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26 May 2017.

National Stock Exchange of India Ltd,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051.

BSE Limited,
Market Operations Dept.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Dear Sirs,

Sub: Press Release

Please find enclosed herewith our Press Release relating to fourth quarter & full year FY17 financials, which we shall be releasing after sending this letter to you. This is for your information and record.

Thanking you,

Yours faithfully,
For Sun Pharmaceutical Industries Ltd

Ashok I. Bhuta
Compliance Officer

Encl: as above

FOR IMMEDIATE RELEASE

Sun Pharma reports Q4 & FY17 results

Q4 Gross Sales at Rs. 6,825 crores

Q4 Net Profit at Rs. 1,223 crores

Mumbai, May 26, 2017: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the fourth quarter and full year ending March 31, 2017.

Highlights of Q4FY17 consolidated financials**

- Sales / Income from operations at Rs. 6,825 crores, de-growth of 8% over same quarter last year.
- India sales at Rs. 1,916 crores, up by 10% over Q4 last year.
- US finished dosage sales at US\$ 381 million down by 34% over Q4 last year.
- Emerging Markets sales at US\$ 181 million up by 46% over Q4 last year. This includes the contribution from JSC Biosintez acquisition in Russia.
- Rest of World sales at US\$ 109 million, growth of 38% over Q4 last year. This growth was partly driven by the consolidation of the Japan business.
- R&D investments at Rs. 600 crores (8.8% of sales) compared to Rs. 711 crores (9.6% of sales) for Q4FY16.
- EBITDA at Rs. 1,236 crores, resulting EBITDA margin of 18.1%.
- Other operating income for the quarter at Rs. 312 crores which includes a milestone payment from Almirall S.A (Spain) as part of the licensing agreement for the development and commercialization of Tildrakizumab for psoriasis in Europe.
- Net profit was at Rs. 1,223 crores, down 14% over Q4 last year, resulting Net profit margin of 18%.

Highlights of FY17 consolidated financials**

- Sales / Income from operations at Rs. 30,264 crores, a growth of 9% over same period last year.
- India sales at Rs. 7,749 crores, up by 8% over the last year.
- US finished dosage sales at US\$ 2,051 million, flat over the last year. US sales include the benefit of the 180-day exclusivity for Imatinib which commenced from 01-Feb-2016 and authorized generic sales of Olmesartan and its combinations.
- Emerging Markets sales at US\$ 675 million up by 23% over the last year.
- Rest of World sales at US\$ 385 million, up by 17% over same period last year.
- EBITDA at Rs. 8,775 crores, resulting EBITDA margin of 29%.
- Net profit for the FY17 was at Rs. 6,964 crores, resulting Net profit margin of 23%. Net profit grew by 53% over the last year. Net profit for FY16 was adversely impacted by one-time items as well as exceptional charges of Rs. 685 crores.

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 Q4 performance reflects the impact of the challenging generic pricing environment in the US. Despite this, we continue to invest our strong cash flows in enhancing our specialty pipeline. In Q4, we announced the acceptance of Tildrakizumab filing by EMA for European markets and for US market in May 2017. We will be gradually filing Tildrakizumab in all key markets in the next few quarters. We recently had a pre-NDA meeting with the US FDA for Seciera and we are on track to file this NDA by Q3FY18. We continue to evaluate filing Seciera in other markets. During the quarter, the US FDA lifted the import alert on the Mohali facility while remediation efforts are on-going to bring back the Halol facility into full cGMP compliance."

India Business – Market Leadership

Sale of branded formulations in India for Q4FY17 was Rs. 1,916 crores, up 10% and accounting for 28% of total sales. For the FY17, sales were at Rs. 7,749 crores, higher by 8% over same period last year. Sun Pharma is ranked No. 1 and holds approximately 8.6% market share in the over Rs. 100,000 crore pharmaceutical market as per March-2017 AIOCD-AWACS report.

As per latest SMSRC report, Sun Pharma is ranked no. 1 based on share of prescriptions with 11 classes of doctors. For Q4FY17, the company launched 11 new products in the Indian market.

