Merck Ltd

Bloomberg Code: EMER IN

India Research - Stock Broking

HOLD

New Management Set To Ride Growth With Added Injectables Capacity, The Surge In Biosimilars And Deeper Market Penetration

Added Injectables Capacity Alludes To Possible New Launches: Merck is currently increasing the capacity of its plant in Ponda, Goa. This could be a sign that Merck is planning for some new launches in injectables in the near future. Injectables are often high-margin products having the potential to boost profits. The capacity addition is likely to be completed by the end of April 2015 and will increase the capacity of the department from 180 Million per annum to 220 Million. The capacity addition is likely to increase revenues as well as expand margins.

The Upcoming Surge In Biosimilars To Boost Sales And Expand Margins: With some biosimilars such as Humira, the top-selling drug worldwide by revenue going off-patent in 2016, many pharma and biotech companies are in the race to manufacture and commercialize these high-margin products. Biosimilars are difficult to manufacture large and complex molecules. Merck's Pharm Chem Solutions division sells intermediates to manufacture biosimilars and has good reputation in the market as a credible and trusted partner. On the back of the rise of biosimilars, sales of pharm chem division would increase and since biosimilars and its intermediates are high margin products, this division's margin would expand.

Valuation and Outlook

At CMP of Rs.839, Merck is trading at 17.1x CY16E EPS, which is lower than the 4-year average TTM PE of 19. Considering the triggers – increased injectables capacity leading to possible new launches and deeper market penetration, we initiate a **"HOLD"** recommendation on Merck Ltd with a target of Rs.930 based on 19x CY16E EPS of Rs.48.9. The potential upside is 10.8%.

Key Risks to the Call

1. Govt. bringing more Merck drugs under the ambit of DPCO.
2. Expansion of Government's Jan Aushidi campaign.
3. A depreciating Rupee against Euro.
4. Rise in costs of imported raw materials.

Exhibit 1: Valuation Summary (Rs. Mn)

YE Dec	CY12	CY13	CY14	CY15E	CY16E
Net Sales	6873	7978	8675	9765	10754
EBITDA	1055	769	589	908	1237
EBITDA Margin (%)	15.3	9.6	6.8	9.3	11.5
Adj. Net Profit	784	559	432	610	812
EPS (Rs.)	47.2	33.7	26.0	36.8	48.9
RoE (%)	17.5	11.1	8.0	10.6	12.8
PE (x)*	13.8	16.7	30.5	22.8	17.1

*Source: Company, Karvy Research; * For CY12, CY13, CY14 PE multiples are on a historic basis*

Recommendation (Rs.)

CMP *(as on Apr 30, 2015)*	839
Target Price	930
Upside (%)	11

Stock Information

Mkt Cap (Rs.mn/US$ mn)	13,931/219
52-wk High/Low (Rs.)	615/1,004
3M Avg. daily volume (mn)	0.038
Beta (3-yr)	0.02
Sensex/Nifty	27,011/8,182
O/S Shares(mn)	16.6
Face Value (Rs.)	10

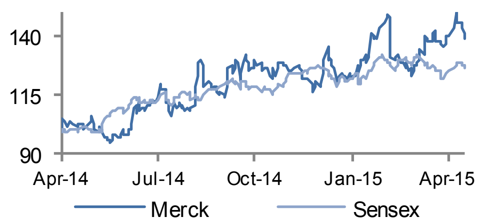
Shareholding Pattern (%)

Promoter	51.8
FIIs	1.0
DIIs	18.2
Others	29.1

Stock Performance (%)

	1M	3M	6M	12M
Absolute	3	14	30	40
Relative to Sensex	3	1	10	12

Relative Performance*



*Source: Bloomberg; *Index 100*

Technical View

Merck started its up move from the lows at 535 levels since Feb'14 and recently made a life time high at 1009 on 4th Apr 2015 in a span of 14 months. The stock is traded in secular up trend since Feb' 14 till 4th Apr'15 making higher highs and higher lows. During the recent correction from life time high, the stock bottomed out at 797 levels forming a bullish reversal hammer pattern in weekly charts. MFI plotting at 68.44 shows bulls are still intact in the stock. We expect the stock likely to touch 880-930 levels in the coming weeks.

