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Rating Information	
Price (Rs)	89
Target Price (Rs)	99
Target Date	30th Jun'15
Target Set On	11th May'14
Implied yrs of growth (DCF)	5
Fair Value (DCF)	99
Fair Value (DDM)	48
Ind Benchmark	BSEMETL
Model Portfolio Position	

Stock Information	
Market Cap (Rs Mn)	17,369
Free Float (%)	35.05 %
52 Wk H/L (Rs)	95/57
Avg Daily Volume (1yr)	75,674
Avg Daily Value (Rs Mn)	6
Equity Cap (Rs Mn)	391
Face Value (Rs)	2
Bloomberg Code	GRIL IN

Ownership	Recent	3M	12M
Promoters	65.0 %	0.4 %	2.2 %
DII	3.5 %	-0.5 %	-1.4 %
FII	15.7 %	0.2 %	-0.2 %
Public	15.8 %	-0.2 %	-0.6 %

Price %	1M	3M	12M
Absolute	-0.2 %	12.7 %	13.0 %
Vs Industry	1.2 %	2.6 %	-3.2 %
HEG	-4.6 %	5.8 %	20.7 %
-	-	-	-

Standalone Quarterly EPS forecast				
Rs/Share	1Q	2Q	3Q	4Q
EPS (14A)	2.0	2.3	2.2	2.3
EPS (15E)	1.7	2.1	2.4	2.3

Graphite India Ltd.

4QFY14 Results : Estimate (↔), TP (↑), Rating (↔)

Regular Coverage

Strong free cash flows in FY14 led by 26% reduction in WC days

Absolute : TRADE

Relative : BENCHMARK

11% upside in 14 Months

Metals & Mining

FY14 was a year of strong free cash flow generation: We had highlighted in our earlier notes that FY14 is going to be a year of strong free cashflow generation due to reduction in Non-cash working capital (NCW) and company reduced its consolidated NCW by Rs 3,598 million led by 41 reduction in inventory days, 11 days in account receivables and 13 days increase in payable days. Short term loans and advances also reduced as company received CENVAT and MODVAT related dues from government, all put together leading to 74 days reduction in cash conversion cycle from 281 days to 207 days. Consol Net debt came down from Rs 4,496 mn to 500 mn.

Industry at the cycle bottom, EPS growth to be sluggish in FY15 but cashflows to remain strong due to fall in needle coke leading to inventory reduction: In our April 30th note we had mentioned that past 21 year financials of industry leaders Graftech & SGL Carbon indicate that graphite electrode industry is at its cycle bottom (Exhibits 1&2 on page 2 depict the same) and things will improve from here, but we expect FY15 to be a sluggish year. We expect next 2 quarters to be tough as while negative impact of electrode price cuts will come through, positive impact of low cost needle coke will come through with a lag due to inventories. We roll over to Jun'15 PT of Rs 99 assigning TRADE rating on the stock.

4Q standalone sales down 4% y/y due to fall in electrode price, EBITDA up 10% y/y, 5% below est; PAT up 7% y/y, 17% above est due to high other income: Volumes improved marginally by 2% but due to y/y reduction in electrode prices, sales declined. Electrode ASPs declined 11% q/q due to poor mix leading to 183bps fall in EBITDA margin. Gross margins declined 259bps q/q as while -ve impact of electrode price fall has come through, lower cost needle coke will come with some lag. Other income improved 62% y/y, 54% and came 214% ahead of expectation due to better returns on invested cash.

EBITDA loss in European subsidiary widened from Rs 80 mn to Rs 3,42 mn due to fall in capacity utilization from ~59% to 42%: Utilization level in European subsidiary declined as European steel industry was under pressure due to lower demand. However subsidiary inventories declined -Rs 906 mn due to lower prices as well as targeted reduction in inventory. With revival expected in European steel production during CY14, management expects European subsidiary to go close to break even, however we have assumed Rs 142 mn EBITDA loss in FY15E.

