

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 and Nine Months ended December 31, 2022

(₹ In Million)

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations						
a. Revenue from contracts with customers	111,001.4	108,091.9	98,141.7	325,533.0	290,403.4	384,264.2
b. Other operating revenues	1,408.3	1,430.9	488.9	4,017.1	1,673.9	2,280.7
Total revenue from operations (I)	112,409.7	109,522.8	98,630.6	329,550.1	292,077.3	386,544.9
II Other income	1,738.8	852.2	4,325.1	2,612.4	8,079.2	9,215.1
III Total income (I+II)	114,148.5	110,375.0	102,955.7	332,162.5	300,156.5	395,760.0
IV Expenses						
Cost of materials consumed	18,596.9	20,173.4	17,137.3	58,776.3	48,607.7	70,491.2
Purchases of stock-in-trade	8,872.9	8,810.5	7,923.7	26,791.7	26,290.9	34,100.3
Changes in inventories of finished goods, stock-in-trade and work-in-progress	566.9	(1,903.2)	1,345.2	(1,448.6)	3,220.5	(1,076.1)
Employee benefits expense	20,370.7	20,045.6	18,509.1	61,164.8	54,159.2	73,008.3
Finance costs	461.8	193.9	189.7	792.6	900.1	1,273.5
Depreciation and amortisation expense	6,599.5	6,099.5	5,536.8	18,579.0	15,872.7	21,437.4
Other expenses	33,933.8	30,416.3	27,546.1	94,830.0	79,154.9	107,583.6
Net (gain) / loss on foreign currency transactions	31.3	2,414.7	105.9	989.3	70.6	(1,539.6)
Total expenses (IV)	89,433.8	86,250.7	78,293.8	260,475.1	228,276.6	305,278.6
V Profit / (loss) before exceptional items and tax (III-IV)	24,714.7	24,124.3	24,661.9	71,687.4	71,879.9	90,481.4
VI Exceptional items (Refer Note 4)	-	-	-	-	6,310.7	45,668.2
VII Profit / (loss) before tax (V-VI)	24,714.7	24,124.3	24,661.9	71,687.4	65,569.2	44,813.2
VIII (i) Tax expense/(credit)	2,834.3	1,522.6	3,353.9	6,246.8	9,287.4	11,519.2
(ii) Tax expense/(credit) - Exceptional (Refer Note 4)	-	-	-	-	-	(764.2)
IX Profit / (loss) for the period before share of profit / (loss) of associates and joint venture (VII-VIII)	21,880.4	22,601.7	21,308.0	65,440.6	56,281.8	34,058.2
X Share of profit / (loss) of associates and joint venture (net)	(72.9)	(42.7)	(45.2)	(140.2)	(115.2)	(165.4)
XI Net Profit / (loss) after taxes and share of profit / (loss) of associates and joint venture but before non-controlling interests (IX+X)	21,807.5	22,559.0	21,262.8	65,300.4	56,166.6	33,892.8
Non-controlling interests	147.4	(63.2)	674.8	409.3	666.8	1,165.5
XII Net Profit / (loss) after taxes, share of profit / (loss) of associates and joint venture and non-controlling interests	21,660.1	22,622.2	20,588.0	64,891.1	55,499.8	32,727.3
XIII Other comprehensive income (OCI)						
a. (i) Items that will not be reclassified to profit or loss	731.4	510.0	857.7	910.4	(1,433.7)	(1,873.5)
(ii) Income tax relating to items that will not be reclassified to profit or loss	2.4	(125.1)	181.2	(127.2)	284.9	160.9
b. (i) Items that may be reclassified to profit or loss	6,892.6	6,662.8	(207.5)	22,965.6	4,434.7	7,740.9
(ii) Income tax relating to items that may be reclassified to profit or loss	(142.5)	198.1	(39.3)	426.1	(927.8)	(456.2)
Total other comprehensive income (a+b) (XIII)	7,483.9	7,245.8	792.1	24,174.9	2,358.1	5,572.1
XIV Total comprehensive income for the period (XI+XIII)	29,291.4	29,804.8	22,054.9	89,475.3	58,524.7	39,464.9
Attributable to:						
- Owners of the Company	28,391.4	29,096.4	21,395.9	86,656.5	57,487.2	37,521.8
- Non-controlling interests	900.0	708.4	659.0	2,818.8	1,037.5	1,943.1
XV Paid-up equity share capital - face value ₹ 1 each	2,399.3	2,399.3	2,399.3	2,399.3	2,399.3	2,399.3
XVI Other equity						477,712.9
XVII Earnings per equity share of ₹ 1 each (not annualised for quarters)						
₹ (Basic)	9.0	9.4	8.6	27.0	23.1	13.6
₹ (Diluted)	9.0	9.4	8.6	27.0	23.1	13.6
See accompanying notes to the unaudited consolidated financial results						
Research and development expenses incurred (included above)	6,539.0	5,583.7	5,224.2	16,621.0	16,136.0	21,325.1

