

Sun Pharma

Performance Highlights

(₹ cr)	2QFY2016	1QFY2016	% chg qoq	2QFY2015	% chg yoy
Net sales	6,803	6,526	4.3	7,979	(14.7)
Other income	226	341	(33.8)	29	674.5
Gross profit	5,245	4,805	9.2	6,162	(14.9)
Operating profit	1,899	1,614	17.7	3,006	(36.8)
Adj. Net profit	1,107	993	11.5	2,050	(46.0)

Source: Company, Angel Research

For 2QFY2016, Sun Pharmaceuticals Industries (Sun Pharma) posted results marginally lower than our expectations. Sales for the quarter, at ₹6,803cr (V/s ₹6,600cr estimated) dipped 15% yoy. On the operating front, the company posted an OPM of 27.9% V/s 38.0% in 2QFY2015 and V/s our expectation of 25.4%. The company had benefitted significantly in 2QFY2015 from the 180-day exclusivity on Valsartan tablets in the US, which resulted in a higher base for the quarter under review. Thus, the net profit came in at ₹1,107cr V/s ₹1,145cr expected and V/s ₹2,051cr in 2QFY2015, a yoy dip of 46.0%. Other income during the quarter came in at ₹225.6cr V/s ₹29.1cr in 2QFY2015. **However, we are currently maintaining our target price of ₹950.**

Results better than expected on the OPM front: For 2QFY2016, Sun Pharma posted results marginally lower than our expectations. Sales for the quarter, at ₹6,803cr (V/s ₹6,600cr estimated) dipped 15% yoy. Sun posted results marginally lower than expected. For 2QFY2016, the company posted sales of ₹6,803cr (V/s ₹6,600cr estimated), a dip of 15% yoy. Amongst the key markets-India (₹1,819cr) posted a growth of only 1%, US (US\$510mn) posted a de-growth of 28% yoy, Emerging markets (US\$140mn) were down by 16% yoy and ROW(US\$76mn) was down 30% yoy. On the operating front, the company posted an OPM of 27.9% V/s 38.0% in 2QFY2015. This was against our expectations of 25.4%. The company had benefitted significantly in 2QFY2015 from the 180-day exclusivity on Valsartan tablets in the US resulting in a higher base. Thus, the net profit came in at ₹1,107cr V/s ₹1,145cr expected and V/s ₹2,051cr in 2QFY2015, a yoy dip of 46.0%. Other income during the quarter came in at ₹225.6cr V/s ₹29.1cr in 2QFY2015.

Outlook and valuation: Sun Pharma is one of the largest and fastest growing Indian pharmaceutical companies. We expect its net sales to post a 9.3% CAGR (including Ranbaxy Laboratories) to ₹32,610cr and EPS to post an 8.4% CAGR to ₹26.9 over FY2015–17E. **We recommend a Buy on the stock.**

Key financials (Consolidated)

Y/E March (₹ cr)	FY2014	FY2015	FY2016E	FY2017E
Net sales	16,004	27,287	28,163	32,610
% chg	42.3	70.6	3.2	15.8
Adj. Net profit	5,273	4,743	4,197	6,483
% chg	52.6	(10.0)	(11.5)	54.5
EPS (₹)	25.5	22.9	17.4	26.9
EBITDA margin (%)	43.3	28.6	25.8	30.7
P/E (x)	29.1	32.4	42.6	27.6
RoE (%)	32.3	21.1	13.0	16.6
RoCE (%)	32.0	21.1	12.7	15.8
P/BV (x)	8.3	5.8	4.0	3.5
EV/Sales (x)	9.3	5.5	5.8	4.8
EV/EBITDA (x)	21.4	19.2	22.5	15.6

Source: Company, Angel Research; Note: CMP as of November 13, 2015

BUY

CMP	₹742
Target Price	₹950

Investment Period	12 months
-------------------	-----------

Stock Info

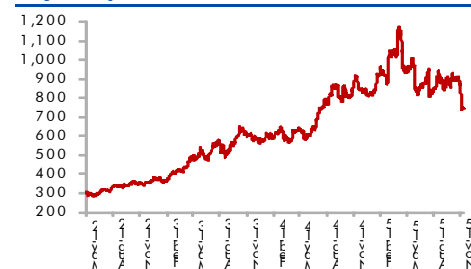
Sector	Pharmaceutical
Market Cap (₹ cr)	178,514
Net Debt (₹ cr)	(7,887)
Beta	0.8
52 Week High / Low	1201/725
Avg. Daily Volume	342,380
Face Value (₹)	1
BSE Sensex	25,611
Nifty	7,762
Reuters Code	SUN.BO
Bloomberg Code	SUNP@IN

