

Sun Pharmaceutical Industries Limited

Regd. Office : Sun Pharma Advanced Research Centre, Tandalja, Vadodara - 390020

Corporate Office : Acme Plaza, Andheri-Kurla Road, Andheri (E), Mumbai - 400059

CIN No.: L24230GJ1993PLC019050, Website : www.sunpharma.com

Part I

Statement of Standalone Unaudited Financial Results for the Quarter ended June 30, 2014

(₹ in Lakhs)

Particulars	Quarter ended (Refer Note 4)			Year ended
	30.06.2014 Unaudited	31.03.2014 Unaudited	30.06.2013 Unaudited	31.03.2014 Audited
Income from Operations				
Net Sales / Income from Operations (Net of Excise Duty)	55,901	75,258	58,829	272,431
Other Operating Income	1,657	2,385	2,935	10,448
Total Income from Operations (Net)	57,558	77,643	61,764	282,879
Expenses				
Cost of materials consumed	23,884	22,258	20,470	89,462
Purchases of stock-in-trade	3,136	2,854	4,150	18,504
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4,514)	3,809	75	(1,453)
Employee benefits expense	8,768	6,748	6,906	27,963
Depreciation and amortisation expense	4,639	2,721	2,364	10,194
Other expenses	23,293	27,558	17,727	124,659
Total Expenses	59,206	65,948	51,692	269,329
Profit / (Loss) from Operations before Other Income, Finance Costs and Exceptional Item	(1,648)	11,695	10,072	13,550
Other income (net of impact of MTM loss on forward foreign exchange contracts)	8,421	10,324	(3,510)	(4,261)
Profit before Finance Costs and Exceptional Item	6,773	22,019	6,562	9,289
Finance costs	809	224	8	1,838
Profit after Finance Costs but before Exceptional Item	5,964	21,795	6,554	7,451
Exceptional item	-	-	-	287,560
Profit / (Loss) after Exceptional Item but before tax	5,964	21,795	6,554	(280,109)
Tax expense	1,208	5,499	1,984	2,743
Net Profit / (Loss) for the quarter / year	4,756	16,296	4,570	(282,852)
Paid-up Equity Share Capital				
Equity Shares - Face Value ₹ 1 each	20,712	20,712	10,356	20,712
Reserves excluding Revaluation Reserve				720,076
Earnings Per Share of ₹ 1 each - in ₹ (Basic & Diluted) (Refer Note 3)	0.23	0.79	0.22	(13.66)
Research & Development Expenses incurred (included above)	8,356	11,807	6,313	37,523

Part II

Select Information for the Quarter ended June 30, 2014

Particulars	Quarter ended			Year ended
	30.06.2014	31.03.2014	30.06.2013	31.03.2014
Public Shareholding				
Number of Equity Shares of ₹ 1 each	752,817,510	752,817,510	376,103,755	752,817,510
Percentage of Shareholding	36.35	36.35	36.32	36.35
Promoters and Promoter Group Shareholding				
a) Pledged / Encumbered				
Number of Equity Shares of ₹ 1 each	4,370,000	3,310,000	2,845,417	3,310,000
Percentage of Equity Shares (as a % of the total shareholding of promoter and promoter group)	0.33	0.25	0.43	0.25
Percentage of Equity Shares (as a % of the total share capital of the Company)	0.21	0.16	0.27	0.16
b) Non-encumbered				
Number of Equity Shares of ₹ 1 each	1,313,976,400	1,315,036,400	656,632,783	1,315,036,400
Percentage of Equity Shares (as a % of the total shareholding of promoter and promoter group)	99.67	99.75	99.57	99.75
Percentage of Equity Shares (as a % of the total share capital of the Company)	63.44	63.49	63.41	63.49

Investor Complaints

Pending at the beginning of the quarter	-
Received during the quarter	6
Disposed of during the quarter	6
Remaining unresolved at the end of the quarter	-

Notes :

