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TradingView

Over Valued Valuations of NIFTY 2020

Report by Sujay Ramanujadasan



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Adiyargal vazha, Aranganagar Vazha

Briefing about NIFTY 50

Nifty 50 is a benchmark index and also a representative composite collective stocks of 50 publicly listed companies representing the overall sectors output of our countries economic measure of growth or decline. Nifty50.

Company Name	
Adani Ports and Special Economic Zone Ltd.	Indian Oil Corporation Ltd.
Asian Paints Ltd.	IndusInd Bank Ltd.
Axis Bank Ltd.	Infosys Ltd.
Bajaj Auto Ltd.	JSW Steel Ltd.
Bajaj Finance Ltd.	Kotak Mahindra Bank Ltd.
Bajaj Finserv Ltd.	Larsen & Toubro Ltd.
Bharat Petroleum Corporation Ltd.	Mahindra & Mahindra Ltd.
Bharti Airtel Ltd.	Maruti Suzuki India Ltd.
Britannia Industries Ltd.	NTPC Ltd.
Cipla Ltd.	Nestle India Ltd.
Coal India Ltd.	Oil & Natural Gas Corporation Ltd.
Divi's Laboratories Ltd.	Power Grid Corporation of India Ltd.
Dr. Reddy's Laboratories Ltd.	Reliance Industries Ltd.
Eicher Motors Ltd.	SBI Life Insurance Company Ltd.
GAIL (India) Ltd.	Shree Cement Ltd.
Grasim Industries Ltd.	State Bank of India
HCL Technologies Ltd.	Sun Pharmaceutical Industries Ltd.
HDFC Bank Ltd.	Tata Consultancy Services Ltd.
HDFC Life Insurance Company Ltd.	Tata Motors Ltd.
Hero MotoCorp Ltd.	Tata Steel Ltd.
Hindalco Industries Ltd.	Tech Mahindra Ltd.
Hindustan Unilever Ltd.	Titan Company Ltd.
Housing Development Finance Corporation Ltd.	UPL Ltd.
ICICI Bank Ltd.	UltraTech Cement Ltd.
ITC Ltd.	Wipro Ltd.

Fig: Table tabulating the listed participants of Nifty 50 index

Index Methodology:

Eligibility Criteria for Selection of Constituent Stocks:

1. Market impact cost is the best measure of the liquidity of a stock. It accurately reflects the costs faced when actually trading an index. For a stock to qualify for possible inclusion into the NIFTY50, have traded at an average impact cost of 0.50% or less during the last six months for 90% of the observations, for the basket size of Rs. 100 Million.
2. The company should have a listing history of 6 months.
3. Companies that are allowed to trade in F&O segment are only eligible to be constituent of the index.

4. A company which comes out with an IPO will be eligible for inclusion in the index, if it fulfills the normal eligibility criteria for the index for a 3 month period instead of a 6 month period.

Index Re-Balancing:

Index is re-balanced on semi-annual basis. The cut-off date is January 31 and July 31 of each year, i.e. For semi-annual review of indices, average data for six months ending the cut-off date is considered. Four weeks prior notice is given to market from the date of change.

Index Governance:

A professional team manages all NSE indices. There is a three-tier governance structure comprising the Board of Directors of NSE Indices Limited, the Index Advisory Committee (Equity) and the Index Maintenance Sub-Committee.

The valuation of Nifty index is directly dependent on the changes in the market capitalization of the index constituents settled on a real time basis, taking cue from established global financial markets.

Since each of the companies have a certain percentage % contribution towards Nifty as a whole, this bias can be slightly exaggerated when the major contributor moves single-handedly in one direction, forcing others to change direction depending on BETA and CORRELATION COEFFICIENT.

The market crash from 12300's to 8000's odd due to COVID-19 global pandemic scare has had a deep downward slaughter correction, and since the crash, market has nearly rebounded towards the same level and on the eve of US Presidential elections, Nifty 50 has scaled back to its historic highs and historic lifetime high P/E ration of 32. I, personally feel that this meteoric rise on Nifty50 to its lifetimes high, even when there's been a journey towards staggered economic recovery and stabilization, with continual risk mitigation and hawk-eye observation of RBI to tame inflation, potential delay in declaring sick companies as NPA(on going case in Supreme Court), i observe that this dangerous rise is going to soon see a disaster downturn and slaughter when the downside become prominent.

This report is mine and mine alone. I am neither going to influence nor am I propagating the market crash. I may be wrong or I may be right. This is my humble attempt to educate some, on the ways to value the stocks and index based on the mathematics of Technical Analysis.

Over Valued Valuation of Nifty 2020

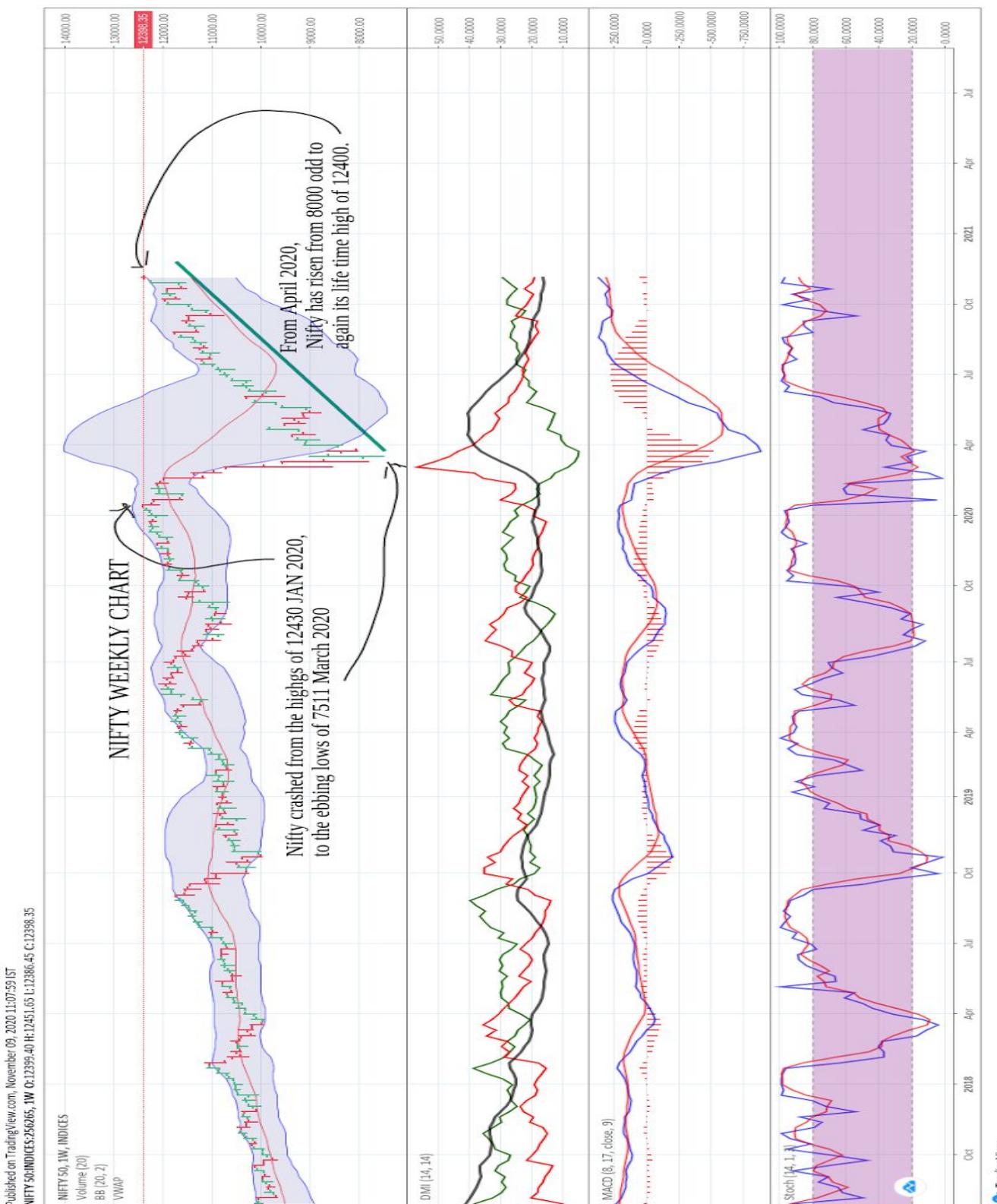


Fig: Nifty weekly chart from JAN 2020 to NOV 2020

Over Valued Valuation of Nifty 2020

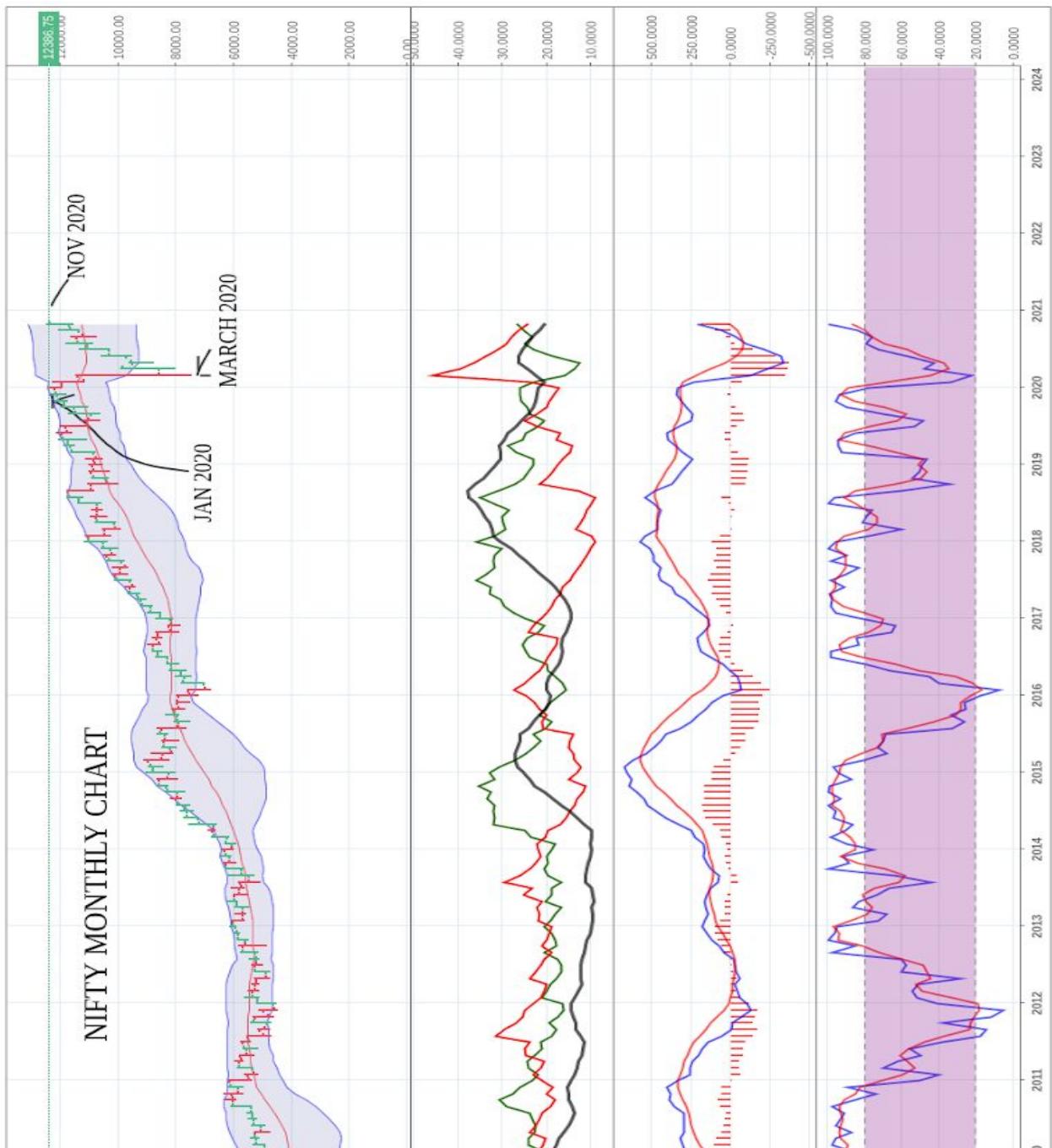
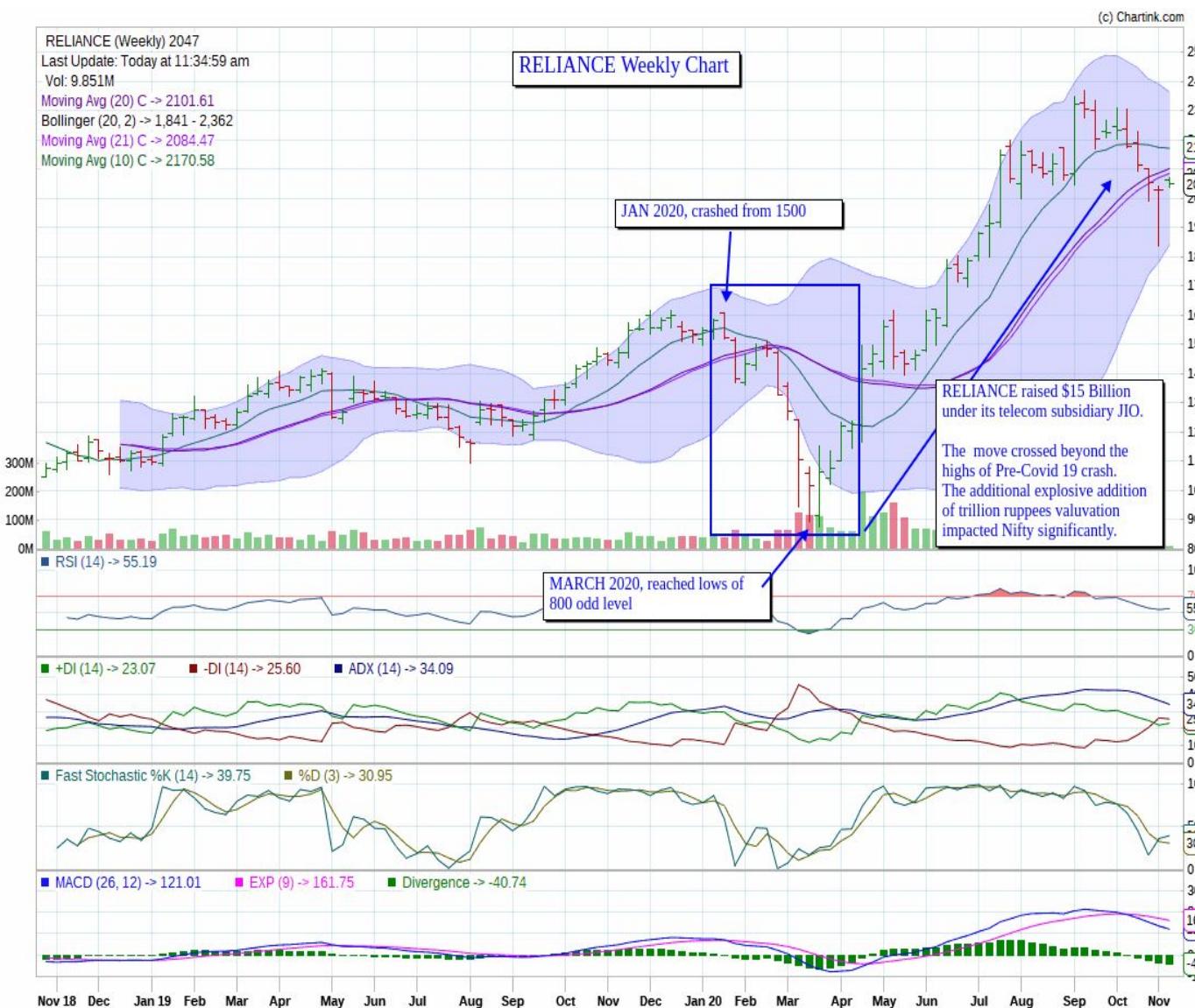