Estimate Revision:

Rs Mn	Current		Change from previous (%)	
	FY14E	FY15E	FY14E	FY15E
Sales	19,882	23,433	-2%	-1%
EBITDA	2,599	3,495	-10%	-6%
PAT	1,480	2,089	-2%	0%
EPS	7.6	10.7	-2%	0%

Consolidated Financials

Rs. Mn YE Mar	FY14A	FY15E	FY16E	FY17E
Sales	20,093	19,882	23,433	25,231
EBITDA	2,501	2,599	3,495	3,818
Depreciation	581	602	620	639
Interest Expense	239	230	230	230
Other Income	447	469	472	503
Reported PAT	1,299	1,480	2,089	2,317
Recurring PAT	1,299	1,480	2,089	2,317
Total Equity	17,593	18,158	19,218	20,392
Gross Debt	4,231	4,231	4,231	4,231
Cash	3,732	4,812	4,340	4,699
Rs Per Share	FY14A	FY15E	FY16E	FY17E
Earnings	6.6	7.6	10.7	11.9
Book Value	90	93	98	104
Dividends	3.5	4.0	4.5	5.0
FCFF	25.7	11.2	3.6	8.5
P/E (x)	13.4	11.7	8.3	7.5
P/B (x)	1.0	1.0	0.9	0.9
EV/EBITDA (x)	7.5	6.8	5.2	4.7
ROE (%)	7 %	8 %	11 %	12 %
Core ROIC (%)	6 %	7 %	10 %	10 %
EBITDA Margin (%)	12 %	13 %	15 %	15 %
Net Margin (%)	6 %	7 %	9 %	9 %

In Exhibits 01 & 02 Sales, EBITDA and margin trends of Industry leaders Graftech & SGL are shown over 1993-2013 to explain cyclicity of Industry.

Exhibit 01: Graftech's Sales, EBITDA, margin trend over 1993-2013

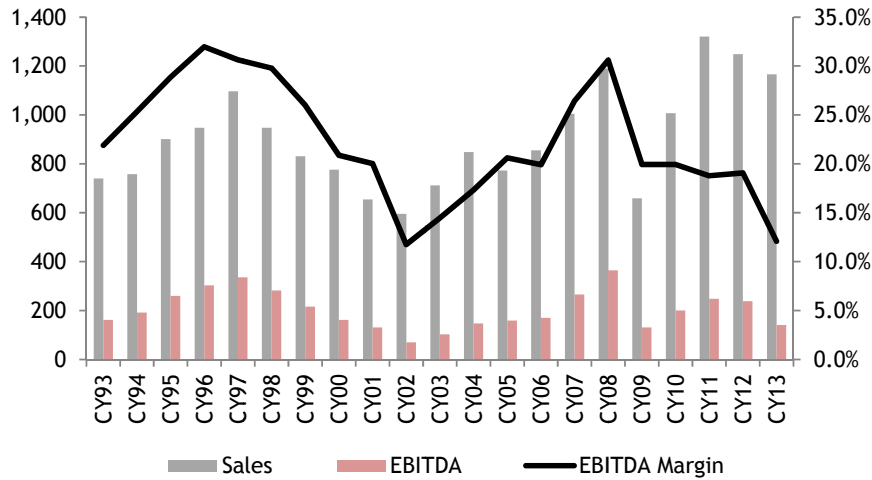
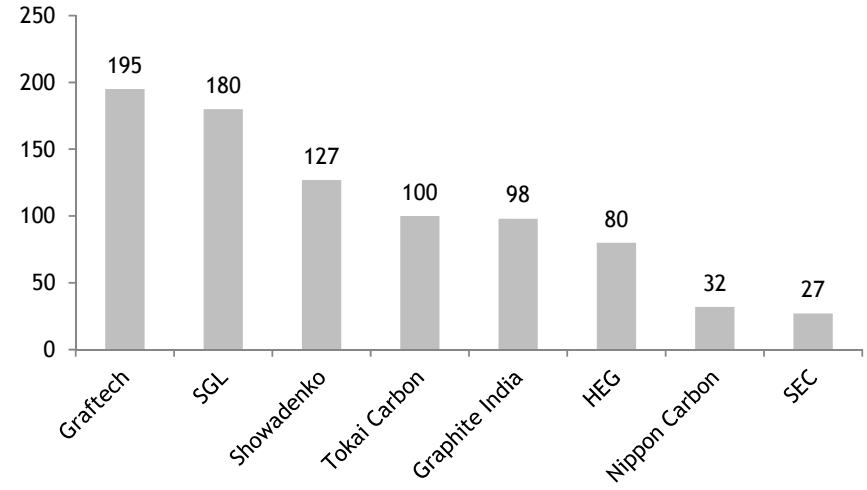