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Notes :

- 1 These unaudited consolidated financial results relate to Sun Pharmaceutical Industries Limited (the 'Company'), its Subsidiaries (together 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".
- 2 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 January 31, 2023.
- 3 The above unaudited consolidated 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 (Refer financial results of respective period for detailed information) :
 - a) Results for the year ended March 31, 2022 and nine months ended December 31, 2021 includes a charge of USD 60 Million (equivalent to ₹ 4,425.0 Million) on account of settlement by Taro Pharmaceuticals U.S.A., ("Taro") in respect of multi-jurisdiction civil antitrust matters. Further, during the year ended March 31, 2022, Sun Pharmaceutical Industries Inc. also entered into a settlement agreement with the Direct Purchaser Plaintiffs class ("DPPs") for an amount of USD 15.3 Million along with related legal charges of USD 5.5 Million (equivalent to ₹ 1,562.5 Million inclusive of legal charge).
Exceptional tax for the year ended March 31, 2022 is on account of recognition of deferred tax asset amounting to ₹ 272.7 Million arising out of above settlement.
 - b) Results for the year ended March 31, 2022 and nine months ended December 31, 2021 includes a charge of ₹ 1,503.3 Million towards impairment of an acquired intangible asset under development. Further, the Group disposed off assets which were classified as assets held for sale as per the requirements of IND AS 105 and a write down of ₹ 382.4 Million was disclosed as an exceptional item.
 - c) During the year ended March 31, 2022 the Company had incurred a one-time cost of ₹ 563.5 Million in relation to restructuring of operations in certain countries.
 - d) Results for the year ended March 31, 2022 includes a charge of USD 485 Million along with its related legal charges of USD 8.3 Million (equivalent to ₹ 37,231.5 Million inclusive legal charges) towards settlement of alleged violation of antitrust laws.
Exceptional tax for the year ended March 31, 2022, is on account of recognition of deferred tax asset amounting to ₹ 4,897.5 Million arising out above settlement.
 - e) Consequent to the settlement mentioned in 4(d) above, during the year ended March 31, 2022, the Company had written off MAT credit of ₹ 4,406.0 Million and disclosed the charge as an exceptional item.
- 5 The Group has only one reportable segment namely 'Pharmaceuticals'.
- 6 As part of the ongoing simplification of the group structure in India, the Board of Directors of the Company at its meeting held on May 30, 2022, approved the Scheme of Amalgamation for the merger of Wholly-owned Subsidiaries, Sun Pharmaceutical Medicare Limited, Green Eco Development Centre Limited, Faststone Mercantile Company Private Limited, Realstone Multitrade Private Limited and Skisen Labs Private Limited (collectively "Transferor Companies"), with Sun Pharmaceutical Industries Limited ("Transferee Company") with an appointed date of April 01, 2022 and / or such other date as may be approved by the National Company Law Tribunal pursuant to the provisions of Sections 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and rules framed thereunder.
- 7 On February 28, 2022, our subsidiary company, Taro Pharmaceutical Industries Ltd., had acquired all of the outstanding capital stock of Galderma Holdings Inc., Proactiv YK ; The Proactiv Company Corporation ; and other assets of The Proactiv Company Sarl. Accordingly, the results for the quarter and nine months ended December 31, 2022 are not comparable to the quarter and nine months ended December 31, 2021 as presented.
- 8 On January 19, 2023, the Company has executed a definitive agreement under which it will acquire all outstanding shares of Concert Pharmaceuticals, Inc. USA ("Concert") through a tender offer for an upfront payment of \$ 8.00 per share of common stock, in cash, or \$ 576 million in equity value, plus one non-tradeable contingent value right (CVR) per share of common stock, which represents their right to receive contingent payments of up to \$ 3.50 per share of common stock, in cash, upon the achievement of certain milestones prior to December 31, 2029. The transaction is subject to the tender of a majority of the outstanding shares of Concert's common stock, as well as the receipt of applicable regulatory approvals and other customary closing conditions.
- 9 In December 2022, the US FDA issued an import alert to the Company for its Halol facility. The US FDA has excluded 14 products from this Import Alert subject to certain conditions. Previously, the facility was inspected by US FDA in May 2022 and the inspection was classified as Official Action Indicated (OAI) in August 2022. The management has considered requisite financial impact consequent to this development, in the unaudited consolidated financial results for the quarter and nine months ended December 31, 2022. The Company will continue to monitor further developments on this matter.
- 10 The Board of Directors at its meeting held on January 31, 2023, have declared for the year 2022-2023, an interim dividend of ₹ 7.50 per equity share of ₹ 1 each. The record date fixed for the purpose of ascertaining the entitlement is February 08, 2023.
- 11 Figures for previous periods have been regrouped / reclassified wherever considered necessary.

