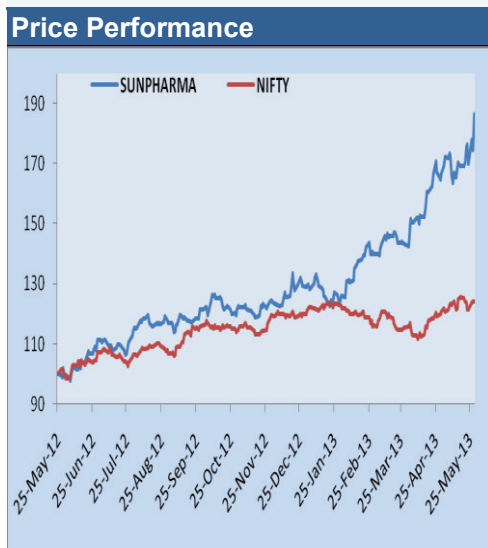


| Result update | NEUTRAL |
|-----------------------|---------|
| CMP | 1066 |
| Target Price | - |
| Previous Target Price | - |
| Upside | - |
| Change from Previous | - |

| Market Data | |
|----------------------|-----------|
| BSE Code | 524715 |
| NSE Symbol | SUNPHARMA |
| 52wk Range H/L | 1079/554 |
| Mkt Capital (Rs, Cr) | 110400 |
| Average Daily Volume | 535293 |
| Nifty | 6104 |

| Stock Performance-% | | | |
|---------------------|-------|-------|-------|
| | 1M | 1yr | YTD |
| Absolute | 11.53 | 88.47 | 59.73 |
| Rel. to Nifty | 7.57 | 66.15 | 43.54 |

| Share Holding Pattern-% | | | |
|-------------------------|---------|--------|-------|
| | Current | 4QFY13 | 3QFY1 |
| Promoters | 63.7 | 63.7 | 63.7 |
| FII | 22.6 | 21.5 | 20.4 |
| DII | 3.4 | 4.5 | 5.2 |
| Others | 10.3 | 10.4 | 10.7 |



Results Ahead of Streets Expectations...

Concall Facts

The company expects the new drug pricing policy to impact sales by Rs0.4-0.5 bn (1-2% of domestic sales).

On Doxycycline shortage company maintained that there was no specific visibility on Doxycycline shortage and pricing opportunity may be temporary. Company have increased the prices of Doxycycline amidst of its shortage.

Company posted 4QFY13 results ahead of street expectation. The consolidated net revenue for the quarter came at Rs 3087 Cr up 32 % YoY on the back of strong sales growth from US business and a good support from international formulation business. The US business grew by 63 % to USD 330 Mn for the quarter and accounted for 57% of total sales while International formulation sales came at USD 73 Mn grew by 13% YoY (in US\$ terms) over same quarter last year.

The operating EBITDA for the quarter came at Rs 1260 Cr grew by 32% YoY while OPM at 41%.The company for last seven consecutive quarter continues to maintain its OPM above 40 %.The sustainability of OPM is mainly due to better business mix and better realization of INR. The Consolidated R&D expense for Q4FY13 was Rs. 203 crores, at 6.6% of sales.

The Adj net profit stands at Rs 1011 Cr it witnessed a growth of 23% YoY for the same period last fiscal. The rise in the PAT is due to incidence of lower tax rate at 13.8 % for the quarter while it was nearly 16.5% an year ago. The other income for the 4QFY13 stands at Rs 102 Cr.

Earlier Taro Pharma reported its numbers few days back with Net sales for the quarter at USD 165 Mn and Gross profit at USD 120 Mn.

Post the results management indicated 18-20% sales growth in FY2014. The guidance includes the full-year impact of DUSA and URL consolidation—sales growth of 12-14% excluding acquisitions. The R&D expense is expected to be 6-8% of sales with 25 ANDA filings.The capital expenditure is expected to be Rs 800 Cr and tax rate to be in the range of 18-20%.

