

**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.

Dear Sir/ Madam,

**Sub: Outcome of Board Meeting held on 2<sup>nd</sup> June 2020.**

The Board of Directors of the Company at their meeting held from 06:30 pm to 08:30 pm today, *inter alia*, took on record and duly approved the Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2020 which are enclosed along with the Auditors' Report on the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2020, as **Annexure 1.**

In terms of second proviso to regulation 33(3)(d) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, a declaration by CFO confirming that the Auditors have given an Unmodified Opinion on the Annual Audited Financial Results of the Company for the financial year ended 31<sup>st</sup> March 2020 is also enclosed as **Annexure 2.**

This is for your information and record.

Thanking you,

Yours faithfully,  
For **Sun Pharma Advanced Research Company Ltd**

**Debashis Dey**  
Company Secretary

**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 ended March 31, 2020 and for the year ended March 31, 2020 ("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 ended March 31, 2020 and for the year ended March 31, 2020.

**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



# **S R B C & C O L L P**

Chartered Accountants

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.



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Chartered Accountants

- 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.

## Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 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: 20105754AAAACY7988

Place of Signature: Pune

Date: June 02, 2020

**Sun Pharma Advanced Research Company Limited**

Regd Office: Sun Pharma Advanced Research Centre,  
Akota Road, Akota, Vadodara – 390 020. Tel. : +91-265-2330815  
CIN : L73100GJ2006PLC047837. Website : www.sparc.life

**Statement of Audited Financial Results for the Quarter and Year Ended March 31, 2020**

₹ in Lakhs

Particulars	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited	Unaudited	Audited	Audited	Audited
	(Refer Note 6)		(Refer Note 6)		
Revenue from operations	2,271	1,960	8,483	7,682	18,287
Other income	312	71	443	976	1,351
<b>Total income</b>	<b>2,583</b>	<b>2,031</b>	<b>8,926</b>	<b>8,658</b>	<b>19,638</b>
<b>Expenses</b>					
Cost of materials consumed	449	491	299	2,392	1,253
Employee benefits expense	2,438	2,276	1,933	9,309	8,106
Clinical trial expenses	6,695	2,629	5,426	16,930	14,790
Professional charges	1,384	1,168	801	4,191	5,394
Finance costs	157	26	4	267	9
Depreciation and amortisation expense	273	225	182	948	756
License and fees	73	18	23	2,398	130
Other expenses	1,068	749	1,193	3,463	3,743
<b>Total expenses</b>	<b>12,537</b>	<b>7,582</b>	<b>9,861</b>	<b>39,898</b>	<b>34,181</b>
<b>Loss before tax</b>	<b>(9,954)</b>	<b>(5,551)</b>	<b>(935)</b>	<b>(31,240)</b>	<b>(14,543)</b>
Tax expense	-	-	-	-	-
<b>Loss for the period</b>	<b>(9,954)</b>	<b>(5,551)</b>	<b>(935)</b>	<b>(31,240)</b>	<b>(14,543)</b>
<b>Other comprehensive income (OCI)</b>					
Items that will not be reclassified to profit and loss (Net actuarial gain / (loss) on employee defined benefit plan)	(307)	20	191	(247)	71
<b>Total comprehensive income / (loss) for the period</b>	<b>(10,261)</b>	<b>(5,531)</b>	<b>(744)</b>	<b>(31,487)</b>	<b>(14,472)</b>
Paid-up equity share capital (Face value ₹ 1 each)	2,621	2,621	2,621	2,621	2,621
Basic and diluted earnings per share of ₹ 1 each	(3.80)	(2.12)	(0.37)	(11.92)	(5.69)
Other equity				(4,485)	27,003
	Not annualised	Not annualised	Not annualised		
<i>See accompanying notes to the financial results</i>					

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**Statement of Audited Assets and Liabilities as at March 31, 2020**

₹ in Lakhs

Particulars	As at 31.03.2020 Audited	As at 31.03.2019 Audited
<b>ASSETS</b>		
<b>A. Non-current Assets</b>		
(a) Property, plant and equipment	10,299	5,718
(b) Capital work-in-progress	357	2,393
(c) Other intangible assets	88	37
(d) Intangible assets under development	2,849	20
(e) Financial assets		
(i) Loans	*0	*0
(f) Deferred tax assets (Net)	-	-
(g) Income tax assets (Net)	6,771	5,786
(h) Other non-current assets	173	156
<b>Total non-current assets (A)</b>	<b>20,537</b>	<b>14,110</b>
<b>B. Current assets</b>		
(a) Financial assets		
(i) Investments	849	21,058
(ii) Trade receivables	1,605	1,017
(iii) Cash and cash equivalents	35	35
(iv) Bank balance other than cash and cash equivalents	11	33
(v) Loans	77	55
(vi) Other financial assets	-	1
(b) Other current assets	4,142	3,540
<b>Total current assets (B)</b>	<b>6,719</b>	<b>25,739</b>
<b>TOTAL ASSETS</b>	<b>27,256</b>	<b>39,849</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	2,621	2,621
(b) Other equity	(4,485)	27,003
<b>Total equity</b>	<b>(1,864)</b>	<b>29,624</b>
<b>Liabilities</b>		
<b>A. Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	638	109
(b) Other liabilities	3,924	-
(c) Provisions	1,023	611
<b>Total non-current liabilities (A)</b>	<b>5,585</b>	<b>720</b>
<b>B. Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	6,142	-
(ii) Trade payables		
(a) Total outstanding dues of micro and small enterprises	1	1
(b) Total outstanding dues of creditors other than micro and small enterprises	15,883	8,292
(iii) Other financial liabilities	317	176
(b) Other current liabilities	661	590
(c) Provisions	531	446
<b>Total current liabilities (B)</b>	<b>23,535</b>	<b>9,505</b>
<b>Total Liabilities</b>	<b>29,120</b>	<b>10,225</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>27,256</b>	<b>39,849</b>

\* Includes ₹ 11,000 of security deposit considered good.

