

SPARC/Sec/SE/2022-23/014

May 17, 2022

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.
P. J. Towers,
Dalal Street,
Mumbai - 400 001.

Ref: Scrip Code: NSE: SPARC; BSE: 532872

Dear Sir/ Madam,

Sub: Outcome of the Board Meeting held today i.e. May 17, 2022

The Board of Directors of the Company at its meeting held today i.e. May 17, 2022 has *inter alia*,

1. Approved the Audited Financial Results for the quarter and financial year ended March 31, 2022.

Pursuant to Regulation 30 and 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we enclose herewith the following:

- a) Audited Financial Results of the Company, for the quarter and year ended March 31, 2022
- b) Auditor's Report on the aforesaid Audited Financial Results of the Company
- c) Declaration regarding Auditor's Report with unmodified opinion.

2. Approved the re-appointment of S R B C & Co. LLP, Chartered Accountants (Firm registration No. 324982E/E300003) as the Statutory Auditors of the Company for a second term of five consecutive years commencing from the conclusion of the ensuing 17th Annual General Meeting till the conclusion of 22nd Annual General Meeting of the Company, subject to approval of the Shareholders.

The meeting of the Board of Directors of the Company commenced at 11:30 hours and concluded at 14:55 hours.

This is for your information and dissemination.

For **Sun Pharma Advanced Research Company Ltd.**



Dinesh Lahoti
Company Secretary and Compliance Officer
ICSI Membership No.: A22471

Encl: As above

Sun Pharma Advanced Research Company Limited

Regd. Office: Plot No. 5 & 6/1, Savli, G. I. D. C. Estate, Savli - Vadodara Highway,

Manjusar, Vadodara – 391 775. Tel. : +91-2667 666800

CIN : L73100GJ2006PLC047837. Website : www.sparc.life

Statement of Audited Financial Results for Quarter and Year ended March 31, 2022

₹ in Lakhs

Particulars	Quarter ended			Year ended	Year ended
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
	Audited	Unaudited	Audited	Audited	Audited
	(Refer Note 6)		(Refer Note 6)		
Revenue from operations	2,524	6,215	2,806	13,725	25,296
Other income	22	34	33	684	541
Total income	2,546	6,249	2,839	14,409	25,837
Expenses					
Cost of materials consumed	638	367	218	1,827	1,818
Employee benefits expense	2,308	2,424	2,210	9,678	9,158
Clinical trial expenses / products development expense	3,349	2,220	3,376	10,843	18,402
Professional charges	1,835	1,549	1,177	6,743	5,393
Finance costs	222	233	402	1,333	1,065
Depreciation and amortisation expenses	251	258	260	1,016	1,092
License and fees	123	27	79	343	945
Other expenses	925	755	789	2,966	3,078
Total expenses	9,651	7,833	8,511	34,749	40,951
Loss before tax	(7,105)	(1,584)	(5,672)	(20,340)	(15,114)
Tax expense	-	-	-	-	-
Loss for the period	(7,105)	(1,584)	(5,672)	(20,340)	(15,114)
Other comprehensive income (OCI)					
Items that will not be reclassified to profit or loss (net actuarial gain / (loss) on employee defined benefit plan)	56	38	350	170	153
Total comprehensive loss for the period	(7,049)	(1,546)	(5,322)	(20,170)	(14,961)
Paid-up equity share capital (Face value ₹ 1 each)	2,719	2,635	2,621	2,719	2,621
Other equity				404	(19,446)
Basic and diluted loss per equity share of ₹ 1 each	(2.69)	(0.60)	(2.16)	(7.73)	(5.77)
	Not annualised	Not annualised	Not annualised		
<i>See accompanying notes to the financial results</i>					

Notes :

- The above audited financial results have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as amended, prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued there under and as per the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and have been taken on record by the Board of Directors at its meeting held on May 17, 2022 after being reviewed by the Audit Committee.
- The Company has only one reportable business segment namely 'Pharmaceutical Research & Development'.
- On July 08, 2021, the Company had allotted 6,24,74,082 warrants, each convertible into one equity share, on preferential basis at an issue price of ₹ 178/- each, upon receipt of 25% of the issue price (i.e. ₹ 44.50 per warrant) as warrant subscription money. Balance 75% of the issue price (i.e. ₹ 133.50 per warrant) is payable within 18 months from the allotment date, at the time of exercising the option to apply for fully paid-up equity share of ₹ 1/- each of the Company, against each warrant held by the warrant holder. During the year, the Company upon receipt of balance 75% of the issue price (i.e. ₹ 133.50/- per warrant) for 98,31,460 warrants, has allotted equal no. of fully paid up equity shares against conversion of said warrants exercised by the warrant holder(s).
- The global spread of COVID-19 has been a fluid and challenging situation faced by all the industries. The Company has taken all possible effective measures to limit and keep the impact of COVID-19 under control in order to ensure business continuity with minimal disruption. The Company has considered internal and external information while finalizing various estimates in relation to its audited financial results upto the date of approval by the Board of Directors. The Company continues to pay close attention to the development of COVID-19, and will further evaluate and actively respond to such impact on the financial position and financial performance of the Company.
- The date of implementation of the Code on Wages 2019 and the Code on Social Security, 2020 is yet to be notified by the Government. The Company will assess the impact of these Codes and give effect in the subsequent financial results when the Rules/Schemes thereunder are notified.
- The figures of the last quarters are the balancing figures between audited figures in respect of the full financial year up to March 31, 2022 and the unaudited published year-to-date figures up to December 31, 2021, being the date of the end of the third quarter of the respective financial years which were subjected to limited review.
- Previous period figures have been regrouped / rearranged, wherever necessary.



