

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, 2023

(₹ in Million)

Particulars	Quarter ended			Year ended
	30.06.2023	31.03.2023	30.06.2022	31.03.2023
	Unaudited	Audited	Unaudited	Audited
I Revenue from operations				
a. Revenue from contracts with customers	117,851.5	107,255.7	106,439.7	432,788.7
b. Other operating revenues	1,556.9	2,051.0	1,177.9	6,068.1
Total revenue from operations (I)	119,408.4	109,306.7	107,617.6	438,856.8
II Other income	2,044.4	3,732.8	21.4	6,345.2
III Total income (I+II)	121,452.8	113,039.5	107,639.0	445,202.0
IV Expenses				
Cost of materials consumed	18,524.9	18,999.4	20,006.0	77,775.7
Purchases of stock-in-trade	6,799.6	8,923.3	9,108.3	35,715.0
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2,257.2	(5,420.5)	(112.3)	(6,869.1)
Employee benefits expense	24,020.4	21,795.5	20,748.5	82,960.3
Finance costs	808.8	927.4	136.9	1,720.0
Depreciation and amortisation expense	6,513.2	6,715.3	5,880.0	25,294.3
Other expenses	34,509.0	36,716.0	30,479.9	131,546.0
Net (gain) / loss on foreign currency transactions	(20.4)	271.7	(1,456.7)	1,261.0
Total expenses (IV)	93,412.7	88,928.1	84,790.6	349,403.2
V Profit / (loss) before exceptional items and tax (III-IV)	28,040.1	24,111.4	22,848.4	95,798.8
VI Exceptional items (Refer Note 4 and 5)	3,228.7	1,714.5	-	1,714.5
VII Profit / (loss) before tax (V-VI)	24,811.4	22,396.9	22,848.4	94,084.3
VIII Tax expense/(credit)	4,681.0	2,229.1	1,889.9	8,475.9
IX Profit / (loss) for the period before share of profit / (loss) of associates and joint venture (VII-VIII)	20,130.4	20,167.8	20,958.5	85,608.4
X Share of profit / (loss) of associates and joint venture (net)	(73.9)	(338.8)	(24.6)	(479.0)
XI Net Profit / (loss) after taxes and share of profit / (loss) of associates and joint venture but before non-controlling interests (IX+X)	20,056.5	19,829.0	20,933.9	85,129.4
Non-controlling interests	(168.9)	(15.7)	325.1	393.6
XII Net Profit / (loss) after taxes, share of profit / (loss) of associates and joint venture and non-controlling interests	20,225.4	19,844.7	20,608.8	84,735.8
XIII Other comprehensive income (OCI)				
a. (i) Items that will not be reclassified to profit or loss	3,198.3	79.0	(331.0)	989.4
(ii) Income tax relating to items that will not be reclassified to profit or loss	35.6	9.2	(4.5)	(118.0)
b. (i) Items that may be reclassified to profit or loss	(911.8)	(1,333.6)	9,410.2	21,632.0
(ii) Income tax relating to items that may be reclassified to profit or loss	(155.4)	(363.8)	370.5	62.3
Total other comprehensive income (a+b) (XIII)	2,166.7	(1,609.2)	9,445.2	22,565.7
XIV Total comprehensive income for the period (XI+XIII)	22,223.2	18,219.8	30,379.1	107,695.1
Attributable to:				
- Owners of the Company	22,320.5	18,378.1	29,168.7	105,034.6
- Non-controlling interests	(97.3)	(158.3)	1,210.4	2,660.5
XV Paid-up equity share capital - face value ₹ 1 each	2,399.3	2,399.3	2,399.3	2,399.3
XVI Other equity				557,554.5
XVII Earnings per equity share of ₹ 1 each (not annualised for quarters)				
₹ (Basic)	8.4	8.3	8.6	35.3
₹ (Diluted)	8.4	8.3	8.6	35.3
See accompanying notes to the unaudited consolidated financial results				
Research and development expenses incurred (included above)	6,682.2	6,456.2	4,498.3	23,077.2

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 August 03, 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 of ₹ 3,228.7 Million for the quarter ended June 30, 2023 includes :
 - a) Charge of ₹ 1,492.1 Million towards impairment of an acquired intangible asset under development.
 - b) Foreign exchange loss of ₹ 1,229.2 Million pertaining to Ranbaxy Nigeria Limited on account of devaluation of Naira against US Dollar subsequent to changes in Nigerian Foreign exchange market regulations by the Central Bank of Nigeria.
 - c) Impact of planned relocation of Alchemee operations from California to New York and consequent one time transitional expenses amounting to USD 6.2 Million (equivalent to ₹ 507.4 Million) .
- 5 Exceptional items of ₹ 1,714.5 Million for the quarter and year ended March 31, 2023 includes :
 - a) Charge on account of impairment of loans and advances given to an associate amounting to ₹ 1,644.3 Million pursuant to assessment of recoverability.
 - b) Concert acquisition related expenses of ₹ 643.9 Million.
 - c) Income of ₹ 573.7 Million relating to a claim pertaining to the acquisition of a subsidiary in an earlier year settled.
- 6 The Group has only one reportable segment namely 'Pharmaceuticals'.
- 7 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.
- 8 On March 06, 2023, the Group completed its acquisition of Concert Pharmaceuticals, Inc., ("Concert") following acceptance of the Group's tender offer to acquire all outstanding shares of Concert's common stock for an upfront payment of USD 8.00 per share in cash or USD 576 million in equity value plus one non-transferable contingent value right ("CVR") per share which represents the contractual right of erstwhile Concert Shareholders to receive contingent payments of up to USD 3.50 per share, in cash upon the achievement of certain milestones prior to December 31, 2029. Accordingly, the results for the quarter ended June 30, 2023 are not comparable with other periods presented.
- 9 During the quarter ended June 30, 2023, the Group completed the acquisition of 60% shareholding in Vivaldis Health and Foods Private Limited ("Vivaldis") for a consideration of ₹ 1,433.0 Million from its existing shareholders with remaining 40% to be acquired in future as per certain terms and conditions. Accordingly, the result for quarter ended June 30, 2023 are not comparable to the earlier periods presented.
- 10 On March 01, 2023, the Company disclosed an Information security incident (the "incident") that impacted some of the Group's IT assets. The Group promptly took steps to contain and remediate the impact of the incident. As part of the containment measures, the Group proactively isolated its IT network and initiated recovery procedures. Parallely, the Group conducted an investigation and pursuant to the investigation, it currently believes that the incident's effects on its IT system include a breach of certain file systems and theft of Group's data and personal data. A ransomware group claimed responsibility for this incident. The Group continues to strengthen its cybersecurity infrastructure and is in the process of implementing certain long-term measures including improvements to its cyber and data security systems to safeguard against such risks in the future. The Group believes that there is no material legal non-compliance on account of the incident and all known impacts of this incident have been considered.
- 11 The figures for the quarter ended March 31, 2023 represent the derived figures between the audited figures in respect of the full financial year ended March 31, 2023 and the unaudited published year-to-date figures up to December 31, 2022, 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.
- 12 Figures for previous periods have been regrouped / reclassified wherever considered necessary.

