

Sharon Bio - Medicine Limited

Statement of Standalone Unaudited Financial Results for the Quarter ended June 30, 2022

(₹. In Lakhs) (except per share data)

Sr. No.	Particulars	Quarter Ended			Year Ended
		Jun 30, 2022	Mar 31, 2022	Jun 30, 2021	Mar 31, 2022
		Unaudited	Audited	Unaudited	Audited
(i)	Gross Revenue from sale of products and services	3,689.64	4,853.10	4,799.95	18,453.11
(ii)	Other operating revenue	93.71	124.05	88.76	386.00
1	REVENUE FROM OPERATIONS[(i)+(ii)]	3,783.34	4,977.15	4,888.72	18,839.11
2	Other Income	72.03	112.63	65.67	281.11
3	TOTAL INCOME (1+2)	3,855.37	5,089.78	4,954.39	19,120.22
4	EXPENSES				
a	Cost of materials Consumed	2,154.76	2,240.98	2,297.12	9,699.84
b	Changes in inventories	(183.15)	327.63	272.94	(175.90)
c	Employee benefits expense	786.42	773.02	785.91	3,045.92
d	Depreciation and amortization expense	265.73	280.37	275.63	1,122.89
e	Finance costs	1.95	2.36	3.19	11.04
f	Other expenses	940.76	997.33	870.18	3,648.95
	TOTAL EXPENSES	3,966.46	4,621.69	4,504.97	17,352.74
5	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (3-4)	(111.09)	468.09	449.42	1,767.47
6	EXCEPTIONAL ITEMS	-	-	-	-
7	PROFIT BEFORE TAX (5-6)	(111.09)	468.09	449.42	1,767.47
8	Tax Expenses	-	-	-	-
a	Current Tax	-	-	-	-
b	Deferred Tax	-	-	-	-
c	Tax relating to prior period	-	-	-	-
d	Short Provision for Tax in Earlier Years	-	-	-	-
9	PROFIT FOR THE PERIOD (7-8)	(111.09)	468.09	449.42	1,767.47
10	OTHER COMPREHENSIVE INCOME				
A(i)	Items that will not be reclassified to profit or loss	-	(142.65)	-	(142.65)
A(ii)	Income tax relating to items that will not be	-	-	-	-
B(i)	Items that will not be reclassified to profit or loss	-	-	-	-
B(ii)	Income tax relating to items that will not be	-	-	-	-
11	TOTAL COMPREHENSIVE INCOME (9+10)	(111.09)	325.44	449.42	1,624.83
12	PAID UP EQUITY SHARE CAPITAL (of Rs.2/- each)	115.11	115.11	115.11	115.11
13	OTHER EQUITY				
	EARNINGS PER SHARE (of Rs 2/- each) (not				
a	Basic (Rs.)	(1.93)	8.13	7.81	30.71



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").

Company Petition bearing C.P. No. 246/I&BP/NCLT/MAH/2017 ("Company Petition") filed by Peter Beck und Partner Vermoegensverwaltung Ltd. and M/s. Culross Opportunities under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("Code"), against Sharon Bio Medicine Limited ("Corporate Debtor"), was admitted by the Hon'ble National Company Law Tribunal, Mumbai ("Hon'ble Tribunal") on 11.04.2017 and the Corporate Insolvency Resolution Process ("CIR Process") for the Corporate Debtor was initiated. Vide order dated 25.04.2017, the Hon'ble NCLT appointed the Mr. Dinkar T. Venkatasubramanian as the Interim Resolution Professional for the Corporate Debtor and later confirmed as Resolution Professional ("RP") by the members of the Committee of Creditors ("CoC") on 22.05.2017.

After following the due process of law as prescribed under the IBC, the resolution plan ("Resolution Plan") submitted by Peter Beck und Partner Vermoegensverwaltung Ltd. ("Resolution Applicant") for the Corporate Debtor was approved by members of the CoC and later approved by the Hon'ble Tribunal on 28.02.2018 ("Plan Approval Order").

