

Sharon Bio - Medicine Limited
Statement of Standalone Unaudited Financial Results for the half year ended September 30, 2019

(Rs. In Lacs)

Particulars	Quarter Ended			Six Months Ended		Year ended
	Sept 30, 2019	June 30, 2019	Sept 30, 2018	Sept 30, 2019	Sept 30, 2018	March 31, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(i) Gross Revenue from sale of products and services	4,000.81	4,232.78	3,771.58	8,233.59	6,898.91	13,732.99
(ii) Other operating revenue	202.61	177.85	146.62	380.46	358.93	731.53
1. REVENUE FROM OPERATIONS[(i)+(ii)]	4,203.42	4,410.63	3,918.20	8,614.05	7,257.84	14,464.52
2. Other Income	55.39	4.42	109.22	59.81	186.57	235.97
3. TOTAL INCOME (1+2)	4,258.81	4,415.05	4,027.42	8,673.86	7,444.41	14,700.49
4. EXPENSES						
a) Cost of materials Consumed	1,901.77	2,595.58	2,101.32	4,497.35	3,671.61	7,505.06
b) Changes in inventories	151.22	(412.06)	(126.07)	(260.85)	(314.66)	(812.46)
c) Employee benefits expense	767.13	697.16	648.09	1,464.29	1,241.96	2,574.04
d) Depreciation and amortization expense	233.64	218.39	273.28	452.03	544.00	1,116.70
e) Finance costs	5.81	5.81	-	11.62	-	-
f) Other expenses	741.37	843.43	818.45	1,584.80	1,534.65	3,081.09
TOTAL EXPENSES	3,800.94	3,948.31	3,715.07	7,749.25	6,677.56	13,464.43
5. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (3-4)	457.87	466.74	312.35	924.61	766.85	1,236.07
6. EXCEPTIONAL ITEMS	(0.64)	6,085.72	(4.96)	6,085.08	9.05	109.90
7. PROFIT BEFORE TAX (5-6)	458.51	(5,618.99)	317.31	(5,160.47)	757.80	1,126.17
8. Tax Expenses						
9. PROFIT FOR THE PERIOD (7-8)	458.51	(5,618.99)	317.31	(5,160.47)	757.80	1,126.17
10. OTHER COMPREHENSIVE INCOME						
A (i) Items that will not be reclassified to profit or loss	0.00	2,864.93	-	2,864.93	-	11.58
11. TOTAL COMPREHENSIVE INCOME (9+10)	458.51	(2,754.06)	317.31	(2,295.55)	757.80	1,137.74
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	2,378.71
13. Other Equity	-	-	-	-	-	(64,825.21)
EARNINGS PER SHARE (of Rs 2/- each) (not annualised)						
a) Basic (Rs.)	0.39	(2.32)	0.27	(1.93)	0.64	0.96
b) Diluted (Rs.)	0.39	(2.32)	0.27	(1.93)	0.64	0.96



Sharon Bio - Medicine Limited
Statement of Assets & Liabilities (Standalone)

(Rs. In Lakhs)

Particulars	As at September 30, 2019	As at March 31, 2019
ASSETS		
1 Non-current assets		
(a) Property, Plant and Equipment	15,008.63	17,942.15
(b) Capital work-in-progress	32.87	209.24
(c) Financial Assets	-	-
(i) Loans & Advances	127.82	126.29
(d) Other non-current assets	739.58	739.58
	15,908.90	19,017.26
2 Current assets		
(a) Inventories	3,427.26	2,848.48
(b) Financial Assets		
(i) Trade receivables	2,341.44	2,041.15
(ii) Cash and cash equivalents	1,990.69	349.67
(iii) Bank balances other than (ii) above	607.70	6.70
(c) Other current assets	2,249.24	2,533.86
	10,616.33	7,779.87
TOTAL	26,525.23	26,797.13
EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share capital	2,378.71	2,378.71
(b) Other equity	(67,120.77)	(64,825.22)
	(64,742.05)	(62,446.50)
2 Non-current liabilities		
(a) Financial Liabilities		
(i) Long term borrowings	55,801.72	55,801.72
(ii) Other financial liabilities	195.08	-
(b) Long term provisions	312.64	267.58
	56,309.44	56,069.30
3 Current liabilities		
(a) Financial Liabilities		
(i) Short term borrowings	26,930.68	26,930.68
(ii) Trade and other payables (MSME)	137.96	178.83
(iii) Trade and other payables	4,484.79	4,441.39
(iv) Other financial liabilities	24.77	24.77
(b) Other current liabilities	3,237.93	1,456.95
(c) Short-term provisions	55.29	55.29
(d) Liabilities for current tax (net)	86.42	86.42
	34,957.84	33,174.33
TOTAL	26,525.23	26,797.13