Shareholding Pattern (%)

Promoters	54.7
MF / Banks / Indian Fls	10.8
FII / NRIs / OCBs	27.8
Indian Public / Others	6.7

Abs. (%)	3m	1yr	3yr
Sensex	(7.0)	(8.3)	37.6
Sun Pharma	(15.6)	(18.4)	115.2

3-year price chart



Source: Company, Angel Research

Sarabjit Kour Nangra

+91 22 39357600 Ext: 6806

sarabjit@angelbroking.com

Exhibit 1: 2QFY2016 performance (Consolidated)

Y/E March (₹ cr)	2QFY2016	1QFY2016	% chg qoq	2QFY2015	% chg yoy	1HFY2016	1HFY2015	% chg
Net sales	6,803	6,526	4.3	7,979	(14.7)	13,329	14,296	(6.8)
Other income	225.6	340.8	(33.8)	29.1	674.5	566.4	238.9	137.1
Total income	7,029	6,863	2.4	8,008	(12.2)	13,896	14,535	(4.4)
Gross profit	5,245	4,805	9.2	6,162	(14.9)	10,050	10,833	(7.2)
Gross margin (%)	77.1	73.7		77.2		75.4	75.8	
Operating profit	1,899	1,614	17.7	3,006	(36.8)	3,514	4,678	(24.9)
Operating margin (%)	27.9	24.8		37.7		26.4	32.7	
Interest	148	123	20.7	162	(8.3)	271	311	(12.6)
Depreciation	271	240	12.9	269	0.8	511	505	1.3
Extraordinary item loss/ (gain)	0	685		0		685	0	
PBT	1,705	1,592	7.1	2,604	(34.5)	3,297	4,102	(19.6)
Provision for taxation	335.5	226.8	47.9	279	20.1	562	486	15.8
PAT before extra-ordinary item	1,370	1,365	0.3	2,325	(41.1)	2,735	3,617	(24.4)
Minority interest(MI)	263	200	31.4	274	(4.0)	464	356	30.2
Reported PAT	1,107	993	11.5	2,050	(46.0)	2,271	3,260	(30.3)
Adj. PAT	1,107	479	131.0	2,050	(46.0)	1,586	3,255	(51.3)
Adj. EPS (₹)	4.6	4.1		8.5		9.4	13.5	

Source: Company, Angel Research

Exhibit 2: 2QFY2016 – Actual V/s Angel estimates

(₹ cr)	Actual	Estimates	Variance (%)
Net sales	6,803	6,600	3.1
Other income	226	200	12.8
Operating profit	1,899	1,674	13.5
Tax	335	165	103.7
Adj. Net profit	1,107	1,145	(3.4)

Source: Company, Angel Research

Better than expected performance: Sun Pharma posted marginally lower than expected results for the quarter. Sales came in at ₹6,803cr (V/s ₹6,600cr estimated), a dip of 15% yoy. Amongst the key markets- India (₹1,819cr) posted a growth of only 1%, US (US\$ 510mn) posted a de-growth of 28% yoy, Emerging markets (US\$140mn) were down by 16% yoy and ROW(US\$76mn) was down 30% yoy.

In India, the sales growth was adversely impacted due to conscious efforts to control overall inventory with the trade. In addition, sales in the acute segment were lower due to withdrawal of bonus offers and a relatively soft season for the acute segment. Sales for the quarter in the US were impacted primarily due to competitive pressure on some products and temporary supply constraints arising from remediation efforts at the Halol facility. The company had benefitted significantly in 2QFY2015 from the 180-day exclusivity on Valsartan tablets in the US, thus resulting in a higher base for 2QFY2016.