Exhibit 03: Graphite Electrode capacity ex-China post Graftech's & SGL's announced capacity closures



Source: Graftech, Equirus Securities

Exhibit 02: SGL Carbon's Sales, EBITDA, margin trend over 1993-2013

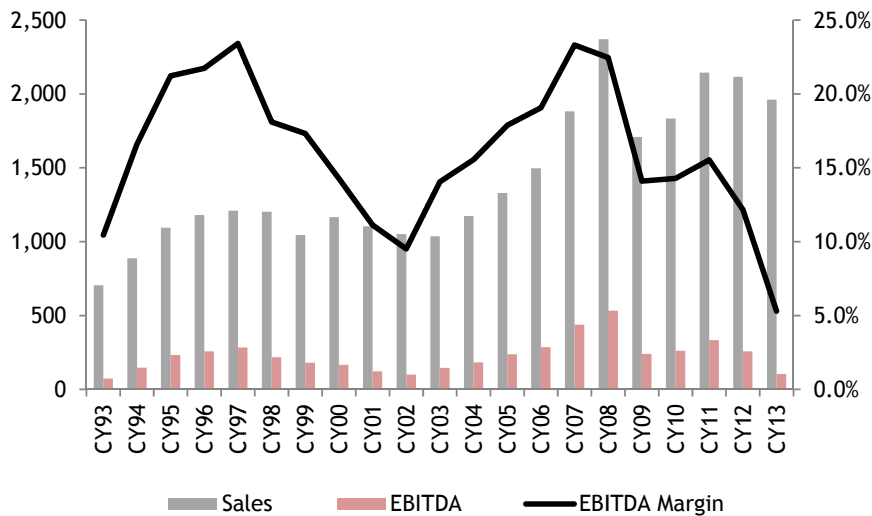
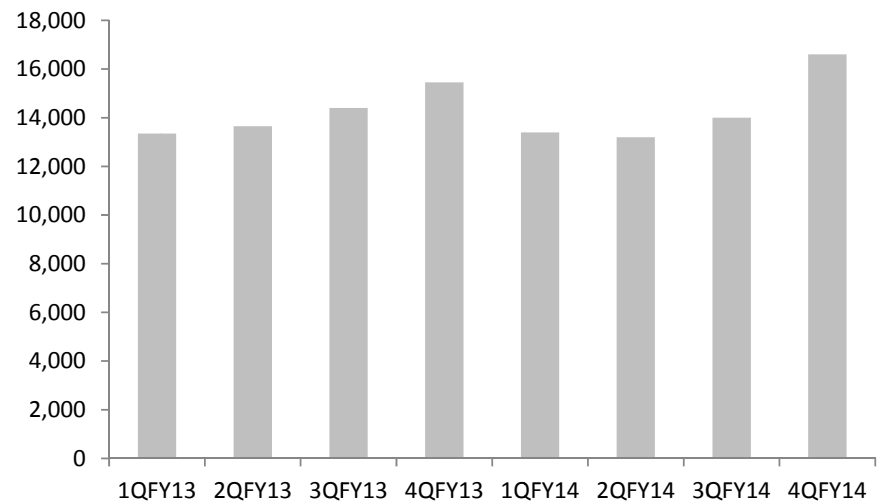


Exhibit 04: Quarterly Electrode production trend



Source: Company, Equirus Securities

Source: Bloomberg, Equirus Securities

Quarterly Results Table (Standalone)

