



Contents

<i>Particulars</i>	<i>Pg. No.</i>
Managing Directors' Letter ▶ ▶ ▶	3
Notice ▶ ▶ ▶	7
Directors Report ▶ ▶ ▶	10
Corporate Governance ▶ ▶ ▶	17
Management Discussion & Analysis ▶ ▶	27
Auditors' Report ▶ ▶ ▶	29
Balance Sheet ▶ ▶ ▶	32
Profit & Loss Account ▶ ▶ ▶	33
Cash Flow Statement ▶ ▶ ▶	34
Schedules ▶ ▶ ▶	35
Balance Sheet Abstract ▶ ▶ ▶	46
Reports & Accounts of Subsidiary Company ▶ ▶	47
Consolidated Financial Statement & Reports ▶ ▶	54

CEO & Managing Director
Savita Satish Gowda (Ms.)

Whole Time Directors
Lalit Misra
Vijay Kirpalani.

Director :
Mohan P. Kala (CA)

Non-Executive Directors :
V. N. Badoni (Dr.)
Nivvedita Patil (Dr.)
Drunal Shah.
Sanjay Shah
Harish Palecanda

Registered Office :
W-34 & W-34/1, MIDC, Taloja,
Dist. Raigad, Maharashtra 410 208.

Corporate Office :
Sharon House,
Plot no. 163, Park Street, SVP Nagar,
Mhada, Andheri (W),
Mumbai 400 053.

Administrative Office :
C-310/312, BSEL Tech Park,
Opp. Vashi-Railway Station,
Navi Mumbai – 400 703.

website :
www.sharonbio.com

Bankers :
Allahabad Bank.
Axis Bank Limited.
Barclays Bank Plc.
Canara Bank.
ING Vysya Bank.
Punjab National Bank.
State Bank of India.

Statutory Auditors :
Shyam C. Agrawal & Company
(Chartered Accountants)

Company Secretaries (in practice) :
Jagdish Patel & Company.
(Company Secretaries)

Company Secretaries :
Samsad Alam Khan.

Registrar & Transfer Agent :
Link Intime India Private Limited.

Dear Sharon Family,

Years and Decades of your Trust and Bank on us have given me this great privilege to exhibit you, your Company's 23rd Accomplishment Annual Report for the year ended 30th June 2012.

Decades of experience, dedication and transparency in work have jaunt us to delimitate the Healthcare Sector, not only of our country but overseas even. Together, we have not only unified our business but also your Trust, which have further enhanced our traits to make your company **Expand & Expand**. Transporting to the memories back, when we started this journey and looking now at your companies position, is not just mind-boggling but that even proves our inner strength, foresight, Incessant Research & Development, prime marketing strategy, effective chain supply and prompt regulatory affairs.

Great opportunities with high margins, in pharmaceutical industry and with gleaming future of pharma sector in India, have induced the management of your company to put forward the funds of the company for the expansion of Uttarakhand, Formulation Plant, which have UKMHRA approval along with, Canadian Health Authority, Australian Health Authority, GMP, WHO and ISO-9001-2008 Certifications. Total expansion cost arrives to 950.00 Million Rs. The expansion in Formulation Plant shall not only enhance production and sales but it will also make glinting presence of SHARON in high regulatory markets by giving cut-throat competition to some big giants of Pharma sector.

Further, being found competent enough in the field of Research & Development, **“Ministry of Science and Technology”, Government of India, have approved 69.00 Million Rs.** for a research project. Out of total project cost, Rs. 10 Million have been received this year from the “Ministry of Science and Technology”.

“Department of Scientific and Industrial Research” (DSIR), Government of India, have issued Tax Deduction Certificate, for 2 (two) R&D locations, located at Uttarakhand, Formulation Plant and another for L-6, MIDC, Taloja Plant, for availing **200% deduction on R&D Expenditure**, under section 35 (2AB) of Income Tax Act, 1961.

Toxicology is a subject of my interest involving high level of accuracy and very much bounded by the time barriers for performing a single report. Setup, run and operated by Kremer Haque (Dr.), a German Citizen, is an experience of completely different reckon. We are pleased to inform that, even during such a fleeting time span, we have conducted hundreds of studies, out of which many studies were in-depth.

It gives me a feeling of bliss to announce that **your SHARON** have achieved turnover of **7.85 Billion Rs.** which has boosted your sales by 29.54% further enhancing PBT by 45.54% and PAT by 33.52% accelerating the EPS by 33.54% to Rs. 39.42 per equity share.

Future of anything, consider dead or alive, purely depends on the act of its surroundings. Not boasting but its fact that we got the best, educated, rational and accorded dedicated staff force ready to work 24 * 7 with accelerating oomph every second with every pump. After staying in such a family surrounding, with a team of different departments but supporting each other in all aspects, for almost 2 decades I can assertively say that sooner we will be heard as a Hulk in the Pharmaceutical Sector.

Being a responsible citizen of India, your company have donated the medicines worth Rs. 10 lacs to the Flood effected people in uttarakhand during the current year. Blood donation camps have also been organized by our company and volunteered by our employees within the network of social course.

Last but not least, I would like to express my sincere gratitude to my fellow colleagues, employees for their sincerity and hard work and thanks to entire Sharon team, Shareholders, Bankers, Creditors and all associates for the help & guidance to bring your company in successful growth and assure our stakeholders to deliver the maximum value to their stake in future through various efforts.

On Behalf of the Board

Sd/-

Place: Mumbai
Date: 22.10.2012

Savita Satish Gowda (Ms.)
(CEO & Managing Director)

