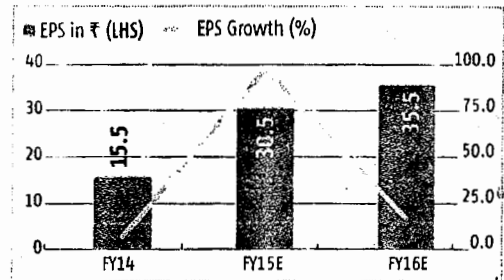


SUN PHARMA



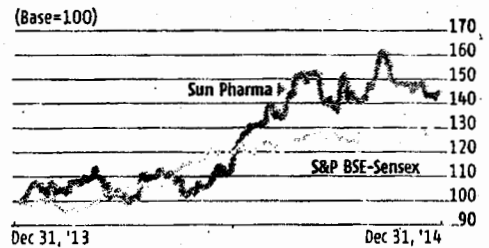
Buy	41
Hold	11
Sell	1

CMP (₹)	826.15
Target price (₹)	981.41
Current PE (x)	28.14



The key trigger would be the merger of Ranbaxy Laboratories with itself which will make Sun Pharma the largest player in the Indian pharmaceutical market. In addition, product synergies across key markets, cost savings and the research pipeline should aid margins and growth for the merged entity going ahead. The stock will continue to gain on twin

themes of strong India growth, led by fast-growing chronic therapy sales and profit boost from niche product sales in the US from the Taro and Sun stables. The valuation premium (23-25 times FY16 estimates) of the company vis-à-vis peers is justified, given the company's stellar track record of inorganic growth, excellent execution and cash on balance sheet.



Consistency