

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 ended June 30, 2019

(₹ In Crore)

Particulars	Quarter ended			Year ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
	Unaudited	Audited	Unaudited	Audited
I Revenue from operations				
a. Revenue from contracts with customers	8,259.30	7,044.26	7,138.83	28,686.28
b. Other operating revenues	115.06	119.66	85.34	379.63
Total revenue from operations (I)	8,374.36	7,163.92	7,224.17	29,065.91
II Other income	213.02	281.53	199.75	1,025.49
III Total income (I+II)	8,587.38	7,445.45	7,423.92	30,091.40
IV Expenses				
Cost of materials consumed	1,335.83	2,066.54	1,217.36	5,782.70
Purchases of stock-in-trade	810.23	197.62	787.78	2,519.38
Changes in inventories of finished goods, stock-in-trade and work-in-progress	311.73	(425.37)	101.69	(433.11)
Employee benefits expense	1,540.40	1,568.79	1,433.00	5,967.09
Finance costs	104.06	150.03	130.90	555.25
Depreciation and amortisation expense	457.13	454.05	401.64	1,753.25
Other expenses	2,447.94	2,684.70	1,987.74	8,829.06
Net (gain) / loss on foreign currency transactions	(67.38)	54.85	89.90	93.20
Total expenses (IV)	6,939.94	6,751.21	6,150.01	25,066.82
V Profit before exceptional item and tax (III-IV)	1,647.44	694.24	1,273.91	5,024.58
VI Exceptional item (Refer Note 4)	-	-	-	1,214.38
VII Profit / (Loss) before tax (V-VI)	1,647.44	694.24	1,273.91	3,810.20
VIII Tax expense/ (credit) for current period / year	146.06	(28.81)	89.08	600.88
IX Profit / (Loss) for the period before share of profit / (loss) of associates and joint ventures (VII-VIII)	1,501.38	723.05	1,184.83	3,209.32
X Share of profit / (loss) of associates and joint ventures (net)	(4.73)	(2.44)	1.01	(1.46)
XI Net Profit / (Loss) after taxes and share of profit / (loss) of associates and joint ventures but before non-controlling interests (IX+X)	1,496.65	720.61	1,185.84	3,207.86
Non-controlling interests	109.17	84.73	128.55	542.44
XII Net Profit / (Loss) after taxes, share of profit / (loss) of associates and joint ventures and non-controlling interests	1,387.48	635.88	1,057.29	2,665.42
XIII Other comprehensive income (OCI)				
A. (i) Items that will not be reclassified to profit or loss	(98.29)	82.86	(27.80)	23.96
(ii) Income tax relating to items that will not be reclassified to profit or loss	2.92	(0.86)	(3.55)	(6.25)
B. (i) Items that may be reclassified to profit or loss	(8.72)	(102.00)	1,681.53	1,756.69
(ii) Income tax relating to items that may be reclassified to profit or loss	0.20	(85.54)	1.88	(94.41)
Total other comprehensive income (A+B) (XIII)	(103.89)	(105.54)	1,652.06	1,679.99
XIV Total comprehensive income for the period (XI+XIII)	1,392.76	615.07	2,837.90	4,887.85
Attributable to:				
- Owners of the Company	1,281.96	509.86	2,551.16	4,205.41
- Non-controlling interests	110.80	105.21	286.74	682.44
XV Paid-up equity share capital - face value ₹ 1 each	239.93	239.93	239.93	239.93
XVI Other equity				41,169.13
XVII Earnings per equity share of ₹ 1 each (not annualised for quarters)				
₹ (Basic)	5.78	2.65	4.41	11.11
₹ (Diluted)	5.78	2.65	4.41	11.11
See accompanying notes to the unaudited consolidated financial results				
Research and development expenses incurred (included above)	406.66	534.86	484.91	1,912.87

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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 August 12, 2019 and August 13, 2019.
- 2 These unaudited consolidated financial results relate to Sun Pharmaceutical Industries Limited (SPIL), its Subsidiaries (together constitute 'the Group'), Joint Ventures 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 The Company had entered into settlement agreements with Apotex Corporation, Retailer Purchasers, end-payor plaintiffs and Direct Purchaser Plaintiffs in respect of an antitrust litigation, relating to a product Modafinil. The Company had accounted for an amount of ₹ 950.50 crore and ₹ 1,238.38 crore in the year ended on March 31, 2018 and March 31, 2019 respectively out of which ₹ 950.50 crore and ₹ 1,214.38 crore were disclosed as exceptional item. During current quarter, the Company has entered into a settlement agreement with the last remaining Plaintiff and the settlement amount has been grouped in other expenses.
- 5 The Board of Directors of the Company at its meeting held on May 25, 2018, had approved the Scheme of Arrangement between the Company, Sun Pharma (Netherlands) B.V. and Sun Pharmaceutical Holdings USA Inc. (both being wholly owned subsidiaries of the Company) which inter-alia, envisages spin-off w.e.f. April 01, 2017 of the specified investment undertaking 1 and 2 (as defined in the scheme of Arrangement) of the Company. The scheme shall be effective post receipt of requisite approvals and accordingly, the above results do not reflect the impact, if any, on account of the scheme.
- 6 Pursuant to the scheme of arrangement, as approved by the National Company Law Tribunal on October 31, 2018, unbranded generic pharmaceutical undertaking of Sun Pharma Global FZE, a wholly owned subsidiary, has been transferred to the Company w.e.f April 01, 2017. Consequently, effect of the scheme including the tax impact has been given in the financial results in accordance with Ind AS 103 – Business Combinations. The results for quarter ended June 30, 2018 have been restated to give effect to the merger.
- 7 Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 01, 2019 using the modified retrospective method. Accordingly, the Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). The impact on the profit and earnings per share for the quarter is not material.
- 8 On April 01, 2019, the functional currency of a subsidiary of Taro Pharmaceutical Industries Limited changed from Canadian Dollar to US Dollar. This change in functional currency is applied prospectively with effect from April 01, 2019.
- 9 Pola Pharma Inc. Japan became step down subsidiary of the Company with effect from January 01, 2019. Accordingly, the results for the quarter includes results of Pola Pharma Inc., and hence are not comparable with quarter ended June 30, 2018.
- 10 The Group has only one reportable segment namely 'Pharmaceuticals'.
- 11 The figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the full financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, 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.

