

CIPLA

Another quarter misses the mark

India Equity Research | Pharmaceuticals

Cipla's Q4FY17 revenue grew mere 7% YoY due to dip in India and emerging markets. US business was flat through FY17 despite 18 launches. EBITDA margin plummeted to 14% due to higher R&D (8.6% of sales), which is expected to remain elevated. Adjusted for ~INR2.7bn one-off, net profit came at INR2bn compared to INR3bn estimate. A few limited competition launches like *gVidaza*, *gDacogen* & *gRenvela* and ramp up of *Sereflo* in UK are expected in FY18/FY19. We believe, though earnings CAGR of 30% over FY17-19 looks strong on weak base, valuation (20x FY19E) factors in the optimism, but not the challenging macro environment. Maintain 'HOLD'.

Tepid India, higher R&D mar margin

Revenue grew mere 7% YoY due to 4% decline in India (38%) on account of demonetisation & destocking and 8% fall in emerging markets (22%) on volatile currency. While South Africa's performance was good (13% CC growth), US (Invagen's contribution of ~USD54mn) remained flat for the fourth consecutive quarter at ~USD97mn despite 18 new launches during the year. Owing to weak India business along with higher R&D spend, EBITDA margin declined to 14%.

Margin improvement unlikely without stronger top-line growth

Cipla has guided for a few limited competition launches like *gVidaza*, *gDacogen* and *gRenvela* in the US market in FY18/19. *Sereflo* (*gSeretide MDI*), launched in Q3FY17 in UK, is expected to ramp up in FY18. The company has indicated double digit top-line growth in FY18 primarily driven by 20% plus spurt in US & Europe and 10-12% growth in rest of the geographies. In our view, margin improvement will not be possible unless monetisation of *Sereflo* and niche launches in US are successful. R&D cost is poised to inch up as clinical trial for Advair kicks-off during FY18. In the medium term, products like *Nanopacitaxel* and *Albuterol MDI* (filed this year) will be critical.

Outlook and valuations: Limited upside; maintain 'HOLD'

Given that some of Cipla's most important investments in the past 3 years continue to face structural pressures—US (competitive pressure & price erosion) and emerging markets (forex volatility, price decline in Middle East, rising competition)—its organic growth trajectory may not pan out to full potential. We maintain 'HOLD/SP' with target price of INR510.

Financials (Consolidated)

(INR mn)

Year to March	Q4FY17	Q4FY16	% change	Q3FY17	% change	FY17	FY18E	FY19E
Net revenue	35,820	33,145	8.1	36,472	(1.8)	142,809	168,897	191,466
EBITDA	5,062	1,761	187.4	6,776	(25.3)	24,758	31,752	36,881
Adj. net profit	2,042	2,824	(27.7)	3,043	(32.9)	12,019	17,631	20,419
Adj. EPS (INR)	2.5	3.5	(27.8)	3.8	(33.0)	14.9	21.9	25.4
Diluted P/E (x)						33.8	23.0	19.9
ROAE(%)						9.9	13.1	13.6

EDELWEISS 4D RATINGS

Absolute Rating	HOLD
Rating Relative to Sector	Performer
Risk Rating Relative to Sector	Low
Sector Relative to Market	Equalweight

MARKET DATA (R: CIPL.BO, B: CIPLA IN)

CMP	: INR 504
Target Price	: INR 510
52-week range (INR)	: 622 / 457
Share in issue (mn)	: 804.5
M cap (INR bn/USD mn)	: 405 / 6,273
Avg. Daily Vol.BSE/NSE('000)	: 1,588.6

SHARE HOLDING PATTERN (%)

	Current	Q2FY17	Q1FY17
Promoters *	36.7	36.7	36.7
MF's, FI's & BK's	15.5	16.2	16.3
FII's	19.8	18.7	18.3
Others	27.9	28.3	28.7
* Promoters pledged shares (% of share in issue)	:		NIL

PRICE PERFORMANCE (%)

	Stock	Nifty	EW Pharma Index
1 month	(8.9)	2.2	(9.9)
3 months	(14.9)	6.4	(10.7)
12 months	7.3	19.8	(9.3)

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Q4FY17 conference call: Key highlights

Guidance

- Did not issue formal guidance, but internal target is double digit revenue growth in FY18.
- US: 20-25 planned filings in FY18 and 10-11 launches, of which a few limited competition products launch from Q2FY18 every quarter.
- R&D cost to be in the 8-9% range.
- Capex to fall to INR7-9bn against INR11bn going forward.

