

Sharon Bio - Medicine Limited
Statement of Standalone audited Financial Results for the year ended March 31, 2019

(Rs. In Lacs)

| Particulars | Quarter ended | | | Year ended | |
|--|-----------------|-----------------|-----------------|--------------------|--------------------|
| | March 31, 2019 | Dec 31, 2018 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | Audited | Unaudited | Audited | Audited | Audited |
| (i) Gross Revenue from sale of products and services | 3,794.91 | 3,039.16 | 3,362.79 | 13,732.99 | 12,467.86 |
| (ii) Other operating revenue | 217.72 | 154.89 | 140.41 | 731.53 | 397.57 |
| 1. REVENUE FROM OPERATIONS[(i)+(ii)] | 4,012.63 | 3,194.05 | 3,503.20 | 14,464.52 | 12,865.43 |
| 2. Other Income | 79.94 | (30.55) | 199.88 | 235.97 | 210.95 |
| 3. TOTAL INCOME (1+2) | 4,092.58 | 3,163.50 | 3,703.08 | 14,700.49 | 13,076.38 |
| 4. EXPENSES | | | | | |
| a) Cost of materials Consumed | 1,597.02 | 2,236.43 | 1,793.48 | 7,505.06 | 6,365.64 |
| b) Changes in inventories | 323.28 | (821.07) | 96.26 | (812.46) | 109.22 |
| c) Excise duty | - | - | - | - | 19.82 |
| d) Employee benefits expense | 702.94 | 629.14 | 528.17 | 2,574.04 | 2,262.60 |
| e) Depreciation and amortization expense | 294.99 | 277.71 | 156.41 | 1,116.70 | 1,067.03 |
| f) Finance costs | - | - | - | - | - |
| g) Other expenses | 802.42 | 744.02 | 1,154.20 | 3,081.09 | 3,688.71 |
| TOTAL EXPENSES | 3,720.64 | 3,066.23 | 3,728.52 | 13,464.43 | 13,513.02 |
| 5. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (3-4) | 371.93 | 97.27 | (25.44) | 1,236.07 | (436.65) |
| 6. EXCEPTIONAL ITEMS | 0.20 | 100.65 | 649.24 | 109.90 | 9,693.25 |
| 7. PROFIT BEFORE TAX (5-6) | 371.73 | (3.38) | (674.69) | 1,126.17 | (10,129.89) |
| 8. Tax Expenses | | | | | |
| Current Tax | - | - | - | - | - |
| 9. PROFIT FOR THE PERIOD (7-8) | 371.73 | (3.38) | (674.69) | 1,126.17 | (10,129.89) |
| 10. OTHER COMPREHENSIVE INCOME | | | | | |
| (i) Items that will not be reclassified to profit or loss | 11.58 | - | 41.33 | 11.58 | 29.63 |
| 11. TOTAL COMPREHENSIVE INCOME (9+10) | 383.31 | (3.38) | (633.36) | 1,137.74 | (10,100.27) |
| 12. PAID UP EQUITY SHARE CAPITAL (of Rs. 2/- each) | 2,378.71 | 2,378.71 | 2,378.71 | 2,378.71 | 2,378.71 |
| 13. Other Equity | | | | (64,825.22) | (65,901.93) |
| 14. EARNINGS PER SHARE (of Rs 2/- each)(not annualised) | | | | | |
| a) Basic (Rs.) | 0.32 | (0.00) | (0.53) | 0.96 | (8.49) |
| b) Diluted (Rs.) | 0.32 | (0.00) | (0.53) | 0.96 | (8.49) |



Sharon Bio - Medicine Limited
Balance Sheet as at March 31, 2019 (Standalone)