Rs Mn	Q4FY14	Q4FY14E	Q3FY14	Q4FY13	% Change			Comments
					Q4FY14E	Q3FY14	Q4FY13	
Net Sales	4,890	4,641	4,345	5,112	5%	13%	-4%	
Consumption of Raw Materials	2,251	1,979	1,888	2,451	14%	19%	-8%	
Consumption of Stores & Spare Parts	363	356	292	423	2%	24%	-14%	
Employess Cost	373	344	350	318	8%	7%	17%	
Electricity Charges	630	722	592	785	-13%	6%	-20%	
Other Expenditure	591	523	538	518	13%	10%	14%	
Total Expenditures	4,208	3,923	3,660	4,494	7%	15%	-6%	
EBITDA	682	718	685	618	-5%	0%	10%	
Depreciation	134	140	135	134	-4%	-1%	0%	
EBIT	547	578	550	484	-5%	0%	13%	
Interest	39	56	38	71	-31%	2%	-44%	
Other Income	159	51	103	98	214%	54%	62%	
PBT	667	572	614	512	17%	9%	30%	
Tax	218	189	193	93	15%	13%	134%	
Recurring PAT	449	383	422	419	17%	7%	7%	
Extraordinaries	0	0	0	0				
Reported PAT	449	383	422	419	17%	7%	7%	
EPS (Rs)	2.3	2.0	2.2	2.1	17%	7%	7%	
EBITDA Margin	13.9%	15.5%	15.8%	12.1%	-153 bps	-183 bps	185 bps	
EBIT Margin	11.2%	12.4%	12.7%	9.5%	-125 bps	-146 bps	172 bps	
PBT Margin	13.6%	12.3%	14.1%	10.0%	132 bps	-50 bps	363 bps	
PAT Margin	9.2%	8.3%	9.7%	8.2%	94 bps	-51 bps	100 bps	
Tax Rate	32.6%	33.0%	31.3%	18.2%	-39 bps	127 bps	1444 bps	

Company Snapshot

How we differ from Consensus

		Equirus	Consensus	% Diff	Comment
EPS	FY15E	7.6	7.9	-4 %	We are ahead of consensus in FY16as we expect margin improvement led by electrode price increase.
	FY16E	10.7	9.7	10 %	
Sales	FY15E	19,882	20,549	-3 %	
	FY16E	23,433	22,946	2 %	
PAT	FY15E	1,480	1,549	-4 %	
	FY16E	2,089	1,900	10 %	

Our Key Investment arguments:

- Technology is the biggest barrier to entry: 6 large players dominate global graphite electrode industry.
- Asia is comparatively doing well and that's the reason why both the Indian players are ahead in terms of capacity utilization than global leaders; which is expected to remain the case going ahead also.

Key Drivers:

	FY13E	FY14E	FY15E	FY16E
Capacity (tpa)	60,000	80,000	80,000	80,000
Capacity Utilization	95%	70%	75%	85%

Risk to Our View

Fall in global steel capacity utilization and sharp rise in crude prices key risk.

Comparable valuation		Mkt Cap Rs. Mn.	Price Target	Target Date	EPS			P/E			BPS			P/B			RoE			Div Yield	
Company	Reco.				CMP	FY14A	FY15E	FY16E	FY14A	FY15E	FY16E	FY14A	FY15E	FY16E	FY14A	FY15E	FY16E	FY14A	FY15E	FY16E	FY14A
Graphite India	TRADE	89	17,369	99	Jun'15	6.6	7.6	10.7	13.4	11.7	8.3	90.0	1.0	7 %	8 %	11 %	3.9 %	4.5 %			
HEG	NR	223	8,915	NR	NR	28.2	37.0		7.9	6.0		239.2	0.9	16%	19%	12%	2.7%	2.2%			
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Key Triggers

- Graphite electrode price increase

Sensitivity to Key Variables	% Change	% Impact on EPS
Capacity Utilization	2 %	2 %
GE Price increase	2 %	6 %
-	-	-

DCF Valuations & Assumptions

Rf	Beta	Ke	Term. Growth	Debt/IC in Term. Yr
8.0 %	1.2	15.0 %	2.5 %	23.1 %

	FY15E	FY16E	FY17-19E	FY20-24E	FY25-29E
Sales Growth	-1 %	18 %	7 %	6 %	6 %
NOPAT Margin	7 %	8 %	9 %	10 %	10 %
IC Turnover	1.08	1.17	1.23	1.24	1.24
RolC	7.1 %	10.1 %	11.2 %	13.2 %	12.8 %

Years of strong growth	1	2	5	10	15
Valuation as on date (Rs)	57	72	85	89	90
Valuation as of 30th Jun'15	67	85	99	105	106

DCF based Jun'15 PT of Rs 99.