India

- Destocking in branded and generic businesses due to channel filing in previous quarter.
- Generic business constitutes 20% of overall India business.

US

- EIR received for Indore, Goa and Invagen plants.
- Expects Sevelamar approval in FY18.
- TAD for Nanopaclitaxel and Albuterol in FY18.
- Filed Fenofibrate and Esomeprazole OTC in FY17.

Emerging market and South Africa

- Tender business constitutes 35% of overall South Africa business.

Financials

- Adjusted PAT INR2.09bn.
- Capex: INR11bn i.e., 6% of sales.
- Debt repayment of INR10bn in FY17 and current debt of USD550mn.
- Impairment charges of INR4.1bn in Q4FY17, which was one off.
- Cipla New Ventures: – INR1.2bn loss, adjusted for Cipla Biotec would be ~INR1.8-2bn; should remain curtailed below INR2bn going forward as well.

Table 1: Actual versus estimates

(INR mn)

Year to March	Actual Q4FY17	Y-o-Y Growth (%)	Edel estimates	Y-o-Y Growth (%)	Deviation from Actual (%)
Net revenue	35,820	8.1	38,788	17.0	(7.7)
Raw material costs	13,155	(6.8)	14,158	0.3	(7.1)
Gross profit	22,665	19.1	24,631	29.4	(8.0)
Gross Margin (%)	63.3		63.5		
Employee costs	6,389	(2.6)	7,215	10.0	(10.3)
Other expenses	8,144	1.8	10,667	33.4	(21.3)
EBITDA	5,062	187.4	6,749	283.2	(22.5)
EBITDA margin (%)	14.1		17.4		
Net finance expense (income)	334.0	(30.0)	350.0	(26.7)	(4.1)
Depreciation	6,322	134.4	2,650	(1.7)	124.7
Other income	228	(61.6)	300	(49.5)	(21.6)
PBT	(1,366)	66.7	4,049	(594.4)	(120.4)
Income tax expense	(757)	12,951.7	810	(14,062.6)	(174.1)
Tax rate (%)	55.4		20.0		
Reported Net profit	(618)	(33.4)	3,089	(432.8)	(108.0)
Adjusted Profit after tax	2,042	(27.7)	3,089	9.4	(30.5)

Source: Company, Edelweiss research

Table 2: Revenue mix by segment – Consolidated

(INR mn)

Year to March	Q4FY17	Q4FY16	% change	Q3FY17	% change
India	11,970	12,480	(4.1)	14,080	(15.0)
South Africa	4,680	3,130	49.5	4,950	(5.5)
North America	6,460	4,860	32.9	6,620	(2.4)
Europe	1,800	1,670	7.8	1,260	42.9
Emerging markets	8,130	8,950	(9.2)	7,440	9.3
Global API	1,620	1,790	(9.5)	1,200	35.0
Total sales	35,820	33,160	8.0	36,470	(1.8)

Source: Company, Edelweiss research

Table 3: Therapy-wise break up

(INR mn)

	Contribution (%)	MAT Mar'17	MAT Mar'16	Growth YoY (%)
Respiratory	31	16,592	14,840	11.8
Anti-Infectives	25	12,937	13,156	(1.7)
Cardiac	12	6,589	5,840	12.8
Gastro Intestinal	8	4,050	3,620	11.9
Urology	5	2,625	2,263	16.0
Neuro / Cns	4	1,969	1,798	9.5
Ophthal / Otologicals	3	1,781	1,674	6.4
Pain / Analgesics	3	1,690	1,512	11.7
Derma	3	1,354	1,240	9.1
Gynaecological	2	916	923	(0.8)
Others	4	2,246	2,170	3.5
Acute	45	23,973	23,398	2.5
Chronic	42	22,059	19,690	12.0
Sub-Chronic	13	6,717	5,949	12.9
Total Sales	100	52,749	49,038	7.6

