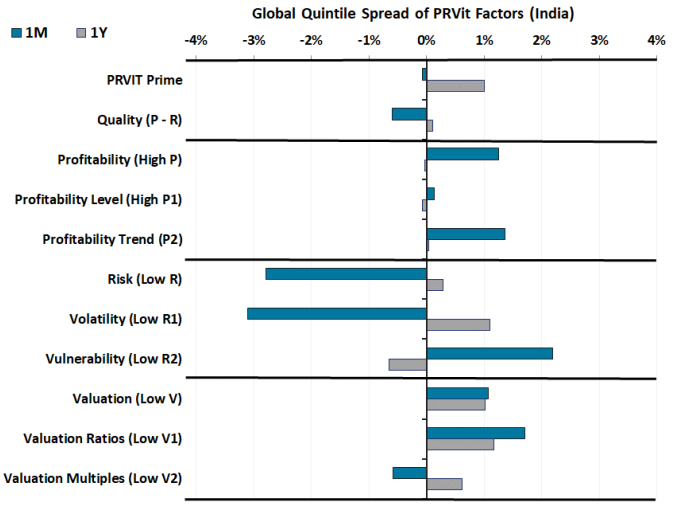
PRVit Factor Report - India

Cheap Value Keeps Working; Investors Look for Growth.

In **Figure 1** we graph the factor spreads for May (1M) and the average monthly spreads over the last 12 months (1Y). Cheap Value has driven the market over both time periods, generating an average of +107bps in May and +102bps/month over the past year. Quality did not work in May but averaged 11bps/month of alpha over the past year. Investors looked for high-growth names as measured by our Profitability Trend (P2) factor, which had a spread of +137bps in May. Over the past year, investors have favored low-Risk names over high-Risk names (our Risk factor averaged +29bps/month), but in May, investors added to Risk positions, as our Risk factor had a negative spread.

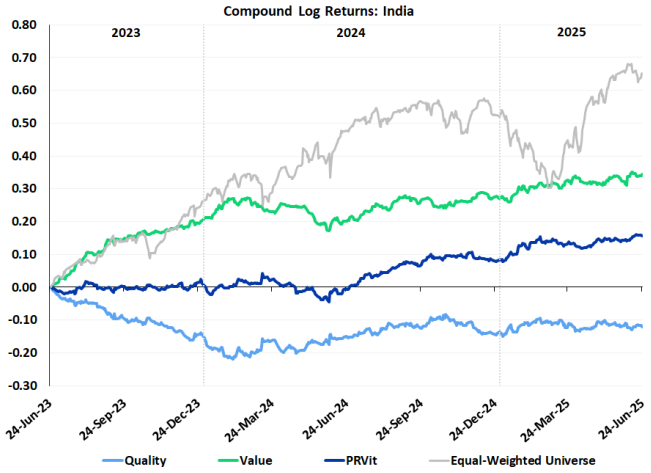
Figure 1: Factor Performance



Factor Rotation

In **Figure 2** below, we plot the cumulative alpha from our Quality and Value factors over the trailing 24 months. When the lines are above the 0-axis, the factor is generating cumulative alpha. Value has been outperforming for most of the time horizon. Quality, which has been generally strong over time in India, underperformed from June 2023 to February 2024, recovered from March 2024 through October 2024, and has been mostly flat since then.

Figure 2: Quality and Value over the Past 24 Months



Macro Research

This document summarizes the performance of our PRVit stock selection model component factors over the trailing month and various other time slices. It is largely a collection of raw statistics.

Key Takeaways:

- Cheap Value has driven the market over the last month and the last 12-month period (**Figure 1**).
- Investors looked for high-growth (Profitability Trend, P2) companies, as they generally have over time.
- The Best of the Best zone generated +250bps/month over the last year (page 5, **Figure 12**).

** The top-bottom spread is the difference in the average returns of the top and bottom 20% of stocks, as ranked by a factor. The information coefficient is the cross-sectional correlation between factor ranks and future stock returns. Both are measures of signal strength, where higher is better.*

Casey Lea
Global Director of Quantitative Research

ISS EVA
Equity Research Team

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PRVit Performance by Factor

The top-bottom spread ("spread") is the difference between the average return of the top 20% and the bottom 20% of stocks ranked by a factor. The information coefficient ("IC") is the cross-sectional correlation between the factor ranks and future returns. In other words, the top quintile should outperform the 2nd quintile, the 2nd quintile should outperform the 3rd quintile, etc. An IC around 5% indicates a very monotonic result.

Over the long term, Quality (P - R) is the strongest subfactor, averaging +73bps/month of alpha, driven by good performance in Profitability (+67bps/month) and Risk (+36bps/month). Overall PRVit averages +104bps/month of average alpha. The '1M' and '1Y' columns align with the data in **Figure 1** on page 1.