(Rs. In Lacs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| ASSETS | | |
| 1. Non-current assets | | |
| (a) Property, Plant and Equipment | 17,979.89 | 18,526.97 |
| (b) Capital work-in-progress | 171.50 | - |
| (c) Financial Assets | | |
| (i) Loans | 126.29 | 80.00 |
| (d) Other non-current assets | 739.58 | 751.91 |
| | 19,017.26 | 19,358.89 |
| 2. Current assets | | |
| (a) Inventories | 2,848.48 | 1,993.58 |
| (b) Financial Assets | | |
| (i) Trade receivables | 2,041.15 | 2,063.40 |
| (ii) Cash and cash equivalents | 349.67 | 106.58 |
| (iii) Bank balances other than (ii) above | 6.70 | 6.83 |
| (c) Other current assets | 2,533.86 | 1,587.14 |
| | 7,779.87 | 5,757.52 |
| | | |
| TOTAL | 26,797.13 | 25,116.41 |
| EQUITY AND LIABILITIES | | |
| 1. Equity | | |
| (a) Equity Share capital | 2,378.71 | 2,378.71 |
| (b) Other equity | (64,825.22) | (65,901.93) |
| | (62,446.51) | (63,523.21) |
| 2. Non-current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Long term borrowings | 55,801.72 | 40,637.64 |
| (b) Long term provisions | 267.58 | 218.76 |
| | 56,069.30 | 40,856.40 |
| 3. Current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Short term borrowings | 26,930.68 | 22,610.78 |
| (ii) Trade and other payables | 4,620.22 | 4,222.80 |
| (iii) Other financial liabilities | 24.77 | 19,500.11 |
| (b) Other current liabilities | 1,456.95 | 1,317.43 |
| (c) Short-term provisions | 55.29 | 45.69 |
| (d) Liabilities for current tax (net) | 86.43 | 86.42 |
| | 33,174.34 | 47,783.22 |
| | | |
| TOTAL | 26,797.13 | 25,116.41 |




Notes :

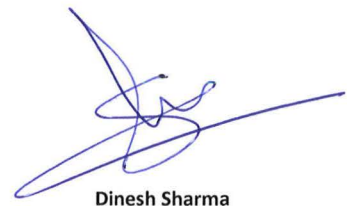
- 1 Sharon Bio-Medicine Limited, has undergone a corporate insolvency resolution process ("CIRP") under the aegis of the Insolvency and Bankruptcy Code, 2016 ("IBC"). The CIRP commenced on April 11, 2017 and culminated with the approval of a resolution plan by the National Company Law Tribunal ("NCLT"), Mumbai, vide its order dated March 8, 2018 in respect of the Company. The successful resolution applicant is Peter Beck und Partner Vermoegensverwaltung Ltd. ("Resolution Applicant"). The implementation of the Resolution Plan was challenged before the National Company Law Appellate Tribunal ("NCLAT") which saw it fit to dismiss the appeals and vacate its previous status quo order, vide its order dated December 19, 2018. Thereafter, the erstwhile promoters filed an appeal before the Supreme Court of India on February 5, 2019, which was dismissed by Supreme Court on April 5, 2019.
- 2 The resolution plan is not yet implemented as the Company is in process to obtain necessary regulatory approvals from statutory authorities, due to which:
 - a) No adjustment entries in relation to the implementation of the resolution plan have been passed.
 - b) The company assesses certain items which are likely to reduce loss and increase Other Equity by Rs 172.40 Cr (Based on the Contractual cash flows). Only the impact of contractual cash flows are stated, as the impact of discounted cash flows as per IND AS 109 could not be assessed as at the reporting date . There are other items which could not be assessed on the date of limited review reporting, which will have implication on the financials.
 - c) The Foreign Currency Convertible Bonds amounting to Rs. 169.69 Crores are considered to be part of Liabilities. In accordance with IND AS 109, such bonds should be bifurcated into debt and equity component, however, the is not bifurcated for into debt and equity component. The management is of the opinion that the same will be dealt in line with the Resolution Plan.