Fig : Nifty Monthly chart

Over Valued Valuation of Nifty 2020

1. RELIANCE(Nifty Weightage 13.2%)



FUNDAMENTAL:

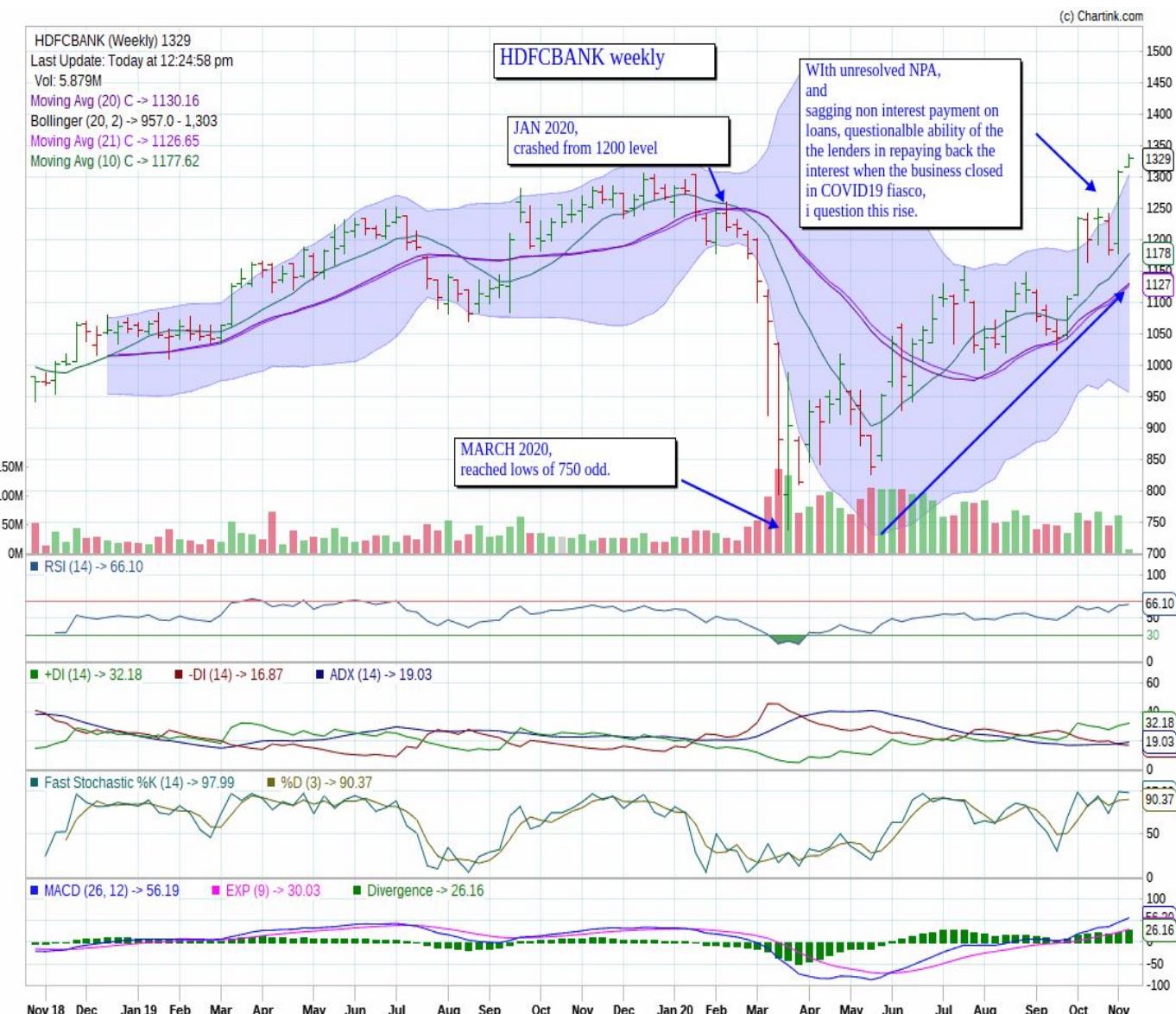
Reliance Industries Ltd

ril.com [BSE: 500325](#) [NSE : RELIANCE](#)

Market Cap	₹ 1,348,745 Cr.	Current Price	₹ 2,051	High / Low	₹ 2,369 / 867
Stock P/E	33.1	Book Value	₹ 968	Dividend Yield	0.32 %
ROCE	10.7 %	ROE	10.3 %	Face Value	₹ 10.0

Over Valued Valuation of Nifty 2020

2.HDFCBANK(Nifty Weightage - 10.22%)



HDFC Bank Ltd

hdfcbank.com BSE: 500180 NSE : HDFCBANK

Market Cap	₹ 737,949 Cr.	Current Price	₹ 1,341	High / Low	₹ 1,346 / 739
Stock P/E	24.9	Book Value	₹ 320	Dividend Yield	0.00 %
ROCE	7.31 %	ROE	16.5 %	Face Value	₹ 1.00

Over Valued Valuation of Nifty 2020

3. INFY(Nifty Weightage - 7.72%)



Infosys Ltd

infosys.com BSE: 500209 NSE : INFY

Market Cap	₹ 483,821 Cr.	Current Price	₹ 1,137	High / Low	₹ 1,186 / 509
Stock P/E	27.0	Book Value	₹ 167	Dividend Yield	1.54 %
ROCE	32.6 %	ROE	25.3 %	Face Value	₹ 5.00

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Over Valued Valuation of Nifty 2020

4. HDFC(Nifty Weightage - 6.58 %)



Housing Development Finance Corporation Ltd

hdfc.com BSE: 500010 NSE : HDFC

Market Cap	₹ 386,729 Cr.	Current Price	₹ 2,152	High / Low	₹ 2,500 / 1,473
Stock P/E	21.9	Book Value	₹ 801	Dividend Yield	0.98 %
ROCE	11.1 %	ROE	19.2 %	Face Value	₹ 2.00

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Over Valued Valuation of Nifty 2020

5. TCS(Nifty Weightage - 5.56 %)



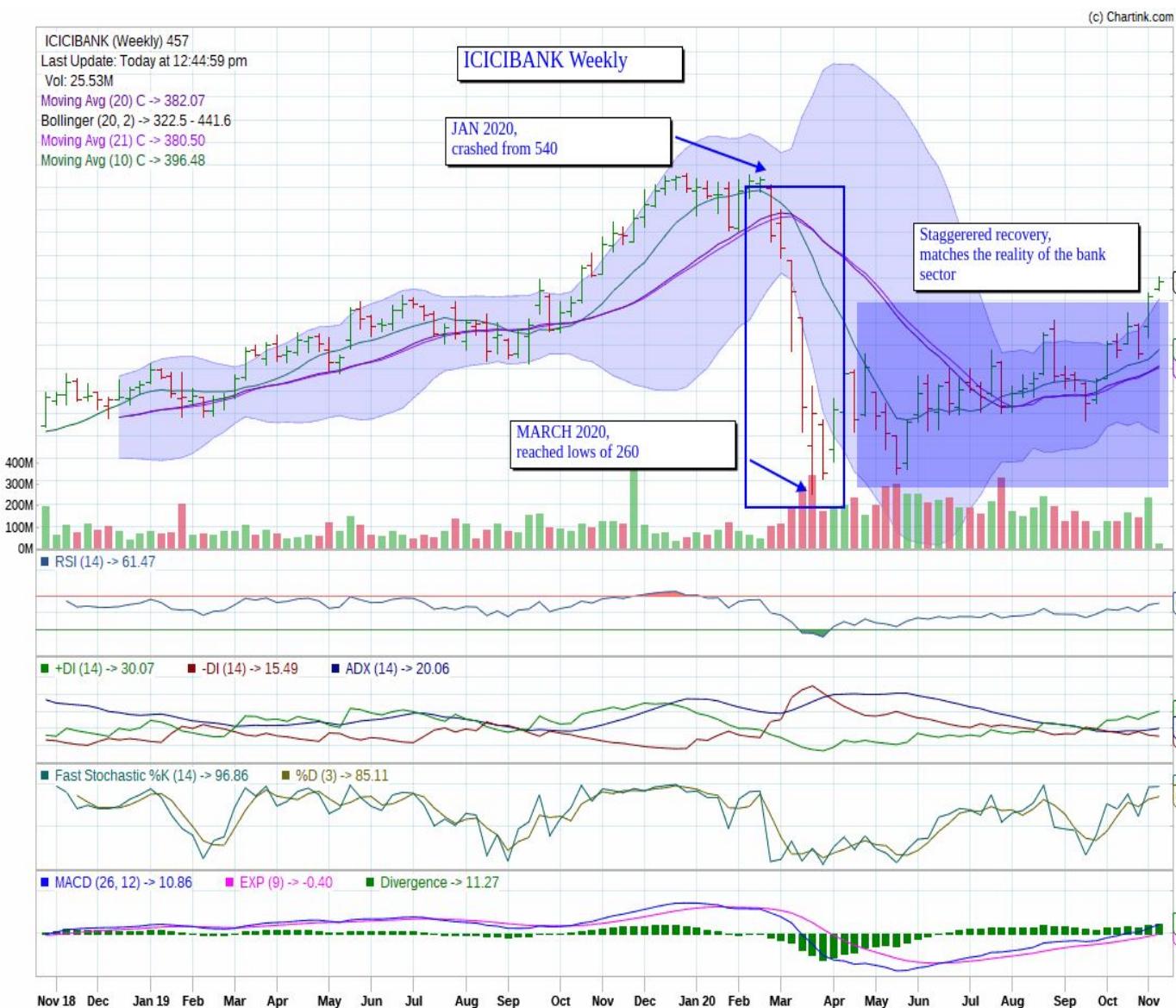
Tata Consultancy Services Ltd

tcs.com [BSE: 532540](#) [NSE : TCS](#)

Market Cap	₹ 1,022,823 Cr.	Current Price	₹ 2,727	High / Low	₹ 2,885 / 1,504
Stock P/E	32.3	Book Value	₹ 254	Dividend Yield	1.21 %
ROCE	47.8 %	ROE	37.3 %	Face Value	₹ 1.00

Over Valued Valuation of Nifty 2020

6. ICICIBANK(Nifty Weightage - 5.38%)



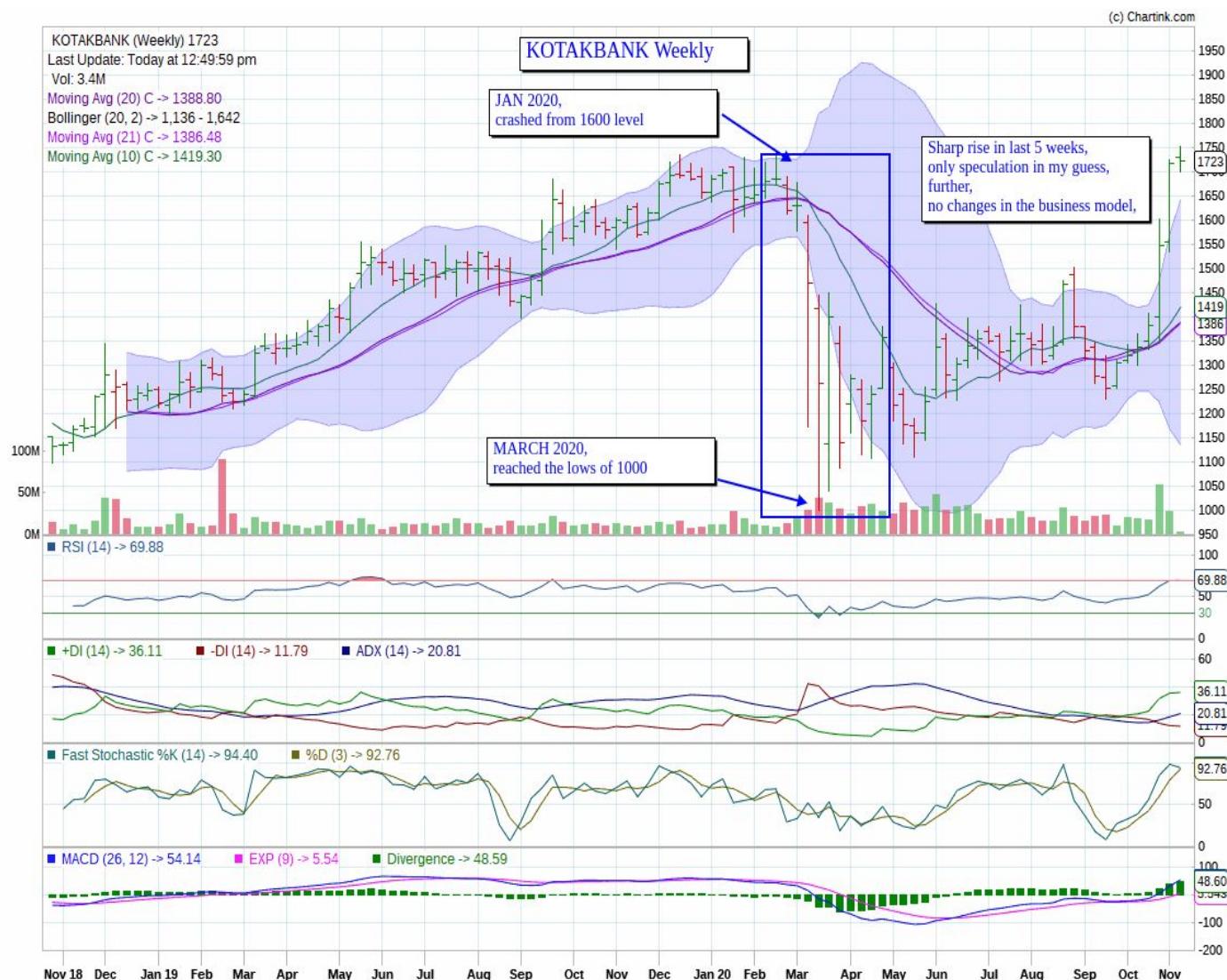
ICICI Bank Ltd

icicibank.com [BSE: 532174](#) [NSE : ICICIBANK](#)

