

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
Total income	2,583	2,031	8,926	8,658	19,638
Expenses					
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
Total expenses	12,537	7,582	9,861	39,898	34,181
Loss before tax	(9,954)	(5,551)	(935)	(31,240)	(14,543)
Tax expense	-	-	-	-	-
Loss for the period	(9,954)	(5,551)	(935)	(31,240)	(14,543)
Other comprehensive income (OCI)					
Items that will not be reclassified to profit and loss (Net actuarial gain / (loss) on	(307)	20	191	(247)	71
Total comprehensive income / (loss) for the period	(10,261)	(5,531)	(744)	(31,487)	(14,472)
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				(4,484)	27,003
	Not annualised	Not annualised	Not annualised		
See accompanying notes to the financial results					

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

` in Lakhs

Particulars	As at	As at
	31.03.2020	31.03.2019
	Audited	Audited
ASSETS		
A. Non-current Assets		
(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
Total non-current assets (A)	20,537	14,110
B. Current assets		
(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
Total current assets (B)	6,719	25,739
TOTAL ASSETS	27,256	39,849
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2,621	2,621

(b) Other equity	(4,485)	27,003
Total equity	(1,864)	29,624
Liabilities		
A. Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	638	109
(b) Other liabilities	3,924	-
(c) Provisions	1,023	611
Total non-current liabilities (A)	5,585	720
B. Current liabilities		
(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
Total current liabilities (B)	23,535	9,505
Total Liabilities	29,120	10,225
TOTAL EQUITY AND LIABILITIES	27,256	39,849

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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
A. Cash flow from operating activities		
Loss before tax	(31,240)	(14,543)
Adjustments for:		
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)
Operating loss before working capital changes	(30,296)	(16,721)
Working capital adjustments :		
(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
Cash used in operations	(20,095)	(16,738)
Income tax paid (net of refund)	(986)	(454)
Net cash used in operating activities (A)	(21,081)	(17,192)
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)	(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
Net cash generated from/(used in) investing activities (B)	15,535	(10,218)
C. Cash flow from financing activities		
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)
Net cash generated from financing activities (C)	5,546	27,425
Net increase in cash and cash equivalents (A+B+C)	#0	15

Cash and cash equivalents at the beginning of the year	35	20
Cash and cash equivalents at the end of the year	35	35
* 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

Mumbai, June 2, 2020