 - d) In accordance with IND AS 109, the Term Loans amounting to Rs. 360.55 are not stated at amortised cost. The management believes that disclosing as per the applicable financial reporting framework as Amortised Cost in accordance with IND AS 109 as the Company does not have the Effective Interest Rate due to pending implementation of the Resolution Plan and confirmations from the banks.
- 3 Finance Cost & Interest on Statutory Dues has not been accrued during the quarter.
- 4 Reconciliation between the admitted claims during CIRP and balance as per books of accounts has not been done as the liability towards operational creditors is subject to negotiation and hence, will impact overall liability. The management is of the view that the impact should be given to all liabilities on obtaining certainty on the liability post negotiation with the operational creditors
- 5 The above audited standalone financial results are approved by Chief Executive Officer and Vice President Finance & Accounts in the meeting held on May 24, 2019.
- 6 Post implementation of Goods and Services Tax ("GST") in India with effect from 1 July 2017, revenues are disclosed net of GST. Revenues for the year ended March 31, 2018 are not comparable with the revenues for the year ended March 31, 2019 since Excise Duty was leviable only upto June 30, 2017.
- 7 Deferred Tax asset is not recognised in the financial statements for the carry forward of unused tax losses and credits as there is no probability regarding sufficient future taxable income, the company has not provided for any deferred tax assets (net of liabilities) in the current quarters and current financial years.
- 8 The Company has not conducted the mandatory impairment testing as required under IND AS 36 Impairment of Assets. The process of identifying Cash Generating Units shall be completed post implementation of the Resolution Plan.
- 9 As per requirement of IND AS 16 Property, Plant & Equipment, the Company has not identified components in the Fixed Assets for want of component and its parent asset based information.
- 10 The reporting of financial statement is for Pharmaceuticals segment. The company has no other segment that fulfils the quantitative threshold as specified under Ind AS - 108 "Operating Segments". Accordingly, segment reporting is not required.
- 11 The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisatioz in the ordinary course of business. In the opinion of the management that there is reasonable certainty about the company to continue as going concern with successful implementation of the Resolution Plan.
- 12 The Company is under appeal against an order of assessment under MVAT Act, 2002 & Central Sales Tax Act, 1956 for the Financial Year 2013-14 amounting to Rs. 112 Cr, against the order of assessment under MVAT for the financial Year 2015-16 amounting to Rs. 11.17 Cr & Against order of Assessment under MVAT Act, 2002 & CST Act, 1956 for the financial year 2011-12 amounting to Rs. 2.47 Crores. The matter is also been referred to NCLT to address the dues in line with the NCLT Order, hence no provision is recognised for the same in the financial results.
- 13 Current year profit includes Rs. 61.04 Lacs on account of application of transit method/cumulative catchup method as stipulated in IND AS 115.
- 14 Previous year's/quarters figures have been re-grouped and re-arranged wherever considered necessary.