At CMP of Rs 1066 the stock is trading at 30.2 x of one year forward FY14E EPS of Rs 35 ,valuations are slightly premium and we see limited upside for now .We maintain our previous neutral view for the stock.

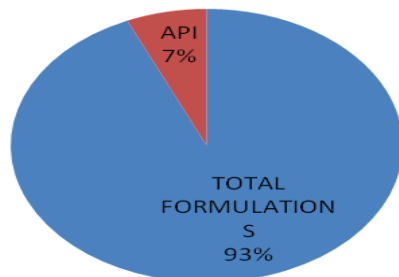
| Financials | | | | Rs, Crore | |
|---------------|--------|--------|----------|-----------|----------|
| | 4QFY13 | 3QFY13 | (QoQ)-% | 4QFY12 | (YoY)-% |
| Revenue | 3087 | 2865 | 7.7 | 2336 | 32.1 |
| EBITDA | 1260 | 1275 | (1.2) | 963 | 30.8 |
| PAT | 1011 | 881 | 14.8 | 820 | 23.3 |
| EBITDA Margin | 40.8% | 44.5% | (370)bps | 41.2% | (40)bps |
| PAT Margin | 32.8% | 30.8% | 200bps | 35.1% | (240)bps |

(Source: Company/Eastwind)

SUNPHARMA

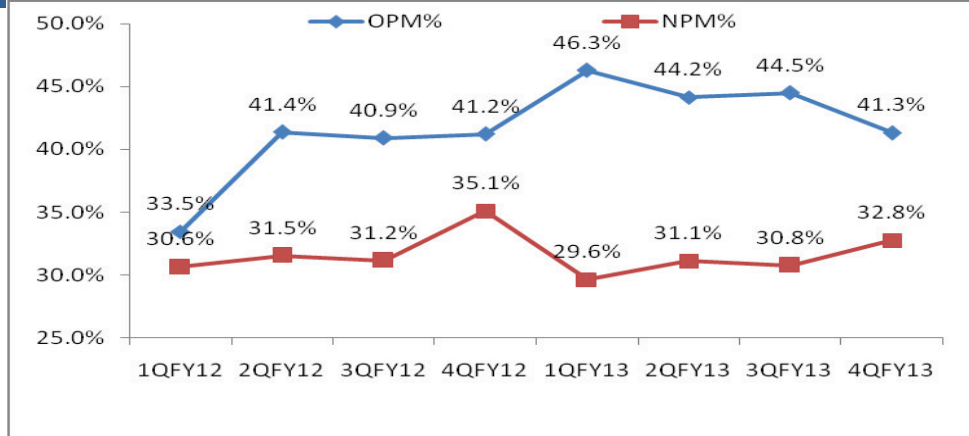
FY13 REVENUE BREAK UP

FY13 REVENUE BREAK UP



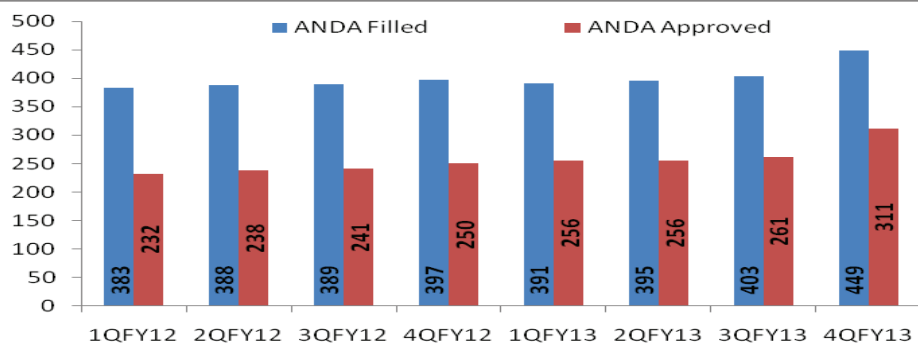
(Source: Company/Eastwind)

OPM & NPM%



(Source: Company/Eastwind)

ANDA SCENARIO



(Source: Company/Eastwind)