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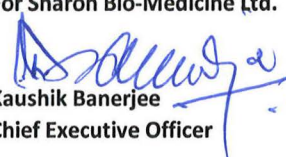
Notes :

- 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 upheld by Supreme Court on April 5, 2019.
- 2 The resolution plan is not yet implemented as the Company is facing procedural delays leading to obtain necessary approvals from regulatory authorities, due to which:
 - a) No impact has been given in the financials in relation to the implementation of the resolution plan .
 - b) The Company assesses certain items based on the resolution plan which are likely to reduce loss and increase Other Equity by Rs 172.40 Cr based on the contractual cash flows. The impact of discounted cash flows as per IND AS 109 could not be assessed due to pending implementation of resolution plan as at the reporting date . The impact on account of proposed settlement of creditors as on the reporting date could not be assessed as the it needs to be addressed case to case basis.
 - c) The Foreign Currency Convertible Bonds amounting to Rs. 169.69 Crores are considered to be part of Liabilities. The same is not bifurcated into debt and equity component as stipulated in IND AS 109. 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 at Amortised Cost in accordance with IND AS 109 is not ascertainable. The Company does not have the Effective Interest Rate due to pending implementation of the Resolution Plan and confirmations from the banks.
 - e) Pursuant to the Resolution Plan, the Resolution Applicants (RA) have infused an sum of Rs. 10.06 Crores pending allotment of Equity Shares due to want of approval from the Stock Exchanges. The said amount has been disclosed under Other Current Liabilities as Share Application Money Pending Allotment in the Statement of Financial Position
- 3 Pending implementation of resolution plan, 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 assessment and hence, will impact overall liability.
- 5 The above unaudited standalone financial results are approved by Chief Executive Officer and Vice President Finance & Accounts in the meeting held on November 14,2019.
- 6 Since there is no probability of sufficient future taxable income, the Company has not provided for any deferred tax in the current quarter.
- 7 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.
- 8 As per requirement of IND AS 16 Property, Plant & Equipment, the Company has not identified components in the Fixed Assets for want of its parent asset and its component assets.
- 9 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.
- 10 The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of the ordinary course of business in the opinion of the management that there is reasonable certainty about the company to continue as going concern due to the implementation of the Resolution Plan. Based on which management has drawn detailed business plan. The detailed business plan contemplates by undertaking number of steps that enables the Company to raise meaningful funds and allow it to continue as a going concern.
- 11 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, hence no provision is recognised for the same in the financial results.
- 12 Previous year's/quarters figures have been re-grouped and re-arranged wherever considered necessary.

Place : Mumbai
Date : November 14, 2019



For Sharon Bio-Medicine Ltd.


Kaushik Banerjee
Chief Executive Officer


Dinesh Sharma
VP - Finance

Sharon Bio - Medicine Limited

Statement of unaudited cash flow for the six months ended September 30, 2019

(Rs. In Lakhs)