- The above 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, 2014 and have been subjected to a Limited Review by the Statutory Auditors of the Company.
- The Company has only one reportable business segment namely 'Pharmaceuticals'.
- In terms of the resolution passed by the shareholders by way of Postal Ballot on July 15, 2013, the Company has allotted 1,035,581,955 bonus equity shares on August 03, 2013 in the ratio of 1 equity share of ₹ 1 each fully paid up for every equity share of ₹ 1 each held. Consequently, the Earnings Per Share of ₹ 1 each for the quarter ended June 30, 2013 has been restated based on the number of equity shares post bonus issue, i.e. 2,071,163,910 equity shares, in accordance with Accounting Standard (AS-20) on 'Earnings Per Share'.
- Pursuant to the scheme of arrangement in the nature of demerger, the specified undertaking of Sun Pharma Global FZE, a wholly owned subsidiary, has been transferred into the Company w.e.f May 1, 2013, without any consideration, on a going concern basis consisting of all the assets and liabilities pertaining to the said undertaking. The scheme of arrangement has been approved by shareholders of both the companies and is also approved by the Hon'ble High Court of Gujarat. Accordingly, the financial statements for the year ended March 31, 2014, earlier approved by the Board of Directors at their meeting held on May 29, 2014, have been revised and approved by them at their meeting held today. The effect of the Scheme was given in the financial results for the year ended March 31, 2014 only on an annual basis and approved by the Board of Directors at their meeting held on August 12, 2014. However, the financial results for quarterly periods during the year ended March 31, 2014 have not been restated in these results.
- Consequent to the Company adopting the useful lives of fixed assets as indicated in Part C of Schedule II of the Companies Act, 2013, which has come into effect from April 1, 2014, the depreciation charge for the quarter ended June 30, 2014 is higher by ₹ 1,909 Lakhs and the adjustment by way of charge to retained earnings is ₹ 1,452 Lakhs (net of deferred tax effect of ₹ 748 Lakhs).
- The Board of Directors of the Company at their meeting held on April 6, 2014 approved the proposed scheme of arrangement u/s 391 to 394 of the Companies Act, 1956 for amalgamation of Ranbaxy Laboratories Ltd into the Company with effect from April 1, 2014, the appointed date ("the Proposed Scheme"). The National Stock Exchange Ltd and BSE Ltd have conveyed their 'No Objection' in July 2014. Pending approval of the Proposed Scheme by the shareholders of the Company at the Court convened meeting to be held on August 22, 2014, the Hon'ble High Court of Gujarat and other statutory compliances, no effect of the Proposed Scheme has been given in these financial results.
- Figures for the quarters / year have been regrouped wherever considered necessary, other than as referred in Note 4 above.



Mumbai, August 12, 2014

For Identification
Deloitte Haskins & Sells LLP

By order of the Board

Dilip S. Shanghvi
Managing Director

Part I

Statement of Consolidated Financial Results for the Quarter ended June 30, 2014

(₹ In Lakhs)

Particulars	Quarter ended			Year ended
	30.06.14	31.03.14	30.06.13	31.03.14
	Unaudited	Unaudited	Unaudited	Audited
Income from Operations				
Net Sales / Income from Operations (Net of Excise Duty)	392,685	404,357	348,218	1,600,439
Other Operating Income	873	1,504	2,055	7,597
Total Income from Operations (Net)	393,558	405,861	350,273	1,608,036
Expenses				
Cost of materials consumed	58,137	55,830	50,609	224,339
Purchases of stock-in-trade	19,355	15,849	12,115	61,247
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,008)	(4,564)	(10,191)	(7,654)
Employee benefits expense	56,744	52,435	50,344	207,444
Depreciation and amortisation expense	12,801	10,610	9,782	40,923
Other expenses	87,070	106,251	92,277	403,655
Total Expenses	233,099	236,411	204,936	929,954
Profit from Operations before Other Income, Finance Costs and Exceptional Item	160,459	169,450	145,337	678,082
Other Income (net of impact of MTM loss on forward foreign exchange contracts)	9,238	19,383	7,483	36,244
Profit from ordinary activities before Finance Costs and Exceptional Item	169,697	188,833	152,820	714,326
Finance Costs	658	391	2,188	4,419
Profit from ordinary activities after Finance Costs but before Exceptional Item	169,039	188,442	150,632	709,907
Exceptional Item	-	-	251,741	251,741
Profit / (Loss) from ordinary activities after Exceptional item but before tax	169,039	188,442	(101,109)	458,166
Tax Expense	21,188	11,993	15,107	70,266
Net Profit / (Loss) for the quarter / year	147,851	176,449	(116,216)	387,900
Minority Interest	8,800	17,737	11,394	73,753
Net Profit / (Loss) after taxes and minority interest	139,051	158,712	(127,610)	314,147
Paid-up Equity Share Capital				
Equity Shares - Face Value ₹ 1 each	20,712	20,712	10,356	20,712
Reserves excluding Revaluation Reserve				1,831,783
Earnings Per Share of ₹ 1 each - in ₹ (Basic & Diluted) (refer note 4)	6.7	7.7	(6.2)	15.2
Research & Development Expenses incurred (included above)	24,366	29,358	19,209	98,620