US Formulations

Sales in the US were US\$ 381 million for the quarter, a de-growth of 34% over same period last year and accounted for 37% of total sales. Sales for the previous quarter (i.e., Q4FY16) include the benefit of generic Imatinib exclusivity. For the full year FY17 sales were US\$ 2,051 million, flat over last year. Sales for the year were boosted primarily due to the benefit of the 180-day exclusivity for Imatinib which commenced from 01-Feb-2016 and the authorized generic sales of Olmesartan and its combinations.

At the same time, Taro posted Q4 FY17 sales of US\$ 196 million, down 26% over Q4 last year. For the full year FY17, sales were down by 8% at US\$ 879 million. Taro's net profit for Q4 was US\$ 83 million, down by 28% over Q4 last year. Net profit for FY17 was at US\$ 456 million, a decline of 16% over same period last year.

Emerging Markets

Our sales in emerging markets were at US\$ 181 million for Q4; a growth of 46% compared to the same quarter last year and accounted for 18% of total sales. This includes the contribution from JSC Biosintez acquisition in Russia. For the FY17, sales were US\$ 675 million, up by 23% over same period last year. The growth is broad-based amongst emerging markets.

Rest of World Markets

Formulation sales in Rest of World (ROW) markets excluding US and Emerging Markets were US\$ 109 million in Q4FY17, a growth of 38% from the corresponding quarter last year, partly driven by consolidation of Japanese acquisition. For the FY17, sales were US\$ 385 million, up by 17% over same period last year. ROW markets accounted for approximately 11% of revenues for Q4FY17 and 9% for full year FY17.

Active Pharmaceutical Ingredients (API): Strategic strength

Our API business imparts benefits of vertical integration for our formulations business. We continue to increase the API supply for captive consumption for key products. For Q4FY17, external sales of API were at Rs. 395 crores, up by 5% over Q4 last year. For the FY17, API sales were up by 14% to Rs. 1,598 crores, partly driven by the consolidation of the Australian Opiates business.

Research – Investing for future

Consolidated R&D expense for Q4FY17 was Rs. 600 crores, or 8.8% of sales compared to Rs. 711 crores or 9.6% of sales for Q4 last year. For FY17, R&D expenses were Rs. 2,314 crores or 7.6% of sales. This R&D expenditure includes investments on account of funding the clinical development of our global specialty pipeline.

We have a comprehensive product offering in the US market consisting of approved ANDAs for 427 products while filings for 157 ANDAs await US FDA approval, including 16 tentative approvals. For the quarter, 14 ANDAs were filed and 4 approvals were received. Additionally, the pipeline includes 36 approved NDAs while 5 NDAs await US FDA approval.

*** The Company has adopted Indian Accounting Standards (Ind AS) from 01-April-2016 and hence the financials have been prepared according to Ind AS. To facilitate a like-to-like comparison, the financials for the previous quarter ended March 2016 (i.e. Q4FY16) and full year FY16 have been restated as per Ind AS. As per requirements of Ind AS, sales are now reported on gross basis and hence margins are also calculated on gross sales.*

Disclaimer:

Statements in this "Document" describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied.

Earnings Call (06.30 pm IST, May 26, 2017)

The Company will host an earnings call at 06.30 pm IST on May 26, 2017, 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
Playback of call: +91 22 3065 2322, Conference ID: 53499

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. (CIN - L24230GJ1993PLC019050):

Sun Pharma is the world's fourth largest specialty generic pharmaceutical company and India's top pharmaceutical company. A vertically integrated business, economies of scale and an extremely skilled team enable us to deliver quality products in a timely manner at affordable prices. It provides high-quality, affordable medicines trusted by customers and patients in over 150 countries across the world. Sun Pharma's global presence is supported by 42 manufacturing facilities spread across 6 continents, R&D centres across the globe and a multi-cultural workforce comprising over 50 nationalities. In India, the company enjoys leadership across 11 different classes of doctors with 30 brands featuring amongst top 300 pharmaceutical brands in India. Its footprint across emerging markets covers over 100 markets and 6 markets in Western Europe. Its Global Consumer Healthcare business is ranked amongst Top 10 across 3 global markets. Its API business footprint is strengthened through 14 world class API manufacturing facilities across the globe. Sun Pharma fosters excellence through innovation supported by strong R&D capabilities comprising about 2,000 scientists and R&D investments of approximately 8% of annual revenues. For further information please visit www.sunpharma.com & follow us on Twitter @SunPharma_Live

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