

Independent Auditor's Report On Standalone Financial Results Pursuant to the Regulation 52
of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Sun Pharma Laboratories Limited

1. We have audited the accompanying statement of standalone financial results of Sun Pharma Laboratories Limited ('the Company') for the year ended March 31, 2018 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016 ('the Circular'). This Statement has been prepared on the basis of the audited standalone financial statements for year ended March 31, 2018, which is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement based on our audit of the standalone financial statements as at and for the year ended March 31, 2018, prepared in accordance with Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India. Those standards requires that we plan and perform the audit to obtain reasonable assurance as to whether the Statement is free of material misstatement.
3. An audit involves performing procedures to obtain sufficient audit evidences about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgement including the assessment of material misstatement of the Statement, whether due to fraud or error. In making those risk assessment, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - i. is presented in accordance with the requirements of the Regulation, read with the Circular; and
 - ii. gives a true and fair view of the net profit including other comprehensive income and other financial information of the Company for the year ended March 31, 2018
5. The comparative Ind AS financial information of the Company for the half year and year ended March 31, 2017, included in these standalone Ind AS financial results, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 25, 2017 expressed an unmodified opinion.



S R B C & CO LLP

Chartered Accountants

Sun Pharma Laboratories Limited

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6. Further, we report that the figures for the half year ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published figures for the half year ended September 30, 2017, which were subjected to a limited review, as required under the Regulation and the Circular.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per Ravi Bansal
Partner

Membership No.: 49365



Place: Mumbai

Date: May 24, 2018

Sun Pharma Laboratories Limited

Registered Office: Sun House, CTS No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai - 400063 Tel.: +91 22 4324 4324.

CIN: U25200MH1997PLC240268

Statement of Standalone Audited Financial Results for the Half Year and Year ended March 31, 2018

(₹ in Lakhs)

Particulars	Half Year ended		Year ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Audited (Refer Note 9)	Audited (Refer Note 9)	Audited	Audited
I Revenue from Operations				
a. Sale of Products	251,945	260,038	510,991	528,739
b. Other Operating Revenues	9,548	2,068	10,136	3,550
Total Revenue from Operations (I)	261,493	262,106	521,127	532,289
II Other Income	10,501	12,632	25,852	22,865
III Total Income (I+II)	271,994	274,738	546,979	555,154
IV Expenses				
Cost of materials consumed	31,979	44,309	78,061	93,193
Purchases of stock-in-trade	29,147	12,518	38,552	35,112
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(573)	5,399	6,151	7,823
Employee benefits expense	29,465	23,202	57,436	48,555
Finance costs	7,016	8,321	13,320	14,763
Depreciation and amortisation expense	80,404	80,061	161,121	159,698
Other expenses	33,835	49,950	76,514	99,100
Total Expenses (IV)	211,273	223,760	431,155	458,244
V Profit before Tax (III-IV)	60,721	50,978	115,824	96,910
VI Tax Expense	15,473	10,208	28,202	21,067
VII Profit for the period (V-VI)	45,248	40,770	87,622	75,843
VIII Other Comprehensive Income (OCI)				
Items that will not be reclassified to profit or loss net of tax	2,196	(1,025)	1,296	(1,636)
Tax on above	(765)	355	(453)	566
Items that will be reclassified to profit or loss net of tax	(115)	-	(95)	-
Tax on above	38	-	33	-
Total Other Comprehensive Income (VIII)	1,354	(670)	781	(1,070)
IX Total Comprehensive Income for the period (VII+VIII)	46,602	40,100	88,403	74,773
X Paid-up Equity Share Capital - Face Value ₹ 10 each	5	5	5	5
XI Paid-up Debt Capital (Non-convertible Debentures)	50,000	100,000	50,000	100,000
XII Reserve excluding revaluation reserve (including Debenture Redemption Reserve) as at Balance Sheet date			1,966,882	1,974,161
XIII Debenture Redemption Reserve	12,500	20,834	12,500	20,834
XIV Earnings Per Equity Share of ₹ 10 each (not annualised)				
₹ (Basic and Diluted)	90,496	80,578	173,318	150,724
XV Debt Equity Ratio			1.7	1.1
XVI Debt Service Coverage Ratio	1.2	7.1	2.0	7.6
XVII Interest Service Coverage Ratio	9.7	7.1	9.7	7.6