Source: AIOCD, Edelweiss research

Table 4: Top-10 brands

(INR mn)

		MAT Mar'17	MAT Mar'16	Growth YoY (%)
Foracort	Respiratory	2,235	1,961	13.9
Duolin	Respiratory	1,651	1,236	33.6
Budecort	Respiratory	1,529	1,605	(4.7)
Seroflo	Respiratory	1,488	1,343	10.7
Asthalin	Respiratory	1,463	1,414	3.4
Aerocort	Respiratory	1,036	983	5.4
Montair Lc	Respiratory	1,005	811	24.0
Dytor	Cardiac	861	721	19.4
Azee	Anti-Infectives	853	932	(8.5)
Urimax D	Urology	792	632	25.3
Total		12,912	11,638	10.9

Source: AIOCD, Edelweiss research

Financial snapshot

(INR mn)

Year to March	Q4FY17	Q4FY16	% change	Q3FY17	% change	FY17	FY18E	FY19E
Net revenues	35,820	33,145	8.1	36,472	(1.8)	146,302	172,244	195,064
Cost of revenue	13,155	14,109	(6.8)	13,011	1.1	53,171	61,147	68,760
Gross profit	22,665	19,036	19.1	23,461	(3.4)	93,131	111,097	126,304
R&D	3,070	2,718	13.0	2,261	35.8	11,119	14,641	16,580
Other expenses	8,144	7,996	1.8	8,092	0.6	30,916	35,206	39,803
EBITDA	5,062	1,761	187.4	6,776	(25.3)	24,758	31,752	36,881
EBITDA margin	14.1	5.3		18.6		16.9	18.4	18.9
Depreciation	6,322	2,697	134.4	2,577	145.3	13,229	9,451	10,024
EBIT	(1,260)	(936)	NA	4,199	NA	11,529	22,301	26,858
Other income	228	594	(61.6)	1,535	(85.2)	2,287	2,200	2,200
Interest	334	477	(30.0)	593	(43.7)	1,594	1,525	1,445
Profit before tax	(1,366)	(819)	NA	5,141	NA	12,222	22,976	27,613
Provision for taxes	(757)	(6)	NA	1,283	NA	1,798	5,055	6,903
Minority interest	9	115	(91.9)	110	(91.5)	290	290	290
Associate profit share						(70)		
Reported net profit	(618)	(928)	NA	3,748	NA	10,064	17,631	20,419
Adjusted Profit	2,042	2,824	(27.7)	3,043	(32.9)	12,019	17,631	20,419
Diluted shares (mn)	803	803		803		805	805	805
Adjusted Diluted EPS	2.5	3.5	(27.8)	3.8	(33.0)	14.9	21.9	25.4
Diluted P/E (x)	-	-		-		33.8	23.0	19.9
EV/EBITDA (x)	-	-		-		18.0	13.9	11.1
ROAE (%)	-	-		-		9.9	13.1	13.6
Cost of revenue	36.7	42.6		35.7		36.3	35.5	35.3
Gross profit	63.3	57.4		64.3		63.7	64.5	64.8
R&D	8.6	8.2		6.2		7.6	8.5	8.5
Total expenses	85.9	94.7		81.4		83.1	81.6	81.1
Operating profit	(3.5)	(2.8)		11.5		7.9	12.9	13.8
Reported net profit	(1.7)	(2.8)		10.3		6.9	10.2	10.5
Tax rate	55.4	0.7		25.0		14.7	22.0	25.0

Company Description

Cipla is a global Pharma company with a geographically diversified presence and products registered in more than 170 countries. The India branded formulations accounts for more than 40% of its business and Cipla is among the top three players in the market. In the past, Cipla believed in the partnership model for international markets but over the last three years the company is undergoing a strategic shift and has started setting up its own front end. Cipla is also a well-known global player in the inhalers and antiretrovirals space. Going forward the company expects launch of combination inhalers in the larger markets of US and EU and setting up of own front ends to drive growth.