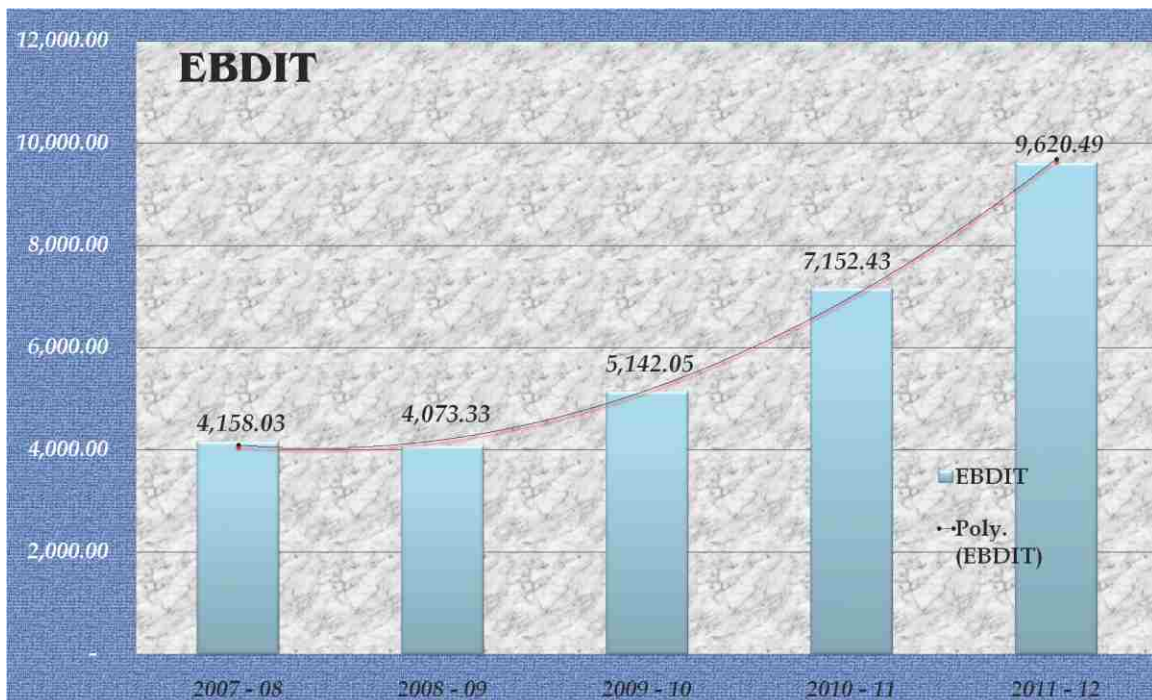
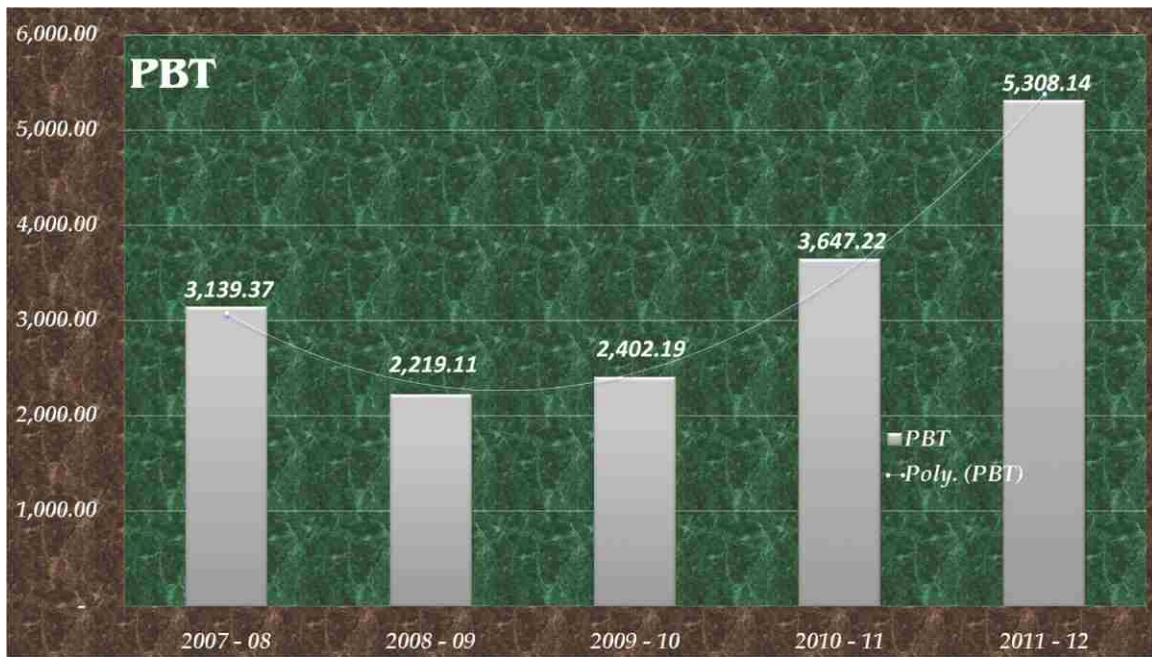
Financial Highlights of your Company

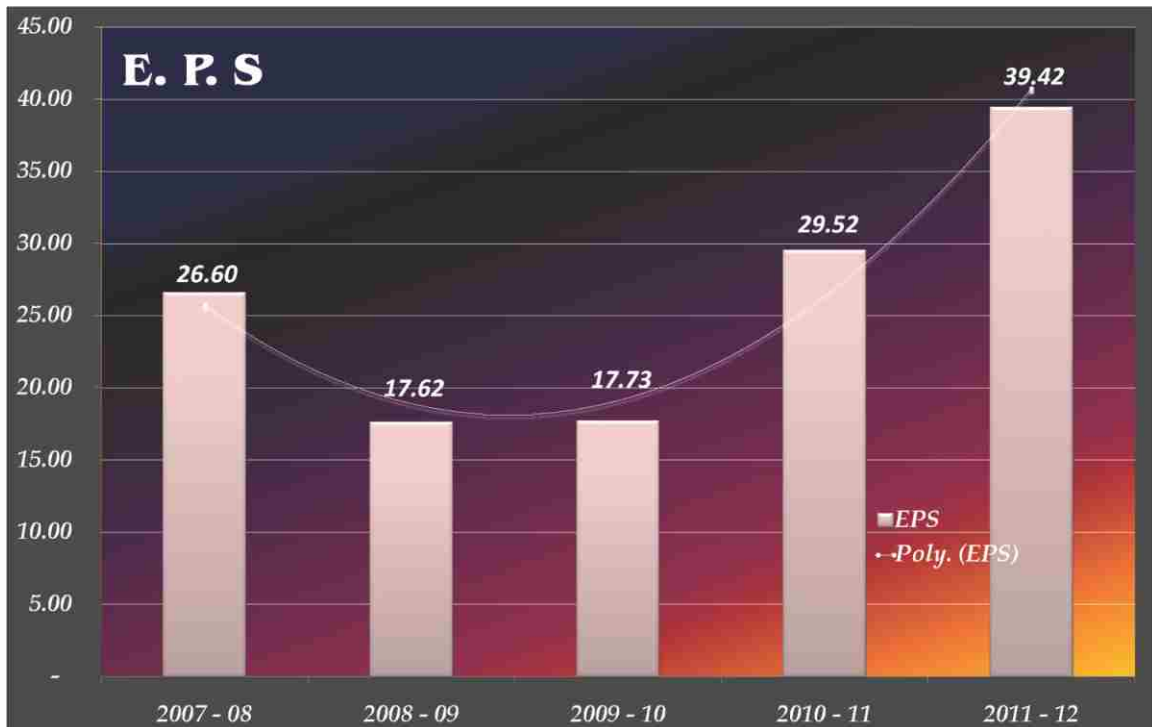
Accounting periods

₹ in Lacs

Particulars	2007 - 08	2008 - 09	2009 - 10	2010 - 11	2011 - 12
Turnover	33,461.60	41,979.12	49,649.88	60,604.66	78,506.14
Other Income	250.51	183.23	156.97	112.18	92.69
EBDIT	4,158.03	4,073.33	5,142.05	7,152.43	9,620.49
Interest	658.70	1,436.32	2,099.88	2,680.81	3,425.97
Depreciation	359.96	417.90	639.98	824.40	886.38
PBT	3,139.37	2,219.11	2,402.19	3,647.22	5,308.14
Income Tax	407.00	310.00	350.00	400.00	910.00
PAT	2,718.79	1,860.24	1,871.63	3,116.65	4,161.44
EPS	26.60	17.62	17.73	29.52	39.42







NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of Sharon Bio-Medicine Limited will be held at the Registered office at Plot No.W-34, W-34/1 MIDC, Taloja, Dist. Raigad, Maharashtra 410 208 on 29th December, 2012 at 9.00 a.m. to transact following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 30th June, 2012 and Profit and Loss Account for the Financial year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Vijay Kirpalani, who retires by rotation, and being eligible, offers himself for appointment.
4. To appoint a Director in place of Mr. Drunal Shah, who retires by rotation, and being eligible, offers himself for appointment.
5. To appoint a Director in place of Mr. Harish Palecanda, who retires by rotation, and being eligible, offers himself for appointment
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

7. To consider and if thought fit, to pass with or without modifications the following resolution as a Ordinary Resolution:

“RESOLVED THAT, the subject to the provisions of section 198, 269, 309 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956, the consent of the Members be and is hereby accorded for the appointment of Mr. Vijay Kirpalani, as a Whole –time Director of the Company for the period of five years w.e.f. from 01.01.2013 to 31.12.2017 on monthly salary not exceeding Rs. 500,000/- (Rupees Five Lacs only) per month with an annual increment not exceeding 25% of the last salary drawn and all types of perquisites as may be allowed under the policy of the Company.