Market Cap	₹ 318,932 Cr.	Current Price	₹ 463	High / Low	₹ 552 / 268
Stock P/E	20.3	Book Value	₹ 178	Dividend Yield	0.00 %
ROCE	5.90 %	ROE	9.46 %	Face Value	₹ 2.00

Over Valued Valuation of Nifty 2020

7. KOTAKBANK(Nifty Weightage - 4.50%)

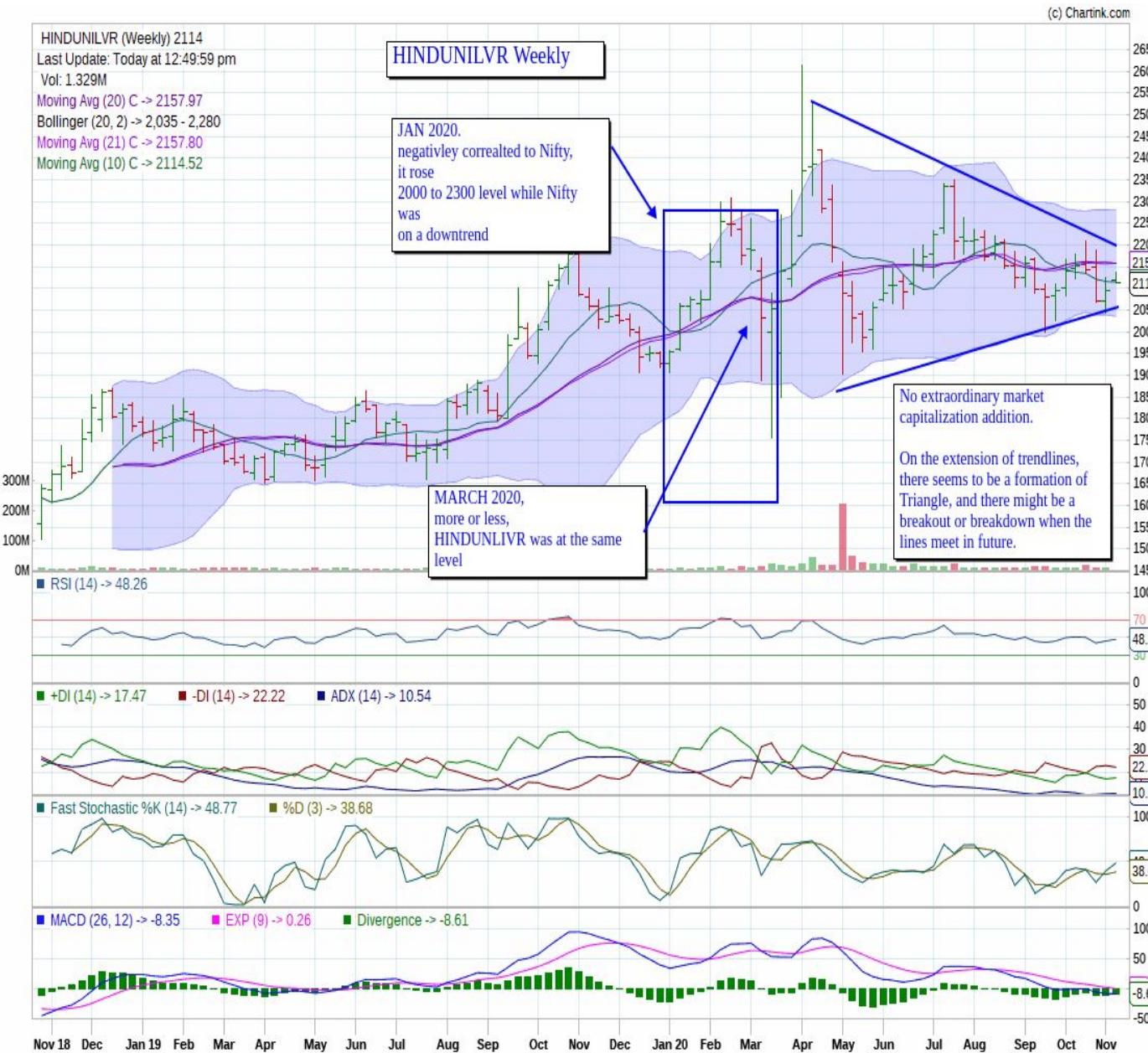


Kotak Mahindra Bank Ltd

kotak.com BSE: 500247 NSE : KOTAKBANK

Market Cap	₹ 342,159 Cr.	Current Price	₹ 1,728	High / Low	₹ 1,752 / 1,000
Stock P/E	34.5	Book Value	₹ 339	Dividend Yield	0.00 %
ROCE	7.35 %	ROE	13.7 %	Face Value	₹ 5.00

8. HINDUNILVR(Nifty Weightage - 3.67 %)



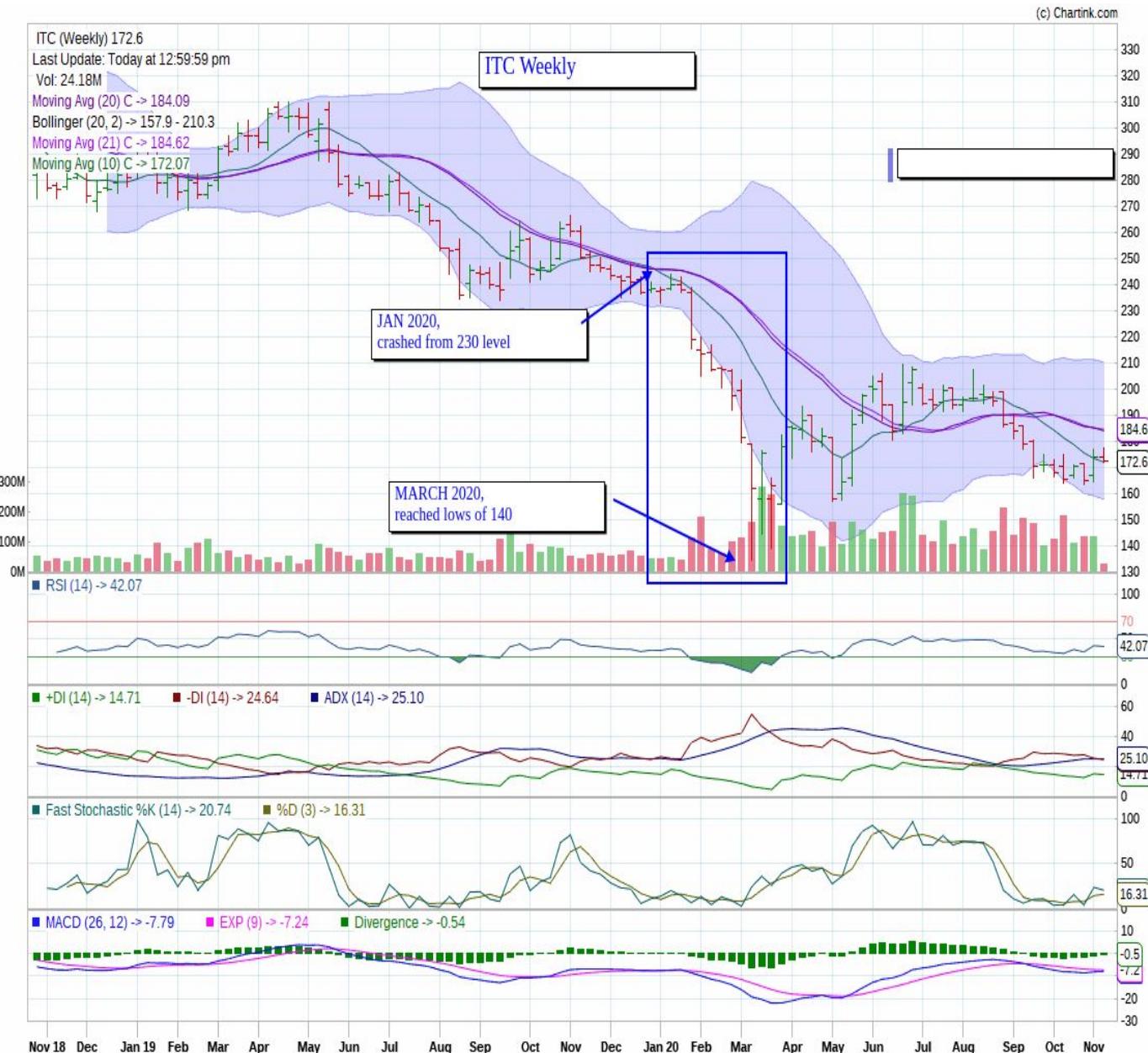
Hindustan Unilever Ltd

hul.co.in BSE: 500696 NSE : HINDUNILVR

Market Cap	₹ 501,019 Cr.	Current Price	₹ 2,133	High / Low	₹ 2,614 / 1,756
Stock P/E	68.8	Book Value	₹ 199	Dividend Yield	1.17 %
ROCE	117 %	ROE	85.7 %	Face Value	₹ 1.00

Over Valued Valuation of Nifty 2020

9. ITC (Nifty Weightage - 2.87%)



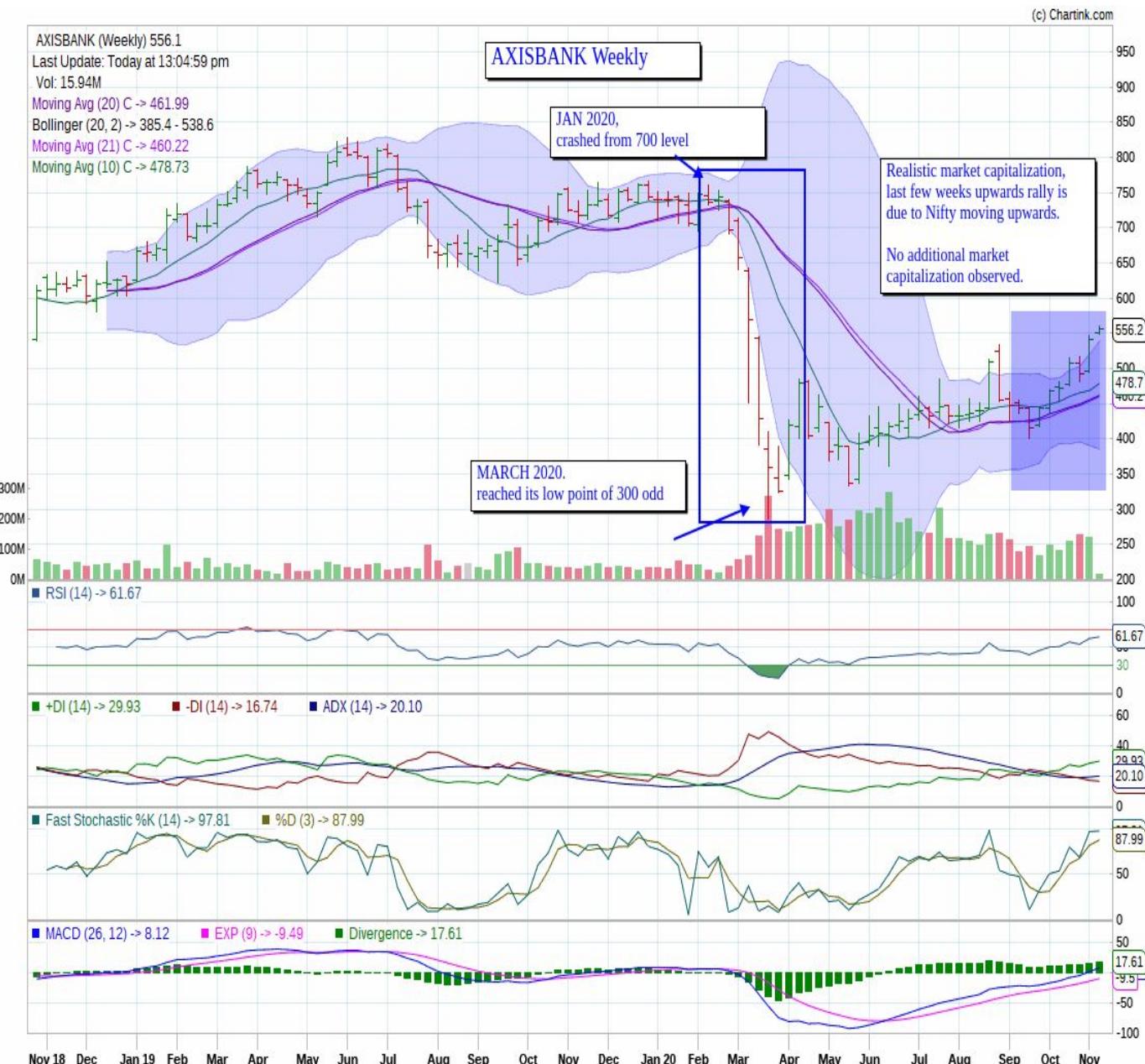
ITC Ltd

[itcportal.com](#) [BSE: 500875](#) [NSE : ITC](#)

Market Cap	₹ 212,631 Cr.	Current Price	₹ 173	High / Low	₹ 262 / 135
Stock P/E	15.1	Book Value	₹ 48.0	Dividend Yield	5.87 %
ROCE	32.6 %	ROE	25.3 %	Face Value	₹ 1.00