Company Description:

Graphite India Ltd (GRIL) is India's largest producer of Graphite Electrodes and fifth largest in the world (along with its German subsidiary, Cova) accounting for ~6.5% of global electrode capacity. Graphite electrodes are used in manufacturing of steel through EAF route. GRIL is part of Kolkata, India based K K Bangur group. Current total installed graphite electrode capacity of the company stands at 78k TPA out of which 60k TPA is located in India (34k TPA in Durgapur, West Bengal, 13k TPA in Bangalore, Karnataka and 13k TPA in Nasik, Maharashtra) where as 18k TPA in Nurnberg, Germany



Standalone Quarterly Earnings Forecast and Key Drivers

Rs in Mn	1Q14A	2Q14A	3Q14A	4Q14A	1Q15E	2Q15E	3Q15E	4Q15E	1Q16E	2Q16E	3Q16E	4Q16E	FY14A	FY15E	FY16E	FY17E
Revenue	4,038	4,409	4,345	4,890	4,204	4,204	4,472	4,472	5,073	5,073	5,073	5,073	17,681	17,353	20,294	21,850
EBITDA	658	818	685	682	585	679	754	723	859	859	859	825	2,843	2,741	3,401	3,679
Depreciation	131	135	135	134	137	139	140	141	142	143	144	146	536	557	575	594
EBIT	527	683	550	547	448	540	614	582	717	715	714	679	2,307	2,184	2,826	3,085
Interest	44	49	38	39	45	45	45	45	45	45	45	45	170	181	181	181
Other Income	87	53	103	159	92	120	129	128	119	106	118	129	402	469	472	503
PBT	571	688	614	667	495	615	698	665	792	777	787	763	2,539	2,472	3,118	3,407
Tax	178	243	193	218	163	203	230	219	261	256	260	252	830	816	1,029	1,124
Recurring PAT	393	445	422	449	331	412	468	445	530	520	527	511	1,709	1,656	2,089	2,283
Extraordinary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reported PAT	393	445	422	449	331	412	468	445	530	520	527	511	1,709	1,656	2,089	2,283
EPS (Rs)	2.01	2.28	2.16	2.30	1.70	2.11	2.39	2.28	2.71	2.66	2.70	2.62	8.75	8.48	10.69	11.68
Key Drivers																
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capacity Utilization	63%	68%	70%	83%	73%	73%	78%	78%	85%	85%	85%	85%	72%	75%	85%	93%
Sequential Growth (%)																
Revenue	-21 %	9 %	-1 %	13 %	-14 %	0 %	6 %	0 %	13 %	0 %	0 %	0 %	-	-	-	-
Consumption of Raw Materials	-30 %	12 %	-2 %	19 %	-16 %	-5 %	3 %	-1 %	21 %	0 %	-2 %	-1 %	-	-	-	-
EBITDA	7 %	24 %	-16 %	0 %	-14 %	16 %	11 %	-4 %	19 %	0 %	0 %	-4 %	-	-	-	-
EBIT	9 %	30 %	-20 %	0 %	-18 %	21 %	14 %	-5 %	23 %	0 %	0 %	-5 %	-	-	-	-
Recurring PAT	-6 %	13 %	-5 %	7 %	-26 %	24 %	14 %	-5 %	19 %	-2 %	1 %	-3 %	-	-	-	-
EPS	-6 %	13 %	-5 %	7 %	-26 %	24 %	14 %	-5 %	19 %	-2 %	1 %	-3 %	-	-	-	-
Yearly Growth (%)																
Revenue	-3 %	8 %	1 %	-4 %	4 %	-5 %	3 %	-9 %	21 %	21 %	13 %	13 %	0 %	-2 %	17 %	8 %
EBITDA	-10 %	6 %	3 %	10 %	-11 %	-17 %	10 %	6 %	47 %	27 %	14 %	14 %	2 %	-4 %	24 %	8 %
EBIT	-14 %	4 %	2 %	13 %	-15 %	-21 %	12 %	6 %	60 %	33 %	16 %	17 %	1 %	-5 %	29 %	9 %
Recurring PAT	-3 %	-4 %	22 %	7 %	-16 %	-7 %	11 %	-1 %	60 %	26 %	13 %	15 %	5 %	-3 %	26 %	9 %
EPS	-3 %	-4 %	22 %	7 %	-16 %	-7 %	11 %	-1 %	60 %	26 %	13 %	15 %	5 %	-3 %	26 %	9 %
Margin (%)																
EBITDA	16 %	19 %	16 %	14 %	14 %	16 %	17 %	16 %	17 %	17 %	17 %	16 %	16 %	16 %	17 %	17 %
EBIT	13 %	15 %	13 %	11 %	11 %	13 %	14 %	13 %	14 %	14 %	14 %	13 %	13 %	13 %	14 %	14 %
PBT	14 %	16 %	14 %	14 %	12 %	15 %	16 %	15 %	16 %	15 %	16 %	15 %	14 %	14 %	15 %	16 %
PAT	10 %	10 %	10 %	9 %	8 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %



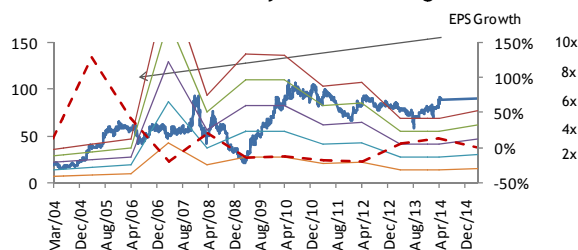
Consolidated Financials

P&L (Rs Mn)	FY14A	FY15E	FY16E	FY17E
Revenue	20,093	19,882	23,433	25,231
Op. Expenditure	17,592	17,284	19,938	21,413
EBITDA	2,501	2,599	3,495	3,818
Depreciation	581	602	620	639
EBIT	1,920	1,997	2,875	3,179
Interest Expense	239	230	230	230
Other Income	447	469	472	503
PBT	2,128	2,237	3,118	3,452
Tax	829	757	1,029	1,136
PAT bef. MI & Assoc.	1,299	1,480	2,089	2,317
Minority Interest	0	0	0	0
Profit from Assoc.	0	0	0	0
Recurring PAT	1,299	1,480	2,089	2,317
Extraordinares	0	0	0	0
Reported PAT	1,299	1,480	2,089	2,317
FDEPS (Rs)	6.6	7.6	10.7	11.9
DPS (Rs)	3.5	4.0	4.5	5.0
CEPS (Rs)	9.6	10.7	13.9	15.1
FCFPS (Rs)	25.7	11.2	3.6	8.5
BVPS (Rs)	90.0	92.9	98.4	104.4
EBITDAM (%)	12 %	13 %	15 %	15 %
PATM (%)	6 %	7 %	9 %	9 %
Tax Rate (%)	39 %	34 %	33 %	33 %
Sales Growth (%)	3 %	-1 %	18 %	8 %
FDEPS Growth (%)	-3 %	14 %	41 %	11 %