For and on behalf of the Board

Mumbai, August 03, 2023

Dilip S. Shanghvi
Managing Director

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Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2023

(₹ in Million)

Particulars	Quarter ended			Year ended
	30.06.2023	31.03.2023	30.06.2022	31.03.2023
	Unaudited	Audited	Unaudited	Audited
I Revenue from operations				
a. Revenue from contracts with customers	43,833.4	58,008.5	48,621.6	203,946.3
b. Other operating revenues	827.3	1,473.7	707.2	4,175.1
Total revenue from operations (I)	44,660.7	59,482.2	49,328.8	208,121.4
II Other income	1,635.4	1,203.0	489.9	2,790.3
III Total income (I+II)	46,296.1	60,685.2	49,818.7	210,911.7
IV Expenses				
Cost of materials consumed	11,849.7	11,898.6	13,295.2	51,656.3
Purchases of stock-in-trade	2,130.6	2,623.6	2,779.4	11,264.6
Changes in inventories of finished goods, stock-in-trade and work-in-progress	284.6	(1,326.4)	(151.1)	(2,379.3)
Employee benefits expense	6,074.4	5,290.5	5,880.9	21,569.5
Finance costs	1,579.4	1,614.5	870.7	4,721.8
Depreciation and amortisation expense	4,152.7	4,119.8	3,745.0	16,008.7
Other expenses	14,793.1	17,337.6	14,300.0	61,784.3
Net (gain) / loss on foreign currency transactions	40.7	51.8	(1,272.2)	(502.6)
Total expenses (IV)	40,905.2	41,610.0	39,447.9	164,123.3
V Profit / (loss) before exceptional items and tax (III-IV)	5,390.9	19,075.2	10,370.8	46,788.4
VI Exceptional items (Refer Note 3)	1,492.1	29,377.9	-	29,377.9
VII Profit / (loss) before tax (V-VI)	3,898.8	(10,302.7)	10,370.8	17,410.5
VIII Tax expense / (credit)	92.4	(94.5)	252.8	503.3
IX Profit / (loss) for the period (VII-VIII)	3,806.4	(10,208.2)	10,118.0	16,907.2
X Other comprehensive income (OCI)				
a. (i) Items that will not be reclassified to profit or loss	(134.1)	(197.9)	110.1	23.2
(ii) Income tax relating to items that will not be reclassified to profit or loss	46.9	69.2	(38.5)	(8.1)
b. (i) Items that may be reclassified to profit or loss	492.6	827.2	(782.8)	(192.4)
(ii) Income tax relating to items that may be reclassified to profit or loss	(172.1)	(289.1)	273.5	67.2
Total other comprehensive income (a+b) (X)	233.3	409.4	(437.7)	(110.1)
XI Total comprehensive income for the period (IX+X)	4,039.7	(9,798.8)	9,680.3	16,797.1
XII Paid-up equity share capital - face value ₹ 1 each	2,399.3	2,399.3	2,399.3	2,399.3
XIII Other equity				235,084.3
XIV Earnings per equity share of ₹ 1 each (not annualised for quarters)				
₹ (Basic)	1.6	(4.3)	4.2	7.0
₹ (Diluted)	1.6	(4.3)	4.2	7.0
See accompanying notes to the unaudited standalone financial results				
Research and development expenses incurred (included above)	3,453.0	4,327.8	3,238.8	16,560.1

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 03, 2023.
- 2 The above unaudited standalone 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.
- 3 Exceptional items :
 - a) Results for the quarter ended June 30, 2023 includes charge of ₹ 1,492.1 Million towards impairment of an acquired intangible asset under development.
 - b) Results for the quarter and year ended on March 31, 2023 includes charge on account impairment of investments in a wholly owned subsidiary amounting to ₹ 29,377.9 Million pursuant to assessment of recoverability due to changes in certain internal and external economic indicators.
- 4 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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- 7 The Company has only one reportable segment namely 'Pharmaceuticals'.
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For and on behalf of the Board

Dilip S. Shanghvi
Managing Director

Mumbai August 03, 2023