## Sun Pharma Advanced Research Company Limited

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### Statement of Audited Cash Flow for the Year Ended March 31, 2020

Particulars	₹ in Lakhs	
	Year ended 31.03.2020 Audited	Year ended 31.03.2019 Audited
<b>A. Cash flow from operating activities</b>		
Loss before tax	(31,240)	(14,543)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	948	755
(Profit) / Loss on sale/write off of property, plant and equipment and intangible assets (net)	(13)	210
Finance costs	267	9
Interest income	(1)	(314)
Gain on sale of investments	(614)	(518)
Gain on fair valuation of investments	(53)	(426)
Impact on account of adoption of Ind AS 115	-	(1,877)
Net unrealised foreign exchange loss / (profit)	410	(17)
<b>Operating loss before working capital changes</b>	<b>(30,296)</b>	<b>(16,721)</b>
<b>Working capital adjustments :</b>		
(Increase) / decrease in trade receivables	(583)	740
(Increase) / decrease in other assets	(632)	1,277
Increase / (decrease) in trade payables	7,178	(1,940)
Increase / (decrease) in other liabilities	3,988	(178)
Increase / (decrease) in provisions	250	84
<b>Cash used in operations</b>	<b>(20,095)</b>	<b>(16,738)</b>
Income tax paid (net of refund)	(986)	(454)
<b>Net cash used in operating activities (A)</b>	<b>(21,081)</b>	<b>(17,192)</b>
<b>B. Cash flow from investing activities</b>		
Payments for purchase of property, plant and equipment (including capital work-in-progress, intangible assets and intangible assets under development)	(5,404)	(1,295)
Proceeds from disposal of property, plant and equipment	39	38
Proceeds from sale/(used in) purchase of investments (net)	20,876	(9,357)
Bank balances not considered as cash and cash equivalents		
Fixed deposits placed	(10)	(2,531)
Fixed deposits matured	31	2,613
Earmarked balances with banks	1	(0)
Interest received	2	314
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>15,535</b>	<b>(10,218)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings	6,000	-
Re-payment of borrowings*	(258)	(65)
Proceeds from issue of equity shares / (paid) to investor education and protection fund	(1)	36,667
Conversion of warrants into equity shares	-	(9,167)
Finance costs	(195)	(10)
<b>Net cash generated from financing activities (C)</b>	<b>5,546</b>	<b>27,425</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>#0</b>	<b>15</b>
Cash and cash equivalents at the beginning of the year	35	20
Cash and cash equivalents at the end of the year	<b>35</b>	<b>35</b>

\* Includes payment of lease obligation for the year ended March 31, 2020

# Net increase in cash and cash equivalents ₹ 27,679

**Notes :**

- 1 The above audited 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 and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 02, 2020. The above audited financial results have been audited by the Statutory Auditors of the Company.
- 2 The Company has only one reportable business segment namely 'Pharmaceutical Research & Development'.
- 3 Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method. This has resulted in recognising a Right-of-Use asset and a corresponding Lease Liability of ₹ 855 lakhs as at April 1, 2019. The impact on the profit and earnings per share for the quarter and year ended is not material.
- 4 The Company has a negative net worth as at March 31, 2020 and the current liabilities exceed current assets. The Company, as per business plans, is in the process of evaluating various sources of raising funds for its operations. The Company has also received a financial support letter from its parent company which is valid till time the Company is able to raise funds from external sources.
- 5 Since the beginning of 2020 until now, the global wide spread of COVID-19 is a fluid and challenging situation facing all the industries. The Company has taken all possible effective measures to limit and keep the impact under control in order to ensure business continuity with minimal disruption. The Company has considered internal and external information while finalising various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors.  
The Company will continue 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.
- 6 The figures of the last quarters are the balancing figures between audited figures in respect of the full financial year up to March 31, 2020 and March 31, 2019 and the unaudited published year-to-date figures up to December 31, 2019 and December 31, 2018, being the date of the end of the third quarter of the respective financial years which were subjected to limited review.
- 7 Previous period figures have been regrouped / reclassified, wherever necessary.

By order of the Board

Dilip S. Shanghvi  
Chairman and Managing Director

2<sup>nd</sup> June 2020

To

**The 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**

P J Towers,

Dalal street,

Mumbai - 400001

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

Dear Sir/ Madam,

**Sub: Declaration in terms of regulation 33(3)(d) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015**

In terms of second proviso to regulation 33(3)(d) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 as amended from time to time, we confirm that the Auditors have given an Unmodified Opinion on the Annual Audited Financial Results of the Company for the financial year 2019-20.

Thanking you,

Yours faithfully,

For **Sun Pharma Advanced Research Company Limited**

**Chetan Rajpara**

Chief Financial Officer