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Company Financial Snapshot (YE Dec)

Profit & Loss (Rs.mn)

	CY14	CY15E	CY16E
Net sales	8675	9765	10754
Optg. Exp (Adj for OI)	8086	8856	9518
EBITDA	589	908	1237
Depreciation	127	150	173
Interest	0.0	0.0	0.0
Other Income	203	181	186
PBT	666	939	1249
Tax	266	329	437
Adj. PAT	432	610	812
Profit & Loss Ratios			
EBITDA margin (%)	6.8	9.3	11.5
Net Profit margin (%)	5.0	6.2	7.6
P/E (x)	30.5	22.8	17.1
EV/EBITDA (x)	19.62	13.49	9.68
Dividend yield (%)	0.75	0.95	0.95

Source: Company, Karvy Research

Company Background

Setup in 1967 and listed in 1981, Merck Ltd is the first Asian subsidiary of Merck KGaA, the original Merck headquartered in Darmstadt, Germany. The US-headquartered Merck is known as MSD (Merck Sharp & Dohme) and is a separate and independent company. Merck India Ltd operates in both pharmaceuticals and chemicals space in India, it is the first company to develop Metformin as a first-line of choice for treatment of type 2 diabetes under the brand name Glucophage, which it licensed to BMS. In 1927, after discovering Vitamin D together with Bayer, Merck launched Vigantol, the first standardised Vitamin D product to treat rickets. In India Merck is a leader in Vitamin/Minerals business having three top-selling brands - Neurobion, Nasivion and Seven Seas in their respective therapeutic class. The company manufactures most of its products at its plant in Ponda, Goa which commenced operations in 1983, but the firm also outsources manufacturing to some of its Toll manufacturing units that comply with the required regulatory standards.

Balance Sheet (Rs.mn)

	CY14	CY15E	CY16E
Total Assets	**7,082**	**7,613**	**8,391**
Net Fixed assets	1,373	1,553	1,787
Current assets	4,986	5,357	5,900
Other assets	722	702	704
Total Liabilities	**1,539**	**1,592**	**1,691**
Networth	5,543	6,020	6,700
Debt	0.0	0.0	0.0
Current Liabilities	1,352	1,410	1,495
Deferred Tax	21.7	0.0	0.0
Balance Sheet Ratios			
RoE (%)	8.0	10.6	12.8
RoCE (%)	8.3	12.6	15.9
Net Debt/Equity (x)	(0.30)	(0.28)	(0.29)
Equity/Total Assets (x)	0.78	0.79	0.80
P/BV (x)	2.4	2.3	2.1

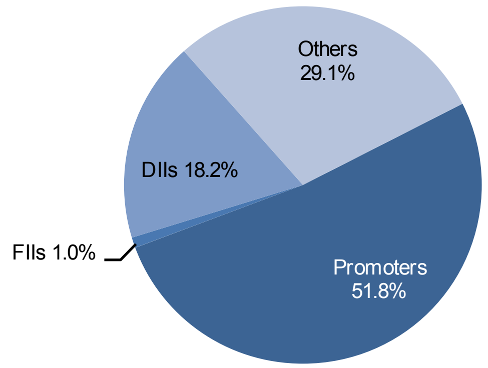
Source: Company, Karvy Research

Cash Flow (Rs.mn)

	CY14	CY15E	CY16E
PBT	666	939	1,249
Depreciation	127	150	173
Interest (net)	(155)	(161)	(166)
Tax	(342)	(329)	(437)
Changes in WC	(485)	(163)	(142)
Others	239	(20)	(20)
CF from Operations	50	416	657
Capex	(401)	(400)	(400)
Investment	25	20	20
Others	433	(258)	(492)
CF from Investing	106	(221)	(214)
Change in Equity	0.0	0.0	0.0
Change in Debt	0.0	0.0	0.0
Dividends	(142)	(133)	(133)
CF from Financing	(166)	(159)	(159)
Change in Cash	(11)	36	284