Part II

Select Information for the Quarter ended June 30, 2014

Particulars	Quarter ended			Year ended
	30.06.14	31.03.14	30.06.13	31.03.14
Public Shareholding				
Number of Equity Shares of ₹ 1 each	752,817,510	752,817,510	376,103,755	752,817,510
Percentage of Shareholding	36.35	36.35	36.32	36.35
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Percentage of Equity Shares (as a % of the total share capital of the Company)	0.21	0.16	0.27	0.16
b) Non-encumbered				
Number of Equity Shares of ₹ 1 each	1,313,976,400	1,315,036,400	656,632,783	1,315,036,400
Percentage of Equity Shares (as a % of the total shareholding of promoter and promoter group)	99.67	99.75	99.57	99.75
Percentage of Equity Shares (as a % of the total share capital of the Company)	63.44	63.49	63.41	63.49

Investor Complaints

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 CIN No. L24230GJ1993PLC019050 Website : www.sunpharma.com

- 1 The above financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 12, 2014.
- 2 Consolidated Financial Statements are prepared by applying Accounting Standard 21 - "Consolidated Financial Statements", Accounting Standard 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 - "Financial Reporting of Interest in Joint Ventures".
- 3 The Company has only one reportable business segment namely 'Pharmaceuticals'.
- 4 In terms of the resolution passed by the shareholders by way of Postal Ballot on July 15, 2013, the Company has allotted 1,035,581,955 bonus equity shares on August 03, 2013 in the ratio of 1 equity share of ₹ 1 each fully paid up for every equity share of ₹ 1 each held. Consequently, the Earnings Per Share of ₹ 1 each for the quarter ended June 30, 2013 has been restated based on the number of equity shares post bonus issue, i.e. 2,071,163,910 equity shares, in accordance with Accounting Standard (AS-20) on 'Earnings Per Share'.
- 5 The standalone financial results for the quarter ended June 30, 2014, are available on the company's website (www.sunpharma.com) and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com) and the key information on the standalone financial results are as below:

Particulars	Quarter ended			(₹ In Lakhs)
	30.06.14	31.03.14	30.06.13	Year ended
	Unaudited	Unaudited	Unaudited	Audited
Total Income from operations	57,558	77,643	61,764	282,879
Profit / (Loss) before Tax	5,964	21,795	6,554	(280,109)
Profit / (Loss) after Tax	4,756	16,296	4,570	(282,852)

- Pursuant to the scheme of arrangement in the nature of demerger, the specified undertaking of Sun Pharma Global FZE, a wholly owned subsidiary, has been transferred into the Company w.e.f. May 1, 2013, without any consideration, on a going concern basis consisting of all the assets and liabilities pertaining to the said undertaking. The scheme of arrangement has been approved by shareholders of both the companies and is also approved by the Hon'ble High Court of Gujarat. Accordingly, the financial statements for the year ended March 31, 2014, earlier approved by the Board of Directors at their meeting held on May 29, 2014, have been revised and approved by them at their meeting held today. The effect of the Scheme was given in the financial results for the year ended March 31, 2014 only on an annual basis and approved by the Board of Directors at their meeting held on August 12, 2014. However, the financial results for quarterly periods during the year ended March 31, 2014 have not been restated in these results.
- 6 In view of note 5 above, the consolidated financial results for the year ended March 31, 2014 which were earlier approved by Board of Directors at their meeting held on May 29, 2014 have been revised to incorporate the revised standalone financial statements of the aforesaid entities.
 - 7 Consequent to the Company adopting the useful lives of fixed assets as indicated in Part C of Schedule II of the Companies Act, 2013, which has come into effect from April 1, 2014, the depreciation charge for the quarter ended June 30, 2014 is higher by ₹ 2,284 Lakhs and the adjustment by way of charge to retained earnings is ₹ 2,023 Lakhs (net of deferred tax effect of ₹ 1,044 Lakhs).
 - 8 The Board of Directors of the Company at their meeting held on April 6, 2014 approved the proposed scheme of arrangement u/s 391 to 394 of the Companies Act, 1956 for amalgamation of Ranbaxy Laboratories Ltd into the Company with effect from April 1, 2014, the appointed date ("the Proposed Scheme"). The National Stock Exchange Ltd and BSE Ltd have conveyed their 'No Objection' in July 2014. Pending approval of the Proposed Scheme by the shareholders of the Company at the Court convened meeting to be held on August 22, 2014, the Hon'ble High Court of Gujarat and other statutory compliances, no effect of the Proposed Scheme has been given in these financial results.
 - 9 Figures for the previous quarters / year have been regrouped / reclassified, wherever considered necessary.

