

Sun Pharmaceutical Industries Limited

Registered Office: Sun Pharma Advanced Research Centre, Tandajja, Vadodara - 390012.
Corporate Office: Sun House, CTS No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai - 400063 Tel.: +91 22 4324 4324.
CIN: L24230GJ1993PLC019050, Website : www.sunpharma.com

Statement of Unaudited Consolidated Financial Results for the Quarter and Half year ended September 30, 2020

(₹ In Crore)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations						
a. Revenue from contracts with customers	8,458.77	7,467.19	7,949.19	15,925.96	16,208.49	32,325.17
b. Other operating revenues	94.36	118.06	174.16	212.42	289.22	512.33
Total revenue from operations (I)	8,553.13	7,585.25	8,123.35	16,138.38	16,497.71	32,837.50
II Other income	255.78	153.79	200.85	409.57	413.87	635.98
III Total income (I+II)	8,808.91	7,739.04	8,324.20	16,547.95	16,911.58	33,473.48
IV Expenses						
Cost of materials consumed	1,459.88	1,518.84	1,474.05	2,978.72	2,809.88	5,515.23
Purchases of stock-in-trade	881.69	683.32	851.13	1,565.01	1,661.36	3,414.37
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(195.24)	(232.56)	(57.32)	(427.80)	254.41	300.85
Employee benefits expense	1,705.29	1,759.04	1,620.94	3,464.33	3,161.34	6,362.35
Finance costs	33.28	51.95	83.93	85.23	187.99	302.73
Depreciation and amortisation expense	498.60	495.92	473.28	994.52	930.41	2,052.78
Other expenses	2,391.87	2,092.26	2,453.31	4,484.13	4,901.25	10,270.55
Net (gain) / loss on foreign currency transactions	116.36	(79.16)	(8.50)	37.20	(75.88)	(15.61)
Total expenses (IV)	6,891.73	6,289.61	6,890.82	13,181.34	13,830.76	28,203.25
V Profit / (loss) before exceptional items and tax (III-IV)	1,917.18	1,449.43	1,433.38	3,366.61	3,080.82	5,270.23
VI Exceptional items (Refer Note 4)	-	3,633.33	-	3,633.33	-	260.64
VII Profit / (loss) before tax (V-VI)	1,917.18	(2,183.90)	1,433.38	(266.72)	3,080.82	5,009.59
VIII (i) Tax expense/(credit) for period / year	257.08	245.91	266.03	502.99	412.09	822.80
(ii) Tax expense/(credit) - Exceptional (Refer Note 8)	(288.28)	-	-	(288.28)	-	-
IX Profit / (loss) for the period before share of profit / (loss) of associates and joint venture (VII-VIII)	1,948.38	(2,429.81)	1,167.35	(481.43)	2,668.73	4,186.79
X Share of profit / (loss) of associates and joint venture (net)	(5.62)	3.58	(4.18)	(2.04)	(8.91)	(14.83)
XI Net Profit / (loss) after taxes and share of profit / (loss) of associates and joint venture but before non-controlling interests (IX+X)	1,942.76	(2,426.23)	1,163.17	(483.47)	2,659.82	4,171.96
Non-controlling interests	129.97	(770.63)	99.08	(640.66)	208.25	407.03
XII Net Profit / (loss) after taxes, share of profit / (loss) of associates and joint venture and non-controlling interests	1,812.79	(1,655.60)	1,064.09	157.19	2,451.57	3,764.93
XIII Other comprehensive income (OCI)						
A. (i) Items that will not be reclassified to profit or loss	(6.35)	6.10	(117.89)	(0.25)	(216.18)	(131.41)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.04)	(1.10)	13.11	(3.14)	16.03	15.94
B. (i) Items that may be reclassified to profit or loss	(480.71)	389.21	610.53	(91.50)	601.81	2,194.19
(ii) Income tax relating to items that may be reclassified to profit or loss	(16.98)	(23.16)	8.73	(40.14)	8.93	42.11
Total other comprehensive income (A+B) (XIII)	(506.08)	371.05	514.48	(135.03)	410.59	2,120.83
XIV Total comprehensive income for the period (XI+XIII)	1,436.68	(2,055.18)	1,677.65	(618.50)	3,070.41	6,292.79
Attributable to:						
- Owners of the Company	1,367.71	(1,319.84)	1,499.33	47.87	2,781.29	5,606.84
- Non-controlling interests	68.97	(735.34)	178.32	(666.37)	289.12	685.95
XV Paid-up equity share capital - face value ₹ 1 each	239.93	239.93	239.93	239.93	239.93	239.93
XVI Other equity						45,024.52
XVII Earnings per equity share of ₹ 1 each (not annualised for quarters)						
₹ (Basic)	7.56	(6.90)	4.43	0.66	10.22	15.69
₹ (Diluted)	7.56	(6.90)	4.43	0.66	10.22	15.69
See accompanying notes to the unaudited consolidated financial results						
Research and development expenses incurred (included above)	597.46	415.19	479.96	1,012.65	886.62	1,925.17