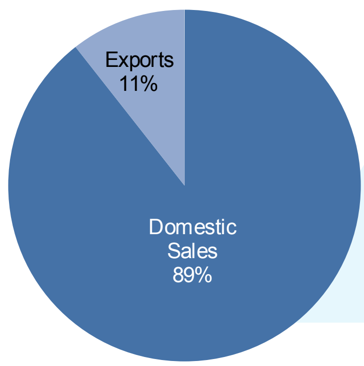
Source: Company, Karvy Research

Exhibit 2: Shareholding Pattern



Source: Company, Karvy Research

Exhibit 3: Revenue Split by Geography



Source: Company, Karvy Research

The Investment Rationale

Steady Revenue Growth And Scope For Margin Expansion To Drive EPS

1. Injectables Capacity Addition Alludes to Possible New Launches:

Merck manufactures most of its products at its plant in Ponda, Goa. This unit is going through a capacity addition and upgradation in injectables production area. This could be a sign that Merck is planning for some new launches in injectables in the near future, which will increase the revenues. Injectables, unlike some other dosage forms, are often high-margin products having the potential to boost profits. The capacity addition is likely to be completed by the end of April 2015 and will increase the capacity of the department by 22% from 180 Million per annum to 220 Million. Currently the injectables facility is operating at 85% capacity while the capsules facility is operating at 95% capacity. Currently Merck markets 10 injectables – four in women's fertility, one each for vitamin B deficiency, iron deficiency, malaria, head & neck cancer, multiple sclerosis and growth hormone deficiency in children.

2. The Upcoming Surge In Biosimilars To Boost Sales And Expand Margins

Biosimilars are the next big thing in pharma industry and they are coming soon. Recently the US FDA created a new approval pathway for biosimilars and only one biosimilar has been approved since then. As some blockbuster biosimilars (ex. Humira) are expected to go off-patent in 2016, the demand for intermediates and expertise to manufacture biosimilars would rise because biosimilars are large complex molecules that are difficult to manufacture and involves many processes. Furthermore, commercializing biosimilars in semi-regulated and unregulated markets is another significant opportunity for generic manufacturers because either there are no patents issued for these molecules or patent-protection is weak. Merck's Pharm Chem Solutions division sells intermediates to manufacture biosimilars and has good reputation in the market as a credible and trusted partner. On the back of the rise of biosimilars, sales of pharm chem division would increase and since biosimilars and its intermediates are high margin products, this division's margin would expand.

3. New Management To Bring Fresh Perspective

Merck has added some fresh blood to its executives. Three new executive appointments have been in Feb 2015. The positive impact the new executives will have on the top and bottom line of the firm would be seen in about 2 years time. The following executives were appointed:

- Mr. Anand Nambiar has been appointed as the Managing Director in Feb 2015. He earlier worked as Managing Director of Optronics Division of AZ Electronic Materials (part of Merck's Performance Materials division), Hong Kong.
- Mr. Brijesh Kapil is appointed Executive Director and is the head of Consumer Health division. He earlier worked for Ranbaxy Labs as Head of Global Consumer Healthcare Business
- Mr. Ali Sleiman has been appointed as General Manager and is the head of Merck Serono. He earlier worked in various roles in Merck Serono and other pharma companies in the Middle East.

4. Recent Rise In 483 Observations By FDA Implies Increase In Regulatory Advisory Services By Merck

Merck's Pharm Chem division enjoys the confidence and trust as a partner to the industry through its initiatives to advise the industry on latest regulatory trends. Indian generic manufacturers who export drugs to US and other developed countries have come under the US FDA scanner for deviating from the regulatory standards (cGMP), leading to FDA issuing 483 observations. Some have even been issued import ban alerts. Even some major Indian players have had issues complying/ meeting with the regulatory standards. Merck's Pharm Chem solutions division advises companies on the latest regulatory trends that help firms meet regulatory standards. The rise in exports of generic drugs and the need for regulatory compliance has driven the sales of this division above industry growth average. We estimate this division to deliver double-digit growth in coming years on the back of not only advising firms on regulatory trends but also the expected surge in the launch of biosimilar molecules for the domestic and international markets.

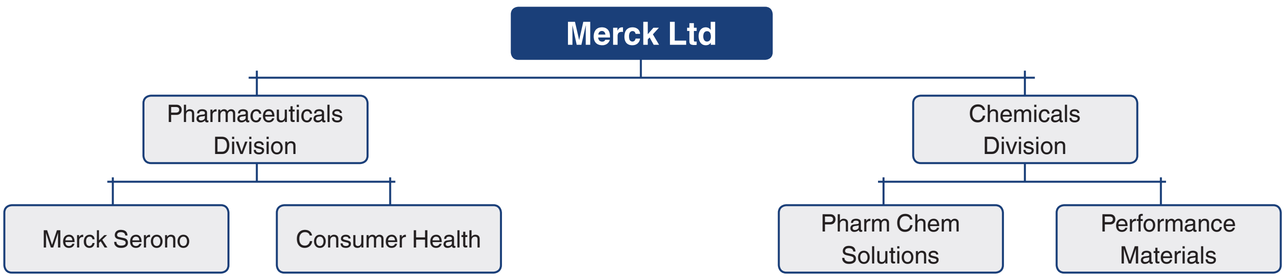
5. MNC Spreading Its Roots Into Semi-Urban And Rural India