Investment Theme

We believe Cipla is headed in the right direction as investments in pipeline/front end begin to deliver. We expect steady growth and margin recovery going forward as acquired businesses and own sales in US/EU start ramping up. Earnings to be driven by operating leverage benefits on initiation of sales from US and EU through own front end, ramp up in Dymista (nasal spray with partner Meda) and cost synergies in South Africa (recently acquired). The launch of combination inhalers in EU validates its capabilities in the space and expect this business to be a long term driver.

Key Risks

- Delay in approvals in US and EU / slower than expected ramp up in the combination inhalers segment
- Currency appreciation: more than 60% of the business is international and any substantial movement of the currency could hurt

Financial Statements

Key Assumptions

Year to March	FY16	FY17	FY18E	FY19E
Macro				
GDP(Y-o-Y %)	7.2	6.5	7.1	7.7
Inflation (Avg)	4.9	4.8	5.0	5.2
Repo rate (exit rate)	6.8	6.3	6.3	6.3
USD/INR (Avg)	65.0	67.5	67.0	67.0
Sector				
IPM growth (Y-o-Y) %	12.0	12.0	12.0	12.0
Company				
India sales (INR mn)	50,220	55,300	61,936	71,226
% change	5.8	10.1	12.0	15.0
Export Formul. (USD mn)	1,183	1,208	1,512	1,710
% change	33.4	2.1	25.1	13.1
API (USD mn)	114	78	87	95
% change	11.4	(31.2)	10.8	10.0
EBITDA margins (%)	18.0	16.9	18.4	18.9
R&D (% of sales)	6.5	7.6	8.5	8.5
USD/INR (Avg)	65.0	67.5	67.0	67.0
Capex (USD mn)	734	155	-	-

Income statement

(INR mn)

Year to March	FY16	FY17	FY18E	FY19E
Net revenue	134,942	142,809	168,897	191,466
Other Operating Income	2,959	3,494	3,347	3,598
Income from operations	137,901	146,302	172,244	195,064
Materials costs	50,899	53,171	61,147	68,760
Employee costs	24,340	26,338	29,499	33,039
R&D Cost	8,964	11,119	14,641	16,580
Total SG&A expenses	28,902	30,916	35,206	39,803
EBITDA	24,797	24,758	31,752	36,881
Operating profit	24,797	24,758	31,752	36,881
EBIT	17,255	11,529	22,301	26,858
Add: Other income	2,082.1	2,286.9	2,199.9	2,199.9
Less: Interest Expense	2,066	1,594	1,525	1,445
Profit Before Tax	17,270	12,222	22,976	27,613
Less: Provision for Tax	3,316	1,798	5,055	6,903
Less: Minority Interest	234	290	290	290
Associate profit share	(120)	(70)	-	-
Reported Profit	13,600	10,064	17,631	20,419
Exceptional Items	-	(1,955)	-	-
Adjusted Profit	13,600	12,019	17,631	20,419
Shares o /s (mn)	803	805	805	805
Adjusted Basic EPS	16.9	14.9	21.9	25.4
Diluted shares o/s (mn)	803	805	805	805
Adjusted Diluted EPS	16.9	14.9	21.9	25.4
Adjusted Cash EPS	26.3	31.4	33.7	37.8
Dividend per share (DPS)	2.0	2.0	3.5	4.1
Dividend Payout Ratio(%)	11.8	16.0	16.0	16.0