Mumbai, August 12, 2014



By order of the Board

Dilip S. Shanghvi
 Managing Director



FOR IMMEDIATE RELEASE

Sun Pharma reports a strong quarter

Mumbai, August 12, 2014: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for first quarter ending June 30th, 2014.

Highlights of Q1 FY15 consolidated financials

- Net sales / Income from operations at Rs. 3,927 crores, a growth of 13% over same quarter last year.
- Branded generic sales in India at Rs. 992 crores, up by 17% over Q1 last year.
- US finished dosage sales at US\$ 389 million grew by 7% (in US\$ terms) over Q1 last year.
- International formulation sales outside US at US\$ 82 million, grew by 2% (in US\$ terms) over Q1 last year.
- Overall international revenues accounted for more than 75% of total revenues for the quarter.
- EBITDA at Rs. 1,724 crores grew by 13%; resulting EBITDA margin of 44%, same as Q1 last year.
- Adjusted Net profit at Rs 1,391 crores witnessed a growth of 12% over Q1 last year; resulting margin of 35%.
- Reported Net profit at Rs. 1,391 crores, compared to Net loss of Rs. 1,276 in Q1 last year. The loss in Q1 last year was on account of a provision of Rs. 2,517 crores towards settlement for patent infringement litigation related to generic versions of 'Protonix'.

These results were taken on record by the Board of Directors at a meeting held in Mumbai today.

Dilip Shanghvi, Managing Director of the Company said, "Our Q1 performance was in-line with our expectations. While we are intensively planning for the integration with Ranbaxy, we remain focused on strengthening our existing businesses and developing a differentiated and specialty driven product basket. We also continue to review opportunities to expand and strengthen our global footprint."

India Branded Generics – Chronic Therapy Leadership

Sale of branded prescription formulations in India was Rs. 992 crores, up by 17% from Q1 last year. As per AIOCD-AWACS report, the average industry growth was approximately 8% for Q1FY15. Seven products were launched in the Indian market during the quarter.

Sun Pharma is ranked 2nd and holds 5.4% market share in the Rs. 77,000 crore pharmaceutical market as per June-2014 AIOCD-AWACS report. It continues to be ranked no. 1 based on share of prescriptions with 7 classes of specialists: psychiatrists, neurologists, cardiologists, ophthalmologists, orthopedicians, nephrologists, and gastroenterologists.

US Formulations: Taro price protection charges moderates overall growth

Sales in the US were US\$ 389 million for the quarter, up by 7%, accounting for 58% of total sales.

Taro recently posted Q1 sales of US\$ 130 million, down 15% from the corresponding quarter last year. Taro's net profit for Q1 was US\$ 46 million, a decline of 22% over Q1 last year. The decline in sales and profits is mainly due to the price protection charge taken by Taro during the quarter.



International ex-US formulation sales

Formulation sales in international markets excluding US accounted for US\$ 82 million in Q1FY15, registering a growth of 2% (in US\$ terms). Excluding ex-US Taro sales, underlying sales growth in US\$ terms for Sun Pharma business in these markets was 4% for Q1FY15.