Merck's products in urban India are a household name. Some products particularly in the vitamins/minerals/nutrients business such as Neurobion, Nasivion and Seven Seas are the top brands in India in their respective therapeutic class. These are commonly used and popular medicines in which Merck has established strong brand equity. Patients/consumers often remain loyal to and connect with these brands. These products have become part of Merck's established business in urban India. About 68% of India's population resides in rural India, according to NSO (National Statistical Organisation) estimates, upto 79% of health care expenses in rural areas are due to the cost of medicines. In order to spread healthcare awareness and access to healthcare, Merck has created two programs.

- Su-Swastha under Merck Consumer Health
- Swaasthya Yaatra under Merck Serono

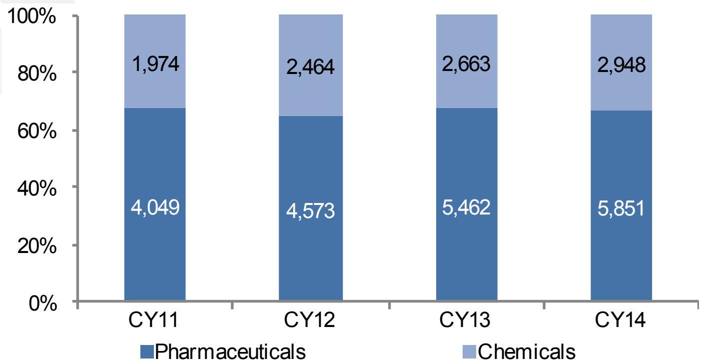
Su-Swastha (Good Health) is Merck Consumer Health's project to raise healthcare awareness and a unique business promotion model in that it opens up new frontier markets and encourages rural doctors to prescribe quality medicines. Alongside spreading healthcare awareness, Merck may be able to enhance visibility of its everyday medicines in semi-urban and rural India. Su-Swastha is currently being implemented in the states of UP and Bihar, which together constitute about 30% of India's rural population

Swaasthya Yaatra (Journey of Health) is a unique campaign by Merck 's Serono division currently being run in Uttar Pradesh, West Bengal, Madhya Pradesh and Bihar with an objective of making healthcare available to the remote areas of rural India and to answer daily questions doctors face while prescribing Merck Serono Community Care brands. This campaign may enhance visibility of Serono's Community Care brands. Both programs have the potential to increase sales by enhancing visibility of Merck's medicines.



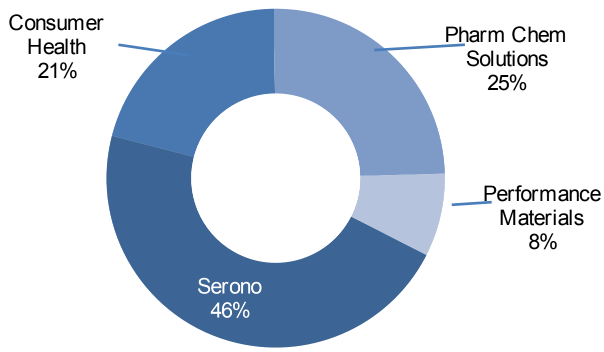
Source: Company, Karvy Research

Exhibit 4: Revenue Split by Division (Rs. Mn)



Source: Company, Karvy Research

Exhibit 5: 2014 Revenue Split by Segment



Source: Company, Karvy Research

Merck Drugs Currently Under Drug Price Control Order (DPCO)

According to DPCO compendium of April 2105, 26 of about 90 or 29% of medicines marketed by Merck are currently under price control. The table below lists the drugs under price control. Approximately 16% of Merck's CY14 revenue falls under DPCO.

Polybion Family	Livogen Family	Carbophage Family	Betamil Family	Others Medicines
1. Polybion SF	1. Livogen XT	1. Carbophage XR 500	1. Betamil	1. Neurobion Forte
2. Polybion LC	2. Livogen Z	2. Carbophage XR 1000	2. Betamil Cream	2. Cosome Syrup
3. Polybion Injection	3. Livogen Hemtonic	3. Carbophage G1	3. Betamil GM	3. Cosome Expectorant
4. Polybion Capsule	4. Livogen Captab	4. Carbophage G2	4. Betamil M	4. Harpoon
5. Polybion CZS		5. Carbophage G1 Forte	5. Betamil N	
6. Ostopolybion D		6. Carbophage G2 Forte	6. Clobetamil / Clobetamil G	