RESOLVED FURTHER THAT, the remuneration payable to the Appointee, in the event of absence or inadequacy of profit, be paid within the permissible limit, and in accordance with, the provisions of section 198 of the Companies Act, 1956, read with the provisions of section II of Part II of Schedule XIII thereto as duly approved and recommended by the remuneration committee.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and are hereby authorised to alter and vary any or all of the terms and conditions as approved vide this resolution as may deem fit or expedient or proper from time to time which may have the effect of increasing the remuneration or perquisites or benefits and for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper in the best interest of the Company.”

On Behalf of the Board

Sd/-

Savita Satish Gowda (Ms.)
(CEO & Managing Director)

Place: Mumbai
Date: 22.10.2012

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself, and proxy so appointed need not be a member of the Company. In order to be effective, proxy form must be lodged with the company not less than 48 hours before the commencement of the meeting.
2. The register of members and the share transfer book of the Company shall remain closed from 25th December, 2012 till 29th December, 2012 (both days inclusive).
3. The Dividend as recommended by the Board, if approved at the members meeting will be payable on or after 29th December, 2012 to those whose names are on the Register of Members of the Company as
 - (a) As beneficial owner as at the end of the business day on 22nd December, 2012 as per the list to be furnished by the depositories in respect of the shares held in electronic form.
 - (b) In the Register of Members of the Company as on 29th December, 2012 after giving effect to all valid shares transfer in physical form lodged with the company before 25th December, 2012.
4. Members are requested to bring their copy of the Annual Report along with them as copies of the same will not be distributed at the meeting.
5. Members desirous of asking any questions in regards to accounts published herein at the Annual General Meeting are requested to send in their questions in writing so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members who hold shares in electronic form are requested to write their DP Id and client Id numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilities identification of membership at the Meeting. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting. As copies of Annual Report will not be distributed at the meeting. Kindly forward your email-id to the company or RTA so as to enable in future to communicate in electronic mode.
8. Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.
9. The Members holding shares in dematerialized form may please note that while opening a depository account with participants, they may have given their bank account details, which will be printed on their dividend warrants. However, if Members want to change/ correct the bank account details, they should send the particulars to their depository participant with MICR code. The Company will not entertain any direct request from Members for deletion/ Changes in the bank account details furnished by the Depository Participants to the Company.

10. As required under Clause 49 (IV) of the Listing Agreement the details of the appointment of new Director or re-appointment of a Director is given below:

<i>Name of the Directors</i>	<i>Age</i>	<i>Educational Qualification</i>	<i>Directorships in other Companies</i>	<i>No. of Shares held</i>
Vijay Kirpalani	56	B.E.Chemistry	Nil	Nil
Drunal Shah	35	B.E.Chemistry	Nil	Nil
Harish Palecanda	42	B.Com	Nil	Nil

On Behalf of the Board

Sd/-

Savita Satish Gowda (Ms.)
(CEO & Managing Director)

Place: - Mumbai
Date: 22.10.2012

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2)
OF THE COMPANIES ACT, 1956**

Point no. 7 of Special Business :

Mr. Vijay L. Kirpalani, B.E. in Chemical. He has around 31 years of experience in Designing, Executing & Engineering of Projects, Product Development, Technology development, Feasibility Study of the Projects. He was associated with the following organizations namely BARC, Bharat Petroleum Corporation, United Phosphorous and IPCL & Baroda Productivity Council. Further he has also worked with the following International Companies namely B.I.L. Chem Ltd. (Bangladesh), POLSERVICE (Poland), Egis Pharmaceuticals (Hungary), Fermion, O.Y. (Finland), Gist Brocades (Holland), Inter Chem Technical Associated (USA), Synthon Corp (USA), Green Valleys Estb. (Oman), Thomas H. Barton & Co. (USA).

Looking at his achievements, the Board of Directors in its meeting held on 22.10.2012 has approved remuneration as provided in the resolution.

This may be treated as an abstract under section 302 of the Companies Act, 1956

None of the Directors of Company, except Mr. Vijay Kriplani, were interested and concerned in this resolution.

On Behalf of the Board

Sd/-

Savita Satish Gowda (Ms.)
(CEO & Managing Director)

Place: - Mumbai
Date: 22.10.2012

DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present their **23rd Annual Report** on the business and operations of your Company together with the Audited Statement of Accounts and the Auditors Report for the financial period ended 30th June, 2012. The Financial highlights for the period under review are given below.

Company's Performance:

Your Company has achieved turnover of ₹ 785,06.14 lacs for the year-ended 30.06.2012 as against the turnover of ₹ 606,04.66 Lacs for the year-ended 30.06.2011.

The Financial Results as follows :

(₹ in Lacs)

<i>Particulars</i>	30.06.2012		30.06.2011	
	<i>Standalone</i>	<i>Consolidated</i>	<i>Standalone</i>	<i>Consolidated</i>
Turnover & Other Income	78,598.83	80,537.78	60,716.84	62,822.50
Profit Before Interest, Depreciation, Extra ordinary items & Tax (EBIDTA)	9,620.49	9,736.73	7,152.43	7,354.18
Interest	3,425.97	3,426.21	2,680.81	2,681.00
Depreciation & Amortization Expenses	886.38	886.38	824.40	824.40
Profit Before Tax & Extra-ordinary Item (P. B. T).	5,308.14	5,424.14	3,647.22	3,848.97
Provision for Tax.	910.00	910.00	400.00	400.00
Provision for Deferred Tax Liability.	233.56	233.56	130.57	130.57
Profit after Tax (P. A. T)	4,161.44	4,277.44	3,116.65	3,318.40
Earnings Per Share (E. P. S).				
- Basic	39.42	40.52	29.52	31.43
- Diluted	38.12	39.19	28.55	30.40

Operational Performance:

To the members :

Your Directors are happy to report that the year under review witnessed achievement of milestone by the Company, in terms of its total income, both on Standalone and consolidated basis. The Report reviews the company's operations covering products of APIs, API-intermediates, Bulk Drugs, formulations, Oral Dosages, Ointments, Tabsules, Capsules, Tablets, Research & Development and Toxicology.

Performance Review:

While Standalone above total Income stood at Rs 785,98.83 Lacs the consolidated turnover was Rs. 804,13.78 Lacs. The Standalone Profit in current year 2011-12 is Rs. 41,61.44 lacs against Rs. 31,16.65 Lacs in the previous year 2010-2011.

Your company have booked total sales by enhancing 29.54% of sales as compared to last year. During the last fiscal year your company had achieved net profit of 41,61.44 lacs showing an appreciation of 33.52% on an annualized basis.

Dividend:

Together you double the happiness and disappear the sorrows.

Following the company's old policy, the management of your company intends to reward the shareholders by recommending dividend of Rs. 1.80/- per share on equity share of Rs. 10/- each (i.e 18%), subject to approval at Annual General Meeting, for the period under review to its 10556900 equity share holders.