Over Valued Valuation of Nifty 2020

10. AXISBANK(Nifty Weightage - 2.43%)



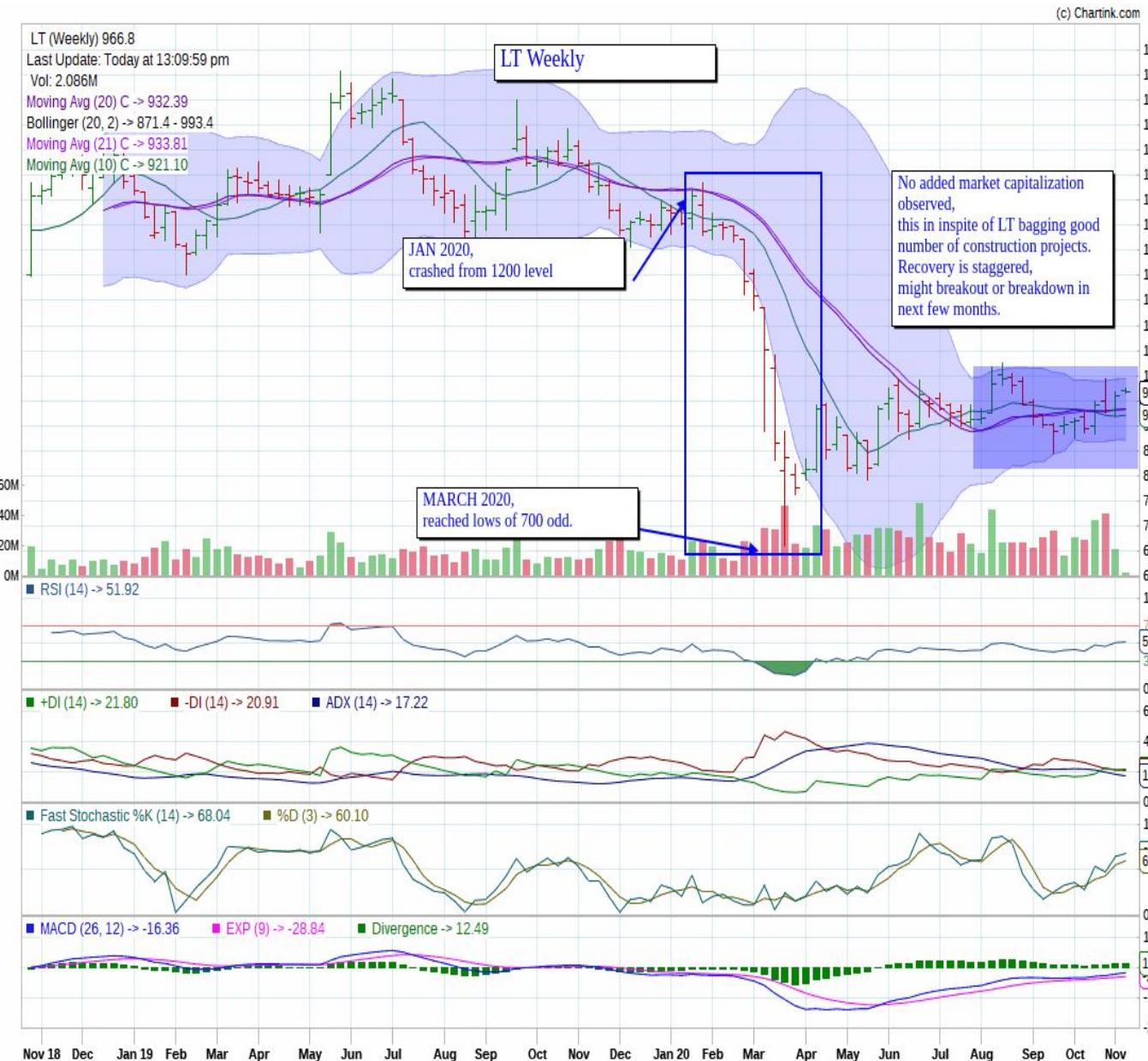
Axis Bank Ltd

axisbank.com BSE: 532215 NSE : AXISBANK

Market Cap	₹ 172,916 Cr.	Current Price	₹ 565	High / Low	₹ 766 / 285
Stock P/E	48.4	Book Value	₹ 282	Dividend Yield	0.00 %
ROCE	5.20 %	ROE	2.44 %	Face Value	₹ 2.00

Over Valued Valuation of Nifty 2020

11.LT(Nifty Weightage - 2.26%)



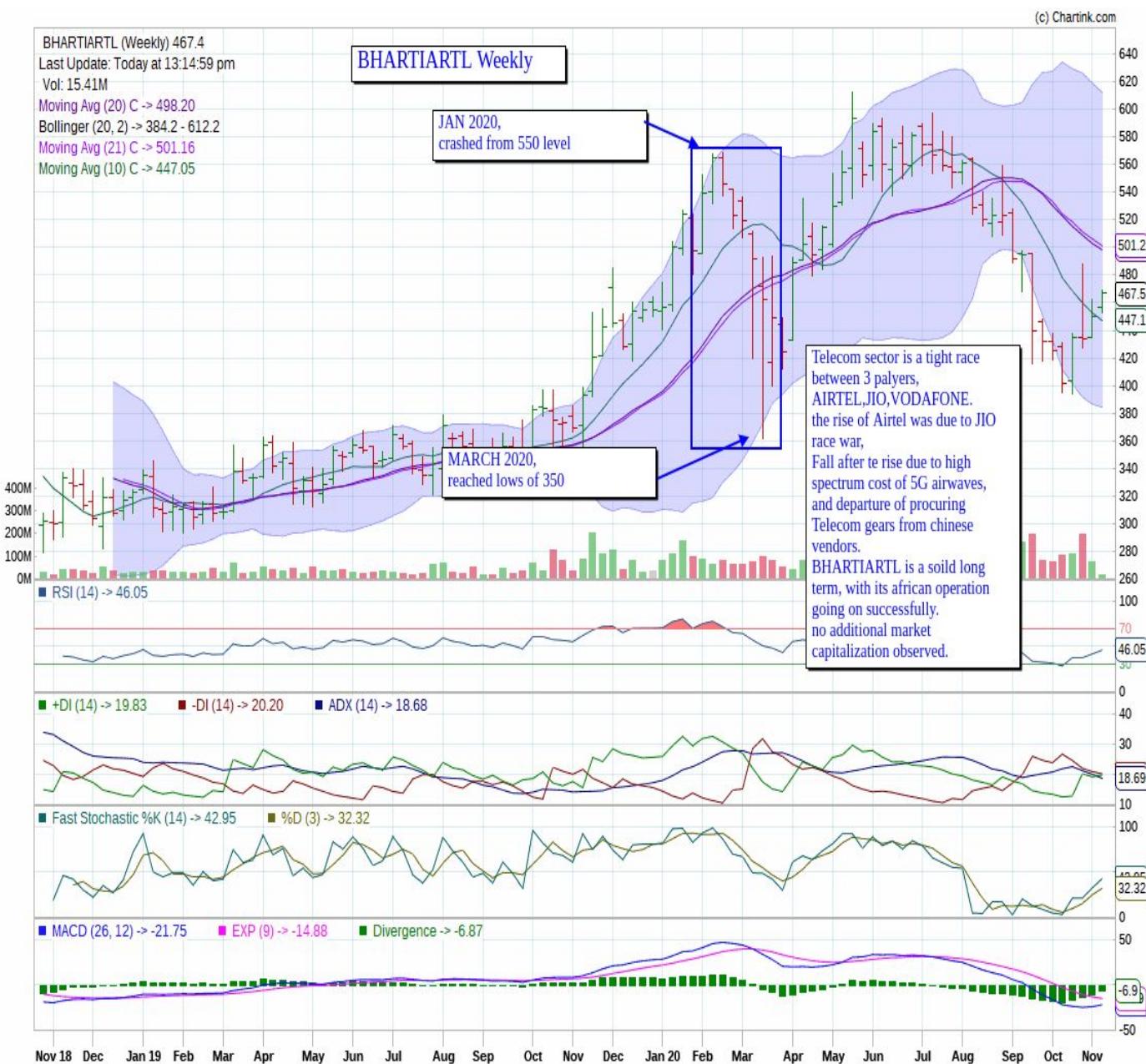
Larsen & Toubro Ltd

larsentoubro.com [BSE: 500510](#) [NSE : LT](#)

Market Cap	₹ 135,835 Cr.	Current Price	₹ 966	High / Low	₹ 1,431 / 661
Stock P/E	8.77	Book Value	₹ 515	Dividend Yield	1.86 %
ROCE	12.6 %	ROE	16.6 %	Face Value	₹ 2.00

Over Valued Valuation of Nifty 2020

12. BHARTIARTL(Nifty Weightage - 2.07%)



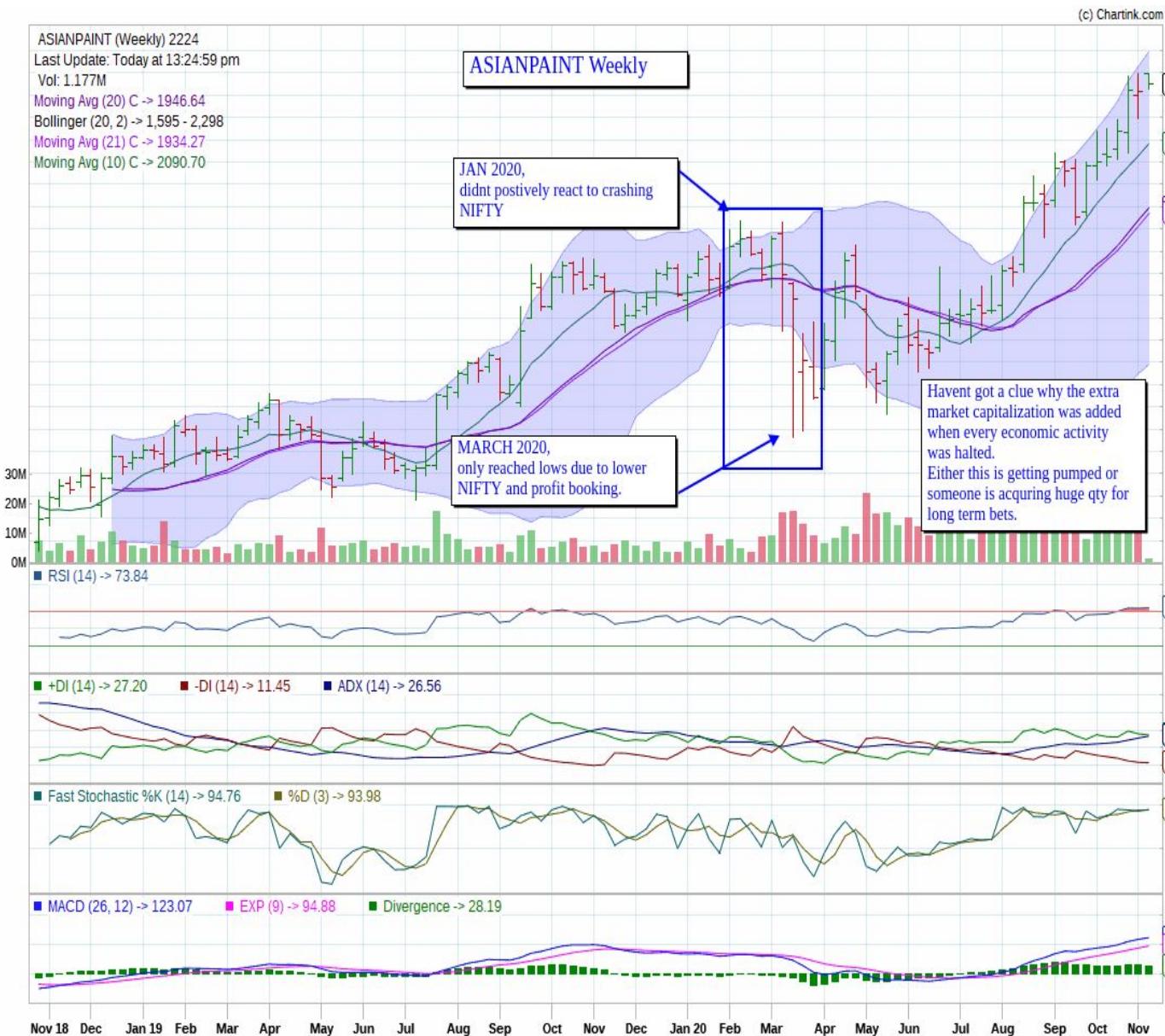
Bharti Airtel Ltd

airtel.in [BSE: 532454](#) [NSE : BHARTIARTL](#)

Market Cap	₹ 257,479 Cr.	Current Price	₹ 472	High / Low	₹ 612 / 350
Stock P/E		Book Value	₹ 109	Dividend Yield	0.42 %
ROCE	5.45 %	ROE	9.83 %	Face Value	₹ 5.00

Over Valued Valuation of Nifty 2020

13. ASIANPAINT(Nifty Weightage - 1.98%)



Asian Paints Ltd

asianpaints.com BSE: 500820 NSE : ASIANPAINT

Market Cap	₹ 213,499 Cr.	Current Price	₹ 2,225	High / Low	₹ 2,250 / 1,431
Stock P/E	107	Book Value	₹ 115	Dividend Yield	0.54 %
ROCE	33.8 %	ROE	28.2 %	Face Value	₹ 1.00

14. MARUTI(Nifty Weightage - 1.84%)



Maruti Suzuki India Ltd

marutisuzuki.com BSE: 532500 NSE : MARUTI

Market Cap	₹ 207,654 Cr.	Current Price	₹ 6,872	High / Low	₹ 7,570 / 4,001
Stock P/E	51.1	Book Value	₹ 1,621	Dividend Yield	0.87 %
ROCE	8.65 %	ROE	6.76 %	Face Value	₹ 5.00

Over Valued Valuation of Nifty 2020

15. HCL(nifty Weightage - 1.82%)



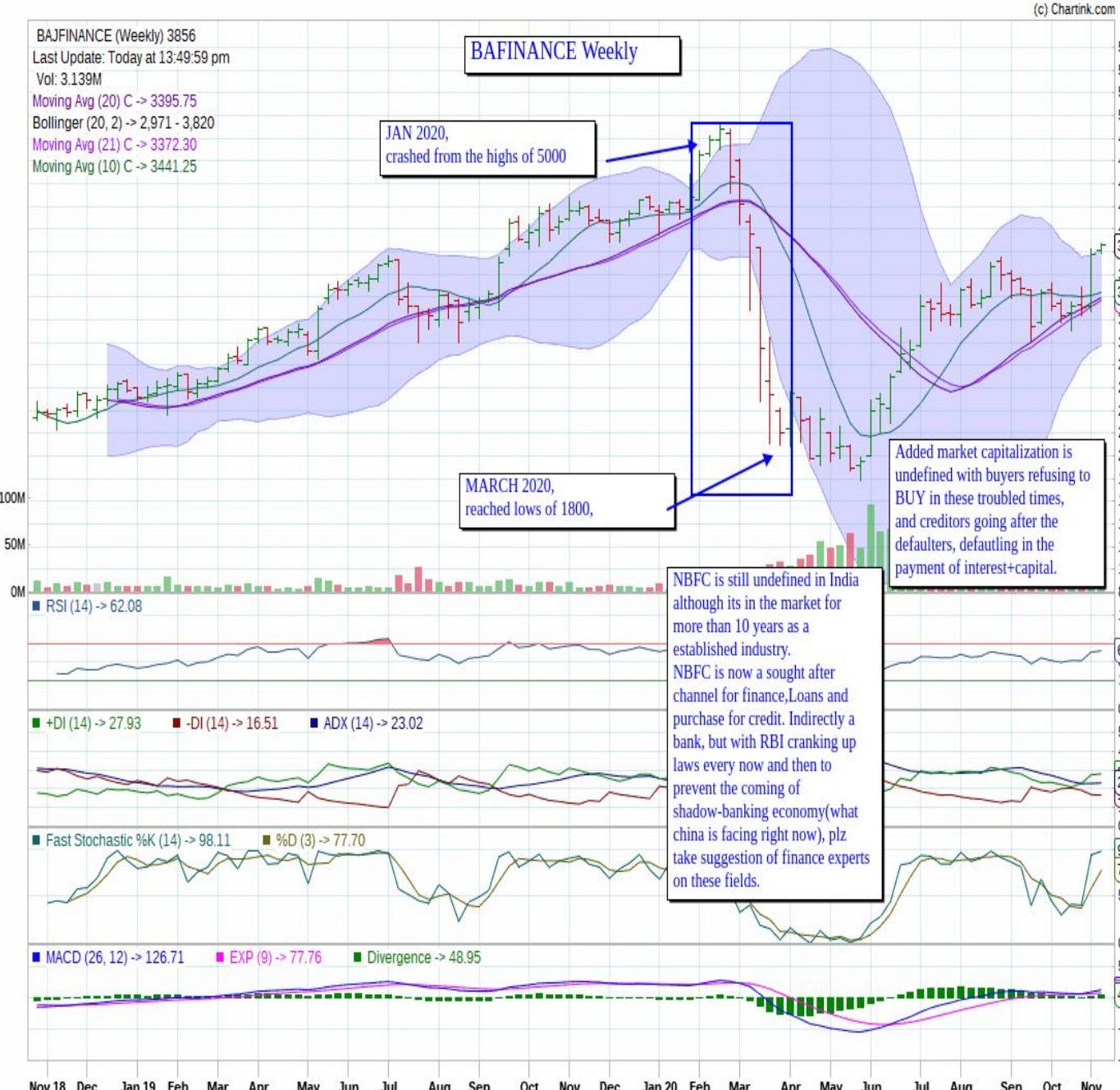
HCL Technologies Ltd

hcltech.com BSE: 532281 NSE : HCLTECH

Market Cap	₹ 231,882 Cr.	Current Price	₹ 855	High / Low	₹ 911 / 375
Stock P/E	19.0	Book Value	₹ 209	Dividend Yield	0.82 %
ROCE	27.4 %	ROE	23.7 %	Face Value	₹ 2.00