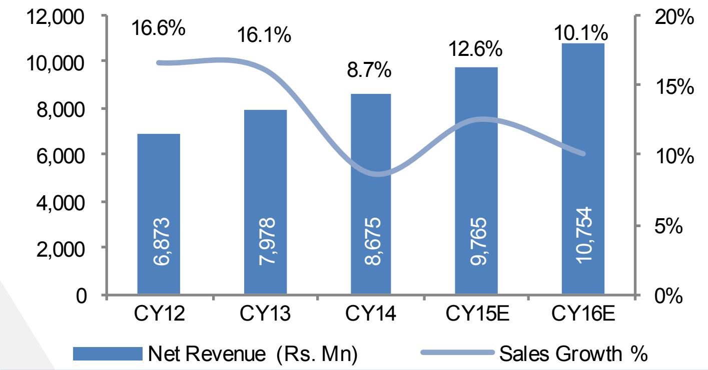
Source: Company, Karvy Research

Operating and Financial Highlights

About 11% of total annual revenue in 2014 was derived from exports. Majority of exports are to developing countries - Sri Lanka, Nepal, Lebanon, Kenya and Libya, but Merck Ltd also exports to US, Austria, Singapore and France. The ability to export is limited because the parent Merck KGaA has presence in 67 countries.

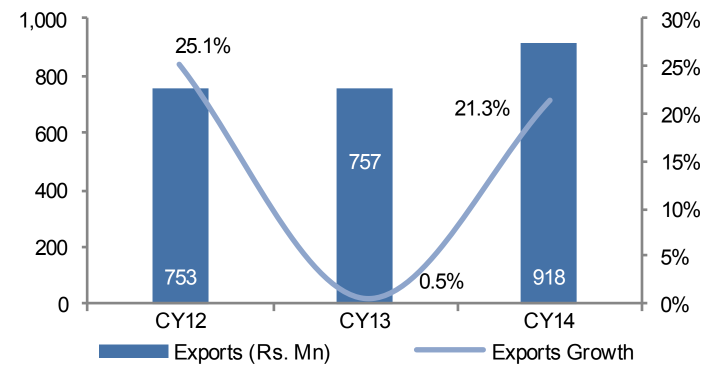
EBITDA margin has fallen from 12.3% in CY11 to 6.8% in CY14. This is because of the direct impact of DPCO. The 2013 Drug Price Control Order (DPCO) by National Pharmaceutical Pricing Authority (NPPA) came into effect on May 15, 2013 bringing as many as 348 molecules and 652 formulations under price control. NPPA has fixed the ceiling price based on market-based data as opposed to cost-based pricing. The Max Retail Price (MRP) is calculated as ceiling price + applicable local taxes. Also, the NPAA fixed a 16% margin for retailers selling DPCO drugs, the ceiling price is calculated by adding this 16% margin to the average drug price to retailer. About 16% of Merck's CY14 sales come under DPCO, in all 6 brands and 25 formulations of Merck Serono are under the ambit of DPCO. Price hike for DPCO drugs is based on Wholsale Price Index (WPI), whereas as price hikes for non-DPCO drugs will be capped at 10% based on a 12 month moving period. Merck may raise prices of almost all of its non-DPCO drugs by a full 10% for non-DPCO drugs.