The total dividend payout will aggregate to Rs. 190.02 Lacs and the dividend distribution tax payable by the company would amount to Rs. 32.30 lacs. The total outflow of funds would be approx Rs. 222.32 Lacs.

Management Review 2011-12:

The Indian economy has witnessed considerable political and economic turmoil during the last fiscal year, from bad impact of debt crisis European countries, political uncertainty in middle east countries and natural calamities in Japan. Also the internal policies of Indian Government and Reserve Bank of India has worked as a fuel in fire. This has resulted in general uncertainty across the globe impacting all businesses.

For the last fiscal year India's economy grew by about 6.9% as compared to 8.40% growth achieved during previous 2 years, it has drop by 17.86% during the fiscal year. It is lowest as compared to last three years. However, Indian government expects it to grow by 5.8% in 2012-13. The country's economic growth has fallen below expectations as it copes with spiraling inflation, high interest rates, overburden of statutory work, lack of skilled labour, scarcity of Raw Material, confusing tax laws direct & indirect, and a widening current account deficit.

However, major European and western countries have great expectations from India due to its big population, wide consumer range, wide geographical area, growth in infrastructure, efficient transport within and outside India by Roads, Air or water, scattered market and unorganized Industry.

The Governments website on, 'India Opportunities, a guide to do business in India' states that 'The Government, along with participation from the private sector, is planning to invest 1 to 2 Billion USD \$ in an effort to make India one of the top five global pharmaceutical innovation hubs by 2020.

This clearly emphasizes the opportunities that will be unfold for Pharmaceutical and Healthcare sector and other sectors supporting Pharmaceutical & Healthcare Industry.

Therefore, the Government should seriously take into consideration that at a time of slow economic growth, compounded by problems, inflation and uncertainty, any delay in the implementation of sound policies and reforms in various sectors could result in lasting damage to the economy, that may take years and years to recover. The business community is therefore looking up to the Government for right and perfect direction.

Your company have applied for USFDA approval for its 2 (two) plants located at Selaqui, Uttarakhand and another at MIDC, Taloja Near Navi Mumbai. Management of your company expects the inspection of both plants to be over by March, 2013. Approval from Canadian Health Authority, Australian Health Authority, GMP, WHO and ISO-9001-2008 have already been received. We are also working on 4 NDAs. .

Finance:

During the year your Company has availed additional Working Capital Loans from Axis Bank Limited.

Industrial Relation :

The Employees and Workmen of the entire Company form basis for the infinite success of your company and hence the Directors deeply express their gratitude toward the Dedication, Support, Enthusiasm and Hard work of the Employees.

Human Resources:

Happy employees are key success for any business.

Every year your Company introduces new initiatives. During the period under review we did organise social events for employees eg., Hidden Treasure, Lost Island, Onam Fest, Dushehra Lunch, Diwali Puja & Buffet, Navaratari Colours with Snacks & Lunch and 2 (Two) days Picnic at the “Panaromic Resort” at Navi Mumbai.

Human Resource, also organized a concise educational get-together, on the working standard & problems faced by all the different departments, working separately but all having a common goal to achieve. Here, H. R has tried to bridge the gap between the working of all different departments, so that the working of all the departments should be streamlined in one and every department should take a moral responsibility toward the working standard of other department.

All these events were managed and organized by the Human Resource and the intention was to get all the employees in the Company connected to the business and co-ordination among employees. Employees were encouraged to contribute potential business leads under these programs.

Further, as usual, those employees who performed extra ordinary in their fields and have benefited the organization, non monetary or monetary, were awarded cash and a certification of appreciation.

Particulars of Employees:

None of the employees of the Company were paid remuneration of Rs.60,00,000/- p.a. or more for the year or Rs. 5,00,000/- p.m. or more and hence the information required under section 217 (2-A) of the Companies (Particulars of Employees) Rules, 1975 is not required to be given.

Employee Stock Option Scheme:

- a) The Compensation Committee of the Board granted 148,850 options to selected employees and directors of the company under Sharon ESOS 2010. 109,250 options been granted to selected old employees and 39,600 options been granted to selected new employees. Each option is convertible into one equity share of 10/- each at exercise price of 171/- per share. The options granted would vest over a vesting period of 4 years from the date of grant.
- b) The closing market price of share on 31st December, 2010, a day prior to the date of grant on BSE was Rs. 171/- per share. This is considered as market price as per SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) guidelines, 1999. As per this the intrinsic value per option works out to be Nil, as the options have been granted market price of Rs. 171/- per share.

Conservation of energy technology absorption and foreign exchange earnings and outgo:

i. Conservation of Energy:

(₹ in Lacs)

<i>Particulars</i>	2011 – 2012			2010 – 2011		
	<i>Units</i>	<i>Avg. Rate</i>	<i>Amount</i>	<i>Units</i>	<i>Avg. Rate</i>	<i>Amount</i>
Power & Fuel Consumption	14836862	4.90	726.97	14076445	4.80	675.67

ii. Foreign Exchange Transactions :

(₹ in Lacs)

<i>Particulars</i>	2011-2012	2010-2011
A. CIF value of Goods Imported	951.45	788.89
B. Value of Goods Exported (FOB and service charges).	5733.41	3657.24
C. Traveling Expenses	87.30	51.81
D. Commission	50.52	35.87
E. Fees for Services & other Expenses	13.44	20.65

iii. Technology Absorption, Adoption and Innovation :

During the year the Company's R & D department has commercialized some products, however, none of them were exported. R & D department has also invented more than 15 new & improved processes of manufacturing of APIs.

Insurance:

All the properties of the Company, including the Plants & Machineries and Raw Material, Semi-Finished Goods etc with Job workers, have also been adequately insured.

Fixed Deposits:

The Company has not accepted any Deposits within the meaning of Section 58A of the companies Act, 1956 and the rules made there under.

Directors:

In Accordance with the provision of Companies Act 1956, and Articles of Association of company, Mr. Vijay Kirpalani, Mr. Drunal Shah and Mr. Harish Palecanda, Directors of the company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment.

Credit Rating:

Credit Analysis & Research Limited (CARE) has assigned 'CARE A-' (Single A minus) rating for the Long Term Bank facilities and 'PR1' (PR One) rating for the Short Term Bank facilities of the company.

Auditors:

M/s. Shyam C Agrawal & Co., Chartered Accountants, retire as Auditor of the company at the conclusion of ensuing Annual General Meeting and has confirmed their eligibility and willingness to accept the office of Auditor, if re-appointed. Accordingly, the said Auditor may be re-appointed as Auditor of the company at the forthcoming Annual General Meeting.

The Auditors have confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

Audit Committee:

The Audit Committee has been constituted by the company pursuant to section 292(A) of the Companies Act, 1956 and under clause 49 of the Listing Agreement.

Consolidated Financial Statements:

The company has one Wholly-Owned Subsidiary in UAE in the name of “Yusur International, FZE”.

The audited consolidated accounts and cash flow statements, comprising of the company and all its subsidiary companies appear in this annual report together with the auditors' report on the consolidated accounts. The consolidated accounts have been prepared in accordance with the accounting standard prescribed by the Institute of Chartered Accountant of India.

As per clause 32 of the Listing Agreement the consolidated financial statements of the company with its subsidiaries form part of the annual report. The copies of the audited annual accounts of the company's subsidiaries and other related documents can also be sought by any members of the Company or its subsidiaries on making a written request to the Company Secretary in this regard. The annual accounts of the subsidiary companies are also available for inspection by any member at the company's and/or the concerned subsidiaries' registered office.

