April, 2022 to November, 2022 was about 8,921 thousand metric tonnes and world consumption was 9,364 thousand metric tonnes. The share of India in the world Zinc metal production was 6% during April, 2022 to November, 2022.
- The world Lead metal production during April, 2022 to November, 2022 was about 8,147 thousand metric tonnes and world consumption was 8,130 thousand metric tonnes. The share of India in the world Lead metal production was 8% during April, 2022 to November, 2022.
- Performance of Steel sector during April-February, FY23 has been encouraging. The cumulative production of crude steel at 113.44 million tonnes (MT), finished steel at 109.35 MT and consumption of finished steel at 107.20 MT, during April-February, FY23, has exceeded their respective levels achieved over the corresponding period of not only COVID affected last two years but also pre COVID years as well.

Representative Companies

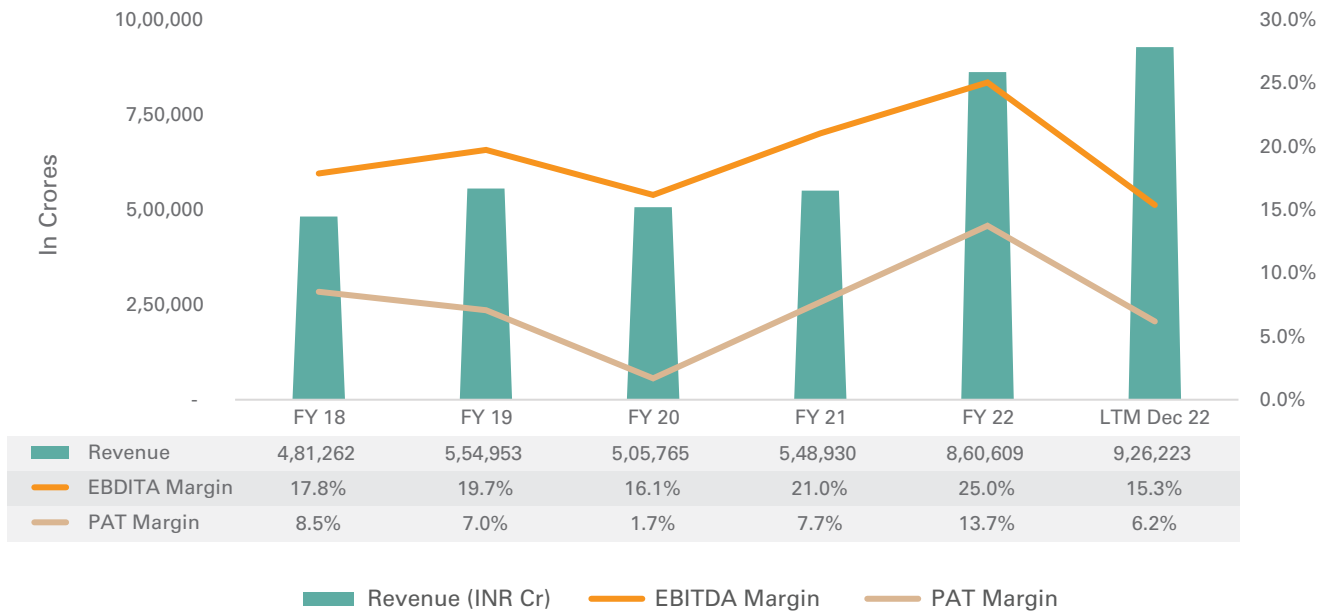
 <p>एनएमडीसी लिमिटेड NMDC Limited</p>	
	
	
	

- The prices of iron ore which was declining since April have stabilized during recent months upto December '22. The Prices of iron ore increased in January '23 and remained constant in February '23.
- Demand drivers for Metal Sector:
 - Rise in infrastructure development
 - Power and cement industries also aiding growth in the metals and mining sector
 - Residential and commercial building industry.