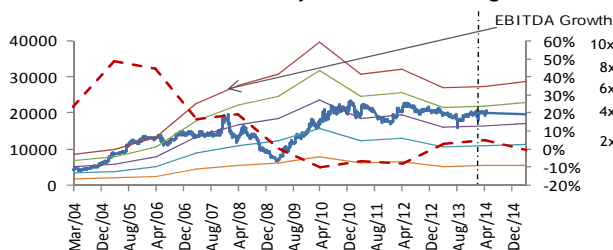
Balance Sheet (Rs Mn)	FY14A	FY15E	FY16E	FY17E
Equity Capital	391	391	391	391
Reserve	17,202	17,767	18,828	20,001
Networth	17,593	18,158	19,218	20,392
Long Term Debt	4,231	4,231	4,231	4,231
Def Tax Liability	931	897	897	897
Minority Interest	0	0	0	0
Account Payables	3,804	3,356	3,838	4,133
Other Curr Liabi	1,406	1,286	1,460	1,572
Total Liabilities & Equity	27,965	27,928	29,644	31,224
Net Fixed Assets	6,997	6,849	6,696	6,538
Capital WIP	0	0	0	0
Others	635	635	635	635
Inventory	10,354	9,837	11,329	12,199
Account Receivables	4,723	4,385	5,029	5,415
Other Current Assets	1,524	1,411	1,615	1,739
Cash	3,732	4,812	4,340	4,699
Total Assets	27,965	27,928	29,644	31,224
Non-cash Working Capital	11,391	10,991	12,675	13,648
Cash Conv Cycle	206.9	201.8	197.4	197.4
WC Turnover	1.8	1.8	1.8	1.8
FA Turnover	2.9	2.9	3.5	3.9
Net D/E	0.0	0.0	0.0	0.0
Revenue/Capital Employed	0.8	0.9	1.0	1.0
Capital Employed/Equity	1.4	1.3	1.3	1.3

Cash Flow (Rs Mn)	FY14A	FY15E	FY16E	FY17E
PBT	2,128	2,237	3,118	3,452
Depreciation	581	602	620	639
Others	0	0	0	0
Taxes Paid	829	757	1,029	1,136
Change in WC	3,598	401	-1,684	-973
Operating C/F	5,478	2,482	1,025	1,983
Capex	-425	-453	-467	-482
Change in Invest	-171	0	0	0
Others	0	0	0	0
Investing C/F	-596	-453	-467	-482
Change in Debt	-2,797	0	0	0
Change in Equity	-125	0	0	0
Others	-761	-948	-1,029	-1,143
Financing C/F	-3,682	-948	-1,029	-1,143
Net change in cash	1,200	1,080	-471	359
RoE (%)	7 %	8 %	11 %	12 %
RoIC (%)	6 %	7 %	9 %	10 %
Core RoIC (%)	6 %	7 %	10 %	10 %
Div Payout (%)	54 %	62 %	49 %	49 %
P/E	13.4	11.7	8.3	7.5
P/B	1.0	1.0	0.9	0.9
P/FCFF	3.5	8.0	24.4	10.5
EV/EBITDA	7.5	6.8	5.2	4.7
EV/Sales	0.9	0.9	0.8	0.7
Dividend Yield (%)	3.9 %	4.5 %	5.1 %	5.6 %