Directors' Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 your Directors confirm that :-

- i. In the preparation of annual accounts, the applicable accounting standards have been followed.
- ii. That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that year.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts have been prepared on a going concern basis.

Corporate Governance:

In Pursuance of Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate governance, together with a certificate from the Company's auditors confirming compliance of the conditions of Corporate Governance as stipulated under the said clause is set out separately as Annexure forming part of this report.

Acknowledgments:

Your director wish to place record their sincere appreciation and thanks for the valuable cooperation and support received from the employees of the company at all the levels, Company's Bankers, Lenders, Suppliers, Customers, Government Authorities, Business Partners and Members of the company and look forward for the same in greater measure in the coming years.

On Behalf of the Board

Sd/-

Place: - Mumbai

Date: 22.10.2012

Savita Satish Gowda (Ms.)
(CEO & Managing Director)

Annexure to the Directors' report:

Employee Stock Options Scheme 2010

	<i>Particulars</i>	Grant I	Grant II	Grant III
(a) i	Options granted, net of lapse in 2009-10	210032	Nil	Nil
ii	Options granted in 2010-11	Nil	39600	109250
(b)	Pricing Formula	Upto 40% discount to market price		
(c)	Options vested	Nil	Nil	Nil
(d)	Options exercised	Nil	Nil	Nil
(e)	Total number of shares arising as a result of exercise of options	Nil	Nil	Nil
(f)	Options lapsed during 2010-11	50325	5250	8150
(g)	Variation of terms options during year ended 30th June 2011	Nil	Nil	Nil
(h)	Money realized by exercise of options	Nil	Nil	Nil
(I)	Total number of options in force (as at 30th June 2011)	159707	34350	101100
(j)	Employee wise details of options granted during 2010-11			
1			Rajendra Mhaske, Senior Manager - AMD - 3000	Dr.Nivvedita Patil, Director – 1000
			Sanjeev Madhukar, Suryavanshi, Head-Supply Chain - 2000	Dr. Vivekanand Badoni, Director – 1000
			Devidas Bhatlawande, Head - Quality - 20	Harish Palecanda, Director – 1000
			Prabhu Daivasigamani, Head - QAU - 2000	Sanjay shah, irector – 1000
			Shashikumar Nair, Head - Toxicology - 2000	Drunal Shah, Director – 1000
				Vijay Kirpalani, Director – 6000
2	Employees to whom more than 5% options granted during the year	Nil	Nil	Nil
3	Employees to whom options more than 1% of issued capital granted during year	Nil	Nil	Nil
(k)	Diluted EPS,pursuant to issue of shares on exercise of options	Rs 28.90	Rs 28.90	Rs 28.90

l)	1	Method of calculation of employee compensation cost	Calculation is based on intrinsic value method. Intrinsic value is Nil. All Options granted at market price		
	2	Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options	Employee compensation cost would have been higher by Rs.35,69,846/- had the Company used fair value method for accounting the options issued under ESOS		
	3	Impact of this difference on Profits and on EPS of the Company	Profits would have been lower by Rs 35,69,846/- and EPS would have been lower by Rs.0.34, had the Company used fair value method of accounting the options issued under ESOS		
m)	1	Weighted average exercise price	Rs. 82.65	Rs. 171	Rs. 171
	2	Weighted average fair value of options based on Black Scholes methodology	Rs. 53.67	Rs. 80.19	Rs. 78.33
n)		Significant assumptions used to estimate fair value of options including weighted average			
	1	Risk free interest rate	7%	8%	8%
	2	Expected life	Average life taken as 1 year from date of grant		
	3	Expected volatility	75%	41%	41%
	4	Expected dividends	Not separately included, factored in volatility working		
	5	Closing market price of share on a date prior to date of grant	Rs 82.65	Rs. 171	Rs. 171

Auditors Certificate on ESOS, 2010

To,

The Members of,
Sharon Bio-Medicine Limited

We have examined the books of accounts and other relevant records and based on the information and explanations given to us, certify that in our opinion, the Company has implemented the Employee Stock Option Scheme in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolutions of the Company passed in Annual General Meeting held on 31st December, 2010.

For **Shyam C. Agrawal & Co.**
Chartered Accountants
Firm Registration No.110243W
Sd/-
Shyam C. Agrawal
Proprietor
Membership No. 031774

Place : Mumbai.
Date : 22/10/2012

Report on Corporate Governance

(Pursuant to clause 49 of the Listing Agreement)

Company's philosophy on code of Governance :

The Company's philosophy on corporate Governance is to attain highest level of transparency, accountability and integrity. This objective extends not merely to meet with statutory requirements but also to go beyond them by putting into place procedures and systems which are in accordance with best practices for governance. Corporate Governance at Sharon means being responsive to aspirations of all the stakeholders, customers, suppliers, lenders, employees, the shareholders and the expectations of the society. The Board of Directors supports the broad principle of Corporate Governance and lays strong emphasis on its trusteeship role to align and direct the action of the organization to achieve its avowed objective of transparency, accountability and integrity. Given below is report on Corporate Governance at Sharon.

Board of Directors :

• Composition of the Board

The Board is well structured with an adequate blend of Executive and Non Executive Directors. All the Directors are experts in their respective fields. The Board consists of Nine (9) Directors of which Three (3) are Executive Directors, Six (6) are Non-Executive Directors including Five (5) Independent Directors. The Chairman of the Company is an Executive Director.

Independent Directors are Directors, who apart from receiving Directors' remuneration do not have any other material pecuniary relationship or transactions with the Company and its promoters. Following are the Independent & Non Executive Directors (I.&N.E.D).

1. V.N. Badoni (Dr.)
2. Nivvedita Patil (Dr.)
3. Sanjay Shah
4. Drunal Shah
5. Harish Palecanda

Details, as on date of the composition of the Board and changes therein since the last Annual Report, category of the Directors and their attendance at the Board Meetings and the last Annual General Meeting, number of their Directorship in other companies incorporated in India (excluding alternate directorships & directorship in Pvt. Ltd. Companies) &, Chairmanship/Membership of specified committees are given below:

All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies as per Clause 49(I) (C) (iii).

Name of Director	Category of Directorship	No. of Board Mtgs Attended	Attendance at the last AGM	Directorship in other Companies Incorporated in India	No. of specified Committees in other Cos. in which Chairman /Members		No. of Equity Shares held
					Chairman	Member	
Savita Satish Gowda (Ms.)	Chairman, E.D.	19	P	Nil	Nil	Nil	693860
Lalit Misra	E. D.	19	P	1	Nil	1	300000
Vijay Kirpalani	E. D.	19	P	Nil	Nil	Nil	Nil
Mohan P. Kala (C.A.)	N. E. D.	19	P	1	Nil	1	1903630

V.N. Badoni (Dr)	I & N.E. D.	19	P	Nil	Nil	Nil	Nil
Sanjay Shah.	I & N. E. D.	05	A	Nil	Nil	Nil	Nil
Nivvedita Patil (Dr)	I & N. E. D.	19	A	Nil	Nil	Nil	Nil
Drunal Shah	I & N. E. D.	05	A	Nil	Nil	Nil	Nil
Harish Palecanda	I & N. E. D.	05	A	Nil	Nil	Nil	Nil

E.D. - Executive Director N.E.D. - Non-Executive Director I & N. E. D. - Independent & Non-Executive Director

- Samsad Alam Khan, The company Secretary of the Company is the secretary to the Board.
- Number of Board Meetings held during the year along with the dates of Meetings :

During the year 2011-12, 19 (Nineteen) Board Meetings were held as follows:-

July 11 to Sept.11	Oct. 11 to Dec.11	Jan. 12 to March 12	April 12 to June 12
25/07/2011	13/10/2011	14/02/2012	03/05/2012
08/09/2011	24/10/2011	27/02/2012	
14/09/2011	03/11/2011	15/03/2012	
	04/11/2011	19/03/2012	
	09/11/2011	26/03/2012	
	11/11/2011	27/03/2012	
	04/12/2011		
	20/12/2011		
	26/12/2011		

• **Information placed before the Board of Directors :**

To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board as per the Agenda Papers in advance of the Board Meetings.