Figure 3: PRVit Performance by Factor

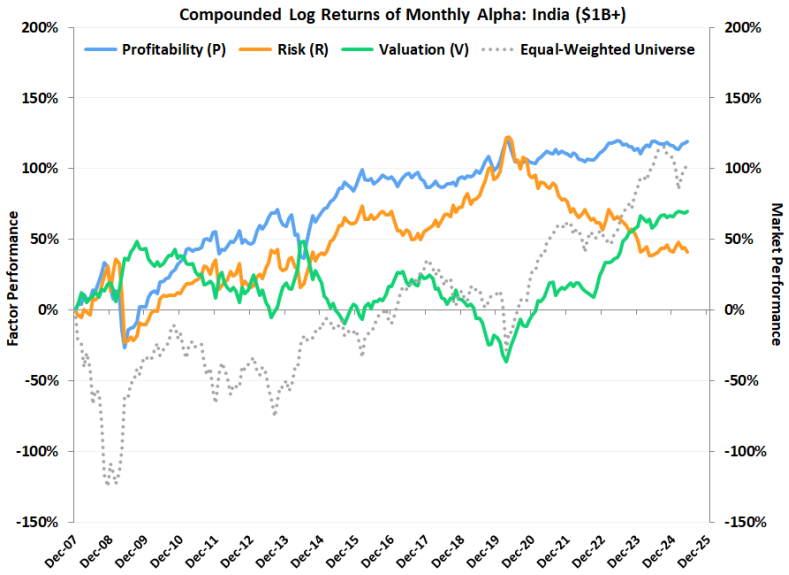
India ($1B+)	1M		3M		1Y		3Y		5Y		10Y		Since Dec'07	
Industry Scores	IC	Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread
Profitability (High P)	0.3%	1.25%	3.1%	1.77%	-0.1%	-0.03%	1.1%	0.37%	0.7%	0.14%	1.9%	0.36%	4.5%	0.67%
Profitability Level (High P1)	1.0%	0.13%	2.6%	0.71%	-0.5%	-0.06%	0.7%	-0.05%	0.1%	-0.37%	1.6%	0.18%	4.1%	0.51%
Profitability Trend (High P2)	3.9%	1.37%	4.9%	1.70%	-0.2%	0.04%	1.5%	0.85%	1.2%	0.81%	1.5%	0.39%	3.5%	0.63%
Risk (Low R)	-6.5%	-2.78%	-6.3%	-2.12%	2.9%	0.29%	-1.0%	-0.67%	-1.7%	-1.22%	2.3%	0.00%	4.1%	0.36%
Volatility (Low R1)	-14.5%	-3.11%	-10.0%	-1.98%	4.7%	1.10%	-2.2%	-1.24%	-2.1%	-1.34%	2.6%	0.18%	5.1%	0.70%
Vulnerability (Low R2)	4.1%	2.19%	0.5%	-0.16%	-0.8%	-0.65%	0.5%	0.08%	-0.6%	-0.38%	0.5%	0.03%	0.9%	0.02%
Quality (High P - R)	-5.5%	-0.59%	-1.9%	-0.21%	1.3%	0.11%	0.2%	-0.28%	-0.2%	-0.59%	2.8%	0.21%	5.3%	0.73%
Valuation (Low V)	5.3%	1.07%	0.0%	0.04%	3.4%	1.02%	6.0%	1.57%	5.1%	1.64%	0.7%	0.67%	-0.7%	0.46%
Valuation Ratios (Low V1)	6.4%	1.72%	0.1%	0.30%	3.9%	1.18%	5.8%	1.55%	4.9%	1.69%	0.5%	0.60%	-0.8%	0.40%
Valuation Multiples (Low V2)	2.1%	-0.57%	-0.7%	-0.60%	2.5%	0.62%	6.1%	1.56%	5.1%	1.49%	1.5%	0.65%	0.0%	0.49%
PRVit	-1.9%	0.34%	-0.2%	-0.05%	3.6%	1.12%	3.7%	0.80%	2.9%	0.58%	3.2%	0.72%	4.7%	1.04%
PRVit Prime	-3.0%	-0.07%	-0.6%	-0.10%	3.5%	1.00%	3.7%	0.76%	3.0%	0.60%	3.2%	0.74%	4.8%	1.11%

Cumulative Factor Performance – Long Term

Figure 4 shows the compound cumulative performance of each factor (top quintile less bottom quintile spreads). Note: The colored lines represent the total alpha from each factor and should not be compared to the dotted line, which is included to show the timing of factor performance relative to market performance. When a colored line is positive, it has generated alpha.

Profitability has been the strongest and most consistent factor over time. Risk had mostly followed Profitability through 2020 but then Risk performance fell as investors developed an appetite for Risk until the last year. Value struggled from 2018 to 2020 then inflected higher and has generally been working over the last four years.

Figure 4: Cumulative Factor Performance



Performance by Quintiles and Long/Short

In **Figure 5**, we plot the cumulative returns of the top quintile (green line) and the bottom quintile (red line). The difference between the green line and the equal benchmark line (gray) is long alpha, while the red line to gray line is short alpha.

In **Figure 6**, we plot the returns of each quintile. We are looking for monotonic performance (higher scores outperformed lower scores), which we generally see beyond the 1-month time slice. In **Figure 7**, we display the same concepts as **Figure 5** broken down by time slices.

In May, the top quintile underperformed the market average by 91bps, while the bottom quintile underperformed by 84bps, which pushed the total spread to -7bps. Over the long term, total alpha averages +111bps/month, balanced between long (+60bps/month) and short (+51bps/month) – avoiding the worst-scoring PRVit names generates positive alpha.