Exhibit 6: Revenue and Revenue Growth



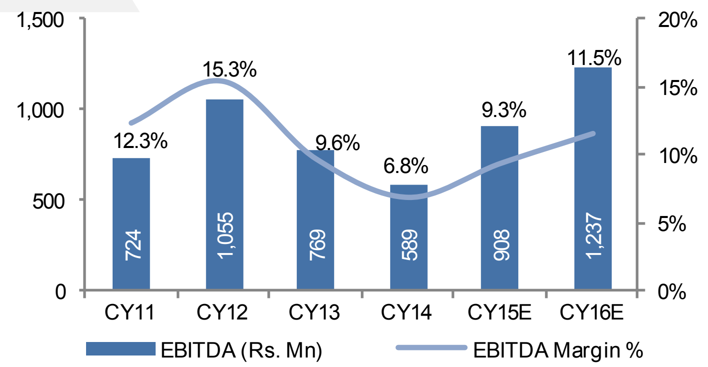
Source: Company, Karvy Research

Exhibit 7: Rise in Exports



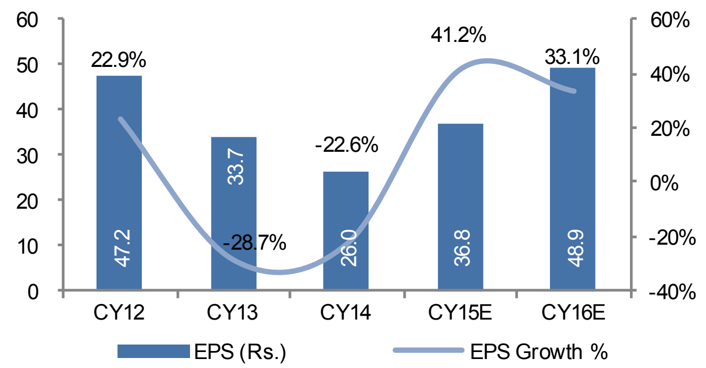
Source: Company, Karvy Research

Exhibit 8: Improving EBITDA Margins



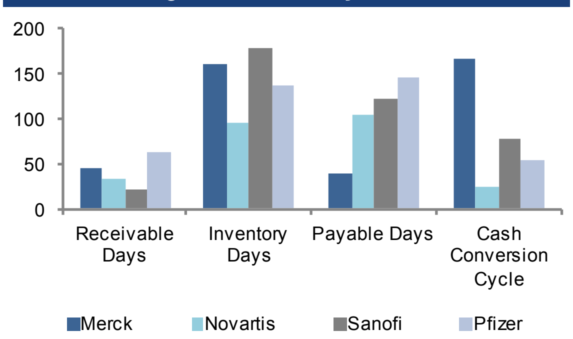
Source: Company, Karvy Research

Exhibit 9: Rising Earnings



Source: Company, Karvy Research

Exhibit 10: Larger Conversion Cycle



Source: Company, Karvy Research

Cash Conversion Cycle was 168 days for CY14 primarily because of higher inventory days (162) and higher receivable days (46). The company's inventory days is higher than the average among its MNC peers. This means the cash is tied up in the form of inventory so the company should push its inventory faster and convert it to sales as well as collect its receivables sooner.

Exhibit 11: Company Snapshot (Ratings)

	Low				High
	1	2	3	4	5
Quality of Earnings				✓	
Domestic Sales				✓	
Exports			✓		
Net Debt/Equity			✓		
Working Capital requirement			✓		
Quality of Management					✓
Depth of Management					✓
Promoter					✓
Corporate Governance					✓

Source: Company, Karvy Research

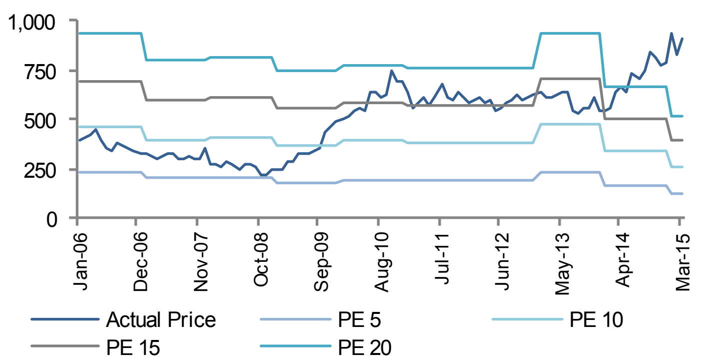
Valuation & Outlook

In India most of the listed MNC pharma companies derive their revenues from established medicines as opposed to specialty drugs. Established medicines mean off-patent medicines that are commonly prescribed by doctors and most of the OTC products whereas specialty drugs are high-cost medicines indicated for major diseases/disorders such as cancer, neurodegenerative diseases, and autoimmune disorders. These innovator MNCs compete with the plethora of generic manufacturers in the highly fragmented Indian pharma marketplace and are able to charge a premium by leveraging their strong brand equity to attract consumers and drive sales. Consumer behaviour plays a major role in the marketing of these products as consumers often connect with the brands as well as the company and stay loyal in the long-term.

Merck sells everyday medicines and some commonly prescribed medicines in the Indian market. They have strong presence in the urban market and in order to ramp-up volumes Merck would pursue promoting its products in the semi-urban and rural markets. Merck's EBITDA margins are estimated to expand on account of possible new launches in the injectables space and on the back of increasing demand of intermediates for manufacturing of biosimilars.