Over Valued Valuation of Nifty 2020

16.BAFINANCE(Nifty Weightage -1.74%)



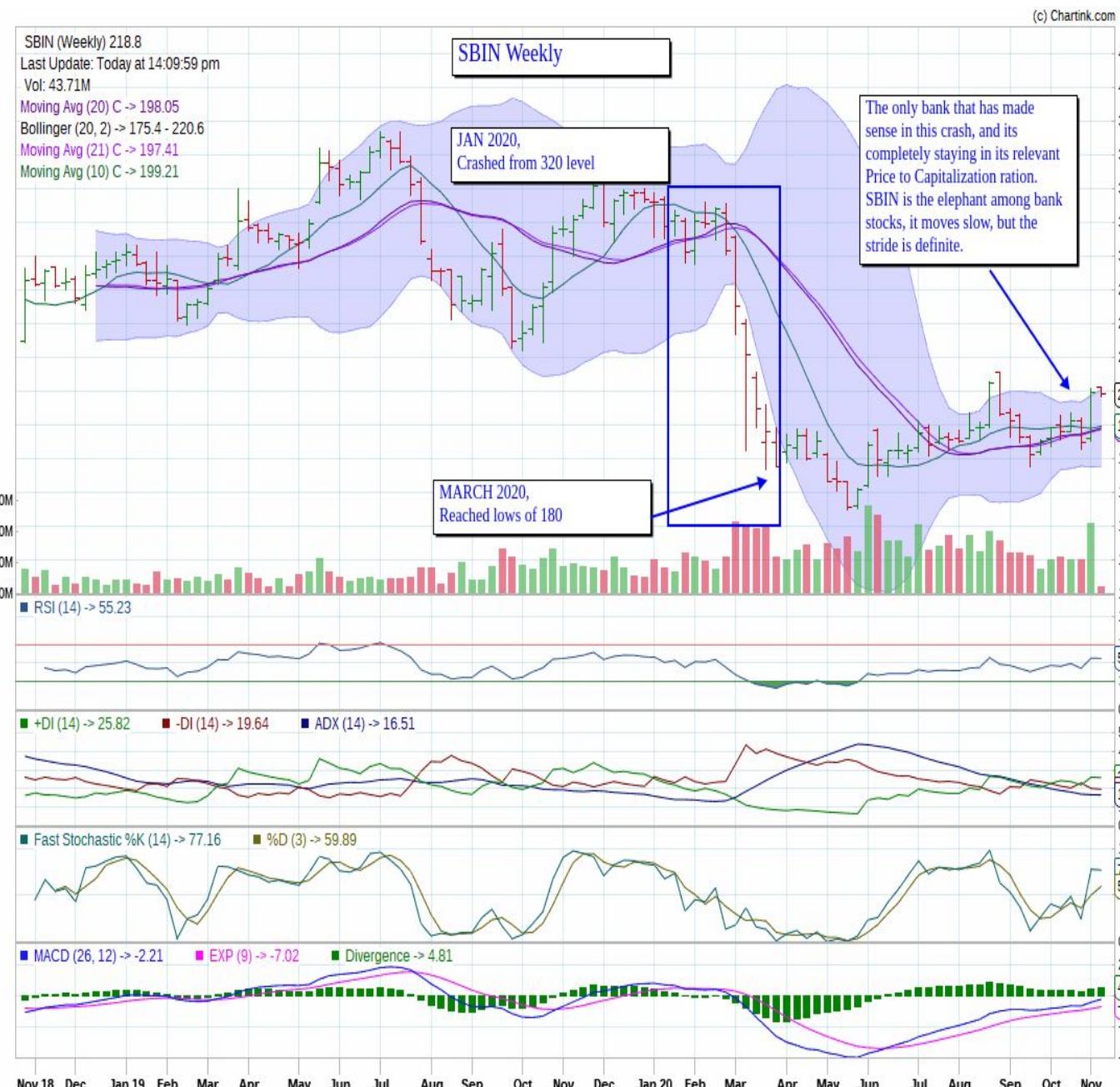
Bajaj Finance Ltd

bajajfinserv.in/finance [BSE: 500034](#) [NSE : BAJFINANCE](#)

Market Cap	₹ 233,066 Cr.	Current Price	₹ 3,865	High / Low	₹ 4,923 / 1,783
Stock P/E	51.9	Book Value	₹ 569	Dividend Yield	0.26 %
ROCE	12.0 %	ROE	20.2 %	Face Value	₹ 2.00

Over Valued Valuation of Nifty 2020

17. SBIN(Nifty Weightage - 1.44 %)



State Bank of India

sbi.co.in BSE: 500112 NSE : SBIN

Market Cap	₹ 196,029 Cr.	Current Price	₹ 220	High / Low	₹ 351 / 149
Stock P/E	8.86	Book Value	₹ 281	Dividend Yield	0.00 %
ROCE	4.99 %	ROE	7.27 %	Face Value	₹ 1.00

Over Valued Valuation of Nifty 2020

18. NESTLEIND(Nifty Weightage - 1.22%)



Nestle India Ltd

nestle.in [BSE: 500790](#) [NSE : NESTLEIND](#)

Market Cap	₹ 167,087 Cr.	Current Price	₹ 17,332	High / Low	₹ 18,370 / 12,200
Stock P/E	80.6	Book Value	₹ 236	Dividend Yield	0.93 %
ROCE	98.2 %	ROE	70.3 %	Face Value	₹ 10.0

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19. DRREDDY(Nifty Weightage - 1.18%)



Dr Reddy's Laboratories Ltd

drreddys.com BSE: 500124 NSE : DRREDDY

Market Cap	₹ 81,154 Cr.	Current Price	₹ 4,880	High / Low	₹ 5,515 / 2,495
Stock P/E	50.4	Book Value	₹ 1,002	Dividend Yield	0.51 %
ROCE	11.1 %	ROE	13.6 %	Face Value	₹ 5.00

Over Valued Valuation of Nifty 2020

20. M&M(Nifty Weightage - 1.13%)



Mahindra & Mahindra Ltd

mahindra.com [BSE: 500520](#) [NSE : M&M](#)

Market Cap	₹ 76,699 Cr.	Current Price	₹ 616	High / Low	₹ 667 / 245
Stock P/E		Book Value	₹ 322	Dividend Yield	0.38 %
ROCE	8.23 %	ROE	-1.79 %	Face Value	₹ 5.00

21. ULTRACEMCO(Nifty Weightage - 1.05%)



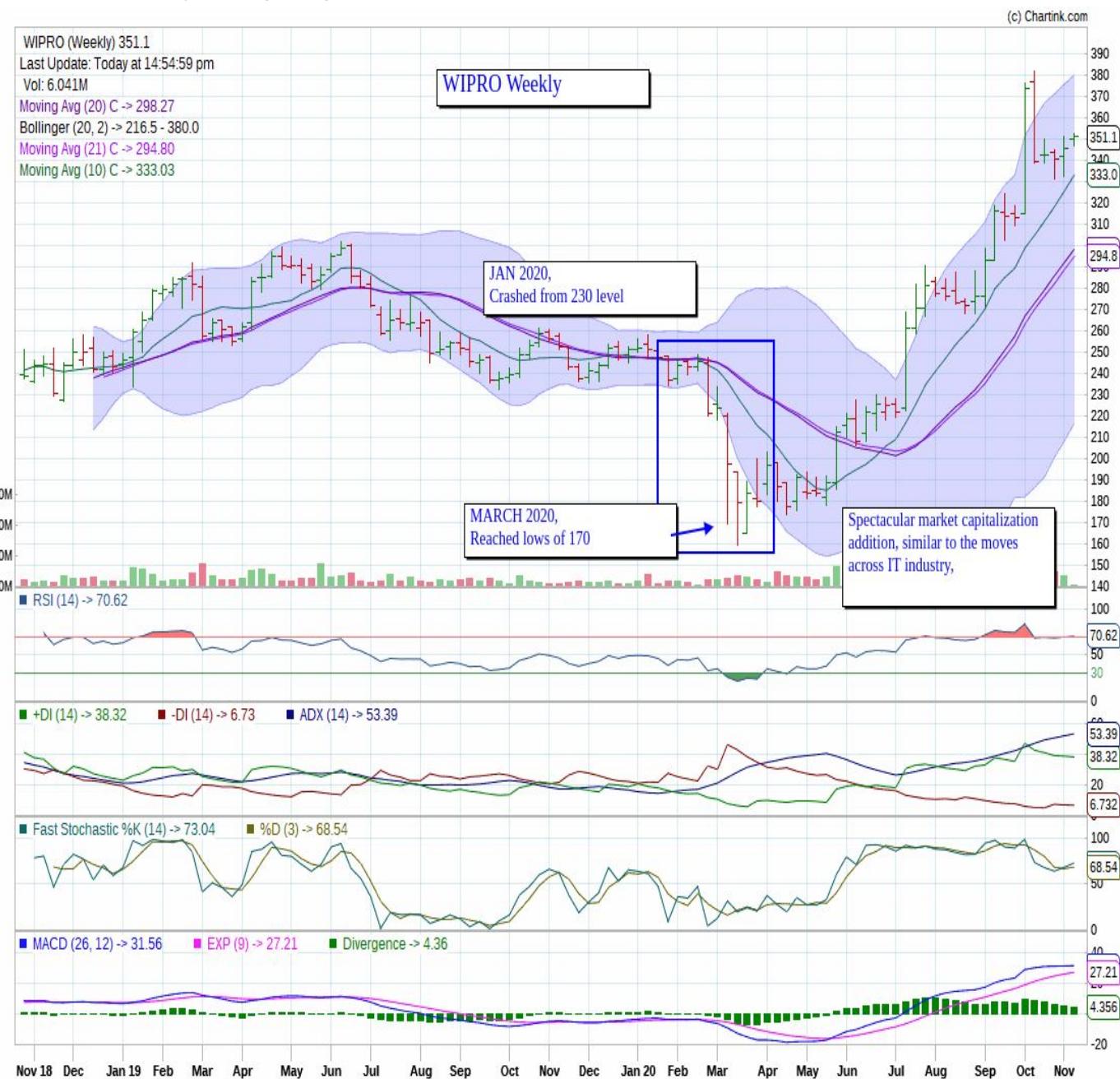
UltraTech Cement Ltd

ultratechcement.com; www.adityabirla.com BSE: 532538 NSE : ULTRACEMCO

Market Cap	₹ 133,504 Cr.	Current Price	₹ 4,625	High / Low	₹ 4,754 / 2,910
Stock P/E	21.2	Book Value	₹ 1,412	Dividend Yield	0.28 %
ROCE	12.4 %	ROE	17.0 %	Face Value	₹ 10.0

Over Valued Valuation of Nifty 2020

22. WIPRO(Nifty Weightage - 1.01%)



Wipro Ltd

wipro.com BSE: 507685 NSE : WIPRO

Market Cap	₹ 200,908 Cr.	Current Price	₹ 352	High / Low	₹ 382 / 159
Stock P/E	20.7	Book Value	₹ 106	Dividend Yield	0.28 %
ROCE	19.9 %	ROE	17.5 %	Face Value	₹ 2.00