In dollar terms, sales in the US came in at US\$510mn for the quarter accounting for 48% of total sales. Sales for the quarter were impacted primarily due to competitive pressure on some products and temporary supply constraints arising from remediation efforts at the Halol facility. Taro posted overall sales of

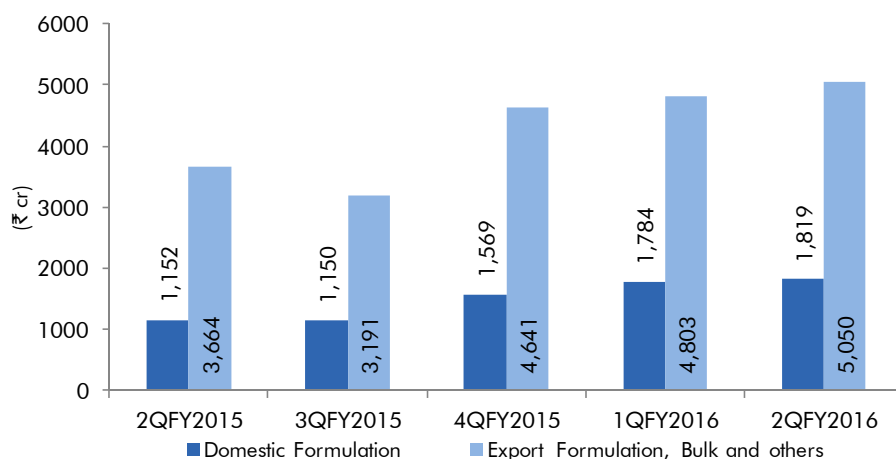
US\$212mn for 2QFY2016, up by 12.0% yoy. Taro's net profit for 2QFY2016 was US\$133mn.

The company's sales in emerging markets were at US\$140mn for 2QFY2016, down 16% from the corresponding quarter last year and accounted for 13% of total sales. The decline is the result of volatile currency movements in certain emerging markets and a strategic decision of not participating in low margin businesses.

Formulation sales in Rest of World (ROW) markets excluding US and Emerging Markets were US\$76mn in 2QFY2016, down 30% yoy from the corresponding quarter last year. A conscious effort of the company at reducing the participation in non-remunerative businesses has contributed to de-growth in the business. ROW markets accounted for approximately 7% of revenues for 1QFY2016.

Till September 2015, the company had a total of 445 ANDAs filed with the USFDA. Currently, ANDAs for 154 products await USFDA approval, including 12 tentative approvals.

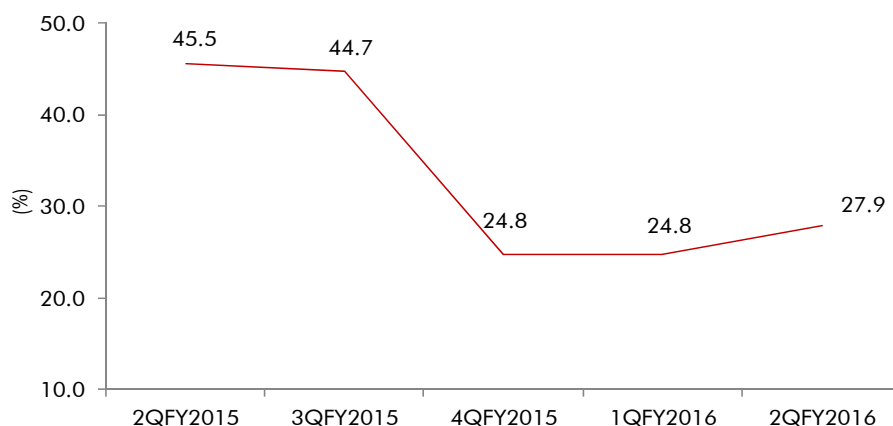
Exhibit 3: Sales trend



Source: Company, Angel Research, Note- post 4QFY2015 numbers are of merged entity

OPM at 27.9%; higher than an expected 25.4%: On the operating front, the company posted an OPM of 27.9% V/s 38.0% in 2QFY2015. This is against our expectation of 25.4%. The company had benefitted significantly in 2QFY2015 from the 180-day exclusivity on Valsartan tablets in the US resulting in a higher base for 2QFY2016. The R&D expenditure was 7.0% of sales V/s 5.2% of sales in 2QFY2015.