For and on behalf of the Board

Mumbai, August 13, 2019

Dilip S. Shanghvi
Managing Director

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(₹ In Crore)

Particulars	Quarter ended			Year ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
India Formulations	2,313.67	1,101.32	2,151.99	7,348.30
US Formulations	2,947.43	3,123.83	2,543.70	10,671.31
Emerging Market	1,348.57	1,219.94	1,308.73	5,362.45
ROW Formulations	1,159.13	1,078.04	717.76	3,455.39
Total Formulations	7,768.80	6,523.13	6,722.18	26,837.45
Bulk	461.18	483.74	394.17	1,730.29
Others	29.32	37.39	22.48	118.54
Total Sales	8,259.30	7,044.26	7,138.83	28,686.28
Total R&D Expenditure	422.33	567.49	500.13	1,984.69
Capital	15.67	32.63	15.22	71.82
Revenue	406.66	534.86	484.91	1,912.87
Exchange Rates : \$ 1 = ₹	69.56	70.54	67.02	

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Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2019

(₹ in Crore)

Particulars	Quarter ended			Year ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
	Unaudited	Audited	Unaudited	Audited
I Revenue from operations				
a. Revenue from contracts with customers	3,020.49	2,257.80	2,941.64	9,783.29
b. Other operating revenues	288.52	294.33	74.91	519.92
Total revenue from operations (I)	3,309.01	2,552.13	3,016.55	10,303.21
II Other income	18.58	679.23	31.48	1,271.44
III Total income (I+II)	3,327.59	3,231.36	3,048.03	11,574.65
IV Expenses				
Cost of materials consumed	693.81	931.19	428.85	2,727.71
Purchases of stock-in-trade	296.25	214.40	390.06	1,196.85
Changes in inventories of finished goods, stock-in-trade and work-in-progress	74.91	(181.64)	15.82	(251.30)
Employee benefits expense	426.69	426.00	369.53	1,571.34
Finance costs	57.25	119.37	136.79	540.92
Depreciation and amortisation expense	135.58	132.18	155.71	552.95
Other expenses	897.05	799.89	734.49	3,089.31
Net (gain) / loss on foreign currency transactions	(22.09)	(196.21)	223.28	213.04
Total expenses (IV)	2,559.45	2,245.18	2,454.53	9,640.82
V Profit before exceptional item and tax (III-IV)	768.14	986.18	593.50	1,933.83
VI Exceptional item (Refer Note 5)	-	-	-	1,214.38
VII Profit before tax (V-VI)	768.14	986.18	593.50	719.45
VIII Tax expense / (credit)	4.77	(81.88)	0.21	(97.15)
IX Profit for the period (VII-VIII)	763.37	1,068.06	593.29	816.60
X Other comprehensive income (OCI)				
a. (i) Items that will not be reclassified to profit or loss	(6.53)	(0.79)	5.44	11.29
(ii) Income tax relating to items that will not be reclassified to profit or loss	2.28	0.27	(1.90)	(3.95)
b. (i) Items that may be reclassified to profit or loss	(6.02)	18.68	145.20	271.15
(ii) Income tax relating to items that may be reclassified to profit or loss	2.11	(82.48)	1.66	(94.75)
Total other comprehensive income (a+b) (X)	(8.16)	(64.32)	150.40	183.74
XI Total comprehensive income for the period (IX+X)	755.21	1,003.74	743.69	1,000.34
XII Paid-up equity share capital - face value ₹ 1 each	239.93	239.93	239.93	239.93
XIII Other equity				22,603.68
XIV Earnings per equity Share of ₹ 1 each (not annualised for quarters)				
₹ (Basic)	3.18	4.45	2.47	3.40
₹ (Diluted)	3.18	4.45	2.47	3.40
See accompanying notes to the unaudited standalone financial results				
Research and development expenses incurred (included above)	221.81	255.07	218.59	954.25

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 August 12, 2019 and August 13, 2019.
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For and on behalf of the Board

Dilip S. Shanghvi
Managing Director

Mumbai, August 13, 2019