Common size metrics

Year to March	FY16	FY17	FY18E	FY19E
Operating expenses	82.0	83.1	81.6	81.1
Materials costs	36.9	36.3	35.5	35.3
Staff costs	17.7	18.0	17.1	16.9
S G & A expenses	21.0	21.1	20.4	20.4
R & D cost	6.5	7.6	8.5	8.5
Depreciation	5.5	9.0	5.5	5.1
Interest Expense	1.5	1.1	0.9	0.7
EBITDA margins	18.0	16.9	18.4	18.9
Net Profit margins	10.0	8.4	10.4	10.6

Growth ratios (%)

Year to March	FY16	FY17	FY18E	FY19E
Revenues	23.2	5.8	18.3	13.4
EBITDA	14.7	(0.2)	28.3	16.2
PBT	4.4	(29.2)	88.0	20.2
Adjusted Profit	15.2	(11.6)	46.7	15.8
EPS	15.2	(11.8)	46.7	15.8

Balance sheet		(INR mn)			
As on 31st March	FY16	FY17	FY18E	FY19E	
Share capital	1,607	1,609	1,609	1,609	
Reserves & Surplus	113,555	123,645	137,884	154,374	
Shareholders' funds	115,162	125,254	139,493	155,983	
Minority Interest	3,501	4,382	4,382	4,382	
Short term borrowings	49,697	4,672	1,672	(328)	
Long term borrowings	2,219	36,454	36,454	36,454	
Total Borrowings	51,916	41,126	38,126	36,126	
Long Term Liabilities	2,882	2,792	2,792	2,792	
Def. Tax Liability (net)	8,970	5,888	5,888	5,888	
Sources of funds	182,431	179,442	190,681	205,171	
Gross Block	100,017	114,555	114,555	114,555	
Depreciation	7,542	13,229	9,451	10,024	
Net Block	66,628	67,936	58,485	48,461	
Capital work in progress	20,609	16,830	16,830	16,830	
Intangible Assets	27,056	26,784	26,784	26,784	
Total Fixed Assets	114,292	111,550	102,099	92,075	
Non current investments	1,764	1,374	1,374	1,374	
Cash and Equivalents	8,714	6,242	6,210	37,445	
Inventories	38,081	34,853	56,313	46,204	
Sundry Debtors	23,563	24,974	29,490	32,190	
Loans & Advances	18,055	22,160	22,160	22,160	
Current Assets (ex cash)	79,698	81,987	107,964	100,554	
Trade payable	14,758	15,711	20,966	20,278	
Other Current Liab	13,306	12,866	12,866	12,866	
Total Current Liab	28,064	28,577	33,832	33,144	
Net Curr Assets-ex cash	51,635	53,410	74,132	67,410	
Uses of funds	182,431	179,442	190,681	205,171	
BVPS (INR)	143.4	155.7	173.4	193.9	

Free cash flow		(INR mn)			
Year to March	FY16	FY17	FY18E	FY19E	
Reported Profit	13,600	10,064	17,631	20,419	
Add: Depreciation	7,542	13,229	9,451	10,024	
Interest (Net of Tax)	1,670	1,359	1,190	1,084	
Others	(9,682)	(366)	(42,633)	12,359	
Less: Changes in WC	(4,809)	2,769	(20,722)	6,721	
Operating cash flow	17,939	21,518	6,360	37,164	
Less: Capex	45,877	10,487	-	-	
Free Cash Flow	(27,939)	11,030	6,360	37,164	

Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		EV / EBITDA (X)		ROAE (%)	
		FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
Cipla	6,273	23.0	19.9	13.9	11.1	13.1	13.6
Dr.Reddys Laboratories	6,222	25.3	16.4	14.1	10.2	12.3	17.1
Lupin	7,967	22.4	18.7	13.9	11.6	15.9	16.7
Sun Pharmaceuticals Industries	21,955	17.7	15.2	11.1	8.7	18.8	18.4
Median	-	22.7	17.6	13.9	10.7	14.5	16.9
AVERAGE	-	22.1	17.5	13.3	10.4	15.0	16.5