In addition to matters statutorily required to be placed before the Board of Directors for its approval, all major decisions regarding resource mobilisation, capital expenditure, etc., are considered by the Board. Following information is regularly put up before the Board for its consideration and approval:

- ➔ Strategic plan and direction of the Company;
- ➔ Annual Business Plan, Sales Budget;
- ➔ Quarterly financial Results of the Company;
- ➔ Minutes of the meetings of Management Committee, Audit Committee, Shareholders and Investors Grievance Committee and Special Committee of the Board;
- ➔ Matters related to significant environmental issues, accidents, if any, etc.;
- ➔ Material information from Government bodies, which may have implications on the business of the Company, if any;
- ➔ Information on material transactions, which are not in the ordinary course of business;
- ➔ Disclosure of material transactions with potential conflict of interest, if any; and
- ➔ Compliance with various listing and statutory requirements.

Code of Conduct :

The Company has adopted the Sharon Bio-Medicine Limited Code of conduct for all the Directors and senior management personnel of the Company. During the year, the Board had approved the Code of Conduct and the same is posted on the Company's website. The Company is in compliance with all the requirement of Clause 49. In addition the company has engaged experienced consultants to advice for strict compliance of the Clause 49 and other provisions.

Further, all the Board Members and senior management personnel (as per clause 49) have affirmed compliance with code of conduct. A declaration to this effect duly signed by the CEO forms part of this report.

Audit Committee :

As per clause 49 of the Listing Agreement entered into with the Stock Exchanges. The Present composition of the Audit Committee is as follows :

<i>Name</i>	<i>Designation</i>	<i>Category</i>
V. N. Badoni (Dr)	Chairman	Independent & Non-Executive Director
Nivedita Patil (Dr)	Member	Independent & Non-Executive Director
Mohan P. Kala (C.A.)	Member	Non-Executive Director

Savita Satish Gowda (Ms), Managing Director and Chief Executive Officer (CEO) is permanent invitees to the Audit Committee Meetings. The Statutory Auditors is also invited to attend the Audit Committee Meetings, as and when required.

The powers and role of the Audit Committee are as per Guidelines set out in Clause 49 of the Listing Agreement with the Stock Exchanges and the Section 292A of the Companies Act, 1956. The salient features of powers and role of the Audit Committee are:

The Audit Committee is vested with the necessary powers, as defined in the Charter such as

- To investigate any activity of the Company;
- To seek and obtain any information and explanation;
- To obtain outside legal or professional advice and if necessary, secure their attendance at the meetings.
- To achieve its objectives.

The terms of reference of Audit Committee are briefly described as follows

- Meeting once in every quarter to review performance of the company along with the financial results of the Company.
- Appointment of statutory auditors, their fees and their payment of any other services is recommended by the committee.
- Reviews with the management, statutory auditors and internal audit system, the adequacy and the compliances of internal control systems.
- Discussions with statutory auditors before the audit commence, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in payment to the depositors, shareholders and creditors.
- Review the financial statements.

Meetings and the attendance during the year :

5 (Five) meetings of the Audit Committee were held during the year. The attendance of each Member of the Committee is given below :

<i>Name of Director</i>	<i>No. of Meeting Attended</i>	<i>Remarks</i>
V.N. Badoni (Dr)	5	---
Nivedita Patil (Dr)	5	---
Mohan P. Kala (C.A.)	5	---

The Minutes of the Audit Committee Meetings were noted by the Board of Directors at the Board Meetings.

Samsad Alam Khan, Company secretary of the Company is the secretary to the Committee.

Shareholders/Investors' Grievance Committee :

As per the existing clause 49 of the Listing Agreements entered into with the Stock Exchanges. The present composition of the Shareholders/Investors' Grievance Committee is as follows:

<i>Name</i>	<i>Designation</i>	<i>Category</i>
Nivedita Patil (Dr)	Chairman	Independent & Non-Executive Director
V.N. Badoni (Dr)	Member	Independent & Non-Executive Director.
Lalit Misra	Member	Executive Director.

C S. Samsad Khan, Company secretary of the Company is the secretary to the Committee.

Role of Shareholders/Investors' Grievance Committee :

- Review the existing "Investor Redressal System" and suggest measures for improvement.
- The Investors' Grievance Committee meets to review and to take note of the Compliance Report submitted to the Stock Exchanges and Grievances of the shareholders and several meetings were held.
- To look into redressing of Shareholders and Investors Complaints regarding transfer of shares, non receipt of annual Reports etc.

During the period under review, only (Two) 2 complaints were received by the Company. No complaint is pending to be resolved at the end of the financial year.

All shares received for transfer were registered and dispatched within 15 days of receipt, wherever documents were correct and valid in all respects.

Remuneration Policy :

The Board of Directors are authorised to decide the remuneration of the Executive Directors. The remuneration structure comprises of Salary & Perquisites. Salary is paid to Executive Directors within the salary grade approved by the Members.

The Details of remuneration paid to Executive Directors during the Financial Year 2011-12 are as under.

<i>Executive Directors</i>	<i>Salary (Rs.)</i>	<i>Perquisite (Rs.)</i>	<i>Total (Rs.)</i>
Savita Satish Gowda, C.E.O & M. D	27,00,000/-	NIL	27,00,000/-
Vijay Kirpalani, Whole Time Director.	14,83,000/-	NIL	14,83,000/-
Lalit Misra, Whole Time Director.	27,00,000/-	NIL	27,00,000/-

General Body Meetings :

Details of General Meeting

<i>Financial Year</i>	<i>AGM</i>	<i>Venue/ Location</i>	<i>Date and Time</i>	<i>Special Resolution Passed</i>
2008-2009	AGM	Plot No.W-34, W-34/1 MIDC, Taloja, Dist. Raigad, Maharashtra 410 208	31.12.2009 at 9.00 a.m.	2
2009-2010	AGM	Plot No.W-34, W-34/1 MIDC, Taloja, Dist. Raigad, Maharashtra 410 208	31.12.2010 at 9.00 a.m.	1
2010-2011	AGM	Plot No.W-34, W-34/1 MIDC, Taloja, Dist. Raigad, Maharashtra 410 208	19.12.2011 at 9.30 a.m.	0

No Special Resolutions requiring a postal ballot is being proposed at the ensuing Annual General Meeting.

Disclosure :

There were no transactions of material nature between the Company and its Directors or Senior Management and their relatives or Promoters that may have potential conflict with the interest of the Company. The Register of Contracts containing transactions, in which Directors are interested, have been placed before the Board regularly.

Transactions with the related parties, as per requirements of Accounting Standard 18, are disclosed elsewhere in this Annual Report.

During the last three years there has been no instance of non-compliance by the Company on any matter related to capital market. Hence there were no strictures or penalties imposed either by SEBI or by the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.