Place : Mumbai
Date : May 24, 2019

For Sharon Bio-Medicine Ltd.


Kaushik Banerjee
Chief Executive Officer


Dinesh Sharma
VP - Finance



Independent Auditor's Report on Quarterly Standalone Financial Results and Year to Date Standalone Financial Results of Sharon Bio Medicine Limited Pursuant to the Regulation 33 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2018

To
Kaushik Banerjee
Chief Executive Officer
Sharon Bio-Medicine Limited

1. We have audited the accompanying statement of standalone financial results ("Statements") of Sharon Bio Medicine Limited ("the Company") for the year ended March 31, 2019 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the last quarter ended March 31, 2019 and the corresponding quarter ended in the previous year as reported in the statement are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

The statement has been prepared on the basis of annual standalone financial statements of the current year and reviewed standalone quarterly financial results up to the end of third quarter, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) for Interim Financial Reporting, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

2. We conducted our audit in accordance with the in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



3. The company was under Corporate Insolvency Resolution Process (hereinafter referred as 'CIRP' or 'CIR Process') under Insolvency and Bankruptcy Code, 2016 (hereinafter referred as 'IBC' or 'the Code') with Mumbai Bench of National Company Law Tribunal (hereinafter referred as 'NCLT'). Consequently, the NCLT vide notification MA 12/2018 in CP No. 246/I&BP/NCLT/MAH/2017 under section 30(6) of IBC, 2016 has proposed certain settlements or restructuring plans of all claims based on the terms as mentioned in the resolution plan.
4. Sharon Bio-Medicine Limited, has undergone a corporate insolvency resolution process ("CIRP") under the aegis of the Insolvency and Bankruptcy Code, 2016 ("IBC"). The CIRP commenced on April 11, 2017 and culminated with the approval of a resolution plan by the National Company Law Tribunal ("NCLT"), Mumbai, vide its order dated March 8, 2018 in respect of the Company. The implementation of the Resolution Plan was challenged before the National Company Law Appellate Tribunal ("NCLAT") which saw it fit to dismiss the appeals and vacate its previous status quo order, vide its order dated December 19, 2018. Thereafter, the erstwhile promoters filed an appeal before the Supreme Court of India on February 5, 2019, which was dismissed by Supreme Court on April 5, 2019.
5. As per Section 134 of the Companies Act, 2013, the financial statements of a company are required to be authenticated by the chairperson of the board of directors, where authorized by the board or at least two directors, of which one shall be the managing director or the CEO (being a director), the CFO and the Company Secretary where they are appointed.

As the board is yet to be reconstituted post approval of restructuring plan by NCLT, the financial statements are being approved by Mr. Kaushik Banerjee, CEO of the Company appointed by the monitoring agency.

Emphasis of Matter- Going Concern

We draw attention to Note 10 in the financial statements, which indicates that the Company incurred a accumulated losses of Rs.64,825.22 Lakhs during the year ended March 31, 2019 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 6377.20 Lakhs. As stated in Note 10, in the opinion of the management there is a reasonable certainty about the company to continue as going concern with the successful implementation of the Resolution Plan in the forthcoming period.

Emphasis of Matter- Other Matter

1. Non-Implementation of NCLT Order: Attention is drawn to Note No. 2 (b) in the Financial Statements regarding the non-implementation of NCLT Order dated March 08th 2018. The entity has not derecognized the financial liabilities to the extent of Rs.99.85 Crores as per books of accounts pertaining to the waiver of Term Loans & Cash Credits obtained from banks in accordance with IND AS 109. Due to non-assessment of loan



account wise information, impact of only the contractual cash flows (undiscounted) has been considered.

2. Departure with Indian Accounting Standards:

- a. Attention is drawn to Note No.2 c) in the Financial Statements; the Foreign Currency Convertible Bonds amounting to Rs.169.69 Crores are classified as Liabilities in the Financials. In accordance with IND AS 109, such bonds should be split into debt and equity components. The classifications in the financials are a departure with the applicable Financial Reporting Framework.
 - b. Attention is drawn to Note No.7 in the Financial Statements the Company has not conducted the mandatory impairment testing as required under IND AS 36 Impairment of Assets.
 - c. Attention is drawn to Note No.8 in the Financial Statements Company has not identified components in the Fixed Assets for want of component and its parent asset based information. This is not in line with the norms stipulated under IND AS 16 Property, Plant & Equipment.
 - d. Attention is drawn to Note No. 2 (d) in the Financial Statements, Term Loans amounting to Rs. 360.55 Lakhs are not considered at amortized cost in accordance with IND AS 109
3. Attention is drawn to Note No. 3 in the Financial Statements, reconciliation between the admitted claims during CIRP and balance as per books of accounts has not been done as the liability towards operational creditors is subject to negotiation and hence, will impact overall liability as at March 31, 2019.
4. Convertible Warrants- The shares of Rs.27,44,300 as on April 11th 2017 are in the process of being listed. The Company has filed a condonation with SEBI in order to facilitate its listing in the Stock Exchanges.

Opinion

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year ended March 31st, 2019 results:

- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and



ii. give a true and fair view of the net profit and other financial information for the quarter ended March 31st 2019 as well as the year ended March 31st, 2019 subject to as stated in the Emphasis of Matter- Other Matter Paragraph Note No.1- Non-Implementation of NCLT Order, Note No. 2 Departure with Indian Accounting Standards as stipulated under Section 133 of the Companies Act, 2013, Note No.3 Reconciliation of balances of admitted claims during CIRP and balances as per books of accounts.

For M/s. E.A. Patil & Associates LLP

Chartered Accountants

Firm Registration No. 117371W / W100092



CA. Ujwal N Landge

Partner

Membership No. 108231

Place: Vashi, Navi Mumbai.

Date: May 24th, 2019