Figure 5: PRVit Top and Bottom Quintiles

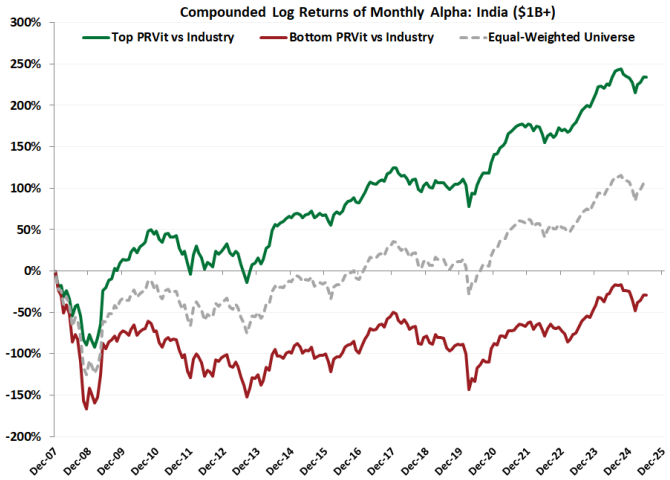


Figure 6: PRVit Performance by Quintile

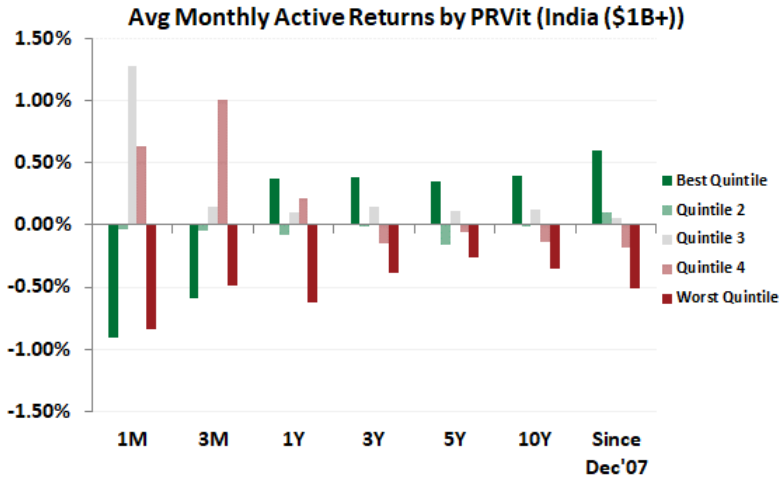
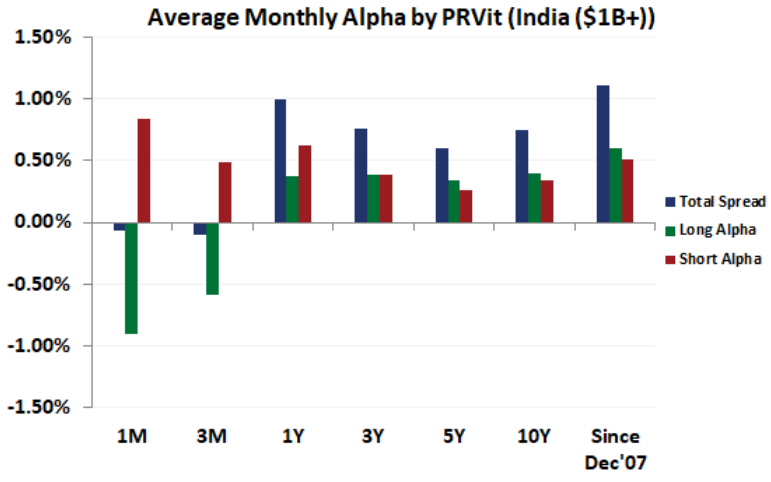


Figure 7: PRVit Long and Short Alpha



PRVit Performance by Sector

The following sectors average fewer than 30 companies over time: Energy, Staples, Health Care, IT, Communication Services, Utilities, and Real Estate. Over the long term, PRVit spreads are positive for most sectors (**Figure 8**). Our Quality factor (**Figure 9**) has been positive for most sectors (Industrials and Health Care are exceptions). Value spreads (**Figure 10**) since 2007 have been strong in Discretionary, Health Care, Utilities, and IT.

Figure 8: PRVit Performance by Sector

PRVit vs Industry	1M		3M		1Y		3Y		5Y		10Y		Since Dec'07	
India ($1B+)	IC	Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread
ENERGY	-29.1%	-3.59%	-21.0%	-0.65%	1.0%	1.1%	4.4%	0.21%	1.1%	-0.48%	-0.5%	-0.18%	3.8%	0.03%
MATERIALS	-4.1%	-3.39%	1.9%	-2.88%	3.4%	-0.28%	0.0%	-0.42%	0.3%	-0.22%	0.5%	0.05%	2.8%	0.38%
INDUSTRIALS	-2.7%	2.04%	-1.1%	1.79%	-0.5%	0.35%	1.4%	1.69%	1.1%	0.73%	1.1%	0.53%	2.5%	0.69%
CONS DISC	9.4%	8.25%	10.4%	2.24%	6.8%	0.58%	7.1%	0.36%	3.2%	-0.29%	4.7%	0.40%	7.3%	1.30%
CONS STAP	-21.4%	-1.24%	-10.0%	-0.18%	1.4%	1.47%	5.7%	1.80%	2.2%	-0.02%	4.0%	0.65%	5.9%	1.36%
HEALTH CARE	5.4%	-3.51%	0.1%	-1.96%	-5.2%	-0.84%	2.5%	0.82%	1.4%	1.47%	2.9%	1.93%	4.6%	1.77%
FINANCIALS	-7.4%	-3.26%	2.9%	1.07%	-0.2%	-0.06%	5.6%	1.38%	5.6%	1.61%	3.9%	1.03%	4.0%	1.49%
INFO TECH	-16.8%	-6.11%	-16.8%	-2.63%	-1.1%	0.27%	-2.5%	-1.49%	3.0%	0.98%	4.4%	1.43%	3.6%	2.88%
COMM SVC	-15.0%	-0.45%	16.2%	7.06%	5.5%	4.14%	7.7%	0.31%	5.0%	0.07%	-0.2%	-0.43%	3.0%	0.02%
UTILITIES	-12.5%	3.27%	-10.7%	-2.05%	8.8%	2.08%	0.4%	0.50%	-1.2%	-0.68%	0.9%	-0.54%	6.0%	0.21%
REAL ESTATE	-7.6%	-0.17%	-3.4%	-1.39%	14.0%	0.98%	14.2%	0.98%	12.4%	0.98%	9.7%	0.98%	9.7%	0.98%