For and on behalf of the Board

(Signature)

Dilip S. Shanghvi
Chairman

Mumbai, May 17, 2022



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Statement of Audited Assets and Liabilities as at March 31, 2022

	₹ in Lakhs	
Particulars	As at 31.03.2022 Audited	As at 31.03.2021 Audited
ASSETS		
(A) Non-current assets		
(a) Property, plant and equipment	9,140	8,987
(b) Capital work-in-progress	372	523
(c) Other intangible assets	47	69
(d) Intangible assets under development	2,265	-
(e) Financial assets		
(i) Other financial assets	2,318	40
(f) Deferred tax assets (net)	-	-
(g) Income tax assets (net)	6,692	7,024
(h) Other non-current assets	60	15
Total non-current assets (A)	20,894	16,658
(B) Current assets		
(a) Financial assets		
(i) Investments	1,166	642
(ii) Trade receivables	2,774	1,758
(iii) Cash and cash equivalents	122	930
(iv) Bank balances other than (iii) above	0	1
(v) Loans	33	7
(vi) Other financial assets	285	0
(b) Other current assets	2,734	2,642
Total current assets (B)	7,114	5,980
(C) Assets held for sale		
	-	331
TOTAL ASSETS	28,008	22,969
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,719	2,621
(b) Other equity	404	(19,446)
Total equity	3,123	(16,825)
Liabilities		
(A) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	11,250
(ja) Lease liabilities	244	422
(b) Provisions	815	863
(c) Other non-current liabilities	6,684	3,924
Total non-current liabilities (A)	7,743	16,459
(B) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	7,500	11,805
(ja) Lease liabilities	178	162
(ii) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	57	7
- Total outstanding dues of creditors other than micro enterprises and small enterprises	7,161	9,110
(iii) Other financial liabilities	1,139	1,167
(b) Other current liabilities	579	509
(c) Provisions	528	575
Total current liabilities (B)	17,142	23,335
Total liabilities	24,885	39,794
TOTAL EQUITY AND LIABILITIES	28,008	22,969

All "0" represents amounts less than ₹ 1 Lakh.



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Statement of Audited Cash Flow for the Year Ended March 31, 2022

₹ in Lakhs

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
	Audited	Audited
A. Cash flow from operating activities		
Loss before tax	(20,340)	(15,114)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expenses	1,016	1,092
Gain on disposal of property, plant and equipment (net)	(488)	(26)
Finance costs	1,333	1,065
Interest income	(140)	(89)
Net gain on sale of financial assets measured at fair value through profit or loss	(45)	(56)
Net gain arising on financial assets measured at fair value through profit or loss	(1)	0
Net unrealised foreign exchange loss	(7)	61
Sundry balances written back, net	1	(20)
Products development expense	-	2,849
Operating (loss) / profit before working capital changes	(18,671)	(10,238)
Working capital adjustments :		
(Increase) / decrease in trade receivables	(1,015)	(154)
(Increase) / decrease in other assets	(2,638)	1,536
Increase / (decrease) in trade payables	(1,936)	(5,992)
Increase / (decrease) in other liabilities	2,909	(214)
Increase / (decrease) in provisions	75	36
Cash used in operations	(21,276)	(15,026)
Direct taxes (paid) net of refund	454	(163)
Net cash used in operating activities (A)	(20,822)	(15,189)
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital work-in-progress, intangible assets and intangible assets under development)	(3,268)	(600)
Proceeds from disposal of property, plant and equipment (net)	810	482
Purchase of investment (net)	(478)	263
Bank balances not considered as cash and cash equivalents		
Fixed deposits placed	-	(1)
Fixed deposits matured	1	11
Interest received	18	1
Net cash generated from / (used) in investing activities (B)	(2,917)	156
C. Cash flow from financing activities		
Proceeds from borrowings	10,700	40,500
Re-payment of borrowings	(26,255)	(23,556)
Payment of lease liabilities	(209)	(203)
Proceeds from issue of warrants convertible into equity shares	23,426	-
Transaction costs on issue of warrants convertible into equity shares	(808)	-
Proceeds from issue of equity shares (on conversion of warrants)	17,500	-
Interest paid	(1,422)	(813)
Net cash generated from financing activities (C)	22,932	15,928
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(807)	895
Cash and cash equivalents at the beginning of the year	930	35
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(0)	0
Cash and cash equivalents at the end of the year	123	930
All "0" represents amounts less than ₹ 1 Lakh.		



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Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Sun Pharma Advanced Research Company Limited

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date financial results of Sun Pharma Advanced Research Company Limited (the "Company") for the quarter and year ended March 31, 2022 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive loss and other financial information of the Company for the quarter and year ended March 31, 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended (the "Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the



Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



SRBC & CO LLP

Chartered Accountants

Other Matter

The Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For SRBC & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per Paul Alvares
Partner
Membership No.: 105754
UDIN: 22105754AJCIXH5266



Place of Signature: Mumbai
Date: May 17, 2022