

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 and Half Year ended September 30, 2018

(₹ In Crore)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations						
a. Sale of products	6,846.48	7,138.83	6,590.06	13,985.31	12,756.72	26,065.94
b. Other operating revenues	91.15	85.34	60.28	176.49	102.41	423.52
Total revenue from operations (I)	6,937.63	7,224.17	6,650.34	14,161.80	12,859.13	26,489.46
II Other income	351.15	199.75	254.84	550.90	406.82	838.76
III Total income (I+II)	7,288.78	7,423.92	6,905.18	14,712.70	13,265.95	27,328.22
IV Expenses						
Cost of materials consumed	1,065.83	1,217.36	1,245.25	2,283.19	2,536.72	4,462.60
Purchases of stock-in-trade	812.47	787.78	462.86	1,600.25	806.53	2,731.38
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(120.61)	101.69	169.41	(18.92)	211.63	230.70
Employee benefits expense	1,470.32	1,433.00	1,323.30	2,903.32	2,653.17	5,367.05
Finance costs	129.53	130.90	157.44	260.43	266.86	517.57
Depreciation and amortisation expense	426.51	401.64	358.65	828.15	705.28	1,499.84
Other expenses	2,178.41	2,077.64	2,073.91	4,256.05	4,179.82	8,089.60
Total expenses (IV)	5,962.46	6,150.01	5,790.82	12,112.47	11,360.01	22,898.74
V Profit before exceptional item and tax (III-IV)	1,326.32	1,273.91	1,114.36	2,600.23	1,905.94	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)	111.94	1,273.91	1,114.36	1,385.85	955.44	3,478.98
VIII (i) Tax expense for current period / year	218.91	163.86	111.40	382.77	273.18	590.74
(ii) Tax expense (exceptional - Refer Note 7)	-	-	-	-	-	254.45
IX Profit / (Loss) for the period before share of profit / (loss) of associates and joint ventures (VII-VIII)	(106.97)	1,110.05	1,002.96	1,003.08	682.26	2,633.79
X Share of profit / (loss) of associates and joint ventures (net)	(1.87)	1.01	(1.17)	(0.86)	(3.07)	(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)	(108.84)	1,111.06	1,001.79	1,002.22	679.19	2,608.35
Non-controlling interests	109.98	128.55	89.67	238.53	191.99	446.80
XII Net Profit / (Loss) after taxes, share of profit / (loss) of associates and joint ventures and non-controlling interests	(218.82)	982.51	912.12	763.69	487.20	2,161.55
XIII Other comprehensive income (OCI)						
A. (i) Items that will not be reclassified to profit or loss	148.79	(27.80)	73.03	120.99	115.78	207.10
(ii) Income tax relating to items that will not be reclassified to profit or loss	(4.26)	(3.55)	1.51	(7.81)	3.12	(29.80)
B. (i) Items that may be reclassified to profit or loss	2,067.98	1,681.53	705.49	3,749.51	851.42	345.08
(ii) Income tax relating to items that may be reclassified to profit or loss	12.34	1.88	-	14.22	-	0.87
Total other comprehensive income (A+B) (XIII)	2,224.85	1,652.06	780.03	3,876.91	970.32	523.25
XIV Total comprehensive income for the period (XI+XIII)	2,116.01	2,763.12	1,781.82	4,879.13	1,649.51	3,131.60
Attributable to:						
- Owners of the parent	1,734.93	2,476.38	1,574.74	4,211.31	1,300.15	2,637.03
- Non-controlling interests	381.08	286.74	207.08	667.82	349.36	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						37,860.63
XVII Earnings per equity share of ₹ 1 each (not annualised for quarters)						
₹ (Basic)	(0.91)	4.09	3.80	3.18	2.03	9.01
₹ (Diluted)	(0.91)	4.09	3.80	3.18	2.03	9.01
See accompanying notes to the unaudited consolidated financial results						
Research and development expenses incurred (included above)	441.56	484.91	488.87	926.47	990.32	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 November 13, 2018.
- 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 September 30, 2018, 180 equity shares of ₹ 1 each have been allotted under Employee Stock Option Scheme of the Company. Subsequent to the quarter ended September 30, 2018 the Company has on November 12, 2018 allotted 3,600 equity shares of ₹ 1 each under Employee Stock Option Scheme of the Company.
- 5 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 half year ended September 30, 2017 includes excise duty for the three months ended June 30, 2017. Accordingly, revenue from operations for the half year ended September 30, 2018 are not comparable with those of the previous periods presented.
- 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 current quarter, the Company based on management estimates accounted for likely amount payable to remaining plaintiffs in the antitrust litigation relating to the product Modafinil, which has been charged to the unaudited consolidated financial results of the current quarter and has been disclosed as an exceptional item. The Company has reached an in-principle agreement for settlement with the Direct Purchaser Plaintiffs; while continuing to litigate as well as negotiate the case with the remaining one plaintiff.
- 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 November 14, 2017, had approved the Scheme of Arrangement with an appointed date of April 01, 2017 between Company and Sun Pharma Global FZE (subsidiary of the Company) which inter-alia, envisages demerger of unbranded generic pharmaceutical undertaking of Sun Pharma Global FZE into the Company. Further, 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) with an appointed date of April 01, 2017 which inter-alia, envisages spin-off of the specified investment undertakings of the Company. Further, the above schemes shall be effective post receipt of required approvals and accordingly, the above results do not reflect the impact, if any, on account of the schemes.
- 9 The Group has only one reportable segment namely 'Pharmaceuticals'.