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Unaudited Consolidated Statement of Assets and Liabilities

(₹ In Crore)

Particulars	As at 30.09.2020 Unaudited	As at 31.03.2020 Audited
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	10,358.64	10,567.43
(b) Capital work-in-progress	981.69	658.91
(c) Goodwill (Net)	6,342.66	6,481.46
(d) Other intangible assets	5,385.68	5,798.02
(e) Intangible assets under development	692.82	561.43
(f) Investments in associates	225.32	215.39
(g) Investments in joint venture	30.25	27.57
(h) Financial assets		
(i) Investments	5,297.37	5,002.79
(ii) Loans	0.68	0.79
(iii) Other financial assets	110.14	104.88
(i) Deferred tax assets (Net)	3,470.29	3,175.29
(j) Income tax assets (Net)	3,332.42	3,384.25
(k) Other non-current assets	520.53	620.09
Total non-current assets	36,748.49	36,598.30
(2) Current assets		
(a) Inventories	8,625.90	7,874.99
(b) Financial assets		
(i) Investments	4,400.72	4,897.36
(ii) Trade receivables	9,559.60	9,421.24
(iii) Cash and cash equivalents	5,060.46	5,676.61
(iv) Bank balances other than (iii) above	158.04	810.94
(v) Loans	140.09	148.38
(vi) Other financial assets	925.04	929.34
(c) Other current assets	2,052.89	1,895.30
Total current assets	30,922.74	31,654.16
TOTAL ASSETS	67,671.23	68,252.46
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	239.93	239.93
(b) Other equity	44,832.46	45,024.52
Equity attributable to owners of the Company	45,072.39	45,264.45
Non-controlling interests	3,181.16	3,860.24
Total equity	48,253.55	49,124.69
Liabilities		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,760.84	2,028.92
(ii) Other financial liabilities	15.51	42.41
(b) Provisions	521.10	511.00
(c) Deferred tax liabilities (Net)	44.04	58.14
(d) Other non-current liabilities	765.46	780.87
Total non-current liabilities	3,106.95	3,421.34
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,711.98	5,549.38
(ii) Trade payables	4,274.95	4,093.73
(iii) Other financial liabilities	3,259.61	1,244.82
(b) Other current liabilities	641.07	646.29
(c) Provisions	4,185.84	3,970.18
(d) Current tax liabilities (Net)	237.28	202.03
Total current liabilities	16,310.73	15,706.43
Total liabilities	19,417.68	19,127.77
TOTAL EQUITY AND LIABILITIES	67,671.23	68,252.46

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Unaudited Consolidated Cash Flow Statement for the Half Year ended September 30, 2020