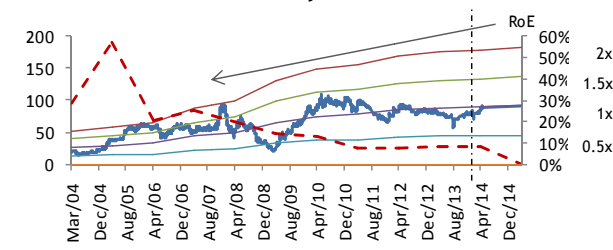
TTM P/E vs. 2 yr forward EPS growth



TTM EV/EBITDA vs. 2 yr forward EBITDA growth



TTM P/B vs. 2 yr forward RoE



Historical Consolidated Financials

P&L (Rs Mn)	FY11A	FY12A	FY13A	FY14A	Balance Sheet (Rs Mn)	FY11A	FY12A	FY13A	FY14A	Cash Flow (Rs Mn)	FY11A	FY12A	FY13A	FY14A
Revenue	14,439	19,125	19,488	20,093	Equity Capital	391	391	391	391	PBT	2,864	2,938	2,172	2,128
Op. Expenditure	11,347	15,894	16,779	17,592	Reserve	14,828	16,166	16,728	17,202	Depreciation	486	487	620	581
EBITDA	3,092	3,230	2,709	2,501	Networth	15,219	16,557	17,119	17,593	Others	-227	-63	192	0
Depreciation	486	487	620	581	Long Term Debt	3,411	5,967	7,028	4,231	Taxes Paid	769	792	488	829
EBIT	2,606	2,743	2,089	1,920	Def Tax Liability	630	708	992	931	Change in WC	-2,152	-2,842	-2,192	3,598
Interest Expense	86	186	307	239	Minority Interest	0	0	0	0	Operating C/F	202	-272	303	5,478
Other Income	345	381	390	447	Account Payables	2,471	2,673	3,008	3,804	Capex	-975	-1,349	-521	-425
PBT	2,864	2,938	2,172	2,128	Other Curr Liabi	1,170	1,264	1,372	1,406	Change in Invest	-288	-12	1,075	-171
Tax	846	847	828	829	Total Liabilities & Equity	22,901	27,169	29,518	27,965	Others	64	1,319	46	0
PAT bef. MI & Assoc.	2,018	2,091	1,344	1,299	Net Fixed Assets	4,458	6,031	7,128	6,997	Investing C/F	-1,199	-41	600	-596
Minority Interest	0	0	0	0	Capital WIP	1,695	1,267	25	0	Change in Debt	1,505	2,274	1,253	-2,797
Profit from Assoc.	0	0	0	0	Others	2,267	1,360	464	635	Change in Equity	0	0	0	-125
Recurring PAT	2,018	2,091	1,344	1,299	Inventory	9,058	10,375	12,207	10,354	Others	-828	-969	-1,098	-761
Extraordinaires	127	-34	0	0	Account Receivables	3,391	4,574	5,156	4,723	Financing C/F	677	1,306	155	-3,682
Reported PAT	1,891	2,125	1,344	1,299	Other Current Assets	1,552	2,090	2,006	1,524	Net change in cash	-320	992	1,058	1,200
EPS (Rs)	10.3	10.7	6.9	6.6	Cash	482	1,474	2,532	3,732	RoE (%)	14 %	13 %	8 %	7 %
DPS (Rs)	3.5	3.5	3.5	3.5	Total Assets	22,901	27,169	29,518	27,965	RoC (%)	12 %	10 %	6 %	6 %
CEPS (Rs)	12.8	13.2	10.1	9.6	Non-cash Working Capital	10,358	13,101	14,989	11,391	Core RoC (%)	12 %	10 %	6 %	6 %
FCFPS (Rs)	-4.8	-0.9	5.6	25.7	Cash Conv Cycle	261.8	250.0	280.7	206.9	Div Payout (%)	37 %	33 %	52 %	54 %
BVPS (Rs)	77.9	84.7	87.6	90.0	WC Turnover	1.4	1.5	1.3	1.8	P/E	8.6	8.3	12.9	13.4
EBITDAM (%)	21 %	17 %	14 %	12 %	FA Turnover	2.3	2.6	2.7	2.9	P/B	1.1	1.0	1.0	1.0
PATM (%)	14 %	11 %	7 %	6 %	Net D/E	0.2	0.3	0.3	0.0	P/FCFF	-18.6	-96.0	15.9	3.5
Tax Rate (%)	30 %	29 %	38 %	39 %	Revenue/Capital Employed	0.8	0.9	0.8	0.8	EV/EBITDA	7.0	7.2	8.8	13.4
Sales growth (%)	7 %	32 %	2 %	3 %	Capital Employed/Equity	1.3	1.3	1.4	1.4	EV/Sales	1.5	1.2	1.2	1.7
FDEPS growth (%)	-14 %	4 %	-36 %	-3 %						Dividend Yield (%)	3.9 %	3.9 %	3.9 %	3.9 %



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Absolute Rating

- LONG : Over the investment horizon, ATR >= Ke for companies with Free Float market cap > Rs 5 billion and ATR >= 20% for rest of the companies
- SHORT: ATR >= negative 5% over investment horizon
- TRADE: Stocks that do not meet the criteria for either LONG or SHORT

Relative Rating

- OVERWEIGHT: Likely to outperform the benchmark by at least 5% over investment horizon
- BENCHMARK: likely to perform in line with the benchmark
- UNDERWEIGHT: likely to under-perform the benchmark by at least 5% over investment horizon

Target Price and Investment Horizon

Target Price is a point value for stocks with Absolute rating of LONG or SHORT and a range value for stocks rated TRADE. Investment Horizon is set at a minimum 3 months to maximum 15 months with target date falling on last day of a calendar quarter.

Lite vs. Regular Coverage vs. Spot Coverage

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