

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

Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months ended December 31, 2018

(₹ In Crore)

| Particulars | Quarter ended | | | Nine Months ended | | Year ended |
|---|-------------------|-----------------|-----------------|-------------------|------------------|------------------|
| | 31.12.2018 | 30.09.2018 | 31.12.2017 | 31.12.2018 | 31.12.2017 | 31.03.2018 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| I Revenue from operations | | | | | | |
| a. Sale of products | 7,656.71 | 6,846.48 | 6,598.21 | 21,642.02 | 19,354.93 | 26,065.94 |
| b. Other operating revenues | 83.48 | 91.15 | 55.02 | 259.97 | 157.43 | 423.52 |
| Total revenue from operations (I) | 7,740.19 | 6,937.63 | 6,653.23 | 21,901.99 | 19,512.36 | 26,489.46 |
| II Other income | 193.06 | 351.15 | 129.19 | 743.96 | 536.01 | 838.76 |
| III Total income (I+II) | 7,933.25 | 7,288.78 | 6,782.42 | 22,645.95 | 20,048.37 | 27,328.22 |
| IV Expenses | | | | | | |
| Cost of materials consumed | 1,432.97 | 1,065.83 | 805.89 | 3,716.16 | 3,342.61 | 4,462.60 |
| Purchases of stock-in-trade | 721.51 | 812.47 | 1,007.16 | 2,321.76 | 1,813.69 | 2,731.38 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 11.18 | (120.61) | 286.67 | (7.74) | 498.30 | 230.70 |
| Employee benefits expense | 1,494.98 | 1,470.32 | 1,372.63 | 4,398.30 | 4,025.80 | 5,367.05 |
| Finance costs | 144.79 | 129.53 | 95.33 | 405.22 | 362.19 | 517.57 |
| Depreciation and amortisation expense | 471.05 | 426.51 | 339.32 | 1,299.20 | 1,044.60 | 1,499.84 |
| Other expenses | 1,926.66 | 2,178.41 | 1,727.50 | 6,182.71 | 5,907.32 | 8,089.60 |
| Total expenses (IV) | 6,203.14 | 5,962.46 | 5,634.50 | 18,315.61 | 16,994.51 | 22,898.74 |
| V Profit before exceptional item and tax (III-IV) | 1,730.11 | 1,326.32 | 1,147.92 | 4,330.34 | 3,053.86 | 4,429.48 |
| VI Exceptional item (Refer Note 6) | - | 1,214.38 | - | 1,214.38 | 950.50 | 950.50 |
| VII Profit / (Loss) before tax (V-VI) | 1,730.11 | 111.94 | 1,147.92 | 3,115.96 | 2,103.36 | 3,478.98 |
| VIII (i) Tax expense for current period / year | 270.92 | 269.69 | 279.50 | 629.69 | 608.25 | 656.59 |
| (ii) Tax expense (exceptional - Refer Note 7) | - | - | 513.02 | - | 513.02 | 254.45 |
| IX Profit / (Loss) for the period before share of profit / (loss) of associates and joint ventures (VII-VIII) | 1,459.19 | (157.75) | 355.40 | 2,486.27 | 982.09 | 2,567.94 |
| X Share of profit / (loss) of associates and joint ventures (net) | 1.84 | (1.87) | 0.95 | 0.98 | (2.12) | (25.44) |
| XI Net Profit / (Loss) after taxes and share of profit / (loss) of associates and joint ventures but before non-controlling interests (IX+X) | 1,461.03 | (159.62) | 356.35 | 2,487.25 | 979.97 | 2,542.50 |
| Non-controlling interests | 219.18 | 109.98 | 34.78 | 457.71 | 226.77 | 446.80 |
| XII Net Profit / (Loss) after taxes, share of profit / (loss) of associates and joint ventures and non-controlling interests | 1,241.85 | (269.60) | 321.57 | 2,029.54 | 753.20 | 2,095.70 |
| XIII Other comprehensive income (OCI) | | | | | | |
| A. (i) Items that will not be reclassified to profit or loss | (179.89) | 148.79 | (84.15) | (58.90) | 31.63 | 207.10 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 2.42 | (4.26) | 1.56 | (5.39) | 4.68 | (29.80) |
| B. (i) Items that may be reclassified to profit or loss | (1,890.82) | 2,067.98 | (889.95) | 1,858.69 | (38.53) | 345.08 |
| (ii) Income tax relating to items that may be reclassified to profit or loss | (23.09) | 12.34 | 0.16 | (8.87) | 0.16 | 0.87 |
| Total other comprehensive income (A+B) (XIII) | (2,091.38) | 2,224.85 | (972.38) | 1,785.53 | (2.06) | 523.25 |
| XIV Total comprehensive income for the period (XI+XIII) | (630.35) | 2,065.23 | (616.03) | 4,272.78 | 977.91 | 3,065.75 |
| Attributable to: | | | | | | |
| - Owners of the parent | (539.76) | 1,684.15 | (547.05) | 3,695.55 | 697.53 | 2,571.18 |
| - Non-controlling interests | (90.59) | 381.08 | (68.98) | 577.23 | 280.38 | 494.57 |
| 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 | | | | | | 38,074.18 |
| XVII Earnings per equity share of ₹ 1 each (not annualised for quarters) | | | | | | |
| ₹ (Basic) | 5.18 | (1.12) | 1.34 | 8.46 | 3.14 | 8.73 |
| ₹ (Diluted) | 5.18 | (1.12) | 1.34 | 8.46 | 3.14 | 8.73 |
| See accompanying notes to the unaudited consolidated financial results | | | | | | |
| Research and development expenses incurred (included above) | 451.54 | 441.56 | 461.17 | 1,378.01 | 1,451.49 | 2,066.94 |

