

Sun Pharmaceutical Industries Limited

Registered Office: Sun Pharma Advanced Research Centre, Tandalja, 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 ended June 30, 2020

(₹ In Crore)

Particulars	Quarter ended		Year ended	
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited	Unaudited	Audited
I Revenue from operations				
a. Revenue from contracts with customers	7,467.19	8,078.03	8,259.30	32,325.17
b. Other operating revenues	118.06	106.91	115.06	512.33
Total revenue from operations (I)	7,585.25	8,184.94	8,374.36	32,837.50
II Other income	153.79	102.23	213.02	635.98
III Total income (I+II)	7,739.04	8,287.17	8,587.38	33,473.48
IV Expenses				
Cost of materials consumed	1,518.84	1,209.58	1,335.83	5,515.23
Purchases of stock-in-trade	683.32	910.64	810.23	3,414.37
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(232.56)	184.59	311.73	300.85
Employee benefits expense	1,759.04	1,651.89	1,540.40	6,362.35
Finance costs	51.95	51.78	104.06	302.73
Depreciation and amortisation expense	495.92	575.38	457.13	2,052.78
Other expenses	2,092.26	2,723.16	2,447.94	10,270.55
Net (gain) / loss on foreign currency transactions	(79.16)	142.07	(67.38)	(15.61)
Total expenses (IV)	6,289.61	7,449.09	6,939.94	28,203.25
V Profit / (loss) before exceptional items and tax (III-IV)	1,449.43	838.08	1,647.44	5,270.23
VI Exceptional items (Refer Note 4)	3,633.33	260.64	-	260.64
VII Profit / (loss) before tax (V-VI)	(2,183.90)	577.44	1,647.44	5,009.59
VIII Tax expense/(credit) for period / year	245.91	83.09	146.06	822.80
IX Profit / (loss) for the period before share of profit / (loss) of associates and joint venture (VII-VIII)	(2,429.81)	494.35	1,501.38	4,186.79
X Share of profit / (loss) of associates and joint venture (net)	3.58	(1.59)	(4.73)	(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)	(2,426.23)	492.76	1,496.65	4,171.96
Non-controlling interests	(770.63)	92.92	109.17	407.03
XII Net Profit / (loss) after taxes, share of profit / (loss) of associates and joint venture and non-controlling interests	(1,655.60)	399.84	1,387.48	3,764.93
XIII Other comprehensive income (OCI)				
A. (i) Items that will not be reclassified to profit or loss	6.10	(93.91)	(98.29)	(131.41)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.10)	2.98	2.92	15.94
B. (i) Items that may be reclassified to profit or loss	389.21	1,317.46	(8.72)	2,194.19
(ii) Income tax relating to items that may be reclassified to profit or loss	(23.16)	22.15	0.20	42.11
Total other comprehensive income (A+B) (XIII)	371.05	1,248.68	(103.89)	2,120.83
XIV Total comprehensive income for the period (XI+XIII)	(2,055.18)	1,741.44	1,392.76	6,292.79
Attributable to:				
- Owners of the Company	(1,319.84)	1,469.62	1,281.96	5,606.84
- Non-controlling interests	(735.34)	271.82	110.80	685.95
XV Paid-up equity share capital - face value ₹ 1 each	239.93	239.93	239.93	239.93
XVI Other equity				
XVII Earnings per equity share of ₹ 1 each (not annualised for quarters)				
₹ (Basic)	(6.90)	1.67	5.78	15.69
₹ (Diluted)	(6.90)	1.67	5.78	15.69
See accompanying notes to the unaudited consolidated financial results				
Research and development expenses incurred (included above)	415.19	520.51	406.66	1,925.17

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Notes :

- 1 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 July 31, 2020.
- 2 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".
- 3 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.
- 4 Exceptional items includes the following :
 - a) 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) has been provided in the quarter ended June 30, 2020.
Further, Taro has 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.
 - b) 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 quarter and year ended March 31, 2020.
 - c) 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 quarter and year ended March 31, 2020.
- 5 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) 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.
- 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 ended June 30, 2020.
- 7 The Group has only one reportable segment namely 'Pharmaceuticals'.
- 8 The figures for the quarter ended March 31, 2020 represent the derived figures between the audited figures in respect of the full financial year ended March 31, 2020 and the unaudited published year-to-date figures up to December 31, 2019, being the date of the end of third quarter of the financial year, which were subjected to a limited review by the statutory auditor of the company.
- 9 Figures for previous periods have been regrouped / reclassified wherever considered necessary.

For and on behalf of the Board

Mumbai, July 31, 2020

Dilip S. Shanghvi
Managing Director

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Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2020

(₹ in Crore)

Particulars	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited	Unaudited	Audited
I Revenue from operations				
a. Revenue from contracts with customers	2,878.64	2,750.41	3,020.49	11,906.74
b. Other operating revenues	84.40	85.67	288.52	625.19
Total revenue from operations (I)	2,963.04	2,836.08	3,309.01	12,531.93
II Other income	21.19	1,218.65	18.58	1,510.92
III Total income (I+II)	2,984.23	4,054.73	3,327.59	14,042.85
IV Expenses				
Cost of materials consumed	849.42	767.12	693.81	3,201.71
Purchases of stock-in-trade	257.82	318.88	296.25	1,227.41
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(55.29)	94.28	74.91	138.60
Employee benefits expense	466.19	419.34	426.69	1,702.77
Finance costs	68.90	137.53	57.25	408.01
Depreciation and amortisation expense	142.79	142.44	135.58	561.56
Other expenses	779.02	933.95	897.05	3,514.08
Net (gain) / loss on foreign currency transactions	(56.14)	73.97	(22.09)	35.71
Total expenses (IV)	2,452.71	2,887.51	2,559.45	10,789.85
V Profit before tax (III-IV)	531.52	1,167.22	768.14	3,253.00
VI Tax expense / (credit)	(0.43)	11.37	4.77	41.86
VII Profit for the period (V-VI)	531.95	1,155.85	763.37	3,211.14
VIII Other comprehensive income (OCI)				
a. (i) Items that will not be reclassified to profit or loss	(19.81)	(6.11)	(6.53)	(32.50)
(ii) Income tax relating to items that will not be reclassified to profit or loss	6.92	2.14	2.28	11.36
b. (i) Items that may be reclassified to profit or loss	21.05	(26.39)	(6.02)	(91.71)
(ii) Income tax relating to items that may be reclassified to profit or loss	(7.35)	9.23	2.11	32.05
Total other comprehensive income (a+b) (VIII)	0.81	(21.13)	(8.16)	(80.80)
IX Total comprehensive income for the period (VII+VIII)	532.76	1,134.72	755.21	3,130.34
X Paid-up equity share capital - face value ₹ 1 each	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)	2.22	4.82	3.18	13.38
₹ (Diluted)	2.22	4.82	3.18	13.38
See accompanying notes to the unaudited standalone financial results				
Research and development expenses incurred (included above)	186.72	311.43	221.81	1,029.53

Notes:

- 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 July 31, 2020.
- 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.
- 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 ended June 30, 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) 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 has only one reportable segment namely 'Pharmaceuticals'.
- Figures for previous periods have been regrouped / reclassified wherever considered necessary.
- The figures for the quarter ended March 31, 2020 are the balancing figures between the audited figures in respect of the full financial year and the unaudited published year to date figures up to December 31, 2019, being the date of the end of third quarter of the financial year, which were subject to limited review by the Statutory Auditor of the Company.

For and on behalf of the Board

Dilip S. Shanghvi
Managing Director