Metal and Mining

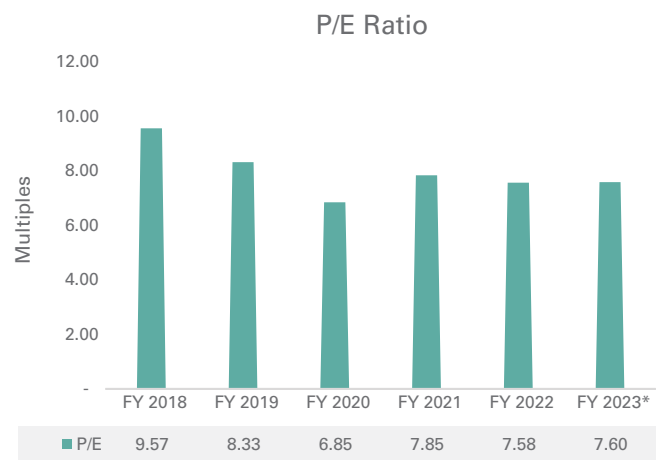
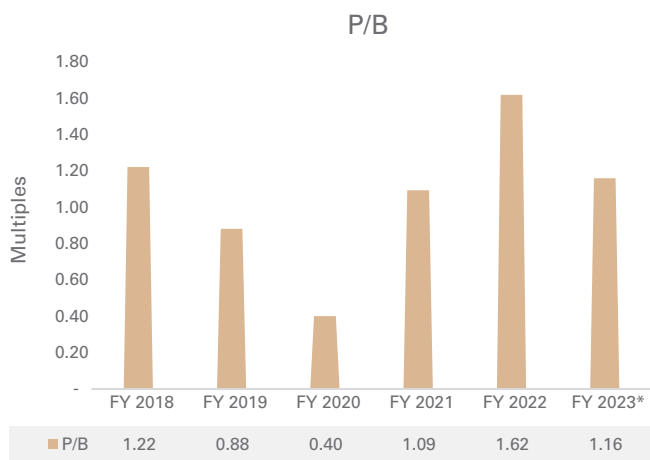
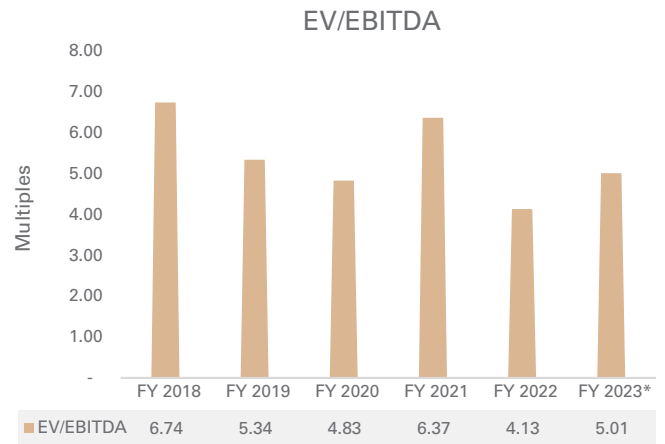
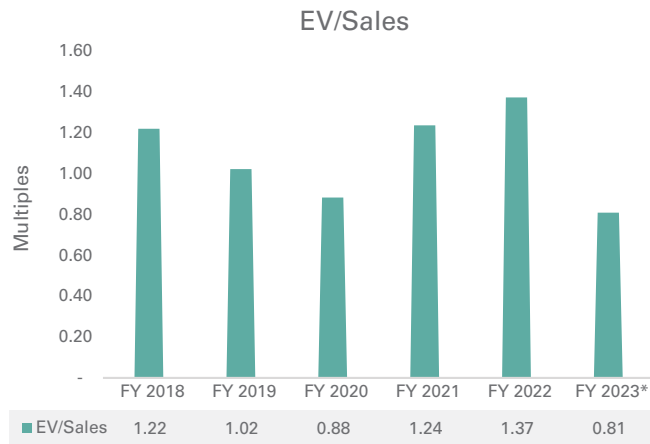
Financial Performance of Representative Companies



- EBITDA Margins & PAT margins have crossed pre covid level margin and again shrunk in current year due to input cost constraints as the external environment becomes more challenging due to elevated inflation, energy prices, and rising interest rates.
- The sector registered phenomenal growth of ~18% CAGR during FY 2018 to FY 2022 on account of rise in various commodity price.