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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 February 12, 2019.
- 2 These unaudited consolidated financial results relate to Sun Pharmaceutical Industries Limited, 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 During the quarter ended December 31, 2018, 3,600 equity shares of ₹ 1 each have been allotted under Employee Stock Option Scheme of the Company. Subsequent to the quarter ended December 31, 2018 the Company has, on February 11, 2019 allotted 6,696 equity shares of ₹ 1 each under Employee Stock Option Scheme of the Company.
- 5 Post the applicability of Goods and Service Tax ("GST") with effect from July 01, 2017, revenue from operations is required to be disclosed net of GST. Thus, the revenue from operations for the nine months ended December 31, 2017 is not comparable with the revenue from operations of other periods presented in the results.
- 6 In respect of an antitrust litigation, relating to a product Modafinil, the Company and one of its wholly-owned subsidiaries had previously entered into settlements with certain plaintiffs (Apotex Corporation, Retailer Purchasers and end-payor plaintiffs) for an aggregate amount of USD 150.5 Million. The equivalent Indian rupee liability of ₹ 950.50 Crore and ₹ 24.00 Crore was provided in the books of account in year ended March 31, 2018 and quarter ended June 30, 2018 respectively. The amount of ₹ 950.50 Crore was disclosed as an exceptional item. During the quarter, the Company has entered into settlement agreement with the Direct Purchaser Plaintiffs; while continuing to litigate as well as negotiate the case with the remaining one plaintiff. The Company had accounted for likely amount payable to remaining plaintiff in the antitrust litigation relating to the product Modafinil and had disclosed the charge as an exceptional item in the quarter ended on September 30, 2018.
- 7 Tax expense (exceptional) for the year ended March 31, 2018 includes deferred tax assets of ₹ 258.57 Crore created on difference on tax and book value on intra-group transfer of certain intangibles. Further, it also includes an impact of ₹ 513.02 Crore on account of re-measurement of the group's deferred tax assets as a result of the Tax Cut and Jobs Act enacted in United States of America on December 22, 2017.
- 8 The Board of Directors of the Company at its meeting held on May 25, 2018, 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 of the specified investment undertaking 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 schemes.
- 9 Pursuant to the scheme of arrangement, as approved by the Hon'ble High Court of Gujarat 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 previous periods have been restated to give effect to the merger.
- 10 The Group has only one reportable segment namely 'Pharmaceuticals'.