Over Valued Valuation of Nifty 2020

23. SUNPHARMA(Nifty Weightage - 1%)



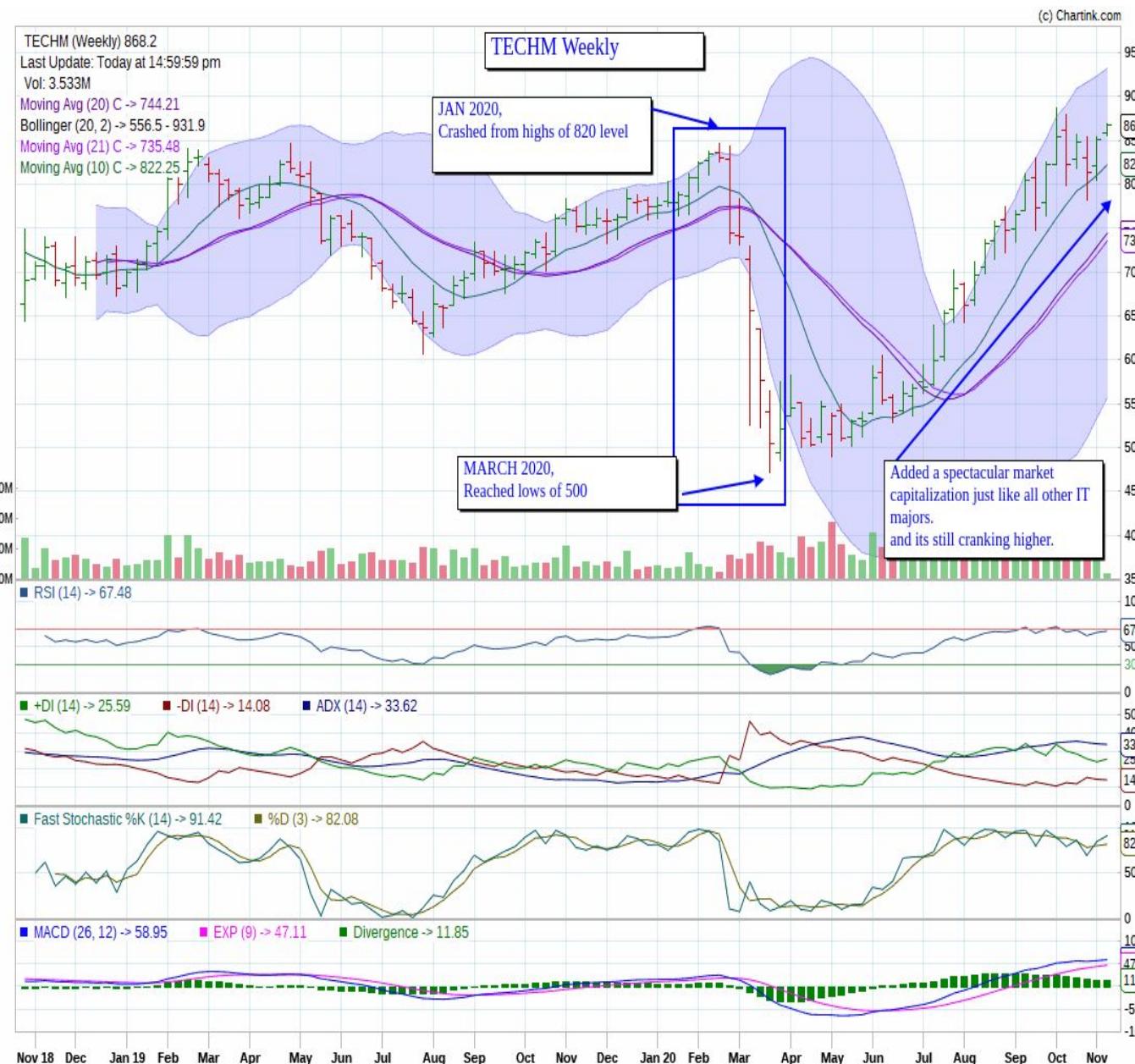
Sun Pharmaceuticals Industries Ltd

sunpharma.com [BSE: 524715](#) [NSE : SUNPHARMA](#)

Market Cap	₹ 122,474 Cr.	Current Price	₹ 510	High / Low	₹ 565 / 312
Stock P/E	26.4	Book Value	₹ 188	Dividend Yield	0.78 %
ROCE	10.5 %	ROE	10.0 %	Face Value	₹ 1.00

Over Valued Valuation of Nifty 2020

24.TECHM(Nifty Weightage - 1%)



Tech Mahindra Ltd

techmahindra.com

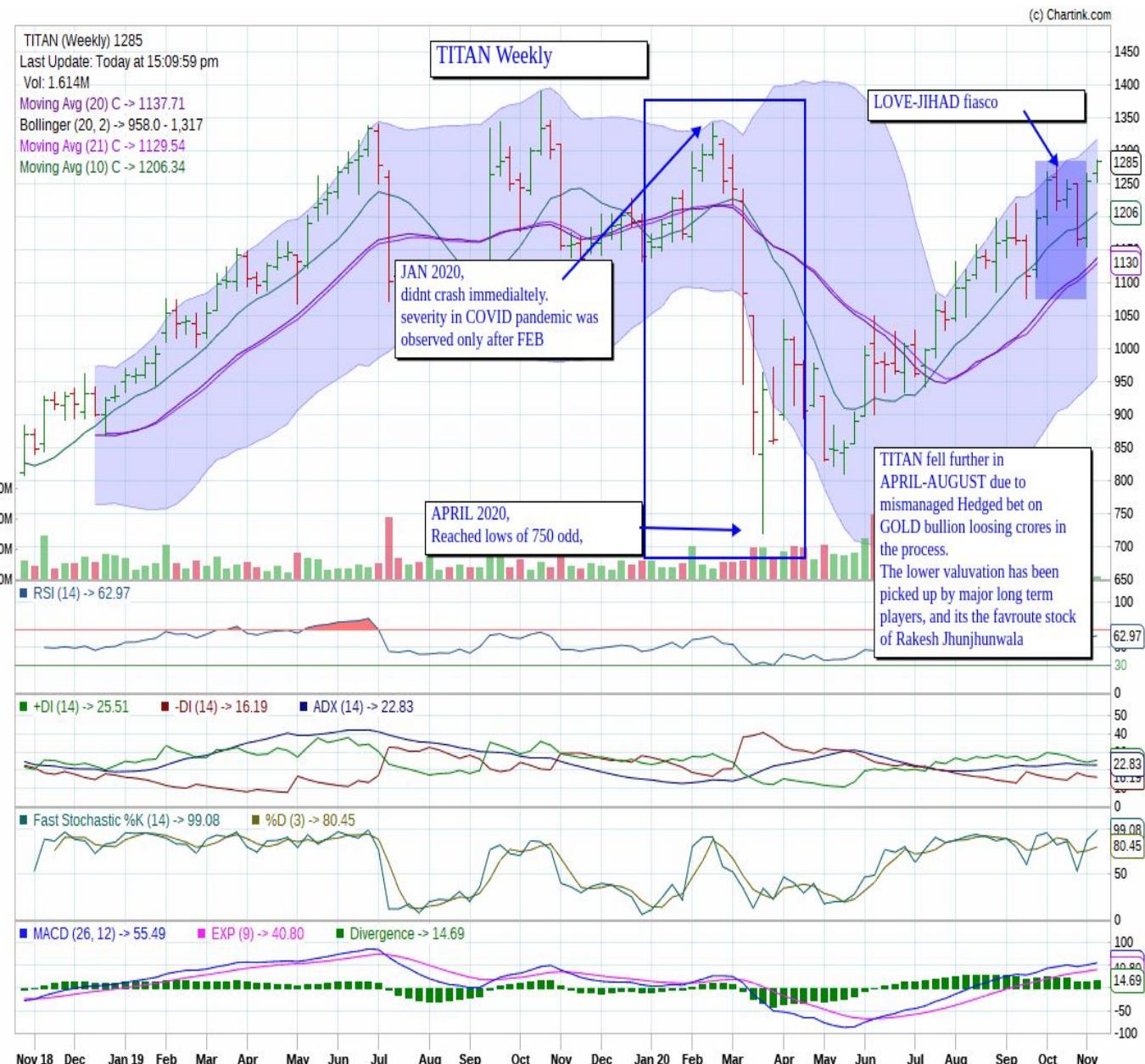
BSE: 532755

NSE : TECHM

Market Cap	₹ 84,412 Cr.	Current Price	₹ 873	High / Low	₹ 888 / 470
Stock P/E	21.9	Book Value	₹ 245	Dividend Yield	1.72 %
ROCE	22.4 %	ROE	18.5 %	Face Value	₹ 5.00

Over Valued Valuation of Nifty 2020

25. TITAN(Nifty Weightage - 0.97%)



Titan Company Ltd

titan.co.in [BSE: 500114](#) [NSE : TITAN](#)

Market Cap	₹ 114,103 Cr.	Current Price	₹ 1,285	High / Low	₹ 1,341 / 720
Stock P/E	165	Book Value	₹ 71.7	Dividend Yield	0.31 %
ROCE	24.3 %	ROE	23.4 %	Face Value	₹ 1.00

Over Valued Valuation of Nifty 2020

26. HDFCLIFE(Nifty Weightage - 0.92%)



HDFC Life Insurance Company Ltd

hdfclife.com BSE: 540777 NSE : HDFCLIFE

Market Cap	₹ 119,731 Cr.	Current Price	₹ 593	High / Low	₹ 648 / 339
Stock P/E	89.3	Book Value	₹ 38.7	Dividend Yield	0.00 %
ROCE	20.2 %	ROE	19.6 %	Face Value	₹ 10.0

27. POWERGRID(Nifty Weightage - 0.87%)



Power Grid Corporation of India Ltd

powergridindia.com

BSE: 532898

NSE : POWERGRID

Market Cap	₹ 96,233 Cr.	Current Price	₹ 184	High / Low	₹ 211 / 122
Stock P/E	8.51	Book Value	₹ 124	Dividend Yield	5.43 %
ROCE	11.5 %	ROE	17.2 %	Face Value	₹ 10.0

Over Valued Valuation of Nifty 2020

28.NTPC(Nifty Weightage - 0.84%)



NTPC Ltd

ntpc.co.in BSE: 532555 NSE : NTPC

Market Cap	₹ 88,456 Cr.	Current Price	₹ 89.4	High / Low	₹ 125 / 73.2
Stock P/E	7.12	Book Value	₹ 124	Dividend Yield	3.52 %
ROCE	9.77 %	ROE	9.05 %	Face Value	₹ 10.0

Over Valued Valuation of Nifty 2020

29. BRITANNIA (Nifty Weightage - 0.81%)



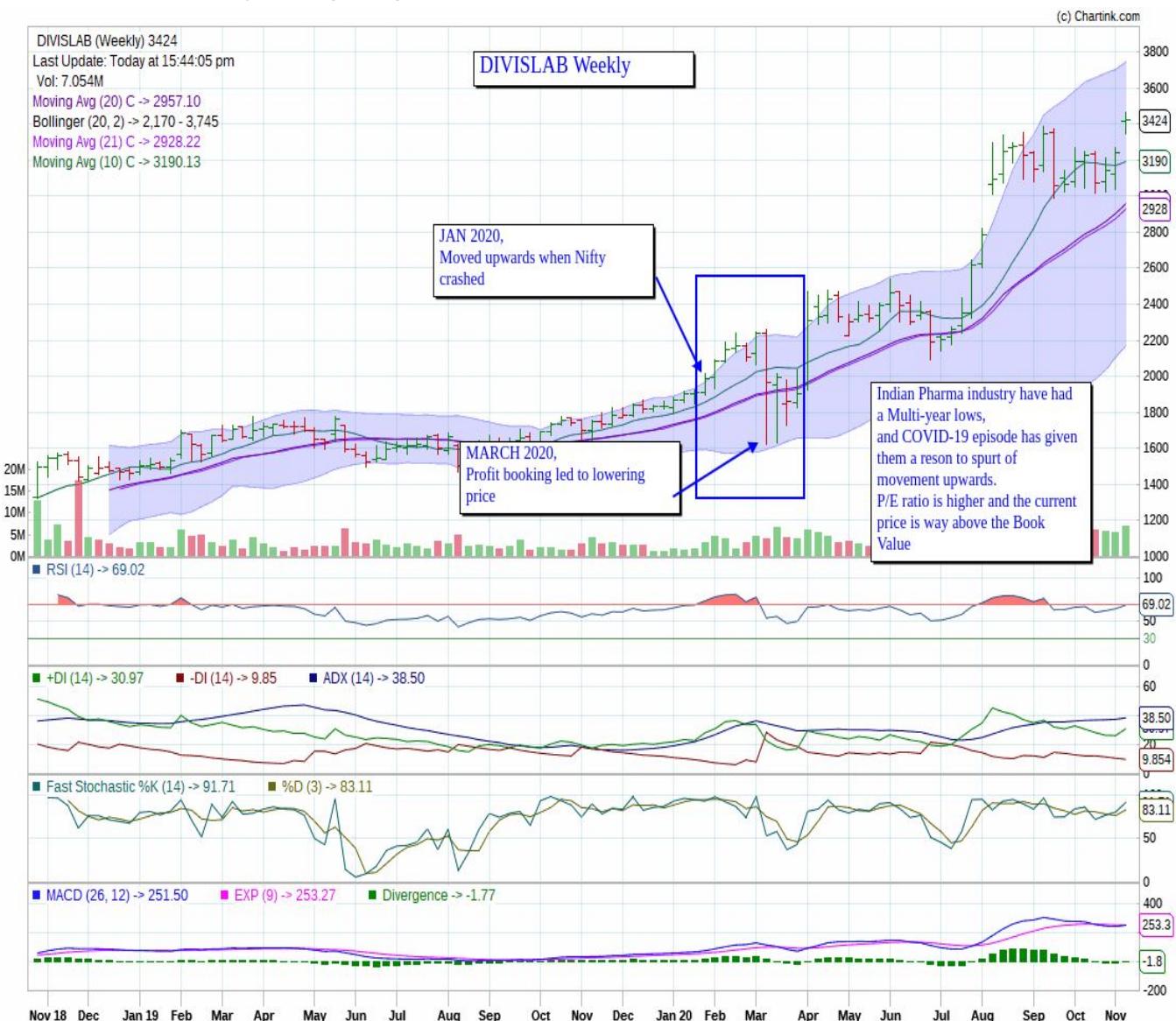
Britannia Industries Ltd

britannia.co.in [BSE: 500825](#) [NSE : BRITANNIA](#)

Market Cap	₹ 85,428 Cr.	Current Price	₹ 3,548	High / Low	₹ 4,015 / 2,100
Stock P/E	48.0	Book Value	₹ 111	Dividend Yield	2.34 %
ROCE	37.4 %	ROE	32.5 %	Face Value	₹ 1.00

Over Valued Valuation of Nifty 2020

30. DIVISLAB(Nifty Weightage - 0.8%)



Divi's Laboratories Ltd

divislaboratories.com BSE: 532488 NSE : DIVISLAB

Market Cap	₹ 90,877 Cr.	Current Price	₹ 3,424	High / Low	₹ 3,463 / 1,626
Stock P/E	51.7	Book Value	₹ 314	Dividend Yield	0.47 %
ROCE	25.2 %	ROE	19.2 %	Face Value	₹ 2.00