The Plan Approval Order was challenged by the Promoters before the National Company Law Appellate Tribunal ("NCLAT") and the Supreme Court. The challenge was ultimately dismissed by the NCLAT on 19.12.2018 and by the Hon'ble Supreme Court on 05.04.2019.

However, the Resolution Applicant had not implemented the Resolution Plan for the Corporate Debtor and had contravened the terms of the approved Resolution Plan approved by the Hon'ble Tribunal.

Since, the resolution applicant had not implemented the resolution plan, SBI on behalf of financial creditors ("Lenders") filed an appeal before NCLT on 06.12.2019 sought directions for re-initiation of CIRP in order to invite fresh bids from prospective resolution applicants. Pursuant to the application, the resolution applicant indicated his willingness to implement the resolution plan. Hence, the lenders in September 2020 agreed to give a final opportunity to the resolution applicant for implementation of the resolution plan by 07.11.2020.

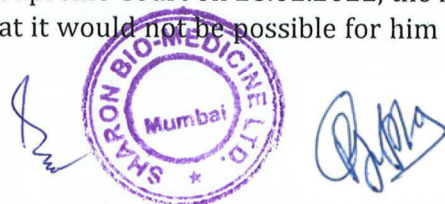
As part of the terms of the approved resolution plan, the company completed the capital reduction process on 04.11.2020. However, the resolution applicant yet again failed to implement the resolution plan.

The NCLT vide its order dated 02.02.2021 directed the resolution applicant to infuse funds within 2 weeks, directed the lenders to provide bank details for infusion of funds and waived off the requirement of submission of bank guarantee as stipulated in the resolution plan.

On 18.02.2021 the SBI on behalf of financial creditors filed an appeal before NCLAT against the NCLT order dated 02.02.2021. The NCLAT vide its order dated 05.01.2022 directed the resolution applicant to submit the bank guarantee as stipulated in the resolution plan within 30 days and implement the resolution plan within 2 months. However, the resolution applicant did not abide by the directions of the NCLAT and failed to provide the bank guarantee within 30 days from the date of the order passed by the NCLAT.

On account of the failure by the resolution applicant, SBI, on behalf of the Lenders, filed an application before NCLT on 08.02.2022 seeking directions for liquidation of the company as going concern and appointment of liquidator.

The resolution applicant, instead of implementing the resolution plan, filed an appeal before Hon'ble Supreme Court on 02.02.2022 seeking modification of the NCLAT order dated 05.01.2022. During the hearing held before Hon'ble Supreme Court on 28.02.2022, the ld. counsel of resolution applicant on instructions submitted that it would not be possible for him to comply with the NCLAT order dated 05.01.2022.



The Hon'ble Supreme Court vide its order dated 28.02.2022 in Civil Appeal No. 1305-1306 of 2022 has, inter alia, dismissed the appeal and given liberty for initiation of fresh Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor and take all consequential actions in furtherance thereof, in accordance with law.

In light of the direction passed by Hon'ble Supreme Court, State Bank of India filed an application bearing IA No. 1062/2022 and an additional affidavit ("Lender's Application) on behalf of all the Lenders of Corporate Debtor for granting 105 days for inviting EOI; inviting resolution plans from interested prospective resolution applicants; appointment of **Mr. Pulkit Gupta** (IBBI IP Registration No. IBBI/IPA-001/IP-P-02364/2021- 2022/13697) as the Resolution Professional and to take all necessary actions for completion of resolution process of the Corporate Debtor.

The Hon'ble NCLT, Mumbai Bench -1 vide order dated 3rd June 2022 allowed the aforesaid lender's application and appointed undersigned as the Interim Resolution Professional. The Hon'ble NCLT, Mumbai Bench 1 also permitted the withdrawal of the liquidation application that had been filed on 8.2.2022.