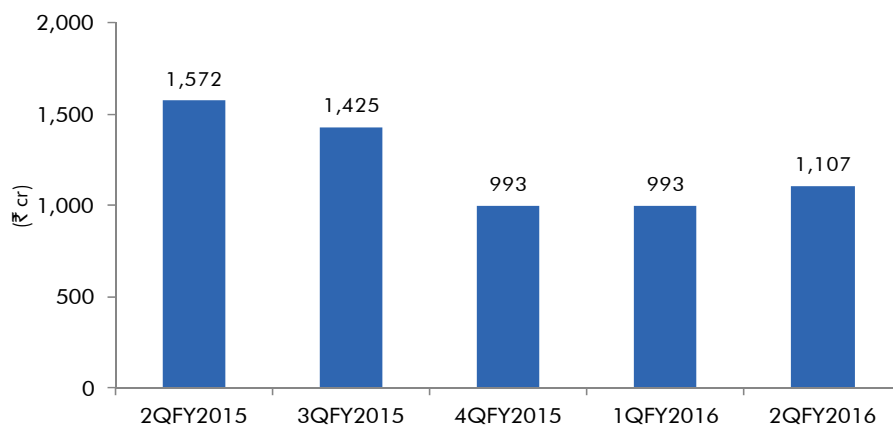
Exhibit 4: OPM trend (%)



Source: Company, Angel Research, Note- post 4QFY2015 numbers are of merged entity

Net profit came in lower than expectation: Thus, the net profit came in at ₹1,107cr V/s ₹1,145cr expected and V/s ₹2,051cr in 2QFY2015, a yoy dip of 46.0%. Other income during the quarter came in at ₹225.6cr V/s ₹29.1cr in 2QFY2015.

Exhibit 5: Adjusted Net profit trend (₹cr)



Source: Company, Angel Research, Note- post 4QFY2015 numbers are of merged entity

Concall takeaways

- The company's Halol plant has been reported to have got an OAI (Official Action Indicated). According to the USFDA, an OAI (Official Action Indicated) inspection classification means significant objectionable conditions or practices were found and regulatory action is warranted to address the establishment's lack of compliance with statutes or regulations. With Halol plant likely to get into more trouble, we believe that the same will play in its US business.
- The company Management informed investors that the company has submitted an original remediation plan for Halol to the USFDA and kept the agency updated on the progress "at great frequency". Thus, the overall difficulty levels for the Halol plant have increased and would thus impact US sales.

Investment arguments

Strongest ANDA pipeline: Sun Pharma, with the recent acquisitions of DUSA, URL Pharma and Ranbaxy Laboratories, has now become strong in the US region, with the geography accounting for 50% of its sales in FY2015. In terms of ANDAs, the company cumulatively has 445 products, out of which 154 products now await USFDA approval, including 12 tentative approvals. With the merger of Ranbaxy Laboratories, the company is now the fifth-largest specialty generics company in the world (behind Teva, Sandoz, Actavis and Mylan). However, the near term performance of the company has been impacted on back of supply constraints at the Halol facility, although the company has taken redemption measures including site transfers. Thus FY2016 US sales are expected to be impacted and a revival would only be in FY2017. Thus we expect a 2.2% growth in FY2016 and around 16.0% yoy growth in FY2017. Overall, we expect the region to post an 8.9% CAGR in sales over FY2015-17E, accounting for almost 49% of the overall sales in FY2017E.

Domestic business: Sun Pharma's domestic formulation business is among the fastest growing in the Indian pharmaceutical industry. It contributed 23% to the company's total turnover in FY2014. Sun Pharma is ranked second and holds a market share of 5.4% in the domestic formulation market, with exposure to psychiatry, neurology, CVS, diabetic and gastroenterology segments. With Ranbaxy Laboratories' merger, the company is now the segment leader with a 9.2% market share in the domestic formulation market, followed by Abbott India which has a market share of 6.5%. This is a significant gap considering that the segment is highly fragmented. We expect the domestic formulation business to post a CAGR of 15.4% over FY2015-17E, contributing 27% to the overall formulation sales of the company in FY2017.

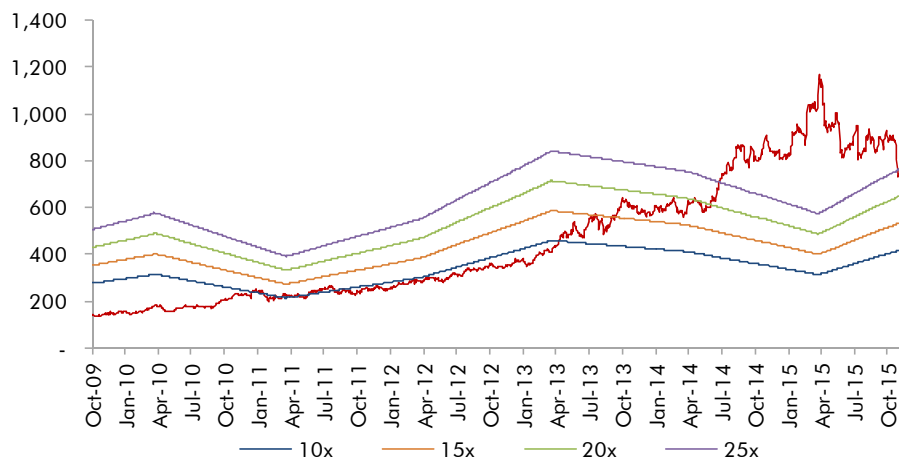
Healthy balance sheet: Sun Pharma has one of the strongest balance sheets in the sector with cash of ~₹10,000cr. The same can continue to support the Management in inorganic growth and in scouting for acquisitions, especially in the US and in emerging markets.