(₹ in Crore)		
Particulars	Half Year ended	Half Year ended
	September 30, 2020	September 30, 2019
	Unaudited	Unaudited
A. Cash flow from operating activities		
Profit/ (Loss) before tax	(266.72)	3,080.82
Adjustments for:		
Depreciation and amortisation expense	994.52	930.41
Impairment of property, plant and equipment and other intangible assets	12.72	-
(Gain)/Loss on sale / write off of property, plant and equipment and other intangible assets, net	18.88	(3.58)
Finance costs	85.23	187.99
Interest income	(114.70)	(202.93)
Dividend income on investments	(26.24)	(54.27)
Net gain arising on financial assets measured at fair value through profit or loss	(170.84)	(77.94)
Net gain on sale of financial assets measured at fair value through profit or loss	(23.45)	(6.89)
Net (gain)/ loss on sale of financial assets measured at fair value through other comprehensive income	(10.23)	(0.04)
Provision / write off /(reversal) for doubtful trade receivables / advances	21.02	54.39
Sundry balances written back	(8.75)	(22.84)
Effect of exchange rate changes	410.53	56.01
Operating profit before working capital changes	921.97	3,941.13
Adjustments for:		
(Increase) / Decrease in inventories	(716.60)	203.73
(Increase) / Decrease in trade receivables	(333.39)	415.79
(Increase) / Decrease in other assets	(92.37)	(819.94)
Increase / (Decrease) in trade payables	160.96	(472.86)
Increase / (Decrease) in other liabilities	2,243.55	768.70
Increase / (Decrease) in provisions	211.01	308.38
Cash generated from operations	2,395.13	4,344.93
Income tax paid (net of refund)	(448.77)	(570.78)
Net cash generated from operating activities (A)	1,946.36	3,774.15
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital work-in-progress, other intangible assets and intangible assets under development)	(675.29)	(823.50)
Proceeds from disposal of property, plant and equipment and other intangible assets	13.65	16.43
Loans / inter corporate deposits given / placed	-	(6.30)
Loans / inter corporate deposits received back / matured	7.34	178.25
Purchase of investments	(11,522.67)	(20,422.02)
Proceeds from sale of investments	11,830.29	20,102.53
Bank balances not considered as cash and cash equivalents		
Fixed deposits / margin money placed	(5.07)	(718.09)
Fixed deposits / margin money matured	273.28	123.50
Net cash outflow on acquisition of subsidiary	(61.60)	-
Interest received	40.81	184.81
Dividend received	26.24	54.27
Net cash used in investing activities (B)	(73.02)	(1,310.12)
C. Cash flow from financing activities		
Proceeds from borrowings	2,412.97	5,224.12
Repayment of borrowings @	(4,858.43)	(8,011.48)
Payment for buy-back of equity shares	-	(6.34)
Dividend payment to non-controlling interests	(12.71)	(19.02)
Refund from escrow account (Refer note 9)	382.50	-
Finance costs	(77.00)	(182.19)
Dividend paid	(239.93)	(659.81)
Dividend distribution tax	-	(135.58)
Net cash used in financing activities (C)	(2,392.60)	(3,790.30)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(519.26)	(1,326.27)
Cash and cash equivalents at the beginning of the period	5,676.61	7,062.30
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(96.89)	111.61
Cash and cash equivalents at the end of the period	5,060.46	5,847.64

@ includes payment of lease obligation.

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Notes :