For and on behalf of the Board

Dilip S. Shanghvi
Managing Director

Mumbai, November 13, 2018

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(₹ In Crore)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
India Formulations	1,859.68	2,151.99	2,220.96	4,011.67	3,981.74	8,029.33
US Formulations	2,397.91	2,543.70	1,986.19	4,941.61	4,250.82	8,746.57
Emerging Market	1,372.02	1,308.73	1,258.21	2,680.75	2,338.61	4,839.20
ROW Formulations	761.54	717.76	711.32	1,479.30	1,453.73	2,974.02
Total Formulations	6,391.15	6,722.18	6,176.68	13,113.33	12,024.90	24,589.12
Bulk	426.27	394.17	388.25	820.44	697.16	1,399.34
Others	29.06	22.48	25.13	51.54	34.66	77.48
Total Sales	6,846.48	7,138.83	6,590.06	13,985.31	12,756.72	26,065.94
Total R&D Expenditure	452.30	500.13	510.60	952.43	1,033.07	2,248.88
Capital	10.74	15.22	21.73	25.96	42.75	181.94
Revenue	441.56	484.91	488.87	926.47	990.32	2,066.94
Exchange Rates : \$ 1 = ₹	70.20	67.02	64.30			

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Consolidated Statement of Assets and Liabilities

(₹ in Crore)

Particulars	As at 30.09.2018 Unaudited	As at 31.03.2018 Audited
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	9,635.40	9,159.03
(b) Capital work-in-progress	1,269.07	1,434.47
(c) Goodwill	6,230.59	5,606.71
(d) Other Intangible assets	6,317.93	4,086.91
(e) Intangible assets under development	619.40	1,030.69
(f) Investments in associates	224.09	274.86
(g) Investments in joint ventures	28.33	25.28
(h) Financial assets		
(i) Investments	4,178.21	2,752.11
(ii) Loans	2,403.41	2,242.47
(iii) Other financial assets	81.86	104.92
(i) Deferred tax assets (Net)	2,413.23	2,193.78
(j) Income tax assets (Net)	2,878.04	3,189.66
(k) Other non-current assets	571.44	566.01
Total non-current assets	36,851.00	32,666.90
(2) Current assets		
(a) Inventories	7,366.65	6,880.69
(b) Financial assets		
(i) Investments	4,608.96	4,090.62
(ii) Trade receivables	9,123.81	7,815.28
(iii) Cash and cash equivalents	9,694.35	7,925.37
(iv) Bank balances other than (iii) above	176.47	2,004.01
(v) Loans	70.00	91.43
(vi) Other financial assets	510.94	479.55
(c) Other current assets	2,364.58	2,348.95
Total current assets	33,915.76	31,635.90
TOTAL ASSETS	70,766.76	64,302.80
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	239.93	239.93
(b) Other equity	40,783.39	37,860.63
Equity attributable to owners of the Parent	41,023.32	38,100.56
Non-controlling interests	4,406.95	3,884.16
Total equity	45,430.27	41,984.72
Liabilities		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,377.03	1,772.09
(ii) Other financial liabilities	5.27	31.65
(b) Provisions	188.61	404.46
(c) Deferred tax liabilities (Net)	284.90	218.96
(d) Other Non Financial Liabilities	803.65	26.60
Total non-current liabilities	2,659.46	2,453.76
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	9,341.40	7,979.70
(ii) Trade payables	3,973.64	4,766.20
(iii) Other financial liabilities	3,681.86	1,337.72
(b) Other current liabilities	410.75	538.21
(c) Provisions	5,115.86	5,109.66
(d) Current tax liabilities (Net)	153.52	132.83
Total current liabilities	22,677.03	19,864.32
Total liabilities	25,336.49	22,318.08
TOTAL EQUITY AND LIABILITIES	70,766.76	64,302.80