For and on behalf of the Board

Dilip S. Shanghvi
Managing Director

Mumbai, January 31, 2023

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Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months ended December 31, 2022

(₹ in Million)

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations						
a. Revenue from contracts with customers	45,499.0	51,817.2	37,574.7	145,937.8	115,302.8	155,185.0
b. Other operating revenues	958.5	1,035.7	131.9	2,701.4	488.2	674.8
Total revenue from operations (I)	46,457.5	52,852.9	37,706.6	148,639.2	115,791.0	155,859.8
II Other income	680.3	417.1	3,052.3	1,587.3	6,575.1	9,579.2
III Total income (I+II)	47,137.8	53,270.0	40,758.9	150,226.5	122,366.1	165,439.0
IV Expenses						
Cost of materials consumed	12,487.6	13,974.9	11,270.5	39,757.7	32,987.3	45,849.7
Purchases of stock-in-trade	2,675.1	3,186.5	3,253.2	8,641.0	10,107.6	12,486.0
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(96.6)	(805.2)	(251.0)	(1,052.9)	(330.5)	(1,831.8)
Employee benefits expense	5,262.4	5,135.7	5,017.9	16,279.0	15,028.4	20,007.8
Finance costs	1,308.9	927.7	854.7	3,107.3	2,969.1	3,881.0
Depreciation and amortisation expense	4,304.4	3,839.5	3,552.4	11,888.9	9,958.1	13,499.5
Other expenses	16,201.2	13,945.5	11,932.3	44,446.7	39,910.2	52,662.5
Net (gain) / loss on foreign currency transactions	(66.0)	783.8	(80.2)	(554.4)	(988.8)	(2,389.6)
Total expenses (IV)	42,077.0	40,988.4	35,549.8	122,513.3	109,641.4	144,165.1
V Profit / (loss) before exceptional items and tax (III-IV)	5,060.8	12,281.6	5,209.1	27,713.2	12,724.7	21,273.9
VI Exceptional items (Refer Note 3)	-	-	-	-	1,655.7	18,205.3
VII Profit / (loss) before tax (V-VI)	5,060.8	12,281.6	5,209.1	27,713.2	11,069.0	3,068.6
VIII (i) Tax expense / (credit)	193.5	151.5	54.8	597.8	(793.2)	(337.5)
(ii) Tax expense - Exceptional (Refer Note 3)	-	-	-	-	-	4,406.0
IX Profit / (loss) for the period (VII-VIII)	4,867.3	12,130.1	5,154.3	27,115.4	11,862.2	(999.9)
X Other comprehensive income (OCI)						
a. (i) Items that will not be reclassified to profit or loss	(28.7)	139.7	78.7	221.1	(473.9)	10.5
(ii) Income tax relating to items that will not be reclassified to profit or loss	10.0	(48.8)	113.0	(77.3)	162.8	57.3
b. (i) Items that may be reclassified to profit or loss	222.4	(459.2)	229.2	(1,019.6)	797.5	(396.9)
(ii) Income tax relating to items that may be reclassified to profit or loss	(77.7)	160.5	(62.3)	356.3	(971.3)	(587.1)
Total other comprehensive income (a+b) (X)	126.0	(207.8)	358.6	(519.5)	(484.9)	(916.2)
XI Total comprehensive income for the period (IX+X)	4,993.3	11,922.3	5,512.9	26,595.9	11,377.3	(1,916.1)