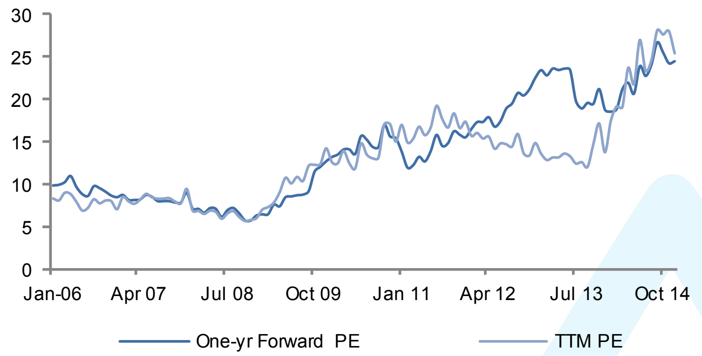
At CMP of Rs.839, Merck is trading at 17.1x CY16E EPS of Rs.48.9 which is lower than the 4-year average TTM PE of 19. Considering the important triggers – increased injectables capacity leading to possible new product launches, expected surge in biosimilars and deeper market penetration, we and initiate a **"HOLD"** recommendation on Merck Ltd with a target of Rs.930 based on 19x CY16E EPS of Rs.48.9. The upside potential is 10.8%.

Exhibit 12: PE Band



Source: Company, Karvy Research

Exhibit 13: One-year Forward PE



Source: Company, Karvy Research

Peers Selection

Only MNC pharma companies doing business in India have been selected as peers because of their similar business model - most of these companies market their established off-patent medicines in India as opposed to developed markets where they make most of their revenues from patent-protected innovator drugs.

Exhibit 14: Operational Profile

Symbol	CMP	Sales Growth (%)				EBITDA Margins (%)				CAGR % (CY 11-14)		
	(Rs.)	CY11	CY12	CY13	CY14	CY11	CY12	CY13	CY14	Sales	EBITDA	EPS
Merck	839	6.7	16.6	16.1	8.7	18.5	15.3	9.6	6.8	10.1	(5.0)	(9.3)
Novartis	581	13.3	13.2	7.0	(4.6)	29.7	27.0	19.2	10.9	3.7	(19.3)	(9.5)
Sanofi	3,320	13.4	19.6	15.0	9.3	24.0	22.4	25.2	20.4	10.7	6.3	8.3
Pfizer	2,085	NA	(12.0)	(4.1)	5.9	28.7	26.4	67.4	31.3	(2.8)	(0.6)	(0.6)

Source: Karvy Research, Bloomberg

Exhibit 15: Valuation Profile

Symbo	CMP	Mcap	RoE (%)				P/E (x)			
	(Rs.)	(Rs. mn)	CY11	CY12	CY13	CY14	CY11	CY12	CY13	CY14
Merck	839	13,931	15.5	17.5	11.1	8.0	15.6	13.8	16.3	30.5
Novartis	581	19,037	20.9	18.6	13.3	10.2	14.2	14.1	12.4	21.3
Sanofi	3,320	76,373	17.4	14.9	19.9	17.8	27.9	29.9	24.0	31.4
Pfizer	2,085	97,230	19.5	14.1	29.7	33.5	14.6	19.2	6.8	29.1

Source: Karvy Research, Bloomberg

Key Risks

- Govt. bringing more Merck drugs under the ambit of DPCO.
- Expansion of Government's Jan Aushidi outlets across India. In order to improve access to medicines at affordable prices to all (especially to the poor masses) the Govt. has decided to launch a nation-wide campaign called the Jan Aushadhi Scheme, as a direct market intervention strategy for promoting use of generic drugs.
- Failure of the rural business promotion model.
- Merck unable to raise prices of non-DPCO drugs.
- Rise in cost of imported raw materials
- A depreciating rupee against Euro.

Financials

Exhibit 16: Income Statement

YE Dec (Rs. Million)	CY12	CY13	CY14	CY15E	CY16E
Revenues	6,873	7,978	8,675	9,765	10,754
Growth (%)	16.6	16.1	8.7	12.6	10.1
Operating Expenses	5,818	7,209	8,086	8,856	9,518
EBITDA	1,055	769	589	908	1,237
Growth (%)	45.7	(27.1)	(23.4)	54.1	36.2
Depreciation & Amortization	89	101	127	150	173
Other Income	202	215	203	181	186
EBIT	966	668	462	758	1,064
Interest Expenses	0.0	0.0	0.0	0.0	0.0
PBT	1,168	883	666	939	1,249
Tax	385	320	266	329	437
Adjusted PAT	784	559	432	610	812
Growth (%)	23.1	(28.7)	(22.6)	41.2	33.1