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Statement of Standalone Unaudited Financial Results for the Quarter and Half year ended September 30, 2018

(₹ in Crore)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2018	30.06.2018	30.09.2017	30.9.2018	30.9.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations						
a. Sale of products	2,217.42	2,532.61	1,769.86	4,750.03	3,496.56	7,696.33
b. Other operating revenues	81.83	74.91	53.98	156.74	122.63	251.27
Total revenue from operations (I)	2,299.25	2,607.52	1,823.84	4,906.77	3,619.19	7,947.60
II Other income	532.97	31.48	891.82	564.45	917.68	1,128.04
III Total income (I+II)	2,832.22	2,639.00	2,715.66	5,471.22	4,536.87	9,075.64
IV Expenses						
Cost of materials consumed	637.85	422.87	338.50	1,060.72	934.07	2,167.52
Purchases of stock-in-trade	249.66	382.60	195.48	632.26	414.72	1,165.99
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(20.83)	15.82	366.02	(5.01)	363.79	159.26
Employee benefits expense	383.01	367.33	392.96	750.34	807.04	1,617.69
Finance costs	151.38	136.79	129.58	288.17	213.02	388.31
Depreciation and amortisation expense	122.36	141.19	105.08	263.55	214.71	432.23
Other expenses	989.92	912.80	614.41	1,902.72	1,351.09	2,714.12
Total expenses (IV)	2,513.35	2,379.40	2,142.03	4,892.75	4,298.44	8,645.12
V Profit/(Loss) before exceptional item and tax (III-IV)	318.87	259.60	573.63	578.47	238.43	430.52
VI Exceptional item (Refer Note 6)	1,214.38	-	-	1,214.38	950.50	950.50
VII Profit/(Loss) before tax (V-VI)	(895.51)	259.60	573.63	(635.91)	(712.07)	(519.98)
VIII Tax expense / (credit)	10.91	0.21	(3.42)	11.12	(0.72)	(25.39)
IX Profit/(Loss) for the period (VII-VIII)	(906.42)	259.39	577.05	(647.03)	(711.35)	(494.59)
X Other comprehensive income (OCI)						
a. (i) Items that will not be reclassified to profit or loss	9.30	5.44	(16.39)	14.74	(30.65)	73.15
(ii) Income tax relating to items that will not be reclassified to profit or loss	(3.25)	(1.90)	-	(5.15)	-	(25.31)
b. (i) Items that may be reclassified to profit or loss	(39.05)	(4.73)	(0.20)	(43.78)	(1.30)	1.11
(ii) Income tax relating to items that may be reclassified to profit or loss	13.64	1.66	-	15.30	-	0.54
Total other comprehensive income (a+b) (X)	(19.36)	0.47	(16.59)	(18.89)	(31.95)	49.49
XI Total comprehensive income for the period (IX+X)	(925.78)	259.86	560.46	(665.92)	(743.30)	(445.10)
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						19,530.17
XIV Earnings per equity Share of ₹ 1 each (not annualised for quarters)						
₹ (Basic)	(3.78)	1.08	2.41	(2.70)	(2.96)	(2.06)
₹ (Diluted)	(3.78)	1.08	2.41	(2.70)	(2.96)	(2.06)
See accompanying notes to the unaudited standalone financial results						
Research and development expenses incurred (included above)	221.97	208.80	223.90	430.77	423.56	826.10