Source: Edelweiss research

Cash flow metrics		FY16	FY17	FY18E	FY19E
Year to March					
Operating cash flow		17,939	21,518	6,360	37,164
Investing cash flow		(45,844)	(10,097)	-	-
Financing cash flow		31,027	(15,854)	(6,393)	(5,929)
Net cash Flow		3,122	(4,434)	(32)	31,235
Capex		(45,877)	(10,487)	-	-
Dividend paid		(1,934)	(1,936)	(3,393)	(3,929)

Profitability and efficiency ratios

Year to March	FY16	FY17	FY18E	FY19E
ROAE (%)	12.1	9.9	13.1	13.6
ROACE (%)	12.6	7.9	13.6	15.0
Inventory Days	272	250	272	272
Debtors Days	59	62	59	59
Payable Days	109	105	109	109
Cash Conversion Cycle	222	208	221	221
Current Ratio	3.2	3.1	3.4	4.2
Gross Debt/EBITDA	2.1	1.7	1.2	1.0
Gross Debt/Equity	0.4	0.3	0.3	0.2
Adjusted Debt/Equity	0.4	0.3	0.3	0.2
Net Debt/Equity	0.4	0.3	0.2	-
Interest Coverage Ratio	8.4	7.2	14.6	18.6

Operating ratios

Year to March	FY16	FY17	FY18E	FY19E
Total Asset Turnover	0.9	0.8	0.9	1.0
Fixed Asset Turnover	1.7	1.5	1.9	2.4
Equity Turnover	1.2	1.2	1.2	1.3

Valuation parameters

Year to March	FY16	FY17	FY18E	FY19E
Adj. Diluted EPS (INR)	16.9	14.9	21.9	25.4
Y-o-Y growth (%)	15.2	(11.8)	46.7	15.8
Adjusted Cash EPS (INR)	26.3	31.4	33.7	37.8
Diluted P/E (x)	29.8	33.7	23.0	19.9
P/B (x)	3.5	3.2	2.9	2.6
EV / Sales (x)	3.4	3.1	2.6	2.1
EV / EBITDA (x)	18.2	18.0	13.9	11.1
Dividend Yield (%)	0.4	0.4	0.7	0.8

Additional Data

Directors Data

Dr. Y.K. Hamied	Chairman	M.K. Hamied	Non-Executive Vice-Chairman
Subhanu Saxena	Managing Director & Global CEO	S. Radhakrishnan	Whole-time Director
Ashok Sinha	Non-Executive Director	Dr. Peter Mugenyi	Non-Executive Director
Adil Zainulbhai	Non-Executive Director	Punita Lal	Director
Samina Vazilralli	Director	Naina Lal Kidwai	Director

Auditors - V. Sankar Aiyar & Co., R.G.N. Price & Co.

**as per last annual report*

Holding – Top10

	Perc. Holding		Perc. Holding
Hamied yusuf k	20.72	Life insurance corp	6.12
Hamied mustafa kamil	4.93	Icici prudential ass	4.66
Ahmed sophie	1.92	Commonwealth bank of	1.79
Hdfc asset managemen	1.67	Norges bank	1.6
Blackrock	1.59	Fil limited	1.53

**in last one year*

Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
No Data Available				

**in last one year*

Insider Trades

Reporting Data	Acquired / Seller	B/S	Qty Traded
No Data Available			

**in last one year*

Company	Absolute reco	Relative reco	Relative risk	Company	Absolute reco	Relative reco	Relative Risk
Aurobindo Pharma	HOLD	SP	H	Cadila Healthcare	BUY	SO	M
Cipla	HOLD	SP	L	Divi's Laboratories	HOLD	SO	M
Dr.Reddys Laboratories	HOLD	SP	M	Glenmark Pharmaceuticals	HOLD	SP	M
Ipca Laboratories	REDUCE	SU	M	Lupin	HOLD	SP	M
Natco Pharma	BUY	SO	M	Sun Pharmaceuticals Industries	BUY	SO	M
Torrent Pharmaceuticals	BUY	SO	H				