Over Valued Valuation of Nifty 2020

31. CIPLA(Nifty Weightage - 0.76%)



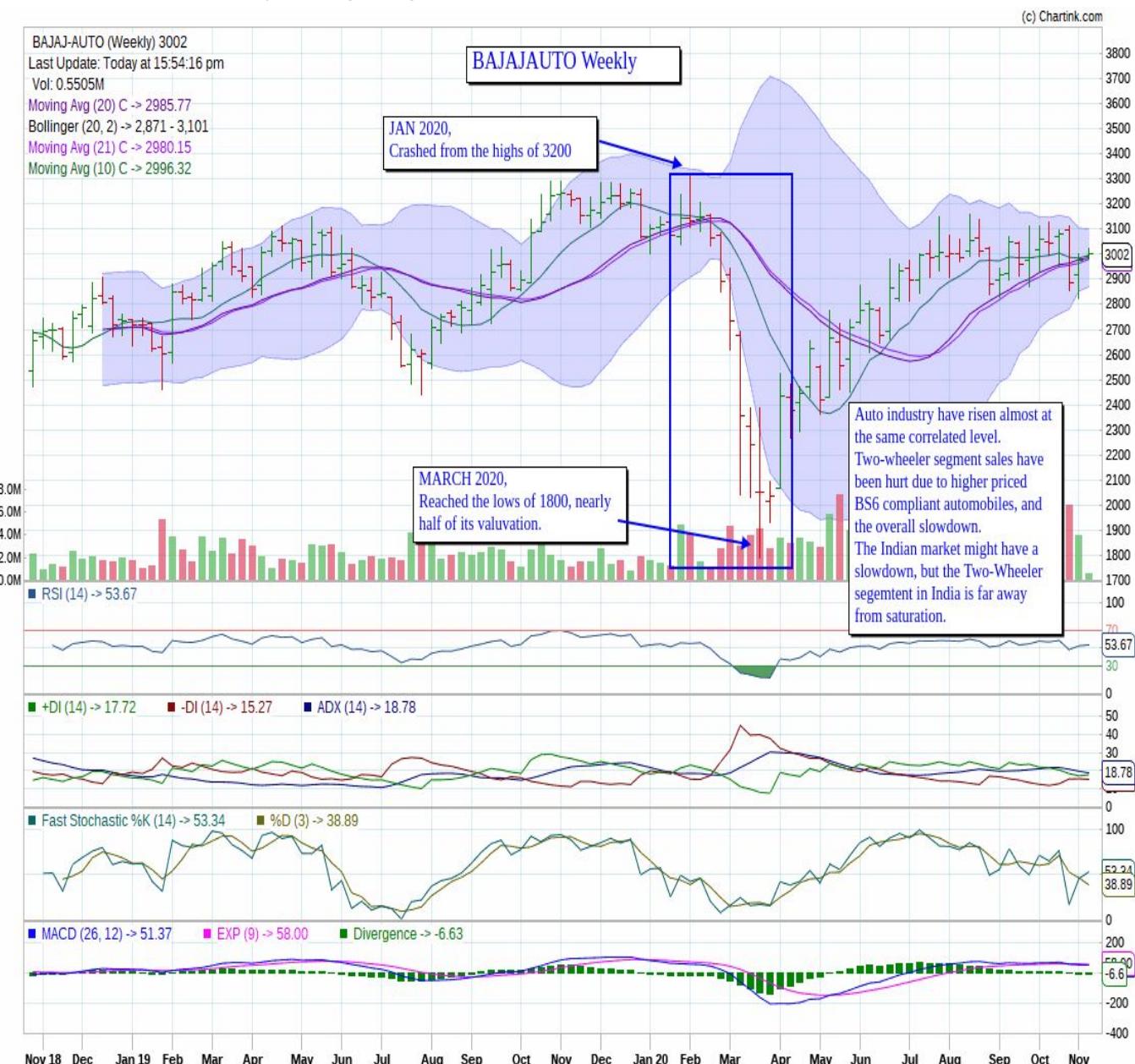
Cipla Ltd

cipla.com BSE: 500087 NSE : CIPLA

Market Cap	₹ 61,546 Cr.	Current Price	₹ 763	High / Low	₹ 829 / 355
Stock P/E	34.1	Book Value	₹ 212	Dividend Yield	0.39 %
ROCE	11.8 %	ROE	9.17 %	Face Value	₹ 2.00

Over Valued Valuation of Nifty 2020

32.BAJAJAUTO(Nifty Weightage - 0.75 %)



Bajaj Auto Ltd

bajajauto.com BSE: 532977 NSE : BAJAJ-AUTO

Market Cap	₹ 86,814 Cr.	Current Price	₹ 3,002	High / Low	₹ 3,315 / 1,789
Stock P/E	20.4	Book Value	₹ 820	Dividend Yield	4.00 %
ROCE	29.6 %	ROE	23.2 %	Face Value	₹ 10.0

33. HEROMOTOCO(Nifty Weightage - 0.72 %)



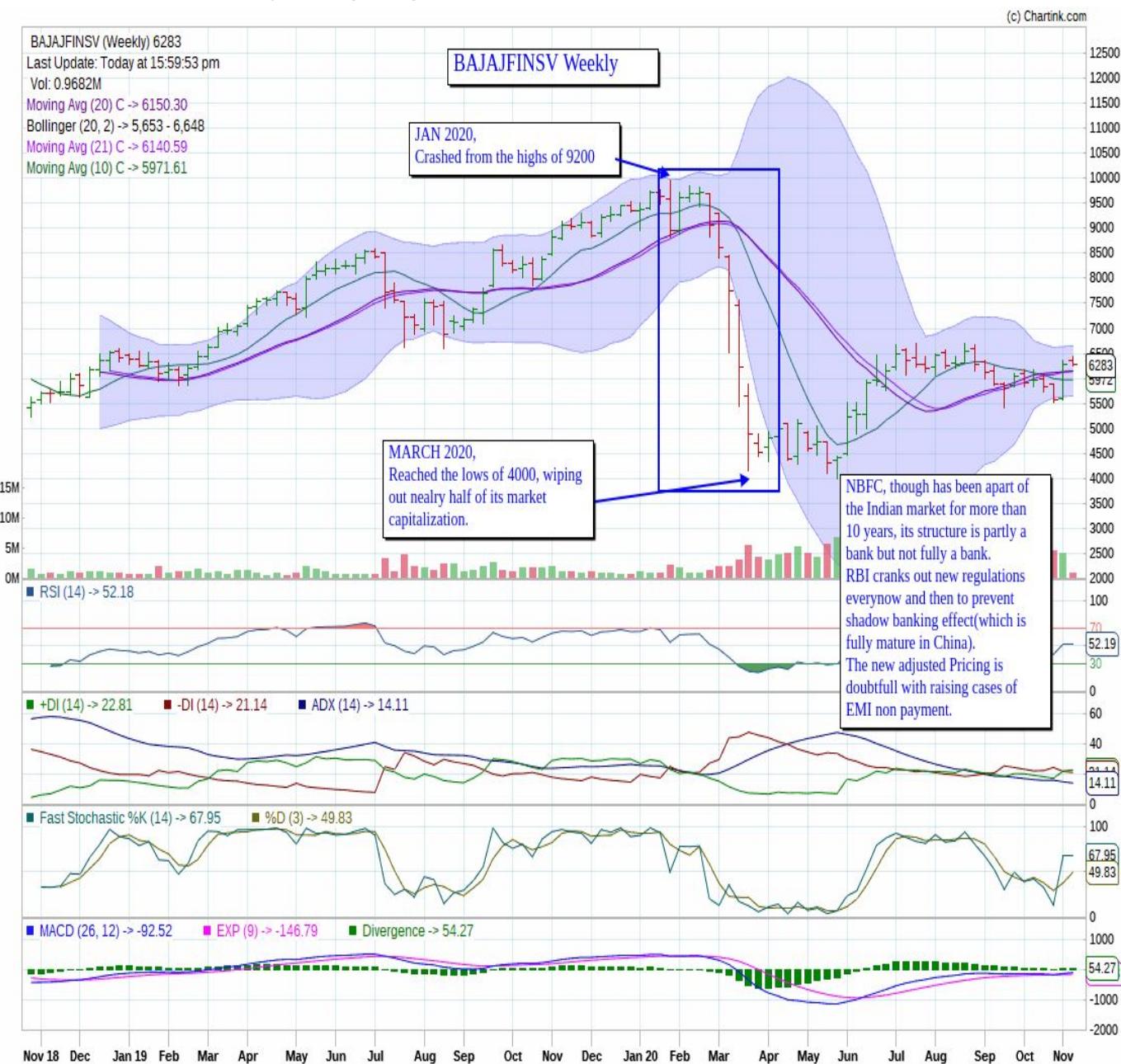
Hero MotoCorp Ltd

heromotocorp.com BSE: 500182 NSE : HEROMOTOCO

Market Cap	₹ 59,089 Cr.	Current Price	₹ 2,954	High / Low	₹ 3,395 / 1,475
Stock P/E	23.3	Book Value	₹ 747	Dividend Yield	3.05 %
ROCE	27.2 %	ROE	22.1 %	Face Value	₹ 2.00

Over Valued Valuation of Nifty 2020

34. BAJAJFINSV(Nifty Weightage - 0.67%)



Bajaj Finserv Ltd

bajajfinserv.in

BSE: 532978

NSE : BAJAJFINSV

Market Cap	₹ 100,082 Cr.	Current Price	₹ 6,283	High / Low	₹ 10,297 / 3,985
Stock P/E	16.5	Book Value	₹ 2,117	Dividend Yield	0.08 %
ROCE	12.6 %	ROE	21.8 %	Face Value	₹ 5.00

Over Valued Valuation of Nifty 2020

35. INDUSINDBK(Nifty Weightage - 0.66%)



IndusInd Bank Ltd

indusind.com BSE: 532187 NSE : INDUSINDBK

Market Cap	₹ 58,656 Cr.	Current Price	₹ 775	High / Low	₹ 1,597 / 236
Stock P/E	21.6	Book Value	₹ 450	Dividend Yield	0.00 %
ROCE	8.08 %	ROE	14.6 %	Face Value	₹ 10.0

36. TATASTEEL(Nifty Weightage - 0.62%)



Tata Steel Ltd

tatasteel.com

BSE: 500470

NSE : TATASTEEL

Market Cap	₹ 49,932 Cr.	Current Price	₹ 438	High / Low	₹ 506 / 251
Stock P/E		Book Value	₹ 633	Dividend Yield	2.28 %
ROCE	5.49 %	ROE	-0.89 %	Face Value	₹ 10.0

Over Valued Valuation of Nifty 2020

37.GRASIM(Nifty Weightage - 0.61 %)



Grasim Industries Ltd

grasim.com BSE: 500300 NSE : GRASIM

Market Cap	₹ 52,102 Cr.	Current Price	₹ 792	High / Low	₹ 837 / 380
Stock P/E	9.13	Book Value	₹ 861	Dividend Yield	0.50 %
ROCE	10.5 %	ROE	13.4 %	Face Value	₹ 2.00

38. JSWSTEEL(Nifty Weightage - 0.61%)



JSW Steel Ltd

jsw.in BSE: 500228 NSE : JSWSTEEL

Market Cap	₹ 80,555 Cr.	Current Price	₹ 333	High / Low	₹ 334 / 132
Stock P/E	304	Book Value	₹ 156	Dividend Yield	0.60 %
ROCE	9.10 %	ROE	12.6 %	Face Value	₹ 1.00

39. SBILIFE (Nifty Weightage - 0.60%)



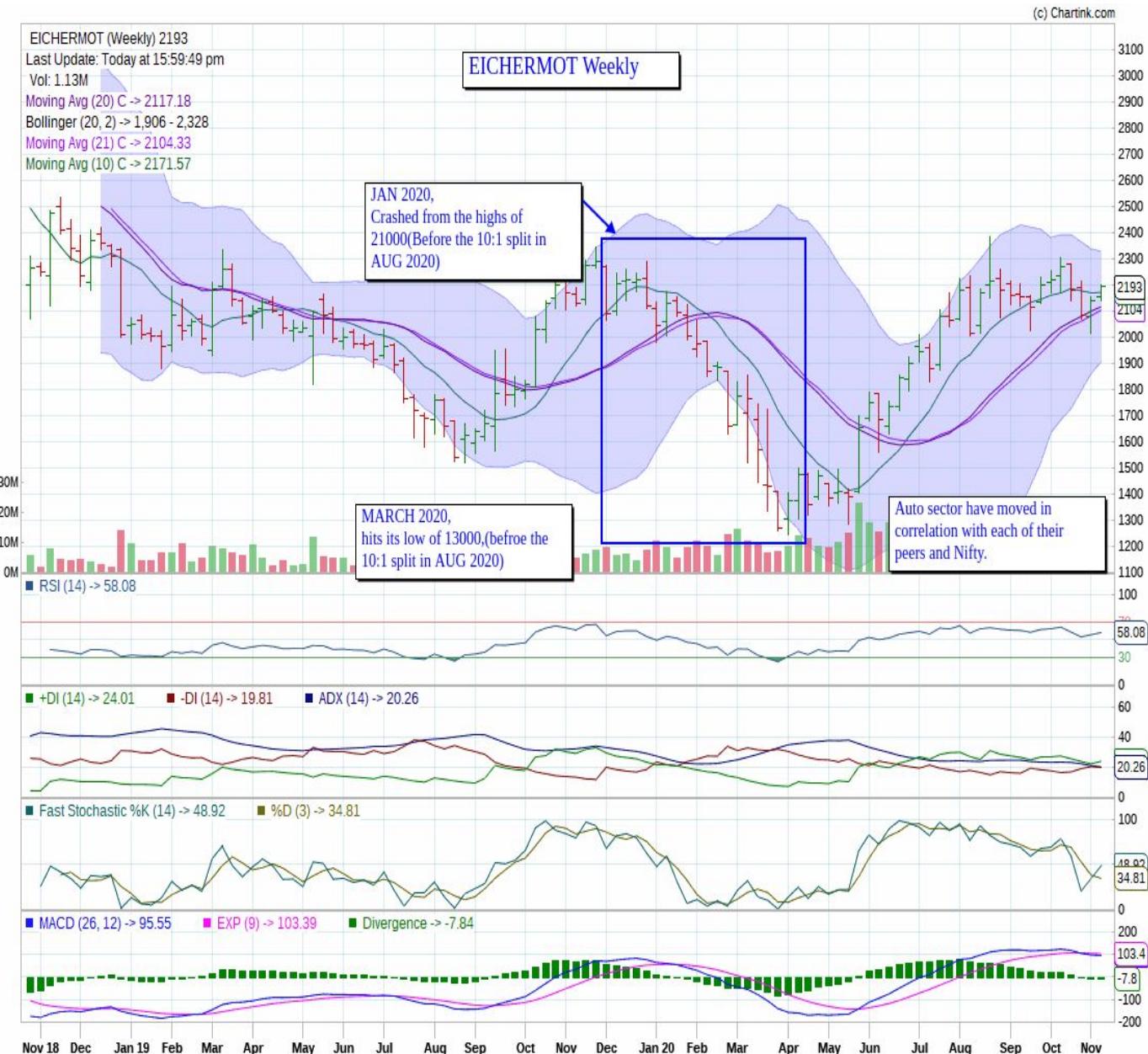
SBI Life Insurance Company Ltd

sbilife.co.in BSE: 540719 NSE : SBILIFE

Market Cap	₹ 80,819 Cr.	Current Price	₹ 808	High / Low	₹ 1,026 / 519
Stock P/E	50.2	Book Value	₹ 96.6	Dividend Yield	0.00 %
ROCE	21.9 %	ROE	17.3 %	Face Value	₹ 10.0

Over Valued Valuation of Nifty 2020

40.EICHERMOT(Nifty Weightage - 0.58%)