Figure 9: Quality Performance by Sector

Quality vs Industry	1M		3M		1Y		3Y		5Y		10Y		Since Dec'07	
India ($1B+)	IC	Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread
ENERGY	-37.4%	-4.49%	-35.3%	-6.86%	-4.9%	-4.6%	-1.3%	-3.52%	-5.3%	-1.95%	-2.1%	-0.69%	1.3%	0.47%
MATERIALS	4.2%	-0.51%	3.9%	0.92%	2.0%	0.61%	-3.8%	-0.58%	-6.1%	-1.26%	-2.1%	-0.48%	1.8%	0.69%
INDUSTRIALS	-8.8%	1.62%	4.4%	1.90%	0.3%	-0.42%	-0.3%	-1.06%	0.3%	-1.10%	0.7%	-1.38%	3.3%	-0.56%
CONS DISC	3.6%	2.96%	3.5%	0.84%	5.4%	0.16%	4.7%	0.55%	1.8%	-0.15%	4.6%	0.51%	7.8%	1.97%
CONS STAP	-34.8%	-7.98%	-13.9%	-1.98%	-3.1%	0.05%	4.8%	1.40%	2.3%	-1.09%	4.9%	0.09%	6.9%	0.09%
HEALTH CARE	-4.2%	-0.19%	-1.1%	0.21%	-5.8%	-2.28%	-2.8%	0.57%	-1.3%	0.28%	1.4%	0.66%	2.4%	-0.48%
FINANCIALS	-3.7%	-2.31%	-3.8%	-1.99%	-1.0%	-0.89%	-2.6%	-1.17%	0.8%	-0.47%	5.4%	0.79%	6.2%	0.83%
INFO TECH	3.3%	-19.16%	-0.4%	-5.38%	0.4%	-0.41%	-2.1%	-2.94%	1.5%	-0.13%	3.6%	0.61%	5.9%	1.13%
COMM SVC	-2.5%	-1.08%	19.3%	2.89%	12.5%	2.33%	10.6%	0.19%	6.7%	-0.77%	6.4%	-0.42%	10.9%	0.19%
UTILITIES	-29.4%	-4.78%	-15.6%	-7.74%	-2.2%	-1.85%	-7.2%	-2.07%	-9.9%	-2.72%	-1.0%	-0.54%	4.6%	0.21%
REAL ESTATE	5.6%	-7.58%	24.1%	0.86%	14.6%	2.60%	19.4%	2.32%	17.6%	2.32%	13.4%	2.32%	13.4%	2.32%

Figure 10: Value Performance by Sector

Value vs Industry	1M		3M		1Y		3Y		5Y		10Y		Since Dec'07	
India ($1B+)	IC	Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread
ENERGY	40.1%	3.94%	45.4%	7.98%	11.6%	-1.9%	12.3%	-1.13%	11.2%	-1.03%	2.2%	0.63%	5.2%	-0.14%
MATERIALS	-13.1%	-3.62%	-7.2%	-3.06%	1.2%	0.14%	5.2%	0.86%	7.9%	2.20%	3.4%	1.04%	0.4%	0.28%
INDUSTRIALS	14.1%	1.25%	-10.1%	-2.96%	0.7%	0.44%	4.4%	1.61%	2.8%	1.50%	1.7%	0.65%	-0.9%	0.19%
CONS DISC	15.3%	6.40%	13.4%	5.58%	0.5%	0.87%	8.4%	2.05%	6.7%	2.42%	1.5%	2.48%	0.9%	1.25%
CONS STAP	36.5%	17.01%	9.3%	6.13%	8.6%	3.43%	0.7%	1.11%	0.1%	-0.39%	0.4%	-1.18%	0.0%	-1.68%
HEALTH CARE	19.7%	5.16%	4.4%	0.64%	3.8%	0.48%	7.8%	1.28%	5.3%	1.22%	2.6%	1.03%	3.2%	1.09%
FINANCIALS	-6.3%	-1.54%	8.3%	2.01%	3.5%	1.89%	10.2%	2.73%	6.2%	2.02%	-3.2%	-0.04%	-3.4%	0.20%
INFO TECH	-22.0%	-6.81%	-19.4%	-7.38%	-4.3%	-1.74%	-0.5%	-0.12%	1.6%	0.68%	2.2%	0.49%	0.7%	0.37%
COMM SVC	-17.9%	-2.59%	-15.7%	-4.24%	-14.4%	-4.76%	-7.5%	-1.73%	-4.7%	0.11%	-8.3%	-1.04%	-7.1%	-1.07%
UTILITIES	11.1%	7.45%	0.9%	3.95%	21.8%	8.29%	13.4%	5.54%	12.6%	4.42%	1.9%	1.61%	3.5%	1.37%
REAL ESTATE	5.1%	3.43%	-16.5%	0.43%	-1.6%	0.22%	-5.3%	-1.74%	-6.7%	-0.78%	-5.0%	-0.78%	-5.0%	-0.78%

HEAT Zones

The HEAT Map (**Figure 11**) shows the visual trade-off between Quality (y-axis, higher = better Quality) and Value (x-axis, right = cheaper Value). The zones are defined below.

Extreme dislocation:
Best of the Best: PRVit > 70, Quality > 60, Value < 40
Worst of the Worst: PRVit < 30, Quality < 40, Value > 60

High-Quality zones:
Expensive But Worth It: PRVit > 70, Quality > 60, Value > 60
Overly Expensive Quality: PRVit < 30, Quality > 60, Value > 60

Cheap-Value zones:
Attractive Value: PRVit > 70, Quality < 40, Value < 40
Value Traps: PRVit < 30, Quality < 40, Value < 40

Figure 12: HEAT Zone Performance

Avg Monthly Spread vs Benchmark Zones	1M	3M	1Y	3Y	5Y	10Y	Dec 2007
Best of the Best	4.97%	1.79%	2.50%	2.22%	1.67%	0.98%	1.04%
Expensive But Worth It	-1.38%	-0.69%	0.69%	0.07%	-0.11%	0.14%	0.60%
Overly Expensive Quality	-1.31%	-0.08%	-0.62%	-0.38%	-0.21%	-0.05%	0.22%
Attractive Value	-7.14%	-7.01%	-0.69%	0.99%	0.48%	-0.08%	-0.15%
Value Trap	4.68%	5.60%	2.22%	1.26%	0.27%	-0.59%	-0.24%
Worst of the Worst	0.17%	-0.83%	-0.63%	-0.45%	-0.20%	-0.31%	-0.46%