Outlook and valuation: Sun Pharma is one of the largest and fastest growing Indian pharmaceutical companies. We expect its net sales to post a 9.3% CAGR (including Ranbaxy Laboratories) to ₹32,610cr and EPS to post an 8.4% CAGR to ₹26.9 over FY2015-17E. **We recommend a Buy on the stock.**

Exhibit 6: Key assumptions

	FY2016E	FY2017E
Domestic Formulation sales growth (%)	15.9	15.0
Export Formulation sales growth (%)	(0.6)	16.3
Growth in employee expenses (%)	15.0	20.0
Operating margins (%)	25.8	30.7
Tax as % of PBT	10.0	10.0

Source: Company, Angel Research

Exhibit 7: One-year forward PE band


Source: Company, Angel Research

Exhibit 8: Valuation summary

Company	Reco	CMP (₹)	Tgt. price (₹)	Upside %	FY2017E		FY15-17E		FY2017E	
					PE (x)	EV/Sales (x)	EV/EBITDA (x)	CAGR in EPS (%)	RoCE (%)	RoE (%)
Alembic Pharma	Neutral	662	-	-	27.7	3.9	19.5	26.1	30.3	30.2
Aurobindo Pharma	Accumulate	830	872	5.1	19.0	3.1	13.3	16.3	23.4	30.2
Cadila Healthcare	Neutral	413	-	-	23.5	3.5	16.1	24.6	25.2	29.0
Cipla	Neutral	619	-	-	21.4	2.9	15.3	21.4	17.1	16.8
Dr Reddy's	Buy	3,384	3,933	16.2	18.9	2.8	14.7	17.2	19.1	20.6
Dishman Pharma	Neutral	381	-	-	17.6	1.7	8.2	20.4	11.7	11.7
GSK Pharma*	Neutral	3,152	-	-	46.2	8.0	36.4	6.6	33.7	34.3
Indoco Remedies	Neutral	300	-	-	22.1	2.4	13.1	23.0	19.7	19.7
Ipca labs	Buy	719	900	25.1	25.7	2.6	13.7	17.9	11.8	14.0
Lupin	Neutral	1,777	-	-	26.0	4.5	16.6	13.1	29.6	24.7
Sanofi India*	Neutral	4,586	-	-	30.3	4.0	19.0	33.1	27.9	25.5
Sun Pharma	Buy	742	950	28.1	27.6	4.8	15.6	8.4	15.8	16.6

Source: Company, Angel Research; Note: * December year ending

Company background

Sun Pharma is an international specialty pharma company, with a large presence in the US and India, and a footprint across 40 other markets. In India and rest of the world markets, the key chronic therapy areas for the company are cardiology, psychiatry, neurology, gastroenterology, diabetology etc. The company is a market leader in specialty therapy areas in India. In India, the company has emerged as a leading pharma company where it is the third largest player. Also, in the US, a key geography, the company has expanded significantly through both in-organic and organic routes.

Profit & Loss statement (Consolidated)