Implementation of Code of Conduct for Insider Trading :

Sharon Bio-Medicine Limited has adopted Code of Conduct for Insider Trading and is based on the SEBI framework and is stringent than the statutory code being enforced by the SEBI. Sharon Bio-Medicine Limited follows strict guidelines in respect of insiders' stock trading and related disclosures. Periodic disclosures have been obtained from all the Directors and 'designated employees'. Under the aforesaid code all Directors and Designated Employees are required to conduct all their dealing in securities of the Company only in valid trading window after obtaining pre clearance from the Company as per the pre dealing procedure described in the Code.

Secretarial Audit for reconciliation of Capital :

As stipulated by SEBI, a Compliance officer carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges as well as placed before the Board of Directors. The audit confirms that the total Listed and paid up capital is in agreement with the aggregate of the total number of Shares in dematerialised form (held by NSDL and CDSL) and total number of Shares in physical form.

CEO/CFO Certification :

The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the year ended 30th June, 2012, which is annexed hereto. Statements and the cash flow statement for the year ended 30th June, 2012 is enclosed separately at the end of the report.

Means of Communication with Shareholders :

Quarterly Results

The quarterly results of the Company are published in accordance with the requirements of the Listing Agreement of the Stock Exchanges.

News papers in which results are normally published

The Free Press Journal or Economic Times (English)
Navshakti or Maharashtra Times (Marathi)

Web site

www.sharonbio.com

e-mail:

investor_complaints@sharonbio.com

Registered office :-

Plot No.W-34, W-34/1 MIDC, Taloja,
Dist. Raigad, Maharashtra 410 208

Corporate Office :-

Plot No. 163, Park Street, Smt. Jankidevi Public School Road,
S.V. P. Nagar, Andheri (w), Mumbai – 400053

Tel:-

022-26323192 /93 /94

Fax :-

022- 26323140

Whether Management Discussions and Analysis report is a part of Annual report or not

Yes

General Shareholders' Information :

Twenty Third Annual General Meeting

29th Day of December, 2012

Date & Time :

at 9.00 a.m.

Venue :

Plot No.W-34, W-34/1, MIDC, Taloja, Dist. Raigad,
Maharashtra 410 208.

Financial Calendars (Tentative)

Financial reporting for the quarter ended
30th September, 2012 :

2nd week of November, 2012.

Financial reporting for the quarter ended
31st December, 2012 :

2nd week of February, 2013.

Financial reporting for the quarter ending
31st March, 2013 :

2nd week of May, 2013.

Financial reporting for the quarter ending
30th June, 2013 :

Last week of August, , 2013.

Book Closure Date :

25th December, 2012 till 29th December, 2012
(Both days inclusive).

Registered Office :

Plot No.W-34, W-34/1 MIDC, Taloja,
Dist. Raigad, Maharashtra 410 208.

Share Transfers in physical form and other communication in that regard including share certificates, dividends and change of address etc. may be addressed to :

Link Intime India Limited,
Registrar & Share Transfer Agent,
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W),
Mumbai-400078.

Tel No.: 022 - 25963838 Fax No.: 022 – 25946969

Listing on Stock Exchange at :

1. Bombay Stock Exchange Limited (BSE).
Scrip Code No:-532908
2. National Stock Exchange of India Limited (NSE).
Scrip ID: SHARONBIO
3. The Pune Stock Exchange Ltd.
Code No.: SHAPH160274

Listing Fees have been paid for Financial Year 2012-13.

Company Identification No. :

L24110MH1989PLC052251

Dated of Incorporation :

19.06.1989

NSDL & CDSL-ISIN :

INE028B01011.

**Monthwise Stock Market Data (BSE & NSE) relating to equity shares of the company
for the period 1-7-2011 to 30-6-2012**

<i>Month</i>	BSE			NSE		
	<i>High</i>	<i>Low</i>	<i>Average</i>	<i>High</i>	<i>Low</i>	<i>Average</i>
July,2011	262.00	198.60	230.30	0.00	0.00	0.00
August, 2011	285.45	236.00	260.73	0.00	0.00	0.00
September, 2011	294.15	273.35	283.75	0.00	0.00	0.00
October, 2011	330.85	285.40	308.13	0.00	0.00	0.00
November, 2011	327.25	295.60	311.43	0.00	0.00	0.00
December, 2011	302.30	293.40	297.85	296.70	291.85	296.42
January, 2012	320.70	293.05	306.88	319.95	292.75	306.67
February, 2012	353.60	318.80	336.20	354.25	321.65	336.90
March, 2012	370.55	351.05	360.80	369.65	351.30	360.67
April, 2012	449.15	360.70	404.93	448.70	360.85	404.87
May, 2012	454.55	416.05	435.30	454.90	416.55	435.47
June, 2012	451.85	438.70	445.28	448.10	435.15	443.82
Average price per share upto June, 2012			331.72	369.29		

Distribution of Shareholding as on June 30, 2012

<i>No. of Shares held</i>	<i>No. of Shareholders</i>	<i>% of Total Shareholders</i>	<i>No. of Shares</i>	<i>% of Total Shares</i>	
1	5000	1953	89.63	275880	2.61
5001	10000	88	4.04	66755	0.63
10001	20000	41	1.88	64872	0.61
20001	30000	8	0.37	20041	0.19
30001	40000	9	0.41	30756	0.29
40001	50000	12	0.55	56847	0.54
50001	100000	18	0.83	137482	1.30
100001	and above	50	2.29	9904267	93.82
	Total	2179	100 .00	10556900	100.00
Physical				86404	0.82
Electronic mode				10470496	99.18
	Total			10556900	100..0000

Categories of Shareholders as on June 30, 2012

<i>Sr. No.</i>	<i>Category</i>	<i>No. of Folios</i>	<i>Total Shares held</i>	<i>% to the Share Capital</i>
1.	Other Bodies Corporate	80	3035954	28.76
2.	Clearing Member	37	105760	1.00
3.	Foreign Institutional Investors *	0	0	0
4.	GIC & its subsidiaries	0	0	0
5.	Mutual Funds	0	0	0
6.	Nationalised Banks	0	0	0
7.	Non Nationalised Banks	0	0	0
8.	NRI's / NRN's	18	8418	0.08
9.	Overseas Corporate Bodies	0	0	0
10.	Foreign Companies	1	150000	1.42
11.	Public	2033	844193	8.00
12.	Promoters	10	6412575	60.74
	Total	2179	10556900	100.00

Details of Equity Shares Under lock-in	:	NIL
Dematerialization of shares	:	As on June 30, 2012 a total of 10556900 equity shares constituting 99.18 % is dematerialized and balance 0.82% shares are in physical mode.
Plant Location	:	<ol style="list-style-type: none"> 1. Plot No.W-34, W-34/1 MIDC, Taloja, Dist. Raigad, Maharashtra 410 208 2. Khasara No.1027,1028,1030 & 1037,Central Hope Town, Sillaqui, Dist.Dehradoun, Uttaranchal 248197 3. Plot No.V/10, MIDC, Taloja, Dist. Raigad, Maharashtra 410 208 4. Plot No.L/6, MIDC, Taloja, Dist. Raigad, Maharashtra 410 208
Investors' correspondence to be addressed to	:	Link Intime India Private Limited Registrar & Share Transfer Agent C-13, Pannalal Silk Mills Compound L. B. S. Marg, Bhandup (W) Mumbai-400078
Telephone	:	022-25963838
Fax	:	022-25946969

DECLARATION

I, **Savita Satish Gowda**, Managing Director & CEO of M/s Sharon Bio-Medicine Limited hereby declare that all the members of the Board of Directors and the Senior management personnel have affirmed compliances with the Code of conduct for the year ended 30th June, 2012.