Figure 13: Cumulative HEAT Zone Performance

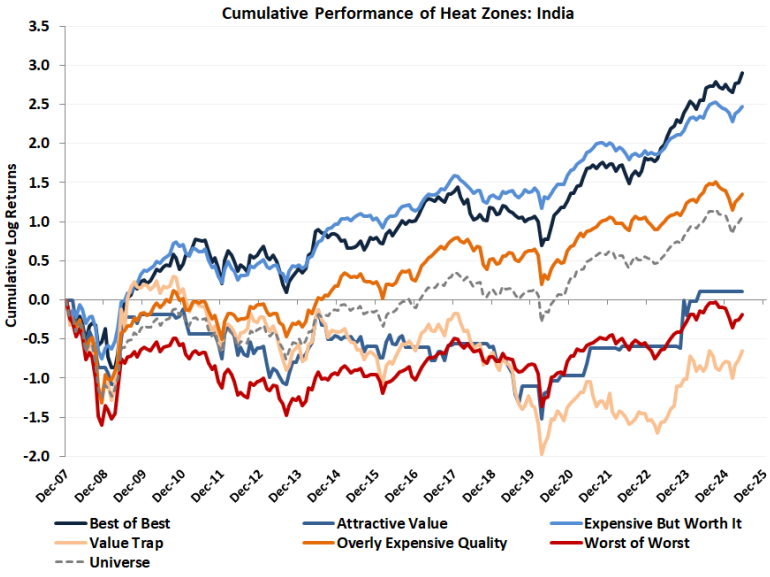
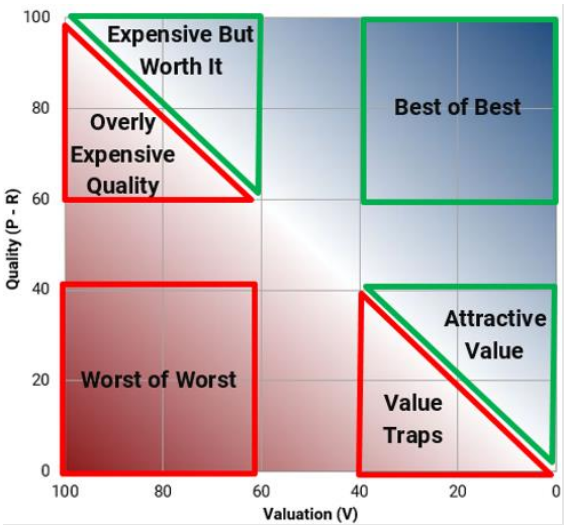


Figure 11: HEAT Map



In **Figures 12** and **13** we look at the historical performance of the zones. In May ('1M' column), the **Best of the Best** zone outperformed the universe by +497bps. Over the last year, the **Best of the Best**, **Value Trap**, and **Expensive But Worth It** zones outperformed the overall India universe average.

Historically **Best of the Best** (+104bps/month), **Expensive But Worth It** (+60bps/month), and **Overly Expensive Quality** (+22bps/month) are the strongest-performing zones in the HEAT Map. **Worst of the Worst** (-46bps/month), **Value Trap** (-24bps/month), and **Attractive Value** (-15bps/month) have the worst historical performance.

Sector Attractiveness

In **Figure 14** below, we provide an update on sector attractiveness for the Indian universe.

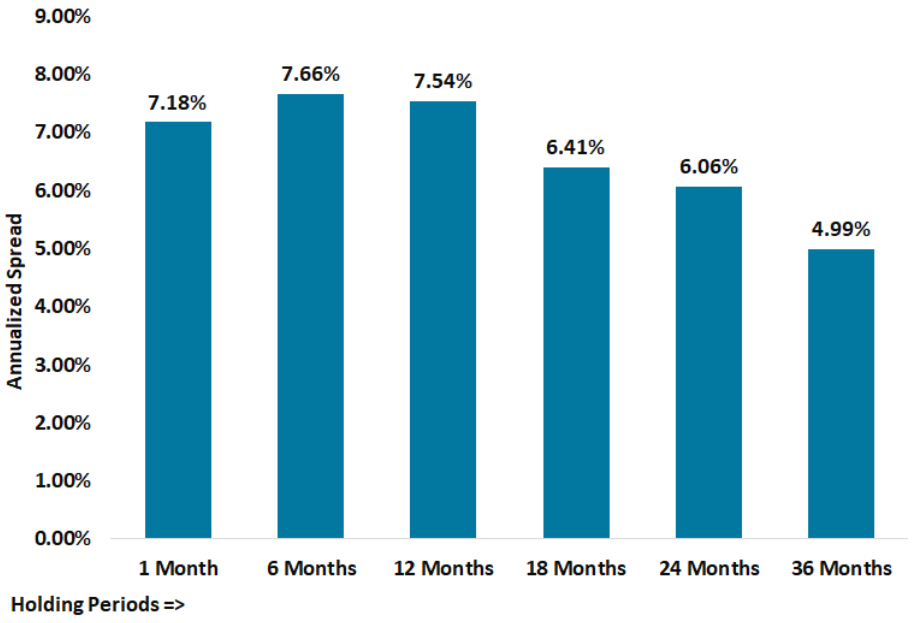
Information Technology, Health Care, Financials, and Industrials are the most attractive sectors. Consumer Discretionary, Consumer Staples, Utilities, and Communication Services are the least attractive sectors. Overall, India looks expensive, which is offsetting the strong Quality and driving PRVit to be slightly unfavorable (48).

