

that money. So is this 70 PE , more or less should you buy the share or not you ask it to yourself. Would you buy such a shop for Rs-70 that makes you a profit of Rs-1 per year. Second thing is a company like HUL , for years who knows , for the past 30-50 years has increased their profit for every year at what rate ? See this profit growth chart in past 1 year.

HUL seems expensive because before it was on 40-50 PE but now is at 70 PE. HUL has increased their profit by 15% in last 1 year. Colgate is also a well-known company. Its PE ratio is around 39, nowadays. It means it is going around its historical PE