2. As per erstwhile resolution plan approved by Hon'ble NCLT, Mumbai; the company has undertaken a selective capital reduction from 118,935,700 Equity shares to 57,55,625 Equity shares of Rs. 2/- each in the financial year 2020-21 for which the relevant Stock Exchanges have given their in-principle approval.
3. In view of the above development as stated in Note No 1, the Company is unable to comply-
 - a) With IND AS 109 where the Foreign Currency Convertible Bonds amounting to Rs. 169.69 Crores are not bifurcated into debt and equity component and considered to be part of Liabilities.
 - b) With IND AS 109, Loans and liabilities shall be presented either as at amortized cost or as at fair value through profit or loss (FVTPL). However, term Loans amounting to Rs. 360.55 Cr are stated at cost, as the amortized Cost and the effective interest rate are not ascertainable.
 - c) With IND AS 36, identifying Cash Generating Units for mandatory impairment testing.
 - d) Finance Cost & Interest has not been accrued & diluted EPS is not calculated during the quarter ended 30th June 2022.
 - e) With IND AS 12 - Management finds it impracticable to determine tax base of items of assets and liabilities and hence has not measured deferred tax assets and deferred tax liabilities.
4. Pursuant to the erstwhile Resolution Plan, the erstwhile Resolution Applicant had infused a sum of Rs. 10.06 Crores, pending allotment within the stipulated time as per the Companies Act 2013. This amount has been disclosed under Other Current Liabilities as Share Application Money Pending Allotment.
5. The above un-audited financial results are approved by Mr. Pulkit Gupta, Resolution Professional (IBBI IP Registration No. IBBI/IPA-001/IP-P-02364/2021- 2022/13697) and Mr. Kaushik Banerjee, Chief Executive Officer of the Company in the meeting held on August 12th,2022.
6. The gratuity benefit of the Company is administered by a trust formed for this purpose through



the group gratuity scheme. The Company has not contributed towards the Trust fund for the pending changes in the trustees. The employees' gratuity fund scheme is the Company's defined benefit plan. The present value of the obligation under the said defined benefit plan as per IND AS 19 is determined on the basis of actuarial valuation from an independent actuary using the Projected Unit Credit Method.

7. The Company is in process of identification of parent assets and its components in the property plant and equipment, as required under Ind AS 16.
8. With reference to Note No. 1 above the financial report has been prepared on a going concern basis, which contemplated continuity of normal business activities and the realization of assets and settlement of liabilities in the ordinary course of business.
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. Unpaid and unclaimed dividend Rs 12.78 lakhs could not be transferred to Investor's protection Fund of Central Government since there are no authorized persons registered with Ministry of Corporate Affairs ("MCA"), the e-filings could not be completed.
11. In June 2022, Health Canada conducted site audit of the formulation facility as part of the inspection process. The Company has submitted corrective and preventive actions to the agency against the observations which are under review, after which the final outcome will be made available to the Company.
12. The Company is unable to file the necessary e-forms with MCA and update list of authorized signatories.
13. Previous year's/ quarter's figures have been re-grouped and re-arranged wherever considered necessary.

Place: Navi Mumbai

Date: August 12th, 2022

For Sharon Bio- Medicine Limited

(a Company under Corporate Insolvency Resolution Process by NCLT order dated June 3, 2022)



A handwritten signature in blue ink, appearing to be "Pulkit Gupta".

Pulkit Gupta
Resolution Professional

(IP Regn No. IBBI/IPA-001/IP-P-02364/2021- 2022/13697)

A handwritten signature in blue ink, appearing to be "Kaushik Banerjee".

Kaushik Banerjee
Chief Executive Officer



**Independent Auditor's Limited Review Report for the quarter ended June 30, 2022
pursuant to the regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements)
Regulations, 2015, as amended.**

To
Pulkit Gupta
Resolution Professional
Sharon Bio-Medicine Limited

1. We have reviewed the accompanying statement of Unaudited Financial Results of Sharon Bio-Medicine Limited for the Quarter ended June 30, 2022. 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').



