

FINAL STEPS: 3 & 4



The Moment of Truth

Calculating Fair Value & Margin of Safety

| STEP 3: ASSIGNING THE MULTIPLE

What is a 'Fair' P/E?

A multiple represents how many years of earnings you are willing to pay upfront. For Reliance:

- ✓ **Historical Median:** ~25x
- ✓ **Sector Average:** ~22x
- ✓ **Our Choice:** Based on AI Benchmarking.



PRO-TIP: DON'T LET COMMAS BREAK YOU!

⚠️ Error: Parameter expects Number values

Spreadsheets hate commas (10,71,174) and symbols (₹). They see them as **Text**.

Action 1

Press **Ctrl + H**. Find "," and Replace with "nothing".

Action 2

Tell Gemini: "Provide data without commas or symbols."

STEP 4: THE MAGIC FORMULA

$$\text{Fair Value Price} = \frac{\text{Future EPS} \times \text{Expected P/E}}{(1 + r)^n}$$

AI does the heavy lifting, you provide the logic!

| THE DECISION MATRIX

BUY: 30% Below Fair Value

HOLD: At Fair Value

AVOID: Above Fair Value

Wealth is created in the **Buy Zone**. Patience is your greatest tool.

Module Complete!

You have successfully mastered AI-Driven Fair Value Creation for Reliance Industries.

Time to apply this to your own Portfolio!