Figure 14: Attractiveness of Sectors

India	PRVit	Quality	Value
Information Technology	67	85	87
Health Care	58	81	88
Financials	52	75	74
Industrials	50	80	87
Materials	49	64	74
Energy	47	49	57
Communication Services	42	55	74
Utilities	42	51	70
Consumer Staples	40	82	90
Consumer Discretionary	36	71	83
India Average	48	73	80

Since December 2007, the Annualized Average Return of the favorable sectors versus the unfavorable sectors has been +754bps (for a 12-month holding period, see **Figure 15** below). The results below are based on buying all companies within a sector that have average scores above the universe average PRVit score and shorting all companies within a sector that have average scores below the universe average and holding for various periods (1, 6, 12, 18, 24, and 36 months). A new portfolio is created monthly and held for the number of months indicated by the holding period. We also note (not pictured) that favorable PRVit generates +52bps/month of alpha in unattractive sectors over a 12-month holding period (when the sector looks attractive, PRVit is an even more important factor to generate alpha).

Figure 15: Attractiveness of Sectors



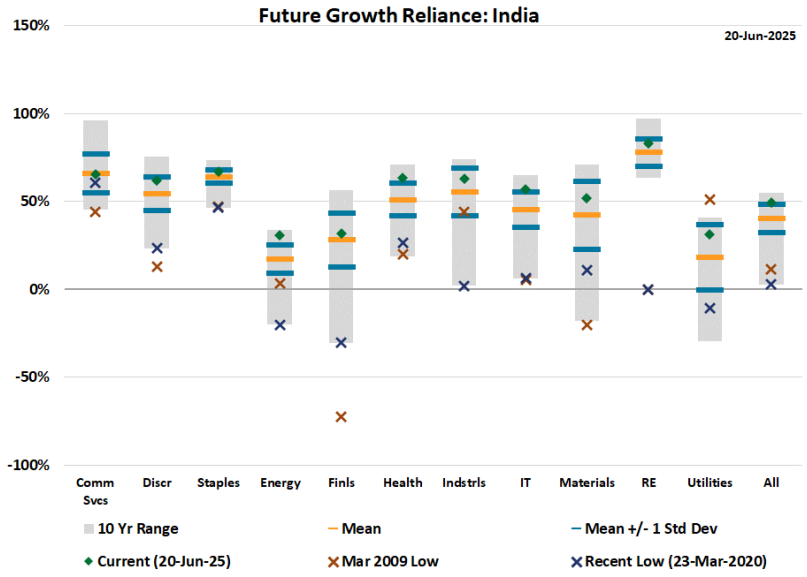
Expectations Analysis

A key driver of our Value scores is the imbedded expectations of the market. For this, we use the Future Growth Reliance (FGR) metric, which computes the implied future EVA (Market Cap – current EVA level with no growth). The higher the FGR, the more the current market value relies on future value creation. This month we also include a similar graph for our MVA Spread metric, which is our version of price-to-book (Market Value Added to Capital). FGR looks at just the portion of MVA coming from future EVA creation, while the MVA Spread looks at the value coming from existing profitability (CVA) as well as future EVA (FVA).

Legend

The graph below plots FGR over the last 10 years – the **gray area** is the overall range (min to max), the **orange lines** represent the mean, the **greenish-blue lines** show the mean plus/minus 1 standard deviation, the **green diamonds** represent the current value, the **red 'Xs'** indicate lows from March 2009, and the **blue 'Xs'** represent the lows of March 2020.

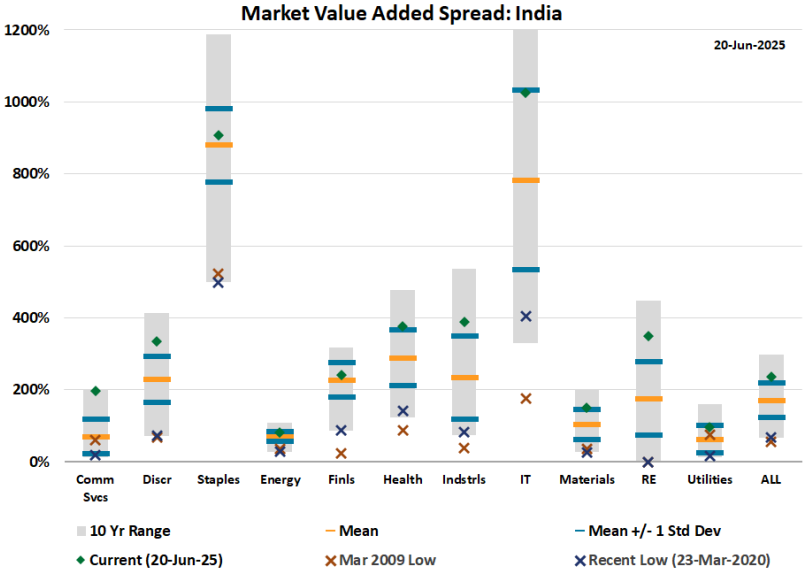
Figure 16: Expectations



('Xs' below represent the z-score of the current FGR: it is the number of standard deviations the current value is from the 10-year mean)

Energy (+1.6x), Health Care (+1.4x), and IT (+1.1x) have the highest expectations relative to their history. Communication Services (-0.1x), Financials (+0.2x), and Materials (+0.5x) have the lowest relative expectations.

Figure 17: Economic Price-to-Book



('Xs' below represent the z-score of the current MVA Spread: it is the number of standard deviations the current value is from the 10-year mean)

Communication Services (+2.6x), Discretionary (+1.7x), and Industrials (+1.4x) have some of the highest MVA Spreads relative to their history. Financials (+0.3x), Staples (+0.3x), and Energy (+0.8x) have the lowest price-to-book spreads.

Screens

In **Figure 18** below, we provide the Indian firms that fit our Best of the Best criteria.