Y/E March (₹ cr)	FY2013	FY2014	FY2015	FY2016E	FY2017E
Gross sales	11,389	16,200	27,652	28,529	32,906
Less: Excise duty	151	195	366	366	296
Net sales	11,239	16,004	27,287	28,163	32,610
Other operating income	61	76	147	147	147
Total operating income	11,300	16,080	27,433	28,310	32,757
% chg	40.9	42.3	70.6	3.2	15.7
Total expenditure	6,333	9,081	19,470	20,885	22,603
Net raw materials	2,080	2,779	6,739	6,956	8,054
Other mfg costs	491	699	1,192	1,230	1,425
Personnel	1,535	2,074	4,430	5,094	6,113
Other	2,811	3,528	7,109	7,604	7,011
EBITDA	4,906	6,923	7,817	7,279	10,007
% chg	50.9	41.1	12.9	(6.9)	-19.3
(% of Net Sales)	43.7	43.3	28.6	25.8	30.7
Depreciation & amort.	336	409	1,195	1,791	1,991
EBIT	4,570	6,514	6,622	5,634	8,162
% chg	53.7	42.5	1.7	(14.9)	-26.9
(% of Net Sales)	40.7	40.7	24.3	20.0	25.0
Interest & other charges	44	44	579	579	579
Other income	312	552	451	634	634
(% of PBT)	6.4	7.8	6.8	11.1	7.7
Share in profit of Asso.	-	-	-	-	-
Recurring PBT	4,898	7,098	6,641	5,689	8,217
% chg	56.8	44.9	(6.4)	(14.3)	(26.5)
Extraordinary expense/(inc.)	584	2,517	237.8	685.0	-
PBT (reported)	4,898	7,098	6,641	5,018	8,244
Tax	845.6	702.2	914.7	501.8	824.4
(% of PBT)	17.3	9.9	13.8	10.0	10.0
PAT (reported)	4,053	6,396	5,726	4,516	7,419
Add: Share of earnings of asso.	-	-	(13)	-	-
Less: Minority interest (MI)	486	738	936	936	936
Prior period items	-	-	-	-	-
PAT after MI (reported)	2,983	3,141	4,539	3,580	6,483
ADJ. PAT	3,455	5,273	4,743	4,197	6,483
% chg	40.6	52.6	(10.0)	(11.5)	(18.1)
(% of Net Sales)	26.5	19.6	16.6	0.0	1.0
Basic EPS (₹)	16.7	25.5	22.9	17.4	26.9
Fully Diluted EPS (₹)	16.7	25.5	22.9	17.4	26.9
% chg	40.6	52.6	(10.0)	(23.9)	(29.6)

Balance Sheet (Consolidated)

Y/E March (₹ cr)	FY2013	FY2014	FY2015	FY2016E	FY2017E
SOURCES OF FUNDS					
Equity share capital	104	207	207	241	241
Preference capital	-	-	-	-	-
Reserves & surplus	14,041	18,318	26,300	37,774	43,651
Shareholders' funds	14,145	18,525	26,507	38,015	43,892
Minority interest	1,635	1,921	2,851	3,881	4,817
Total loans	198	2,561	7,596	7,596	7,596
Deferred tax liability	(711)	(911)	(1,752)	(1,752)	(1,752)
Other Long Term Liabilities	9	9	9	10	10
Long Term Provisions	787	2,602	2,710	2,710	2,371
Total liabilities	16,063	24,707	37,922	50,461	56,935
APPLICATION OF FUNDS					
Gross block	7,566	6,389	15,041	19,041	20,041
Less: Acc. depreciation	2,833	3,668	4,863	6,102	8,093
Net block	4,732	2,721	10,179	12,939	11,948
Capital work-in-progress	345	842	842	842	303
Goodwill	1,133	4,097	3,701	3,701	3,701
Investments	2,412	2,786	2,716	2,716	2,716
Long term long & adv.	1,009	1,051	2,736	2,559	2,948
Current assets	9,634	16,688	27,005	35,832	46,847
Cash	4,059	7,590	10,998	22,413	29,693
Loans & advances	1,080	3,774	2,193	2,006	2,480
Other	4,496	3,816	13,813	11,413	14,674
Current liabilities	3,202	3,477	9,256	8,128	11,528
Net current assets	6,432	13,211	17,748	27,703	35,320
Others	-	-	-	-	-
Total assets	16,063	24,707	37,922	50,461	56,935

Cash Flow Statement (Consolidated)

