



Equity Research Initiative

Phase 3: Valuation

Objective:

- *To prepare the valuation of the stock of the allotted company using the CAPM model and expected financial projections; and thereby calculate the target price.
- *To give a BUY/SELL call on the stock of the company that has been assigned by making use of valuation model discussed.

Assignment and Instructions:

- Before beginning with your valuation, go through the Video Lectures of this phase meticulously. Make use of the sample assignment that has been shared to better understand the lecture.
- From the ERI Guidebook, please refer to the following section: Valuation, Conclusion (**Pages 53 - 92**). Also refer to the additional reading provided on the steps of valuation.
- For your assignment, download the financials of your company shared in the Central Resource Page. Find out the mutually exclusive sources of revenue for your company, as explained in the lecture and the sample.
- Once you have identified the sources of revenue, **religiously follow the step-by-step instructions provided to estimate the Target Price of the company.**
- **Make use of MS Excel's comment functionality as and when necessary, especially to elaborate the rationale behind each assumption and forecast.**
- **Please contact the query team at eri@mentored-research.com in case of any trouble with the assignment.**
- To broaden your knowledge, please refer to the Optional Resource Material provided. This is not compulsory.