Figure 18: Best of the Best

Name	Ticker	Market Cap (US$M)	EVA Margin	EVA Momentum	Future Growth Reliance	PRVit	Quality (P - R)	Valuation (V)	YTD TSR
Best of the Best									
TATA MOTORS LTD	TTMT IN	28,743	2.6%	0.9%	-37.5%	96	86	39	-8.30%
HINDALCO INDUSTRIES LTD	HNDL IN	16,843	3.9%	3.2%	-26.0%	91	78	36	11.28%
AUROBINDO PHARMA LTD	ARBP IN	7,358	4.7%	0.7%	14.2%	96	82	35	-17.27%
IRB INFRASTRUCTURE DEV LTD	IRB IN	3,391	24.1%	28.4%	-28.6%	78	61	39	-14.47%
MAHARASHTRA SCOOTERS LTD	MHSC IN	1,831	167.7%	102.6%		100	95	8	46.56%
NATCO PHARMA LTD	NTCPH IN	1,810	29.7%	17.0%	-72.2%	99	94	34	-37.22%
CYIENT LIMITED	CYL IN	1,675	5.2%	-1.0%	34.2%	90	80	35	-28.75%
NCC LTD	NJCC IN	1,604	2.9%	0.3%	-6.6%	98	92	33	-17.80%
G R INFRAPROJECTS LTD	GRINFRA IN	1,397	8.2%	-2.8%	-11.9%	88	70	34	-13.94%
MAHARASHTRA SEAMLESS LTD	MHS IN	1,043	7.9%	-1.8%	-27.6%	99	97	39	-1.95%
Average			25.7%	14.7%	-18.0%	93	84	33	-8.19%
MSCI India									4.12%

Expensive But Worth It table on the next page.

In **Figure 19** below, we provide the Indian firms that fit our Expensive But Worth It criteria.

Figure 19: Expensive But Worth It

Name	Ticker	Market Cap (US$M)	EVA Margin	EVA Momentum	Future Growth Reliance	PRVit	Quality (P - R)	Valuation (V)	YTD TSR
Expensive But Worth It									
TATA CONSULTANCY SVCS LTD	TCS IN	143,525	17.1%	0.3%	53.5%	82	94	83	-14.98%
INFOSYS LTD -ADR	INFY	77,843	14.9%	0.1%	48.6%	83	90	74	-14.72%
HCL TECHNOLOGIES LTD	HCLT IN	54,515	10.7%	0.5%	57.2%	86	94	74	-9.90%
SUN PHARMACEUTICAL INDS LTD	SUNP IN	46,127	10.3%	2.9%	62.8%	81	95	82	-11.31%
COAL INDIA LTD	COAL IN	27,683	21.5%	-1.8%	-61.4%	86	98	88	3.71%
INDIAN RAILWAY FINANCE CORP	IRFC IN	20,250	49.1%	9.4%	31.4%	74	94	88	-6.41%
TECH MAHINDRA LTD	TECHM IN	19,175	4.5%	2.9%	68.2%	78	84	69	-1.69%
LTIMINDTREE LIMITED	LTIM IN	18,397	8.6%	0.0%	65.1%	82	91	78	-3.60%
SOLAR INDUSTRIES INDIA LTD	SOIL IN	17,757	10.9%	2.7%	89.5%	74	100	100	74.47%
PIDILITE INDUSTRIES LTD	PIDI IN	17,361	10.1%	0.5%	84.6%	74	100	100	3.33%
ABB INDIA LTD	ABB IN	14,603	10.8%	4.7%	85.5%	74	100	100	-12.64%
CIPLA LTD	CIPLA IN	13,986	11.9%	1.7%	43.7%	90	98	75	-1.74%
BANK OF BARODA LIMITED	BOB IN	13,981	29.6%	-1.8%	-185.3%	73	72	72	2.25%
GAIL (INDIA) LTD	GAIL IN	13,806	4.4%	0.1%	-11.5%	78	84	61	0.79%
UNION BANK OF INDIA	UNBK IN	12,646	27.3%	0.3%	-154.3%	90	90	63	22.19%
TORRENT PHARMACEUTICALS LTD	TRP IN	12,376	11.0%	2.0%	71.6%	79	97	95	-4.50%
HDFC ASSET MANAGEMENT CO LTD	HDFCAMC IN	12,247	47.2%	14.2%	75.1%	77	100	99	22.69%
MUTHOOT FINANCE LTD	MUTH IN	12,081	29.5%	11.6%	36.8%	77	95	85	21.60%
CANARA BANK	CBK IN	11,229	31.7%	0.3%	-200.3%	78	92	86	14.45%
ZYDUS LIFESCIENCES LIMITED	ZYDUSLIF IN	11,120	12.6%	2.9%	37.8%	93	99	70	-0.67%
PERSISTENT SYSTEMS LTD	PSYS IN	11,027	7.6%	1.5%	82.8%	78	93	94	-5.51%
CUMMINS INDIA LTD	KKC IN	10,471	16.9%	3.1%	73.3%	75	100	99	1.67%
SBI CARDS & PAYMENT SERVICES	SBICARD IN	10,388	28.9%	4.8%	33.9%	74	97	92	48.39%
HERO MOTOCORP LTD	HMCL IN	10,019	10.0%	1.9%	34.8%	74	100	88	5.73%
INDIAN BANK	INBK IN	9,575	32.1%	1.4%	-111.7%	84	95	83	20.43%
ORACLE FINANCIAL SVCS SOFTWA	OFSS IN	9,427	28.3%	0.7%	70.5%	79	94	92	-26.00%
COROMANDEL INTERNATIONAL LTD	CRIN IN	7,884	5.7%	2.1%	60.5%	82	99	92	27.44%
ABBOTT INDIA LTD	BOOT IN	7,758	20.9%	6.5%	70.7%	73	96	99	5.93%
INDUSIND BANK(INDIA)	IIB IN	7,558	32.8%	1.6%	-146.3%	94	99	76	-13.37%
PI INDUSTRIES	PI IN	7,220	14.5%	2.3%	65.4%	75	99	97	13.47%
ALKEM LAB LTD	ALKEM IN	6,590	8.3%	1.0%	53.8%	75	90	78	-14.05%
MAX FINANCIAL SERVICES LTD	MAXF IN	6,357	1.2%	0.1%	89.1%	83	89	71	45.26%
GLAXO SMITHKLINE PHARM LTD	GLXO IN	6,286	33.1%	8.6%	75.0%	85	100	99	45.14%
NIPPON LIFE INDIA ASSET	NAM IN	5,569	38.4%	17.0%	76.3%	73	98	99	7.53%
L&T FINANCE LIMITED	LTF IN	5,480	23.1%	7.9%	4.4%	90	90	66	50.03%
PREMIER ENERGIES LIMITED	PREMIERE IN	5,352	12.7%	20.7%	73.5%	76	96	96	-24.42%
PETRONET LNG LTD	PLNG IN	5,116	5.3%	0.0%	-12.2%	94	99	83	-13.54%
CRISIL LTD	CRISIL IN	4,856	17.4%	1.6%	79.8%	79	100	99	-12.15%
KPIT TECHNOLOGIES LIMITED	KPITTECH IN	4,414	10.7%	4.1%	76.2%	83	98	91	-10.72%
IPCA LABORATORIES LTD	IPCA IN	3,967	5.0%	1.7%	59.8%	72	88	77	-21.21%
CENTRAL BANK OF INDIA	CBOI IN	3,906	19.9%	1.3%	-105.0%	78	75	67	-28.19%
AJANTA PHARMA LTD	AJP IN	3,733	12.7%	0.6%	64.5%	78	96	91	-12.52%
3M INDIA LTD	3M IN	3,706	10.4%	1.2%	76.6%	74	100	98	-6.50%
APAR INDUSTRY LTD	APR IN	3,673	4.0%	-0.1%	52.7%	75	94	82	-23.67%
NBCC (INDIA) LTD	NBCC IN	3,650	5.9%	2.5%	73.2%	81	98	83	31.30%
AIA ENGINEERING LTD	AIAE IN	3,523	16.2%	1.1%	57.1%	77	99	90	-3.39%
ICICI SECURITIES	ISEC IN	3,366	34.3%	15.0%	21.0%	83	99	88	4.60%
BANDHAN BANK LIMIT	BANDHAN IN	3,349	22.4%	-3.1%	-106.2%	75	75	72	13.34%
INDRAPRASTHA GAS LTD	IGL IN	3,325	7.7%	-1.2%	7.9%	86	98	84	-0.83%
TATA TECHNOLOGIES LTD	TATATECH IN	3,310	9.6%	-1.4%	70.7%	75	87	87	-20.46%
GLAND PHARMA LTD	GLAND IN	3,278	5.5%	1.7%	58.0%	72	82	70	-0.76%
J B CHEMS & PHARMACEUTICALS	JBCP IN	3,194	12.2%	0.4%	67.0%	81	99	94	-1.99%
AFFLE 3I LIMITED	AFFLE IN	3,082	9.6%	4.1%	82.9%	77	98	96	7.14%
PFIZER LTD	PFIZ IN	2,950	27.6%	13.6%	61.2%	84	100	97	5.36%
SYNGENE INTERNATIONAL LTD	SYNG IN	2,937	7.8%	1.0%	69.0%	77	94	87	-25.50%
DR. LAL PATHLABS	DLPL IN	2,817	12.1%	2.7%	77.4%	75	98	98	-8.23%
WELSPUN CORP LTD	WLCO IN	2,781	5.1%	1.2%	32.6%	75	89	77	12.57%
SUN TV NETWORK LTD	SUNTV IN	2,766	37.0%	-6.2%	4.9%	81	90	67	-11.70%
ASTRAZENECA PHARMA INDIA LTD	ASTR IN	2,561	9.6%	4.9%	88.1%	78	99	99	20.37%
CHAMBAL FERTILISERS & CHEMS	CHMB IN	2,548	8.4%	-0.1%	9.7%	81	91	76	13.91%
ADITYA BIRLA SUN LIFE AMC	ABSLAMC IN	2,518	31.2%	6.5%	60.2%	70	97	96	-8.34%
HIMADRI SPECIALITY CHEMICAL	HSCH IN	2,506	7.9%	2.9%	61.0%	71	98	95	-24.72%
CESC LTD	CESC IN	2,501	8.7%	2.4%	-19.3%	74	87	71	-7.68%
Average			16.7%	3.1%	31.3%	79	94	85	2.18%
MSCI India									4.12%