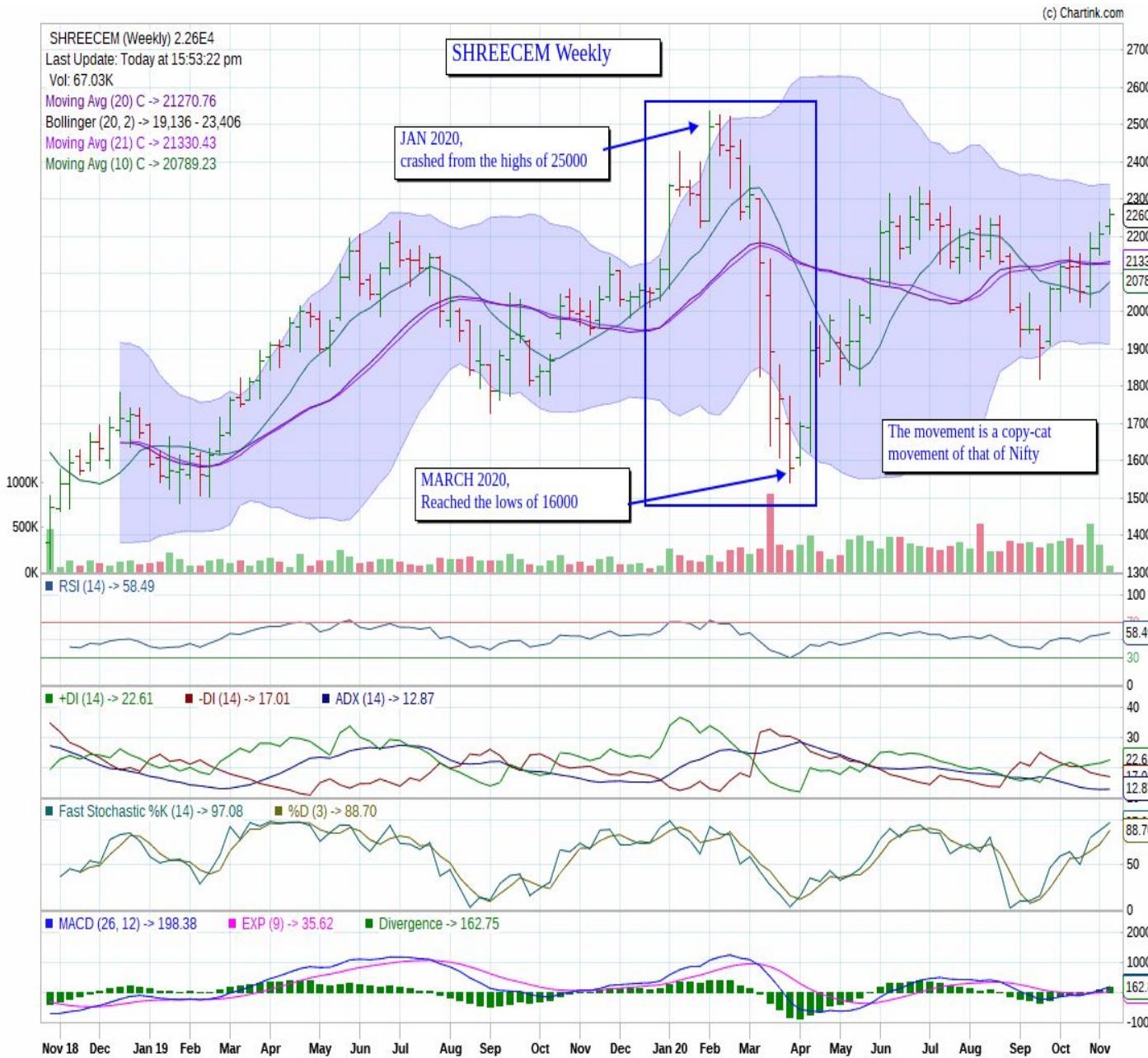
Eicher Motors Ltd

eicher.in BSE: 505200 NSE : EICHERMOT

Market Cap	₹ 59,939 Cr.	Current Price	₹ 2,193	High / Low	₹ 2,389 / 1,245
Stock P/E	45.4	Book Value	₹ 365	Dividend Yield	0.57 %
ROCE	24.6 %	ROE	19.4 %	Face Value	₹ 1.00

Over Valued Valuation of Nifty 2020

41. SHREEECEM(Nifty Weightage - 0.58%)



Shree Cement Ltd

shreecement.com/ BSE: 500387 NSE : SHREECEM

Market Cap	₹ 81,605 Cr.	Current Price	₹ 22,605	High / Low	₹ 25,355 / 15,410
Stock P/E	54.7	Book Value	₹ 3,650	Dividend Yield	0.49 %
ROCE	15.5 %	ROE	13.6 %	Face Value	₹ 10.0

Over Valued Valuation of Nifty 2020

42. BPCL (Nifty Weightage - 0.57 %)



Bharat Petroleum Corporation Ltd

bharatpetroleum.in BSE: 500547 NSE : BPCL

Market Cap	₹ 81,500 Cr.	Current Price	₹ 376	High / Low	₹ 550 / 252
Stock P/E	12.8	Book Value	₹ 185	Dividend Yield	4.39 %
ROCE	8.20 %	ROE	12.6 %	Face Value	₹ 10.0

43. ADANIPORTS (Nifty Weightage - 0.52%)



Adani Ports & Special Economic Zone Ltd

adaniports.com; www.portofmundra.com

BSE: 532921

NSE : ADANIPORTS

Market Cap	₹ 74,596 Cr.	Current Price	₹ 367	High / Low	₹ 405 / 203
Stock P/E	19.4	Book Value	₹ 137	Dividend Yield	0.87 %
ROCE	11.4 %	ROE	15.3 %	Face Value	₹ 2.00

44. HINDALCO(Nifty Weightage - 0.50%)



Hindalco Industries Ltd

adityabirla.com BSE: 500440 NSE : HINDALCO

Market Cap	₹ 43,751 Cr.	Current Price	₹ 195	High / Low	₹ 221 / 84.9
Stock P/E	18.4	Book Value	₹ 260	Dividend Yield	0.51 %
ROCE	8.67 %	ROE	6.65 %	Face Value	₹ 1.00

Over Valued Valuation of Nifty 2020

45. UPL(Nifty Weightage - 0.50%)



UPL Ltd

upl-ltd.com/ BSE: 512070 NSE : UPL

Market Cap	₹ 32,617 Cr.	Current Price	₹ 427	High / Low	₹ 615 / 240
Stock P/E	10.4	Book Value	₹ 249	Dividend Yield	1.41 %
ROCE	10.8 %	ROE	16.9 %	Face Value	₹ 2.00

46. COALINDIA(Nifty Weightage - 0.48%)



UPL Ltd

upl-ltd.com/ BSE: 512070 NSE : UPL

Market Cap	₹ 32,617 Cr.	Current Price	₹ 427	High / Low	₹ 615 / 240
Stock P/E	10.4	Book Value	₹ 249	Dividend Yield	1.41 %
ROCE	10.8 %	ROE	16.9 %	Face Value	₹ 2.00

Over Valued Valuation of Nifty 2020

47.ONGC(Nifty Weightage - 0.47%)



Oil & Natural Gas Corp Ltd

[ongcindia.com](#)

BSE: 500312

NSE : ONGC

Market Cap	₹ 86,112 Cr.	Current Price	₹ 68.4	High / Low	₹ 141 / 50.0
Stock P/E	5.94	Book Value	₹ 165	Dividend Yield	7.30 %
ROCE	10.6 %	ROE	7.55 %	Face Value	₹ 5.00

48. TATAMOTORS (Nifty Wightage - 0.47%)



Tata Motors Ltd

tatamotors.com BSE: 500570 NSE : TATAMOTORS

Market Cap	₹ 46,502 Cr.	Current Price	₹ 141	High / Low	₹ 202 / 63.5
Stock P/E		Book Value	₹ 201	Dividend Yield	0.00 %
ROCE	-0.37 %	ROE	-16.0 %	Face Value	₹ 2.00

Over Valued Valuation of Nifty 2020

49. OIL(Nifty weightage - 0.40%)



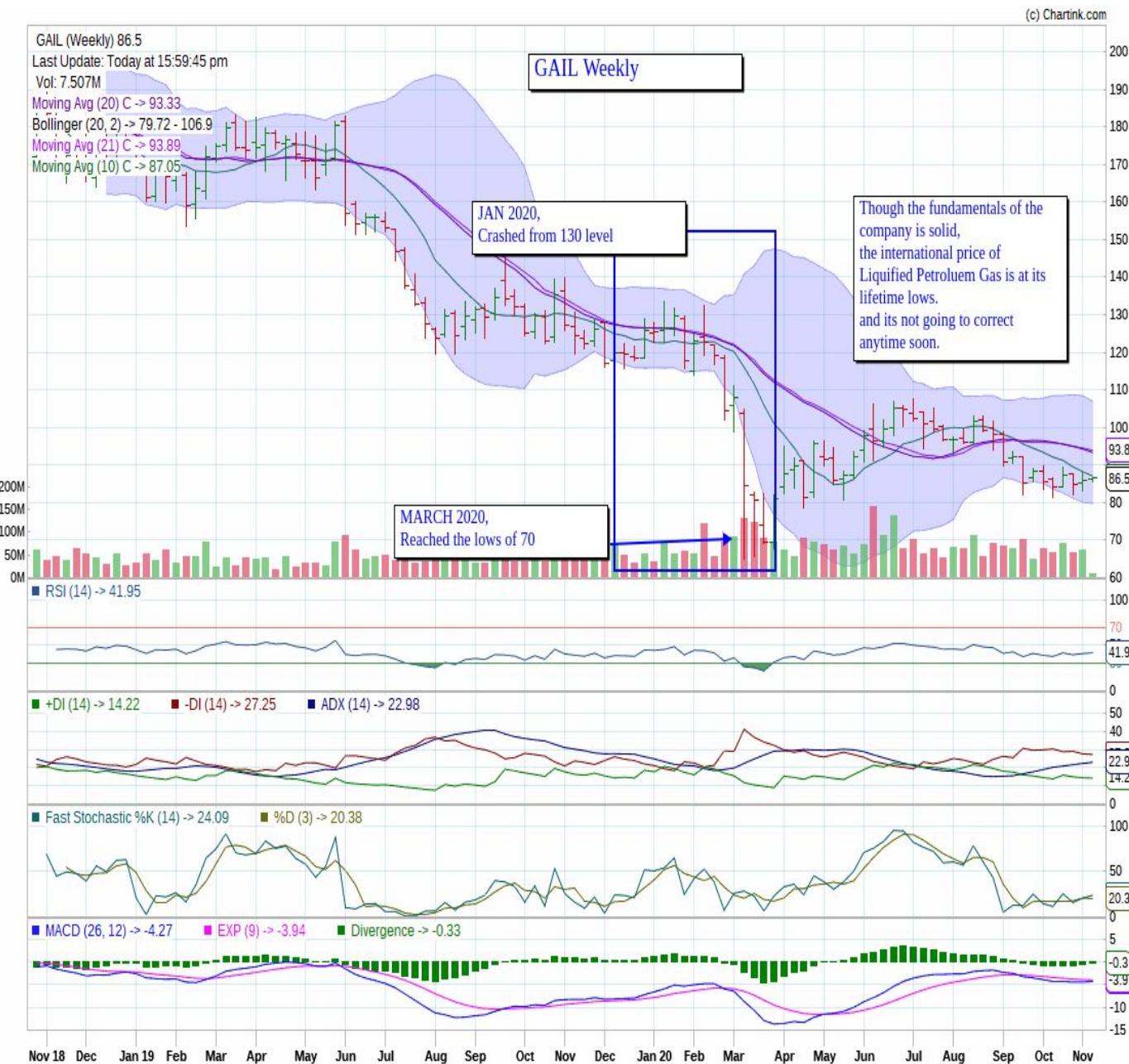
Indian Oil Corporation Ltd

[iocl.com](#) BSE: 530965 NSE : IOC

Market Cap	₹ 76,491 Cr.	Current Price	₹ 81.2	High / Low	₹ 140 / 71.2
Stock P/E	5.48	Book Value	₹ 110	Dividend Yield	5.23 %
ROCE	4.95 %	ROE	8.74 %	Face Value	₹ 10.0

Over Valued Valuation of Nifty 2020

50. GAIL(Nifty Weightage - 0.31%)



GAIL (India) Ltd

gailonline.com [BSE: 532155](#) [NSE : GAIL](#)

Market Cap	₹ 39,035 Cr.	Current Price	₹ 86.5	High / Low	₹ 133 / 65.0
Stock P/E	4.51	Book Value	₹ 109	Dividend Yield	7.40 %
ROCE	20.0 %	ROE	19.4 %	Face Value	₹ 10.0

Over Valued Valuation of Nifty 2020

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NIFTY WEEKLY



Over Valued Valuation of Nifty 2020

NIFTY MONTHLY:



Index Returns (%)	QTD	YTD	1 Year	5 Years	Since Inception
Price Return	1.97	-4.32	-1.98	7.62	10.31
Total Return	2.15	-3.35	-0.98	8.99	

Statistics ##	1 Year	5 Years	Since Inception
Std. Deviation *	30.74	18.09	23.93
Beta (NIFTY 50)	1.00	1.00	1.00
Correlation (NIFTY 50)	1.00	1.00	1.00

Fundamentals

P/E	P/B	Dividend Yield
31.9	3.3	1.36

NOTE:

- 1 year standard deviation is almost twice the standard deviation from 5 years.
- Nifty PE is at a high of 31.9 as on NOV 2020.

Conclusion:

1. The movement of Nifty scaling back to its high is not a industry wide correlated move, but a move of couple of stocks whose weightage to Nifty is more prominent. Eg, Reliance,HDFC,HDFC Bank, Kotak Mahindra,Pharma stocks, Auto-mobile stocks.
2. The euphoric rise can be attributed to one reason that the newbies to the market signing up new accounts in discount brokerages wanting to try out their luck in earning via stock market. Neither do they have the exposure to the companies fundamental analysis, nor do they understand the technical parameters within which the stocks moves with a well defined mathematical boundaries.
3. Novice traders follow religiously any “self proclaimed” gurus on social media, and they get trapped once the bull move is finished.
4. Total capital wipeout and eventual bankruptcy has been observed in the market where the newbies without proper training or exposure to the risk of capital, try out volatile trading the options and futures on the day of expiry(Thursday of every week for Nifty and BankNifty).
5. The market is at its life time high. The correction will happen, its not that everyday, the parameters set by mathematical rules get defined and a new normal sits on the abnormality of meteoric rise. The crackdown will set when the companies net earning will not meet the market anticipation, and, or, a sell off starts setting off profit booking by all players in the market.

The views presented in this book is mine and my own, after the detailed analysis spread over last couple of months.

Neither am i speculating nor am i taking any counter positions to what i have told in this book.

This is purely an unofficial academic journal to educate anyone whos interested in looking at a rough valuation of Nifty50 stocks.

Thank you for your patience,hope you have enjoyed it.

Appendix:

1. The same book/project is available in the GITHUB repository under this following HTML link.
<https://github.com/sujayramanujadasan/overvaluedvaluationofnifty>
2. All the associated images have been uploaded in the GITHUB repository under the project heading overvaluedvaluationofnifty.
3. The whole project including the PDF and Images have been zipped and uploaded in the GITHUB repository.