See accompanying notes to the standalone audited financial results



Sun Pharma Laboratories Limited Registered Office: Sun House, CTS No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai - 400063 Tel.: +91 22 4324 4324. CIN: U25200MH1997PLC240268		
Notes :		
1 Statement of Standalone Assets and Liabilities		
Particulars	As at 31.03.2018 Audited	(₹ in Lakhs) As at 31.03.2017 Audited
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	112,981	96,970
(b) Capital work-in-progress	21,153	22,008
(c) Intangible assets	917,912	1,070,335
(d) Investments in subsidiaries	150	150
(e) Investments in associates	830,100	706,256
(f) Financial assets		
(i) Investments	6,453	6,548
(ii) Loans	25,409	32
(iii) Other financial assets	1,583	1,451
(g) Income tax assets (Net)	43,203	45,081
(h) Other non-current assets	12,186	9,292
Total non-current assets	1,971,130	1,958,123
(2) Current assets		
(a) Inventories	45,963	49,930
(b) Financial assets		
(i) Investments	47,565	16,755
(ii) Trade receivables	90,397	62,369
(iii) Cash and cash equivalents	82	96
(iv) Bank balances other than (iii) above	205	262
(v) Loans	75,714	96,144
(vi) Other financial assets	21,000	323
(c) Other current assets	25,287	15,989
Total current assets	306,213	241,868
TOTAL ASSETS	2,277,343	2,199,991
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	5	5
(b) Other equity	1,968,232	1,975,573
Total equity	1,968,237	1,975,578
Liabilities		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	53,588
(b) Provisions	3,925	5,567
(c) Deferred tax liabilities (Net)	5,593	2,071
Total non-current liabilities	9,518	61,226
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	138,183	29,824
(ii) Trade payables	69,168	48,588
(iii) Other financial liabilities	57,529	56,872
(b) Other current liabilities	13,602	4,413
(c) Provisions	21,106	23,490
Total current liabilities	299,588	163,187
Total liabilities	309,106	224,413
TOTAL EQUITY AND LIABILITIES	2,277,343	2,199,991

SIGNED FOR IDENTIFICATION
BY 
SRBC & CO LLP
MUMBAI



Notes :

- 2 The above standalone audited 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 May 24, 2018.
- 3 The Board has recommended payment of dividend of ₹ 10 per preference share of ₹ 100 each and ₹ 95,000 per equity share of ₹10 each for the year ended March 31, 2018 subject to approval of the members at ensuing Annual General Meeting.
- 4 The financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS and other accounting principles generally accepted in India as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder.
- 5 The Company has issued rated unsecured listed redeemable non-convertible debentures (NCDs) during December 2015, which have been rated "[ICRA]AAA(stable)" by ICRA Limited. These standalone audited financial results have been prepared pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Certain required ratios and additional disclosures have been presented in these standalone audited financial results.

(i) Debt Equity Ratio = (Long-term Borrowings + Short-term Borrowings + current maturities of Long-term Borrowings) / (Equity Share Capital + Other Equity excluding Capital Reserve)

(ii) Debt Service Coverage Ratio = Earnings before Interest Expense (Finance Costs) and Tax / (Interest Expense (Finance Costs) + Principal Repayment made during the period for long-term borrowings)

(iii) Interest Service Coverage Ratio = Earnings before Interest Expense (Finance Costs) and Tax / Interest Expense (Finance Costs)

(iv) Asset cover available as on March 31, 2018 is 6.5 times. 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).

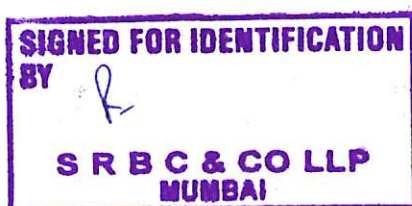
(v) Details of due dates of payment of interest and repayment of principal:

Particulars	Rated Unsecured Listed Redeemable Non-Convertible Debentures Series 1	Rated Unsecured Listed Redeemable Non-Convertible Debentures Series 2
Previous due date for payment of Interest (has been paid on due date)	December 22, 2017	December 26, 2017
Next due date for payment of Interest	Not Applicable	December 24, 2018
Amount of Interest (₹ in Lakhs)	Not Applicable	3,970
Repayment of principal (has been paid on due date)	December 22, 2017	Not Applicable
Due Date for the Repayment of Principal	Not Applicable	March 22, 2019
Redemption Amount (₹ in Lakhs)	Not Applicable	50,000

(vi) The Company has 4,000,000 10% redeemable non-cumulative preference shares of ₹ 100 each outstanding as on March 31, 2018 amounting to ₹ 4,000 Lakhs, which are held by the Holding Company, Sun Pharmaceutical Industries Limited (SPIL).

(vii) Net worth of the Company as on March 31, 2018 is ₹ 110,344 Lakhs excluding Capital Reserve of ₹ 1,856,543 Lakhs.

- 6 The Company has only one reportable segment namely 'Pharmaceuticals'.
- 7 Post implementation of Goods and Service Tax ("GST") with effect from July 1, 2017, revenue from operations is disclosed net of GST. Revenue from operations for the earlier periods included excise duty which is now subsumed in GST. Revenue from operations for the year ended March 31, 2018 includes excise duty for the three months ended June 30, 2017. Accordingly, revenue from operations for the half year and year ended March 31, 2018 are not comparable with those of the previous periods presented.
- 8 In Compliance with IND AS 20 on Government Grants, the amount of budgetary support under Goods and Service Tax, GST Refunds, to be received from the Government of India in relation to the existing eligible units under the different Industrial Promotion Scheme have been recognised as "Other Operating Income". In past periods these credits were netted off from the excise cost reported in the Statement of Profit and Loss.
- 9 The figures for the half year ended March 31, 2018 are the balancing figures between the audited figures in respect of the full financial year and the unaudited published figures for the half year ended September 30, 2017. The figures for the half year ended March 31, 2017 are the balancing figures between the audited figures in the respect of the full financial year and the unaudited figures for the half year ended September 30, 2016.
- 10 Figures for the previous year / periods are re-arranged / re-grouped where ever necessary.



For and on behalf of the Board

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO

Mumbai, May 24, 2018