Active Pharmaceutical Ingredients (API): Strategic strength

External sales of API reached Rs. 174 crores in Q1FY15, a decline of 10% over Q1 last year. On the other hand, we increased the API supply for captive consumption significantly for key products which enabled us to enjoy the benefits of strategic vertical integration. A cumulative of 259 DMF / CEP applications have been made, with 176 approved so far.

Research – Investing for future

Consolidated R&D expense for Q1FY15 was Rs. 257 crores, or 6.6% of sales.

We now have a comprehensive product offering in the US market with approved ANDAs for 350 products while filings for 140 products await US FDA approval, including 12 tentative approvals. In the first quarter, ANDAs for 14 products were filed and 6 approvals were received.

The total number of patent applications submitted now stands at 575 with 349 patents granted so far.

Ranbaxy Acquisition – Status Update

In April-2014, Sun Pharma had proposed the acquisition of Ranbaxy Laboratories Ltd in an all-stock deal valued at an Enterprise Value of about US\$ 4 billion. This acquisition requires approvals from multiple regulatory agencies and the respective shareholders of both the companies. Till date, clearances have been obtained from the stock exchanges in India and from anti-competition authorities in all applicable markets excluding India and the US.

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Earnings Call (10.00 am IST, August 13, 2014)

The Company will host an earnings call at 10.00 am IST on August 13, 2014, where senior management will discuss the Company's performance and answer questions from participants. This call will be accessible through an audio dial-in and a web-cast.

Audio conference Participants can dial-in on the numbers below
Primary number: +91 22 3960 0899
Secondary number: +91 22 6746 8324

Playback of call: +91 22 3065 2322 Conference ID: 786742

Web-cast More details will be provided through our website, www.sunpharma.com

To participate in the audio call, please dial the numbers provided above five to ten minutes ahead of the scheduled start time. The operator will provide instructions on asking questions before the call.

The transcript of the event will be available at www.sunpharma.com. The playback will be available for a few days.

About Sun Pharmaceutical Industries Ltd.

Established in 1983, listed since 1994 and headquartered in India, Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) is an international specialty pharmaceutical company with over 75% sales from global markets. It manufactures and markets a large basket of pharmaceutical formulations as branded generics as well as generics in US, India and several other markets across the world. For the year ending March 2014, overall revenues were at US\$2.7 billion, of which US contributed US\$1.6 billion. In India, the company is a leader in niche therapy areas of psychiatry, neurology, cardiology, nephrology, gastroenterology, orthopedics, and ophthalmology. The company has strong skills in product development, process chemistry, and manufacturing of complex dosage forms. More information about the company can be found at www.sunpharma.com.

Contacts

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**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
SUN PHARMACEUTICAL INDUSTRIES LIMITED**

Tel: +91 (022) 6185 4000
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1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **SUN PHARMACEUTICAL INDUSTRIES LIMITED** ("the Company") for the quarter ended June 30, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 6 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We have not reviewed the consolidated financial results / information being submitted to the Stock Exchanges and published by the Company and accordingly, our report is restricted to the standalone unaudited financial results of the Company.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated above, read with paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 [which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014] and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. (a) We draw attention to Note 4 on the Statement. As referred to in the said Note, the figures for the quarter ended June 30, 2014 are not comparable with the figures for the quarters ended March 31, 2014 and June 30, 2013 for the reason stated in the said Note.

(b) Consequent to giving effect to the Scheme of Arrangement as referred to in Note 4 to the Statement: (i) remuneration to the Managing Director and the Whole-time Directors for the year ended March 31, 2014 is in excess of the limits specified under Schedule XIII to the Companies Act, 1956 by ₹ 447 Lakhs; and (ii) commission of ₹ 64 Lakhs for the year ended March 31, 2014 to the Non-Executive Directors is in excess, since there is absence of net profits for the year under section 309(4) read with section 309(5) of the said Act. In this regard, we have been informed by the Management of the Company that they are in the process of seeking approval from the shareholders of the Company and the Central Government in respect of the aforesaid amounts.

Our review report is not qualified in respect of these matters.



Deloitte
Haskins & Sells LLP

6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter ended June 30, 2014 of the Statement, from the details furnished by the Management / Registrars.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Rajesh K. Hiranandani
Partner
(Membership No. 36920)



MUMBAI, August 12, 2014