Metal and Mining



*Market Data is considered as on March, 2023 and Financial Performance as on LTM Dec 2022.

metal & mining

Services

Valuation

- Business & Equity Valuation
- Valuation of Brands, Goodwill, Other Intangible Assets & Intellectual Property
- Valuation of Financial Securities, Instruments & Derivatives
- Valuation of Industrial Assets and Plant & Machinery
- Valuation of Real Estate
- Valuation of Infrastructure Assets & Specialized Assets
- Purchase Price Allocations (PPA) for Mergers & Acquisition (M&A)
- Impairment Studies for Tangible Assets
- Impairment Studies for Cash Generating Units, Intangible Assets & Goodwill
- Mines, Mineral Advisory and Valuation
- Valuation of ESOPs and Sweat Equity
- Valuation for Tax, Transfer Pricing and Company Law Matters
- Fairness Opinions
- Valuation under Insolvency & Bankruptcy Code (IBC)
- Determination of Swap Ratio under Mergers and Demergers
- Valuation of Inventory / Stocks and Debtors / Receivables
- Litigation and Dispute Valuation Services

Restructuring

- Insolvency Professional services as per IBC
- Turnaround Advisory and Business transformation
- Interim Management Services
- CRO (Chief Restructuring Officer) Services
- Process Improvement and Financial Restructuring
- Outside NCLT – Restructuring Services
- Priority and Interim Funding
- Process Advisors
- Pre-pack and Cross Border Insolvency
- Advisor to Committee of Creditors
- Preparation of Resolution Plan and Information Memorandum
- Independent Bid Evaluation Services

Transaction Tax

Deal Tax Advisory (Strategic, IBC, PE/VC)

- Tax Due-Diligence
- Tax Structuring
- Deal Negotiation Review
- Transaction Documentation Review
- Post-Deal Integration

Corporate Restructuring

- Group Restructuring
- Financial/Capital Restructuring

Succession Planning

Holistic Implementation Support

- Merger/Amalgamation
- Demerger/Spin-off
- Capital Reduction
- Share Buyback
- Business Transfers
- Liquidation/Wind-up

Investment Banking (Category 1 Merchant Bank)

- M&A Advisory:
 - Sell Side & Buy Side
 - Domestic & Cross Border
- Partner Search, Joint Ventures & Strategic Alliances
- Government Disinvestment & Privatization
- Fund Raising - Equity, Mezzanine, Structured Finance & Debt (Corporate & Project Finance)
- Distressed Investment Banking - One-Time Settlement, Priority and Interim Funding, Rescue Financing, and Buyouts
- Capital Market Advisory

Transaction Services (Due Diligence)

- Buy side due diligence and closing due diligence
- Vendor due diligence and vendor assistance
- Setting up and managing dataroom
- Advice on sale and purchase agreements (SPA) and business transfer agreements (BTA)
- Assistance in deal negotiation

Risk Consulting

Strategic & Risk Advisory Services

- Techno Economic Feasibility Studies & Viability assessment
- Business Plan Review

Technical Support Services

- Lender's & Investor's / Independent Engineer Services
- Technical Due Diligence, Technical Opinions
- Chartered Engineers Opinion & Certification
- Project Cost Investigation and Monitoring

Agency for Specialized Monitoring (ASM)

- Cash outflow / Inflow and project monitoring, Ensure the end usage of the Fund

Financial & Treasury Risk Advisory

- Assessment of risks - ALM, Credit, Market, Interest Rate & Liquidity Risk
- Asset Quality Review & Stress Testing
- Assessment of Expected Credit Loss

Business Risk Advisory

- Risk based Internal Audits & Enterprise Risk Management (ERM)
- Flow Chart Base Process Mapping & Process Excellence Studies (SOP)
- Compliances Studies, Assets management & Business support

Dispute & Litigation Support

- Valuation Services
- Damages & Loss of Profit Analysis
- Independent Expert testimony
- Anti-trust & Competition Advisory
- Post-Acquisition Disputes, Joint Venture & Shareholder Disputes
- Civil & Construction Disputes, Real Estate Disputes
- Intellectual Property Rights Dispute



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