ABSOLUTE RATING

Ratings	Expected absolute returns over 12 months
Buy	More than 15%
Hold	Between 15% and - 5%
Reduce	Less than -5%

RELATIVE RETURNS RATING

Ratings	Criteria
Sector Outperformer (SO)	Stock return > 1.25 x Sector return
Sector Performer (SP)	Stock return > 0.75 x Sector return
	Stock return < 1.25 x Sector return
Sector Underperformer (SU)	Stock return < 0.75 x Sector return

Sector return is market cap weighted average return for the coverage universe within the sector

RELATIVE RISK RATING

Ratings	Criteria
Low (L)	Bottom 1/3rd percentile in the sector
Medium (M)	Middle 1/3rd percentile in the sector
High (H)	Top 1/3rd percentile in the sector

Risk ratings are based on Edelweiss risk model

SECTOR RATING

Ratings	Criteria
Overweight (OW)	Sector return > 1.25 x Nifty return
Equalweight (EW)	Sector return > 0.75 x Nifty return
	Sector return < 1.25 x Nifty return
Underweight (UW)	Sector return < 0.75 x Nifty return

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Coverage group(s) of stocks by primary analyst(s): Pharmaceuticals

Aurobindo Pharma, Cadila Healthcare, Cipla, Divi's Laboratories, Dr.Reddys Laboratories, Glenmark Pharmaceuticals, Ipca Laboratories, Lupin, Natco Pharma, Sun Pharmaceuticals Industries, Torrent Pharmaceuticals

Recent Research

Date	Company	Title	Price (INR)	Recos
25-May-17	Healthcare Global Enterprises	Extends strong performance ; <i>Result Update</i>	253	Buy
24-May-17	Lupin	Earnings sink as Glumetza/ Fortamet continue to vanish; <i>Result Update</i>	1,228	Hold
16-May-17	Apollo Hospitals	Navi Mumbai facility ramping up well; <i>Visit Note</i>	1,300	Buy

Distribution of Ratings / Market Cap

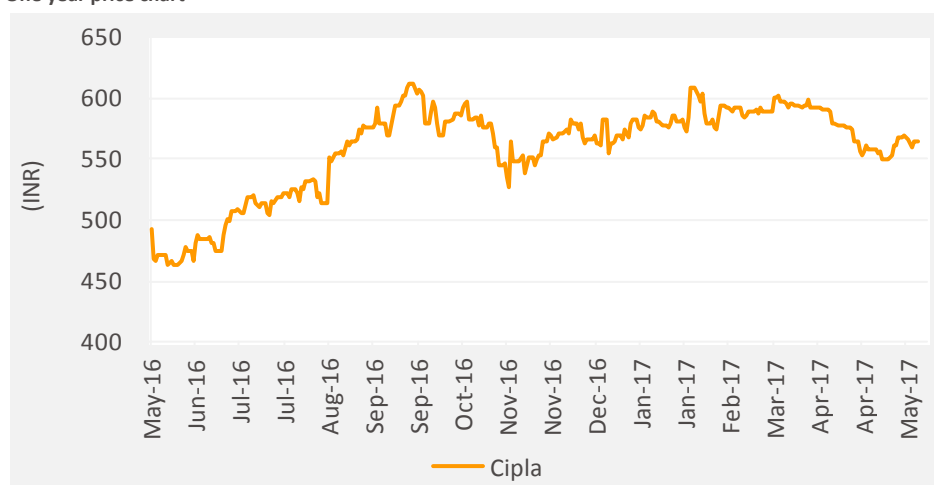
Edelweiss Research Coverage Universe

	Buy	Hold	Reduce	Total
Rating Distribution*	161	67	11	240
* 1stocks under review				
	> 50bn	Between 10bn and 50 bn	< 10bn	
Market Cap (INR)	156	62	11	

Rating Interpretation

Rating	Expected to
Buy	appreciate more than 15% over a 12-month period
Hold	appreciate up to 15% over a 12-month period
Reduce	depreciate more than 5% over a 12-month period

One year price chart



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