Source: Company, Karvy Research

Exhibit 17: Balance Sheet

YE Dec (Rs. Million)	CY12	CY13	CY14	CY15E	CY16E
Cash & Equivalents	1,930	1,877	1,640	1,675	1,959
Sundry Debtors	644	841	1,045	1,196	1,317
Inventory	1,310	1,518	1,773	1,939	2,059
Loans & Advances	984	910	932	934	936
Investments	236	243	239	255	273
Gross Block	1,654	1,837	2,184	2,584	2,984
Net Block	750	846	1,095	1,352	1,585
CWIP	18	92	276	200	200
Miscellaneous	71	159	82	62	61
Total Assets	**5,943**	**6,486**	**7,082**	**7,613**	**8,391**
Current Liabilities & Provisions	971	1,123	1,352	1,410	1,495
Debt	0.0	0.0	0.0	0.0	0.0
Other Liabilities	135	133	187	182	196
Total Liabilities	1,106	1,256	1,539	1,592	1,691
Shareholders Equity	166	166	166	166	166
Reserves & Surplus	4,671	5,064	5,377	5,854	6,534
Total Networth	**4,837**	**5,230**	**5,543**	**6,020**	**6,700**
Minority Interest	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Total Networth & Liabilities	**5,943**	**6,486**	**7,082**	**7,613**	**8,391**

Source: Company, Karvy Research

Exhibit 18: Cash Flow Statement

YE Dec (Rs. Million)	CY12	CY13	CY14	CY15E	CY16E
PBT	1,168	883	666	939	1,249
Depreciation	89	101	127	150	173
Interest	0.0	0.0	0.0	0.0	0.0
Tax Paid	(398)	(398)	(342)	(329)	(437)
Inc/dec in Net WC	(149)	(509)	(485)	(163)	(142)
Other Income	(185)	(194)	(175)	(181)	(186)
Other non cash items	18	123	259	-	-
Cash flow from operating activities	**543**	**4**	**50**	**416**	**657**
Inc/dec in capital expenditure	(135)	(334)	(401)	(400)	(400)
Inc/dec in investments	(9)	(7)	4	-	-
Others	(675)	410	503	179	186
Cash flow from investing activities	**(818)**	**70**	**106**	**(221)**	**(214)**
Inc/dec in borrowings	0.0	0.0	0.0	0.0	0.0
Issuance of equity	0.0	0.0	0.0	0.0	0.0
Dividend paid	-	(41.5)	(142.2)	(132.8)	(132.8)
Interest paid	0.0	0.0	0.0	0.0	0.0
Others	-	(6.7)	(24.0)	(26.6)	(26.6)
Cash flow from financing activities	**-**	**(48)**	**(166)**	**(159)**	**(159)**
Net change in cash	(276)	27	(11)	36	284

Source: Company, Karvy Research

Exhibit 19 Key Ratios

YE Dec (%)	CY12	CY13	CY14	CY15E	CY16E
EBITDA Margin (%)	15.3	9.6	6.8	9.3	11.5
EBIT Margin (%)	14.1	8.4	5.3	7.8	9.9
Net Profit Margin (%)	11.4	7.0	5.0	6.2	7.6
Dividend Payout Ratio (%)	5.3	25.3	23.0	21.8	16.4
Net Debt/Equity	(0.40)	(0.36)	(0.30)	(0.28)	(0.29)
RoE (%)	17.5	11.1	8.0	10.6	12.8
RoCE (%)	20.0	12.8	8.3	12.6	15.9

Source: Company, Karvy Research

Exhibit 20: Valuation Parameters

YE Dec	CY12	CY13	CY14	CY15E	CY16E
EPS (Rs.)	47.2	33.7	26.0	36.8	48.9
DPS (Rs.)	2.5	8.5	6.0	8.0	8.0
BV (Rs.)	291	315	334	363	404
PE (x)*	13.8	16.7	30.5	22.8	17.1
P/BV (x)*	2.2	1.8	2.4	2.3	2.1
EV/EBITDA (x)*	8.4	9.7	19.6	13.5	9.7
EV/Sales (x)*	1.3	0.9	1.3	1.3	1.1

*Source: Company, Karvy Research; *Represents multiples for CY12, CY13 & CY14 are based on historic market price*

Stock Ratings		Absolute Returns
Buy	:	> 15%
Hold	:	5-15%
Sell	:	<5%

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