Y/E March (₹ cr)	FY2013	FY2014	FY2015	FY2016E	FY2017E
Profit before tax	4,898	7,098	6,641	5,689	8,217
Depreciation	336	409	1,195	1,791	1,991
(Inc)/Dec in working capital	18	(1,782)	(4,322)	1,637	9
Direct taxes paid	846	702	915	502	824
Cash Flow from Operations	4,407	5,024	2,598	8,615	9,394
(Inc.)/Dec.in Fixed Assets	(2,139)	681	(8,653)	(4,000)	(3,561)
(Inc.)/Dec. in Investments	(199)	(374)	70	-	-
Other income	-	-	-	-	-
Cash Flow from Investing	(2,338)	306	(8,583)	(4,000)	(3,561)
Issue of Equity	-	-	-	-	-
Inc./(Dec.) in loans	771	(548)	(4,928)	1	(339)
Dividend Paid (Incl. Tax)	(606)	(606)	-	(606)	(606)
Others	(1,541)	(645)	14,556	12,423	7,461
Cash Flow from Financing	(1,376)	(1,799)	9,628	11,818	6,517
Inc./(Dec.) in Cash	692	3,531	3,644	16,434	12,349
Opening Cash balances	3,367	4,059	7,590	10,998	20,601
Closing Cash balances	4,059	7,590	10,998	22,413	29,693

Key Ratios

Y/E March	FY2013	FY2014	FY2015	FY2016E	FY2017E
Valuation Ratio (x)					
P/E (on FDEPS)	44.5	29.1	32.4	42.6	27.6
P/CEPS	23.1	43.3	26.8	33.3	21.1
P/BV	10.9	8.3	5.8	4.0	3.5
Dividend yield (%)	0.7	0.3	0.3	0.3	0.3
EV/Sales	6.3	9.3	5.5	5.8	4.8
EV/EBITDA	14.5	21.4	19.2	22.5	15.6
EV / Total Assets	4.4	6.0	4.0	3.2	2.7
Per Share Data (₹)					
EPS (Basic)	16.7	25.5	22.9	17.4	26.9
EPS (fully diluted)	16.7	25.5	22.9	17.4	26.9
Cash EPS	32.0	17.1	27.7	22.3	35.2
DPS	5.0	2.5	2.5	2.5	2.5
Book Value	68.3	89.4	128.0	183.5	211.9
Dupont Analysis					
EBIT margin	40.7	40.7	24.3	20.0	25.0
Tax retention ratio	82.7	90.1	86.2	90.0	90.0
Asset turnover (x)	1.0	1.1	1.2	1.0	1.2
ROIC (Post-tax)	34.7	40.5	26.1	18.5	27.9
Cost of Debt (Post Tax)	14.1	2.9	9.8	6.9	6.9
Leverage (x)	0.0	0.0	0.0	0.0	0.0
Operating ROE	34.7	40.5	26.1	18.5	27.9
Returns (%)					
ROCE (Pre-tax)	31.2	32.0	21.1	12.7	15.8
Angel ROIC (Pre-tax)	47.9	57.4	38.3	24.6	36.8
ROE	26.3	32.3	21.1	13.0	16.6
Turnover ratios (x)					
Asset Turnover (Gross Block)	1.7	2.3	2.6	1.7	1.8
Inventory / Sales (days)	81	98	58	120	136
Receivables (days)	65	80	50	97	110
Payables (days)	64	49	61	50	65
WC cycle (ex-cash) (days)	85	91	82	78	65
Solvency ratios (x)					
Net debt to equity	(0.3)	(0.3)	(0.1)	(0.4)	(0.5)
Net debt to EBITDA	(0.8)	(0.7)	(0.4)	(2.0)	(2.2)
Interest Coverage (EBIT/Int.)	-	-	-	-	-

Research Team Tel: 022 - 39357800

E-mail: research@angelbroking.com

Website: www.angelbroking.com

DISCLAIMER

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Angel Broking Pvt. Limited, its affiliates, directors, its proprietary trading and investment businesses may, from time to time, make investment decisions that are inconsistent with or contradictory to the recommendations expressed herein. The views contained in this document are those of the analyst, and the company may or may not subscribe to all the views expressed within.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel Broking Pvt. Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel Broking Pvt. Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel Broking Pvt. Limited endeavours to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Angel Broking Pvt. Limited and its affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the companies referred to in this report, as on the date of this report or in the past.

Neither Angel Broking Pvt. Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

Note: Please refer to the important 'Stock Holding Disclosure' report on the Angel website (Research Section). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. Angel Broking Pvt. Limited and its affiliates may have investment positions in the stocks recommended in this report.

Disclosure of Interest Statement	Sun Pharma
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹ 1 lakh for Angel, its Group companies and Directors

Ratings (Based on expected returns over 12 months investment period):

Buy (> 15%)

Accumulate (5% to 15%)
Reduce (-5% to -15%)

Neutral (-5 to 5%)
Sell (< -15%)