- The above unaudited consolidated financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 03, 2020.
- These unaudited consolidated financial results relate to Sun Pharmaceutical Industries Limited (SPIL), its Subsidiaries (together constitute 'the Group'), Joint Venture and Associates and are prepared by applying Ind AS 110 - "Consolidated Financial Statements", and Ind AS 28 - "Investments in Associates and Joint Ventures".
- The above financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as amended, prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.
- Exceptional items includes the following :
 - On July 23, 2020, Taro Pharmaceuticals U.S.A., Inc. ("Taro" or "Company"), our subsidiary, globally resolved all matters related to the Company in connection with the multi-year investigations by the Department of Justice, Antitrust Division and Civil Division ("DOJ") into the United States generic pharmaceutical industry. Under a Deferred Prosecution Agreement reached with DOJ Antitrust, the DOJ will file an Information for conduct that took place between 2013 and 2015. If the Company adheres to the terms of the agreement, including the payment of \$ 205.7 Million (equivalent to ₹ 1,560.18 Crore), the DOJ will dismiss the Information at the end of a three-year period. The Company has also reached a framework understanding with DOJ Civil, subject to final agreement and agency authorisation, in which the Company has agreed to pay \$ 213.3 Million (equivalent to ₹ 1,617.96 Crore) to resolve all claims related to federal healthcare programs. Accordingly, an amount of \$ 418.9 Million (equivalent to ₹ 3,178.14 Crore) was provided in the quarter ended June 30, 2020. Further, Taro also made certain provisions amounting to \$ 60 Million (equivalent to ₹ 455.19 Crore) for related ongoing multi-jurisdiction civil antitrust matters. The ultimate outcome of the antitrust matters cannot be predicted with certainty.
 - The Hon'ble Supreme Court of India while disposing various Special leave petitions filed by the Central Government with respect to central excise refund claims of various eligible industries under the Industrial Policies and Central Excise notifications in relation thereto, had held that the amendments to original notification restricting the central excise refund were clarificatory in nature. Based on the judgement by the Hon'ble Supreme Court of India, an amount of ₹104.28 Crore including interest had been charged in the statement of profit and loss for the year ended March 31, 2020.
 - Our U.S. subsidiary, Dusa Pharmaceuticals, Inc had reached an agreement in principle with the U.S. Department of Justice and an individual to resolve allegations relating to the sales, marketing and promotion of two of its products - Levulan and Blu-u, as extension of a Civil Investigation Demand for the period January 2010 to September 2017. The Company had made a provision of ₹ 156.36 Crore for this settlement during the year ended March 31, 2020.
- The Board of Directors of the Company at its meeting held on July 31, 2020, approved the Scheme of Amalgamation and Merger between the Company and Sun Pharma Global FZE (wholly owned subsidiary of the Company) and their respective members and creditors which inter-alia, envisages merger of Sun Pharma Global FZE into the Company. The scheme shall be effective post receipt of required approvals and accordingly, the above results do not reflect the impact on account of the scheme.
- The Company continues to monitor the impact of Covid-19 on its business, including its impact on customers, supply-chain, employees and logistics. Due care has been exercised, in concluding on significant accounting judgements and estimates, including in relation to recoverability of receivables, assessment of impairment of goodwill and intangibles, investments and inventory, based on the information available to date, while preparing the Company's financial results as of and for the quarter and half year ended September 30, 2020.
- The Group has only one reportable segment namely 'Pharmaceuticals'.
- Tax gain (exceptional) for the quarter ended September 30, 2020 is on account of creation of deferred tax asset amounting to ₹ 288.28 Crore arising out of subsequent measurement attributable to restructuring of an acquired entity.
- The Company had announced buy-back of equity shares from open market through stock market mechanism as prescribed by Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 at a maximum price of ₹ 425/- per equity share, for an aggregate maximum amount of up to ₹ 1,700 Crore. The Buy-back period commenced on March 26, 2020 and ended on September 25, 2020. No equity shares were bought back under the Buy-back as the volume weighted average market price of equity shares of the Company during the Buy-Back period was higher than the maximum buy-back price.
- The date of implementation of the Code on Wages 2019 and the Code on Social Security, 2020 is yet to be notified by the Government. The Company will assess the impact of these Codes and give effect in the financial results when the Rules/Schemes thereunder are notified.
- Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (to the extent not disclosed elsewhere in the results):

The Company has issued listed unsecured commercial paper during the year.

(a) Credit rating and change in credit rating, if any:

Name of Credit Rating Agency	Rating
CRISIL	CRISIL A1+
ICRA	ICRA A1+

(b) Ratios

Ratios and Formulae	As at 30.09.2020	As at 31.03.2020
(i) Debt equity ratio = (Long-term borrowings + Short-term borrowings + Current maturities of long-term borrowings) / (Total equity)	0.13	0.18
(ii) Debt service coverage ratio = Profit / (loss) before finance costs, depreciation and exceptional item / (Finance costs + Short-term borrowings + Current maturities of long-term borrowings) [Not annualised for half year]	1.02	1.03
(iii) Interest service coverage ratio = Profit / (loss) before finance costs, Exceptional item and Tax / Finance costs	40.50	18.41
(iv) Asset cover = (Total assets - Intangible assets - Current liabilities excluding short-term borrowings and Current maturities of long-term borrowings) / (Long-term borrowings + Short-term borrowings + Current maturities of long-term borrowings).	7.40	5.53

(c) Details of issuance date, due dates and actual dates & amounts of repayment of listed unsecured commercial paper:

ISIN No	Issuance Date	Due Date of Payment	Actual Date of Repayment	Redemption Amount (₹ in Crore)
INE044A14542	11-Feb-20	11-May-20	11-May-20	500.00
INE044A14567	18-Mar-20	17-Jun-20	17-Jun-20	500.00
INE044A14575	10-Jun-20	09-Sep-20	09-Sep-20	300.00
INE044A14583	26-Aug-20	15-Jun-21	N/A	400.00
INE044A14591	03-Sep-20	01-Dec-20	N/A	500.00

(d) Net Worth and Capital Redemption Reserve

(₹ In Crore)

Particulars	As at 30.09.2020	As at 31.03.2020
Capital Redemption Reserve	0.75	0.75
Net Worth	44,699.84	44,891.90

- Figures for previous periods have been regrouped / reclassified wherever considered necessary.