Refer Note No. 1 of the financial results, for the direction passed by Hon'ble Supreme Court, State Bank of India filed an application bearing IA No. 1062/2022 and an additional affidavit ("Lender's Application) on behalf of all the Lenders of Corporate Debtor for granting 105 days for inviting EOI; inviting resolution plans from interested prospective resolution applicants; appointment of Mr. Pulkit Gupta (IBBI IP Registration No. IBBI/IPA-001/IP-P-02364/2021- 2022/13697) as the Resolution Professional and to take all necessary actions for completion of resolution process of the Corporate Debtor.

The Hon'ble NCLT, Mumbai Bench -1 vide order dated 3rd June 2022 allowed the aforesaid lender's application and appointed undersigned as the Interim Resolution Professional.

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, 2019-20, 2020-21, 2021-22 as well as current quarter ending June 30, 2022.
6. As per Section 134 of the Companies Act, 2013, the financial results 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. Pulkit Gupta, Resolution Professional (IBBI IP Registration No. IBBI/IPA-001/IP-P-02364/2021- 2022/13697) and Mr. Kaushik Banerjee, Chief Executive Officer of the Company.

Emphasis of Matter

1. Attention is drawn on Note no 2 of Financial Results for selective Reduction in Equity Share Capital made by the Company as per erstwhile resolution plan approved by Hon'ble NCLT, Mumbai; accordingly, the paid-up equity shares have been reduced to 57,55,625 Equity Shares of Rs. 2/- each. As a result, the accumulated losses have been reduced by Rs 2263.60 lakhs.
2. The Company as on June 30, 2022 has accumulated losses of Rs. 73,203.33 Lakhs (Previous year ended on 31st March 2022 Rs. 73,092.23 Lakhs) (Excluding Share Premium and Revaluation Reserves) The financial results are drawn on going concern basis, considering the NCLT order referred in initial paragraph of the Limited Review Report statement.
The future prospects of the Company would be determined on the completion of CIRP
Attention is drawn to Note No. 8 of the financial results.
3. Attention is drawn to Note No 3 of the Financial Results 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, 2019-20, 2020-21 & 2021-22 and Quarter ended June 30, 2022.



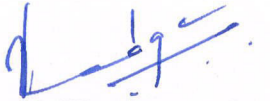
Due to pending implementation of resolution plan, it is impracticable to determine the effect of resolution plan on the financial statement.

4. Departure with Indian Accounting Standards:
 - a. Attention is drawn to Note No.3(a) in the Financial Results; 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. 3(b) in the Financial Results, Term Loans amounting to Rs. 360.55 Lakhs are not considered at amortized cost in accordance with IND AS 109
 - c. Attention is drawn to Note No. 7 in the Financial Results, the 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. 3(c) of the Financial Results the Company has not conducted the mandatory impairment testing as required under IND AS 36 Impairment of Assets
 - e. Attention is drawn to Note No. 3(e) of the Financial Results the Company for non-recognition of deferred tax assets & liabilities as per IND AS 12.
 - f. Attention is drawn to Note No. 3(d) of Financial Results the Company for not determining Diluted EPS.
 - g. Attention is drawn to Note No. 6 of Financial Results regarding departure of Ind AS 19 towards non recognition of the employees' gratuity fund Assets.
 - h. Attention is drawn to Note no 4 on disclosure of Share application money amounting to Rs 10.06 Crores of the Financial results.
5. Attention is drawn to Note No 10 regarding transfer of Unpaid and unclaimed dividend Rs 12.78 lakhs could not be transferred to Investors protection Fund of Central Government since there are no authorized persons registered with MCA, the e-filings could not be completed.
6. Attention is drawn to Note no 12 regarding non filing of necessary e-forms with MCA and update list of authorized signatories



7. Loan from the Banks and the Financial Institutions aggregating to Rs 82732.40 Lakhs were unpaid since 11.04.2017 and are subject to Confirmation. These balances are in relation to the Pre-Corporate Insolvency Resolution Process. In view of Note No. 1 of the financial results, implication of the same has not been quantified.

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: August 12th, 2022
UDIN: 22108231AOXCZW1662