AstraZeneca Pharma India Limited

Regd. Office : Block N1, 12th Floor, Manyata Embassy Business Park, Rachenahalli, Outer Ring Road, Bangalore 560 045

Statement of unaudited financial results for the quarter and nine months ended 31 December 2019

Rs in lakhs except for earnings per share data

Sl No.	Particulars	3 months ended 31/12/2019 (Unaudited)	Previous 3 months ended 30/09/2019 (Unaudited)	Corresponding 3 months ended in the previous year 31/12/2018 (Unaudited)	9 months ended 31/12/2019 (Unaudited)	9 months ended 31/12/2018 (Unaudited)	Year ended 31/03/2019 Audited
1	**Revenue**						
	a) Revenue from operations	22,386.28	20,848.31	21,519.40	63,690.72	53,799.16	72,829.43
	b) Other income	346.15	316.08	349.57	961.15	1,027.30	1,628.52
	Total income	**22,732.43**	**21,164.39**	**21,868.97**	**64,651.87**	**54,826.46**	**74,457.95**
2	**Expenses**						
	(a) Cost of materials consumed	2,164.70	1,328.21	1,594.29	5,368.39	4,043.52	6,267.23
	(b) Purchase of stock-in-trade	7,675.58	6,358.21	4,156.63	18,701.43	8,892.33	16,983.88
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,708.52)	(270.94)	651.47	(1,518.64)	3,889.51	(137.78)
	(d) Employee benefits expense	5,255.49	5,216.35	5,108.91	15,545.25	13,698.84	19,739.86
	(e) Depreciation and amortisation expense	477.12	464.06	378.10	1,403.91	1,100.52	1,492.41
	(f) Selling, marketing and distribution expense	1,169.65	1,401.17	1,651.37	4,269.14	5,681.82	7,980.28
	(g) Other expenses	4,153.02	3,459.35	4,268.74	10,736.58	11,100.91	14,865.72
	(h) Finance cost (refer note 2)	27.13	28.36	-	85.03	-	-
	Total expenses	**19,214.17**	**17,984.77**	**17,809.51**	**54,591.09**	**48,407.45**	**67,191.60**
3	**Profit before exceptional and extraordinary items and tax (1-2)**	**3,518.26**	**3,179.62**	**4,059.46**	**10,060.78**	**6,419.01**	**7,266.35**
4	Exceptional items	-	-	-	-	-	-
5	**Profit before extraordinary items and tax (3+4)**	**3,518.26**	**3,179.62**	**4,059.46**	**10,060.78**	**6,419.01**	**7,266.35**
6	Extraordinary items	-	-	-	-	-	-
7	**Profit before tax (5+6)**	**3,518.26**	**3,179.62**	**4,059.46**	**10,060.78**	**6,419.01**	**7,266.35**
8	**Tax expense (refer note 3)**						
	- Current tax	881.34	514.68	1,114.91	2,665.55	1,816.26	1,667.83
	- Deferred tax	(33.25)	1,223.41	35.37	1,132.00	141.10	154.45
	Total tax expense	**848.09**	**1,738.09**	**1,150.28**	**3,797.55**	**1,957.36**	**1,822.28**
9	**Profit for the period (7-8)**	**2,670.17**	**1,441.53**	**2,909.18**	**6,263.23**	**4,461.65**	**5,444.07**
10	**Other comprehensive income**						
	A. Items that will not be reclassified to profit or loss						
	Re-measurement gains/(losses) on post employment benefit obligations	107.26	(114.85)	(60.65)	(351.63)	139.01	(92.30)
	Income tax effect on above	(27.00)	(4.73)	21.19	88.50	(48.58)	32.25
	Total other comprehensive income/ (loss), net of income tax	**80.26**	**(119.58)**	**(39.46)**	**(263.13)**	**90.43**	**(60.05)**
	Total comprehensive income for the period (9+10)	**2,750.43**	**1,321.95**	**2,869.72**	**6,000.10**	**4,552.08**	**5,384.02**
11	**Paid-up equity share capital** (Face value of Rs 2/- per equity share)	**500.00**	**500.00**	**500.00**	**500.00**	**500.00**	**500.00**
12	Reserves (excluding revaluation reserves as per balance sheet)	-	-	-	-	-	29,580.50
13	**Earnings per equity share of Rs 2/- each (basic and diluted)**	**10.68**	**5.77**	**11.64**	**25.05**	**17.85**	21.78

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN 304026E/E-300009
Bengaluru

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Statement of unaudited financial results for the quarter and nine months ended 31 December 2019

Notes:

1 The financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

2 Effective 1 April 2019, the Company has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value.

The Company has used the 'modified retrospective approach' for transition from Ind AS 17, 'Leases', and consequently, comparatives for previous periods have not been adjusted. On transition, the Company has recorded lease liability at present value of future lease payments discounted using the incremental borrowing rate and has recognised the right-of-use asset at an amount equal to the lease liability and adjusted for prepaid lease payments.

The adoption of Ind AS 116 has resulted in recognition of right-of-use assets of Rs.1,367.51 lakhs and lease liabilities of Rs.1,330.34 lakhs with a corresponding effect of Rs.12.98 lakhs on retained earnings on 1 April 2019. In the financial results for the quarter and nine months ended 31 December 2019, the nature of expense for leasing arrangements has changed from lease rent in previous periods to depreciation on the right-of-use assets and finance cost on the corresponding lease liabilities. The adoption of Ind AS 116 did not have a material impact on the results for the quarter ended 31 December 2019.

3 Pursuant to a notification of the Taxation Laws (Amendment) Ordinance 2019, the Company had opted to pay tax as per Section 115BAA at the income tax rate of 22% (plus applicable surcharge and cess). Consequently, during the quarter ended 30 September 2019, the Company has recognised the impact of remeasurement of the net deferred tax assets and the current tax charge.
Accordingly, the excess current tax provision relating to quarter ended 30 June 2019 amounting to INR 353.62 lakhs was reversed in the Unaudited Statements of Financial Results in the quarter ended 30 September 2019. Similarly, the excess net deferred tax assets (including minimum alternate tax) of INR 1,246.56 lakhs was reversed in the Unaudited Statements of Financial Results in the quarter ended 30 September 2019.

4 The Company has identified 'Healthcare Segment' as its only reportable segment in accordance with the requirements of Ind AS 108, 'Operating Segments'. Accordingly no segment information has been provided.

5 As previously disclosed, by way of a letter dated 1 March 2014, AstraZeneca Pharmaceuticals AB, the promoter of the Company had proposed a voluntary delisting of the Company's equity shares from the National Stock Exchange and the Bombay Stock Exchange. Such proposed delisting is subject to an on-going inquiry with SEBI and that inquiry has not yet been resolved. In any event, based on the passage of time, any potential future proposal for voluntary delisting of the Company would need to be conducted de novo.

6 Previous period's figures have been regrouped/reclassified, where necessary, to conform with the current period's presentation for the purpose of comparability.

7 This statement of financial results was reviewed and recommended by the Audit Committee of the Board and subsequently approved by the Board of Directors at their respective meetings held on 3 February 2020. The Statutory Auditors of the Company have carried out a limited review of this statement of financial results for the quarter and nine months ended 31 December 2019.

By Order of the Board of Directors
For AstraZeneca Pharma India Limited

Price Waterhouse & Co Chartered Accountants LLP
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Bengaluru

Place: Bengaluru
Date: 03 February, 2020

Gagandeep Singh Bedi
Managing Director