For and on behalf of the Board

Dilip S. Shanghvi
Managing Director

Mumbai, November 03, 2020

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Statement of Unaudited Standalone Financial Results for the Quarter and Half Year ended September 30, 2020

(₹ in Crore)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations						
a. Revenue from contracts with customers	3,207.24	2,878.64	3,215.01	6,085.88	6,235.50	11,906.74
b. Other operating revenues	85.27	84.40	158.28	169.67	446.80	625.19
Total revenue from operations (I)	3,292.51	2,963.04	3,373.29	6,255.55	6,682.30	12,531.93
II Other income	73.18	21.19	258.33	94.37	276.91	1,510.92
III Total income (I+II)	3,365.69	2,984.23	3,631.62	6,349.92	6,959.21	14,042.85
IV Expenses						
Cost of materials consumed	1,002.72	849.42	793.57	1,852.14	1,487.38	3,201.71
Purchases of stock-in-trade	269.73	257.82	309.16	527.55	605.41	1,227.41
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(95.47)	(55.29)	114.58	(150.76)	189.49	138.60
Employee benefits expense	452.16	466.19	432.77	918.35	859.46	1,702.77
Finance costs	13.42	68.90	114.47	82.32	171.72	408.01
Depreciation and amortisation expense	145.37	142.79	139.14	288.16	274.72	561.56
Other expenses	797.94	779.02	858.04	1,576.96	1,755.09	3,514.08
Net (gain) / loss on foreign currency transactions	77.94	(56.14)	30.26	21.80	8.17	35.71
Total expenses (IV)	2,663.81	2,452.71	2,791.99	5,116.52	5,351.44	10,789.85
V Profit before tax (III-IV)	701.88	531.52	839.63	1,233.40	1,607.77	3,253.00
VI Tax expense / (credit)	(22.93)	(0.43)	16.47	(23.36)	21.24	41.86
VII Profit for the period (V-VI)	724.81	531.95	823.16	1,256.76	1,586.53	3,211.14
VIII Other comprehensive income (OCI)						
a. (i) Items that will not be reclassified to profit or loss	4.68	(19.81)	(26.42)	(15.13)	(32.95)	(32.50)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.63)	6.92	9.23	5.29	11.51	11.36
b. (i) Items that may be reclassified to profit or loss	60.94	21.05	(26.26)	81.99	(32.28)	(91.71)
(ii) Income tax relating to items that may be reclassified to profit or loss	(21.30)	(7.35)	9.17	(28.65)	11.28	32.05
Total other comprehensive income (a+b) (VIII)	42.69	0.81	(34.28)	43.50	(42.44)	(80.80)
IX Total comprehensive income for the period (VII+VIII)	767.50	532.76	788.88	1,300.26	1,544.09	3,130.34
X Paid-up equity share capital - face value ₹ 1 each	239.93	239.93	239.93	239.93	239.93	239.93
XI Other equity						24,156.29
XII Earnings per equity share of ₹ 1 each (not annualised for quarters)						
₹ (Basic)	3.02	2.22	3.43	5.24	6.61	13.38
₹ (Diluted)	3.02	2.22	3.43	5.24	6.61	13.38
See accompanying notes to the unaudited standalone financial results						
Research and development expenses incurred (included above)	299.64	186.72	249.42	486.36	471.23	1,029.53

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(₹ in Crore)