XII Paid-up equity share capital - face value ₹ 1 each	2,399.3	2,399.3	2,399.3	2,399.3	2,399.3	2,399.3
XIII Other equity						243,480.2
XIV Earnings per equity share of ₹ 1 each (not annualised for quarters)						
₹ (Basic)	2.0	5.1	2.1	11.3	4.9	(0.4)
₹ (Diluted)	2.0	5.1	2.1	11.3	4.9	(0.4)
See accompanying notes to the unaudited standalone financial results						
Research and development expenses incurred (included above)	4,503.6	4,489.9	3,877.1	12,232.3	12,327.5	16,104.8

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 January 31, 2023.
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- Exceptional items includes (Refer financial results of respective period for detailed information):
 - Results for the year ended March 31, 2022 and nine months ended December 31, 2021 includes a charge of ₹ 1,655.7 Million towards impairment of an acquired intangible asset under development.
 - Results for the year ended March 31, 2022 includes a charge of USD 210 Million along with its related legal charges of USD 8.3 Million (equivalent to ₹ 16,549.6 Million inclusive legal charges) towards settlement of alleged violation of antitrust laws.
 - Consequent to the settlement mentioned in 3(b) above, during the year ended March 31, 2022, the Company had written off MAT credit of ₹ 4,406.0 Million and disclosed the charge as an exceptional item.
- As part of the ongoing simplification of the group structure in India, the Board of Directors of the Company at its meeting held on May 30, 2022, approved the Scheme of Amalgamation for the merger of Wholly-owned Subsidiaries, Sun Pharmaceutical Medicare Limited, Green Eco Development Centre Limited, Faststone Mercantile Company Private Limited, Realstone Multitrade Private Limited and Skisen Labs Private Limited (collectively "Transferor Companies"), with Sun Pharmaceutical Industries Limited ("Transferee Company") with an appointed date of April 01, 2022 and / or such other date as may be approved by the National Company Law Tribunal pursuant to the provisions of Sections 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and rules framed thereunder.
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- The Board of Directors at its meeting held on January 31, 2023, have declared for the year 2022-2023, an interim dividend of ₹ 7.50 per equity share of ₹ 1 each. The record date fixed for the purpose of ascertaining the entitlement is February 08, 2023.
- The Company has only one reportable segment namely 'Pharmaceuticals'.
- Figures for previous periods have been regrouped / reclassified wherever considered necessary.

For and on behalf of the Board

Dilip S. Shanghvi
Managing Director

Mumbai, January 31, 2023