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The value of a firm = Capital + PV of EVA
If EVA is increasing then the intrinsic value of the firm is too, suggesting that market value should follow (and vice versa).

EVA = NOPAT - Capital Charge
EVA is profit after all costs, including the cost of giving shareholders a decent return.

EVA Margin = EVA / Sales
A true economic profit margin covering income and asset efficiency. Our EVA Income Statement examines EVA's line item drivers and offers key insights into business profitability.

EVA Momentum = Δ EVA / Sales
An incremental EVA growth rate indicator and key valuation signal and screening measure. The more positive the Momentum, the greater the growth in EVA, and upward pressure on shareholder returns. Inflections in EVA Momentum are an early and more reliable indicator of stock price inflections.

EVA Shock = Δ EVA Momentum
Changes in EVA Momentum is a powerful signal within our framework, with significant relationship with stock price performance.

Market Implied Momentum (MIM)
The annual EVA improvement required for 10 years to justify the prevailing market enterprise value, expressed as a percent of sales; represents a market implied, long-range EVA margin improvement target.

Future Growth Reliance (FGR) = (Market implied value of future EVA growth) / EV
Measures the % of a company's total enterprise value represented by expectations for future growth in EVA. FGR is key to understanding embedded expectations today and versus history. A low FGR versus history coupled with improving EVA trends indicates that the market is not pricing in the improving business model.

Additional Resources

evaExpress.com (link): Our online offering provides a comprehensive suite of fundamental and quantitative tools utilizing the EVA framework
EVA for Investors (link): A full introduction to the key EVA concepts and metrics

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Executive Director
Global Director of Fundamental Research

Casey Lea
Executive Director
Global Director of Quantitative Research