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 November 13, 2018.
- 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.
- During the quarter ended September 30, 2018, 180 equity shares of ₹ 1 each have been allotted under Employee Stock Option Scheme of the Company. Subsequent to the quarter ended September 30, 2018 the Company has, on November 12, 2018 allotted 3,600 equity shares of ₹ 1 each under Employee Stock Option Scheme of the Company.
- 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 half year ended September 30, 2017 includes excise duty for the three months ended June 30, 2017. Accordingly, revenue from operations for the half year ended September 30, 2018 are not comparable with those of the previous periods presented.
- The Board of Directors of the Company at its meeting held on November 14, 2017, had approved the Scheme of Arrangement with an appointed date of April 01, 2017 between Company and Sun Pharma Global FZE (subsidiary of the Company) which inter-alia, envisages demerger of unbranded generic pharmaceutical undertaking of Sun Pharma Global FZE into the Company. Further, 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) with an appointed date of April 01, 2017 which inter-alia, envisages spin-off of the specified investment undertakings of the Company. Further, the above schemes shall be effective post receipt of required approvals and accordingly, the above results do not reflect the impact, if any, on account of the schemes.
- 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 current quarter, the Company based on management estimates accounted for likely amount payable to remaining plaintiffs in the antitrust litigation relating to the product Modafinil, which has been charged to the unaudited standalone financial results of the current quarter and has been disclosed as an exceptional item. The Company has reached an in-principle agreement for settlement with the Direct Purchaser Plaintiffs; while continuing to litigate as well as negotiate the case with the remaining one plaintiff.
- The Company has only one reportable segment namely 'Pharmaceuticals'.

For and on behalf of the Board

Dilip S. Shanghvi
Managing Director

Mumbai, November 13, 2018

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Standalone Statement of Assets and Liabilities		
	(₹ in Crore)	
Particulars	As at 30.09.2018 Unaudited	As at 31.03.2018 Audited
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	4,588.73	4,375.65
(b) Capital work-in-progress	587.37	830.39
(c) Goodwill	120.80	120.80
(d) Other intangible assets	65.66	62.08
(e) Intangible assets under development	74.72	43.74
(f) Investments in the nature of equity in subsidiaries	18,222.57	18,222.57
(g) Financial assets		
(i) Investments	60.78	87.93
(ii) Loans	2.37	3.42
(iii) Other financial assets	63.53	48.97
(h) Deferred tax assets (Net)	751.70	751.70
(i) Income tax assets (Net)	2,094.17	2,074.24
(j) Other non-current assets	383.86	395.36
Total non-current assets	27,016.26	27,016.85
(2) Current assets		
(a) Inventories	2,405.47	2,135.64
(b) Financial assets		
(i) Investments	2.68	44.76
(ii) Trade receivables	3,205.77	2,846.96
(iii) Cash and cash equivalents	822.51	109.43
(iv) Bank balances other than (iii) above	43.15	45.84
(v) Loans	19.86	52.05
(vi) Other financial assets	59.96	88.29
(c) Other current assets	1,606.22	1,584.55
Total current assets	8,165.62	6,907.52
TOTAL ASSETS	35,181.88	33,924.37
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	239.93	239.93
(b) Other equity	18,384.61	19,530.17
Total equity	18,624.54	19,770.10
Liabilities		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,132.14	1,564.69
(ii) Other financial liabilities	1.02	0.91
(b) Provisions	135.35	345.18
Total non-current liabilities	1,268.51	1,910.78
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,913.88	5,213.81
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	15.74	10.55
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,279.82	2,479.39
(iii) Other financial liabilities	4,357.94	1,856.74
(b) Other current liabilities	216.70	257.51
(c) Provisions	2,504.75	2,425.49
Total current liabilities	15,288.83	12,243.49
Total liabilities	16,557.34	14,154.27
TOTAL EQUITY AND LIABILITIES	35,181.88	33,924.37