For and on behalf of the Board

Dilip S. Shanghvi
Managing Director

Mumbai, February 12, 2019

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(₹ In Crore)

| Particulars | Quarter ended | | | Nine Months ended | | Year ended |
|----------------------------------|-----------------|-----------------|-----------------|-------------------|------------------|------------------|
| | 31.12.2018 | 30.09.2018 | 31.12.2017 | 31.12.2018 | 31.12.2017 | 31.03.2018 |
| India Formulations | 2,235.31 | 1,859.68 | 2,084.97 | 6,246.98 | 6,066.71 | 8,029.33 |
| US Formulations | 2,605.87 | 2,397.91 | 2,124.16 | 7,547.48 | 6,374.98 | 8,746.57 |
| Emerging Market | 1,461.76 | 1,372.02 | 1,221.20 | 4,142.51 | 3,559.81 | 4,839.20 |
| ROW Formulations | 898.05 | 761.54 | 776.63 | 2,377.35 | 2,230.36 | 2,974.02 |
| Total Formulations | 7,200.99 | 6,391.15 | 6,206.96 | 20,314.32 | 18,231.86 | 24,589.12 |
| Bulk | 426.11 | 426.27 | 369.76 | 1,246.55 | 1,066.92 | 1,399.34 |
| Others | 29.61 | 29.06 | 21.49 | 81.15 | 56.15 | 77.48 |
| Total Sales | 7,656.71 | 6,846.48 | 6,598.21 | 21,642.02 | 19,354.93 | 26,065.94 |
| Total R&D Expenditure | 464.77 | 452.30 | 472.97 | 1,417.20 | 1,506.04 | 2,248.88 |
| Capital | 13.23 | 10.74 | 11.80 | 39.19 | 54.55 | 181.94 |
| Revenue | 451.54 | 441.56 | 461.17 | 1,378.01 | 1,451.49 | 2,066.94 |
| Exchange Rates : \$ 1 = ₹ | 72.04 | 70.20 | 64.72 | | | |

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Statement of Standalone Unaudited Financial Results for the Quarter and Nine months ended December 31, 2018

(₹ in Crore)

| Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---|-----------------|-----------------|-----------------|-------------------|-----------------|------------------|
| | 31.12.2018 | 30.09.2018 | 31.12.2017 | 31.12.2018 | 31.12.2017 | 31.03.2018 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| I Revenue from operations | | | | | | |
| a. Sale of products | 2,192.41 | 2,391.44 | 2,355.18 | 7,525.49 | 6,165.24 | 8,774.41 |
| b. Other operating revenues | 68.85 | 81.83 | 53.25 | 225.59 | 160.13 | 231.84 |
| Total revenue from operations (I) | 2,261.26 | 2,473.27 | 2,408.43 | 7,751.08 | 6,325.37 | 9,006.25 |
| II Other income | 27.76 | 532.97 | 33.47 | 592.21 | 951.15 | 1,128.04 |
| III Total income (I+II) | 2,289.02 | 3,006.24 | 2,441.90 | 8,343.29 | 7,276.52 | 10,134.29 |
| IV Expenses | | | | | | |
| Cost of materials consumed | 716.27 | 651.40 | 220.81 | 1,796.52 | 1,180.26 | 2,210.12 |
| Purchases of stock-in-trade | 329.73 | 262.66 | 306.95 | 982.45 | 740.33 | 1,201.51 |
| | (64.65) | (20.83) | 405.17 | (69.66) | 768.96 | 159.26 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | | | | | | |
| Employee benefits expense | 391.20 | 384.61 | 405.50 | 1,145.34 | 1,216.80 | 1,625.00 |
| Finance costs | 133.38 | 151.38 | 64.70 | 421.55 | 277.72 | 388.31 |
| Depreciation and amortisation expense | 134.06 | 131.00 | 119.90 | 420.77 | 364.63 | 487.24 |
| Other expenses | 714.10 | 1,026.80 | 597.68 | 2,698.67 | 1,976.48 | 2,832.10 |
| Total expenses (IV) | 2,354.09 | 2,587.02 | 2,120.71 | 7,395.64 | 6,525.18 | 8,903.54 |
| V Profit/(Loss) before exceptional item and tax (III-IV) | (65.07) | 419.22 | 321.19 | 947.65 | 751.34 | 1,230.75 |
| VI Exceptional item (Refer Note 7) | - | 1,214.38 | - | 1,214.38 | 950.50 | 950.50 |
| VII Profit/(Loss) before tax (V-VI) | (65.07) | (795.16) | 321.19 | (266.73) | (199.16) | 280.25 |
| VIII Tax expense / (credit) | (26.39) | 10.91 | 0.54 | (15.27) | (0.18) | (25.39) |
| IX Profit/(Loss) for the period (VII-VIII) | (38.68) | (806.07) | 320.65 | (251.46) | (198.98) | 305.64 |
| X Other comprehensive income (OCI) | | | | | | |
| a. (i) Items that will not be reclassified to profit or loss | (2.66) | 9.30 | (10.09) | 12.08 | (40.74) | 73.15 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 0.93 | (3.25) | - | (4.22) | - | (25.31) |
| b. (i) Items that may be reclassified to profit or loss | (31.92) | 139.19 | (53.53) | 252.47 | (40.25) | 8.31 |
| (ii) Income tax relating to items that may be reclassified to profit or loss | (27.57) | 13.64 | - | (12.27) | - | 0.54 |
| Total other comprehensive income (a+b) (X) | (61.22) | 158.88 | (63.62) | 248.06 | (80.99) | 56.69 |
| XI Total comprehensive income for the period (IX+X) | (99.90) | (647.19) | 257.03 | (3.40) | (279.97) | 362.33 |
| XII Paid-up equity share capital - face value ₹ 1 each | 239.93 | 239.93 | 239.93 | 239.93 | 239.93 | 239.93 |
| XIII Other equity | | | | | | 22,082.68 |
| XIV Earnings per equity Share of ₹ 1 each (not annualised for quarters) | | | | | | |
| ₹ (Basic) | (0.16) | (3.36) | 1.34 | (1.05) | (0.83) | 1.27 |
| ₹ (Diluted) | (0.16) | (3.36) | 1.34 | (1.05) | (0.83) | 1.27 |
| See accompanying notes to the unaudited standalone financial results | | | | | | |
| Research and development expenses incurred (included above) | 250.17 | 230.42 | 177.26 | 699.18 | 615.55 | 853.18 |

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 February 12, 2019.
- 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.
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- 7 In respect of an antitrust litigation, relating to a product Modafinil, the Company and one of its wholly-owned subsidiaries had previously entered into settlements with certain plaintiffs (Apotex Corporation, Retailer Purchasers and end-payor plaintiffs) for an aggregate amount of USD 150.5 Million. The equivalent Indian rupee liability of ₹ 950.50 Crore and ₹ 24.00 Crore was provided in the books of account in year ended March 31, 2018 and quarter ended June 30, 2018 respectively. The amount of ₹ 950.50 Crore was disclosed as an exceptional item.
During the quarter, the Company has entered into settlement agreement with the Direct Purchaser Plaintiffs; while continuing to litigate as well as negotiate the case with the remaining one plaintiff. The Company had accounted for likely amount payable to remaining plaintiff in the antitrust litigation relating to the product Modafinil and had disclosed the charge as an exceptional item in the quarter ended on September 30, 2018.
- 8 The Company has only one reportable segment namely 'Pharmaceuticals'.

For and on behalf of the Board

Dilip S. Shanghvi
Managing Director

Mumbai, February 12, 2019