Sr. No.	Particulars	As at September 30, 2019		As at September 30, 2018	
A	Cash Flow From Operating Activities				
	Net Profit / (Loss) Before Tax		(5,160)		758
	Adjustments for :				
	Depreciation / amortisation	452		544	
	Loss/(Gain) on sale of fixed assets	-		(1)	
	Loss Allowances on Trade Receivables	26		35	
	Liability written back	(8)		(1)	
	Unrealised (gain) / loss on foreign exchange	(23)		(45)	
	Exceptional items	5,996		9	
	Interest income	(28)		(6)	
	Loss on sale of MEIS	-		1	
	Interest Expenses	12		-	
			6,427		536
	Operating Profit before working capital changes		1,266		1,294
	Adjustment for :				
	(Increase)/Decrease in Inventory	(579)		(315)	
	(Increase)/Decrease in Trade Receivables	(303)		(565)	
	Increase/(Decrease) in Trade Payables	3		931	
	Increase/(Decrease) in Other Current Liabilities	1,789		(246)	
	Increase/(Decrease) in Long Term Provisions	45		8	
	Increase/(Decrease) in Short Term Borrowings	-		(1)	
	Increase/(Decrease) in Other Bank Balance	(601)		-	
	Increase/(Decrease) in Short Term Loans (Asset)	(2)		-	
	(Increase)/Decrease in Other Non Current Assets	-		(26)	
	(Increase)/Decrease in Other Current Assets	285		(444)	
	Increase/(Decrease) in Other Financial Liabilities	195		2,252	
	Increase/(Decrease) in Borrowings Secured		832	(2,253)	(659)
	Cash Generated From Operations		2,098		635
	Cash Flow From Extraordinary Items				
	Net Income Tax (paid) / refunds				
	Net Cash Flow From / (used in) Operating Activities (A)		2,098		635
B	Cash Flow From Investing Activities				
	Purchase of fixed assets	(473)		(326)	
	Proceeds from sale of fixed assets	-		2	
	Interest received	28		6	
			(445)		(318)
	Net Cash Flow From / (used in) Investing Activities (B)		(445)		(318)
C	Cash Flow From Financing Activities				
	Interest Paid	(12)		-	
			(12)		-
	Net Cash Flow From / (used in) Financing Activities (C)		(12)		-
	Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)		1,641		317
	Cash and Cash Equivalents at the beginning of the year	350		113	
	Cash and Cash Equivalents at the end of the year	1,991		430	
			1,641		317



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Limited Review Report

To
Kaushik Banerjee
Chief Executive Officer
Sharon Bio-Medicine Limited

1. We have reviewed the accompanying statement of Unaudited Financial Results of Sharon Bio-Medicine Limited for the Quarter & Half yearly ended September 30, 2019. This statement is the responsibility of the Company's Management and has been approved by the Chief Executive Officer. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. 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.



5. As per information and explanations given by the management, the impact of the approved settlement/restructuring plan on the financial statements has not been considered in the previous financial years 2017-18 & 2018-19 as well as current quarter & half year ending September 30, 2019 due to procedural delays leading to pending approvals from regulatory authorities.
6. 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.

7. Balance Confirmations :

A Trade Payables : The Trade Payables amounting to a sum of Rs.18.83 Crores could not be independently confirmed. These are in relation to the Pre-Incorporation Resolution Process.

B. Term Loan & Cash Credits: The Term Loans and Cash Credits amounting to Rs.629.86 Crores could not be independently confirmed. These balances are in relation to the Pre-Incorporation Resolution Process.

Emphasis of Matter

1. The Company as on March 30, 2019 has accumulated losses of Rs 64,825.22 Lakhs and its current liabilities exceeded its total assets by Rs 63,77.20 Lakhs. On September 30,2019, the Company has accumulated losses of Rs.67,120.77 Lakhs and its current liabilities exceed its total assets by Rs. 8,432.61 Lakhs. The financial results are drawn on going concern basis, considering the NCLT order referred in initial paragraph of the Limited Review Report statement.
2. Attention is drawn to Note No 2 & 3 of the Financial Statements for non-implementation of resolution plan with respect to reinstatement of asset and liabilities & non-provision of Finance Cost and Interest on Statutory Dues which has not been accrued for the Financial Year 2017-18 & 2018-19 and Quarter ended June 30, 2019 and half year ended September 30,2019


However, implication of the same has not been quantified as the resolution plan is yet to be implemented. Our opinion is not modified in respect of this matter.



3. 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.

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: November 14, 2019

UDIN as per ICAI – 19108231AAAAJW3694