Particulars	As at 30.09.2020 Unaudited	As at 31.03.2020 Audited
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	4,882.57	4,910.31
(b) Capital work-in-progress	433.01	384.35
(c) Goodwill	120.80	120.80
(d) Other Intangible assets	204.76	197.63
(e) Intangible assets under development	361.14	212.26
(f) Investments in the nature of equity in subsidiaries	16,958.11	16,958.11
(g) Financial assets		
(i) Investments	9.97	8.54
(ii) Loans	0.68	0.74
(iii) Other financial assets	89.35	84.93
(h) Deferred tax assets (Net)	1,295.86	1,139.71
(i) Income tax assets (Net)	1,965.22	2,078.02
(j) Other non-current assets	373.04	373.81
Total non-current assets	26,694.51	26,469.21
(2) Current assets		
(a) Inventories	2,999.10	2,633.67
(b) Financial assets		
(i) Investments	382.16	395.07
(ii) Trade receivables	6,126.17	6,168.13
(iii) Cash and cash equivalents	132.87	220.50
(iv) Bank balances other than (iii) above	52.90	434.28
(v) Loans	502.36	448.59
(vi) Other financial assets	768.66	758.42
(c) Other current assets	858.34	882.46
Total current assets	11,822.56	11,941.12
TOTAL ASSETS	38,517.07	38,410.33
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	239.93	239.93
(b) Other equity	25,216.62	24,156.29
Total equity	25,456.55	24,396.22
Liabilities		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,245.81	1,256.69
(ii) Other financial liabilities	6.99	16.17
(b) Other non-current liabilities	136.75	145.55
(c) Provisions	1,119.88	1,391.96
Total non-current liabilities	2,509.43	2,810.37
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,307.16	4,488.27
(ii) Trade payables		
(a) total outstanding dues of micro and small enterprises	83.51	46.18
(b) total outstanding dues of creditors other than micro and small enterprises	2,572.40	2,288.71
(iii) Other financial liabilities	1,941.92	2,638.92
(b) Other current liabilities	541.26	643.72
(c) Provisions	1,104.84	1,097.94
Total current liabilities	10,551.09	11,203.74
Total liabilities	13,060.52	14,014.11
TOTAL EQUITY AND LIABILITIES	38,517.07	38,410.33

Sun Pharmaceutical Industries Limited

Registered Office: Sun Pharma Advanced Research Centre, Tandajla, Vadodara - 390012.
Corporate Office: Sun House, CTS No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai - 400063 Tel.: +91 22 4324 4324.
CIN: L24230GJ1993PLC019050, Website : www.sunpharma.com

Unaudited Standalone Cash Flow Statement for the Half year ended September 30, 2020

(₹ in Crore)

Particulars	Half year ended	Half year ended
	30.09.2020	30.09.2019
	(Unaudited)	(Unaudited)
A. Cash flow from operating activities		
Profit before tax	1,233.40	1,607.77
Adjustments for:		
Depreciation and amortisation expense	288.16	274.72
(Gain) / Loss on sale/write off of property, plant and equipment and intangible assets, net	16.56	(0.24)
Impairment of property, plant and equipment and other intangible assets	2.31	-
Finance costs	82.32	171.72
Interest income	(22.28)	(48.22)
Dividend income on investments	(36.34)	-
Net loss arising on financial assets measured at fair value through profit or loss	0.84	0.26
Net gain on sale of financial assets measured at fair value through profit or loss	(9.42)	(6.89)
Net gain on sale of financial assets measured at fair value through other comprehensive income	-	(0.04)
Gain on sale of investment in subsidiary	-	(213.65)
Provision / write off / (reversal) for doubtful trade receivables / advances	7.28	54.07
Sundry balances written back	(5.00)	-
Provision in respect of losses of a subsidiary	-	29.92
Effect of exchange rate changes	174.48	123.12
Operating profit before working capital changes	1,732.31	1,992.54
Adjustments for:		
(Increase) / decrease in inventories	(365.43)	91.36
(Increase) / decrease in trade receivables	(139.38)	(1,236.68)
(Increase) / decrease in other assets	95.71	17.61
Increase / (decrease) in trade payables	296.98	54.42
Increase / (decrease) in other liabilities	(136.88)	(625.76)
Increase / (decrease) in provisions	(281.58)	50.69
Cash generated from operations	1,201.73	344.18
Income tax paid (net of refund)	(42.98)	(39.93)
Net cash generated from operating activities (A)	1,158.75	304.25
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital work-in-progress, intangible assets and intangible assets under development)	(481.53)	(246.27)
Proceeds from disposal of property, plant and equipment and intangible assets	1.64	3.35
Loans / Inter corporate deposits given / placed	(84.50)	(97.17)
Loans / Inter corporate deposits received back / matured	27.80	-
Purchase of investments	(5,281.38)	(8,568.75)
Proceeds from sale / redemption of investments	5,242.71	9,720.33
Bank balances not considered as cash and cash equivalents		
Fixed deposits / margin money placed	-	(25.38)
Fixed deposits / margin money matured	-	27.38
Interest received	2.46	22.02
Dividend received	36.34	421.23
Net cash from/ (used in) investing activities (B)	(536.46)	1,256.74
C. Cash flow from financing activities		
Proceeds from borrowings	3,770.82	4,257.63
Repayment of borrowings @	(4,581.34)	(5,100.56)
Finance costs	(39.66)	(86.96)
Refund from escrow account (Refer Note 4)	382.50	-
Dividend paid	(239.93)	(659.81)
Dividend distribution tax	-	(135.58)
Net cash used in financing activities (C)	(707.61)	(1,725.28)
Net decrease in cash and cash equivalents (A+B+C)	(85.32)	(164.29)
Cash and cash equivalents at the beginning of the period	220.50	302.76
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(2.31)	3.81
Cash and cash equivalents at the end of the period	132.87	142.28

@ Includes payment of lease obligation.

Notes:

- 1 The above unaudited standalone financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 03, 2020.
- 2 The above financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as amended, prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.
- 3 The Board of Directors of the Company at its meeting held on July 31, 2020, approved the Scheme of Amalgamation and Merger between the Company and Sun Pharma Global FZE (wholly owned subsidiary of the Company) and their respective members and creditors which inter-alia, envisages merger of Sun Pharma Global FZE into the Company. The scheme shall be effective post receipt of required approvals and accordingly, the above results do not reflect the impact on account of the scheme.
- 4 The Company had announced buy-back of equity shares from open market through stock market mechanism as prescribed by Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 at a maximum price of ₹ 425/- per equity share, for an aggregate maximum amount of up to ₹ 1,700 Crore. The Buy-back period commenced on March 26, 2020 and ended on September 25, 2020. No equity shares were bought back under the Buy-back as the volume weighted average market price of equity shares of the Company during the Buy-Back period was higher than the maximum buy-back price.
- 5 The date of implementation of the Code on Wages 2019 and the Code on Social Security, 2020 is yet to be notified by the Government. The Company will assess the impact of these Codes and give effect in the financial results when the Rules/Schemes thereunder are notified.
- 6 The Company continues to monitor the impact of Covid-19 on its business, including its impact on customers, supply-chain, employees and logistics. Due care has been exercised, in concluding on significant accounting judgements and estimates, including in relation to recoverability of receivables, assessment of impairment of goodwill and intangibles, investments and inventory, based on the information available to date, while preparing the Company's financial results as of and for the quarter and half year ended September 30, 2020.
- 7 The Company has only one reportable segment namely 'Pharmaceuticals'.
- 8 Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (to the extent not disclosed elsewhere in the results):
The Company has issued listed unsecured commercial paper during the year.

(a) Credit rating and change in credit rating, if any:

Name of Credit Rating Agency	Rating
CRISIL	CRISIL A1+
ICRA	ICRA A1+

(b) Ratios

Ratios and Formulae	As at 30.09.2020	As at 31.03.2020
(i) Debt equity ratio = (Long-term borrowings + Short-term borrowings + Current maturities of long-term borrowings) / (Total equity)	0.22	0.26
(ii) Debt service coverage ratio = Profit before finance costs, depreciation and exceptional item / (Finance costs + Short-term borrowings + Current maturities of long-term borrowings) [Not annualised for half year]	0.37	0.75
(iii) Interest service coverage ratio = Profit before finance costs, exceptional item and tax / Finance costs	15.98	8.97
(iv) Asset cover = (Total assets - Intangible assets - Current liabilities excluding Short-term borrowings and Current maturities of long-term borrowings) / (Long-term borrowings + Short-term borrowings + Current maturities of long-term borrowings)	5.67	4.97

(c) Details of issuance date, due dates and actual dates & amounts of repayment of listed unsecured commercial paper:

ISIN No	Issuance Date	Due Date of Payment	Actual Date of Repayment	Redemption Amount (₹ in Crore)
INE044A14542	11-Feb-20	11-May-20	11-May-20	500.00
INE044A14567	18-Mar-20	17-Jun-20	17-Jun-20	500.00
INE044A14575	10-Jun-20	09-Sep-20	09-Sep-20	300.00
INE044A14583	26-Aug-20	15-Jun-21	N/A	400.00
INE044A14591	03-Sep-20	01-Dec-20	N/A	500.00

(d) Network and Capital redemption reserve

(₹ in Crore)

Particulars	As at 30.09.2020	As at 31.03.2020
Capital Redemption Reserve	0.75	0.75
Net Worth	20,094.65	19,034.32

- 9 Figures for previous periods have been regrouped / reclassified wherever considered necessary.

For and on behalf of the Board

Dilip S. Shanghvi
Managing Director

Mumbai, November 03, 2020