By and on Behalf of the Board

Sd/-

Savita Satish Gowda (Ms.)

Managing Director & CEO

Place :- Mumbai

Date:- 22.10.2012

CEO / CFO CERTIFICATION

We, CEO and the CFO, have certified to the Board that :

- (a) We have reviewed financial statements and the cash flow statement for the year ended 30th June, 2012 and that to the best of their knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violate of the Company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls and they have evaluated the effectiveness of the internal control systems of the Company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit committee :
 - (i) significant changes in internal control during the year ;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein , if any, of the management or an employee having a significant role in the Company's internal control system.

By & on Behalf of the Board

Sd/-

Savita Satish Gowda (Ms.)

(Managing Director & CEO)

Place :- Mumbai

Date:- 22.10.2012

By & on Behalf of the Board

Sd/-

Mohan P. Kala (C. A)

(CFO)

**Certificate from Statutory Auditor regarding compliance
of conditions of Corporate Governance**

To,
The Members of **Sharon Bio-Medicine Limited**

We have examined the compliance of the conditions of Corporate Governance by Sharon Bio- Medicine Limited for the year ended 30th June, 2012, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an Audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 22.10.2012

For **Shyam C.Agrawal & Co.**
(Chartered Accountants)
Firm registration No. 110243W
Sd/-
Shyam C. Agrawal
Proprietor
Membership no. 031774

**Certificate from Company Secretaries regarding compliance
of conditions of Corporate Governance**

To,
The Members of **Sharon Bio-Medicine Limited**

We have examined the compliance of the conditions of Corporate Governance by Sharon Bio- Medicine Limited for the year ended 30th June, 2012, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an Audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place:-Mumbai
Date: - 22.10.2012

For **Jagdish Patel & Co.**
(Company Secretaries)
Sd/-
Jagdish P. Patel
Proprietor
C.P No.: 1782
FCS: 2613

Management Discussion and Analysis

The Year 2011-12:

During the current year sales of the Company have grown from Rs 606.05 Crs during the previous to current year Rs 785.06 Crs. In percentage terms the growth was 29.54% accordingly, profit of the Company has gone up from Rs 31.17 Crs during the previous years to Rs 41.61 Crs during the current year. Therefore, growth of net profit of 33.50% has been achieved if compared to last year.

During the year 2011-12, exports of the Company have gone up from Rs 36.57 Crs to Rs 57.33 Crs if compared to last year. There are almost 44 of countries where our Company has started selling the products and we would like add more and more countries in future however, focus will be more into developed countries.

Our Company has filed 4 ANDAs and also applied for US FDA approvals in the month of February, 2012 for its two plants, namely at Taloja (Near Navi Mumbai) and Dehradun. We expect the USFDA approvals before 31/3/2013. As per estimate, by 2020, India is going to be the Top 10 Pharma market globally. Focusing on the same, Sharon has already its presence in Indian market for the last 5 years and has started marketing of its products not only in northern states but also in eastern states of India.

Sharon, through its technology achievements has developed a Chiral Technology and Govt of India , Dept of Science & Technology has appreciated the Research & Development done by Sharon and as an Incentive has given grant of Rs 690 Lacs during the year. So also in Toxicology, Sharon has been given Good Laboratory Practice (GLP) certificate by the Science & Technology Dept, Govt of India which is valid throughout the OECD (Organization of Economic Corporation and Developments) countries. OECD comprises of all developed countries.

Apart from receiving the certificates of GLP by Govt. of India, Dept of Science & Technology, our Company has been allotted 2 Research & Development Laboratories Certified by Govt. of India, Ministry of Science & Technology. Due to the Certificate from Dept of Science & Technology, Govt. of India, New Delhi, our Company will get 200% deduction in Income tax, out of money spent on Research & Developments during every year till the time certificate is valid which will ultimately save Income tax of our Company in future.

Further, during the last year, we have been audited by many countries and they have certified our plants fit for sale of our products to their countries. Mainly, these countries are Australia, Canada, Korea apart from United Kingdom which has already approved our plants. All these certifications not only increases the business and margins of the Company but also increases the valuation of the plants and company management. This leads to overall valuation of the Company in future.

The Year 2012-13:

During the year 2012-13 Sharon expects to increase its turnover by 35% and also the margins. To achieve this target, our Company has got many approvals from many countries and Sharon expects to get USFDA approval by March 2013.

Further, during the year 2012-13, Sharon is increasing its capacity after doing the expansion in Dehradun as well as in Taloja. We had constructed additional building previously and Sharon would like to add Godown and Raw Material stores in the same vicinity and put additional machineries for production.

In immediate future, Sharon would like to increase its sales market size not only in India but also abroad including United State. There are lots of Potentials for Indian Companies abroad however, one should have best of the facilities to manufacture the products. Today, Sharon has got best of the production facilities and its products and would like to sell the products worldwide. Undoubtedly, Sharon management is fully dedicated and is working hard to achieve this goal and is confident that going forward Sharon will be a leading Pharma Company in India

Indian Pharma in 2020 :

India's pharmaceutical industry is on good growth trajectory and is likely to be among the top 10 global markets in value terms by 2020, according to a CII-PWC report released recently. Experts believe that the industry has the potential to grow at an accelerated 15-20 per cent CAGR for the next 10 years to reach between USD 49 billion to USD 74 billion in 2020.

The industry has seen many regulatory interventions over the last one year which will require careful consideration by pharma companies as they plan their future strategies,

The challenge for India is to make sure that Indian companies get lot of innovative medicines to our country for untreated clinical needs, as India have enough producers for molecules in the most competitive market as industry needs to climb up on innovation graph.

This year, the New Drug Advisory Committee (NDAC) has approved only nine drugs for clinical trials.

According to PWC, emerging markets will be the next major growth drivers for the global pharma industry with more than 40 per cent of incremental growth coming from emerging economies in the next decade. As per PWC estimates, the total expenditure on healthcare in these markets is likely to grow from USD 205 billion to USD 499 billion by 2020, with most markets expected to grow at double digit rates.

By 2020, the BRIC countries alone are going to account for 33 per cent of world's GDP, that is up 25 per cent from 2009, said PWC.

Disclaimer:

Statements in this “Management Discussion and Analysis” describing the Company's objectives, projections, estimates, plans or predictions or industry conditions or events may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include Global and Indian demand, supply conditions, finished goods prices, feedstock availability and prices, and competitors' pricing in the Company's principal market, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour unrest or other difficulties. The Company assumes no responsibility to publicly update, amend, modify or revise any forward looking statements, on the basis of any subsequent development, new information or future events or otherwise except as required by applicable law.

Mission and Business Strategy:

Our Vision

We aim at earning the reputation of being a reliable manufacturer and a force to reckon with the area of production of Chemical Intermediates, Bulk Actives, Toxicology and Pharmaceutical Formulations.

We aim at being considered a benchmark when it comes to production efficiency & excellence across the globe.

We see ourselves in the future as contributing to the success of our customers.

Our Mission

While aligning all short and long-term strategies with our 'Vision' we shall, put our best foot forward in our R & D efforts to develop important generic alternatives for new drugs. Create an operations environment that balances key objectives, quality and costs with a resultant outcome that gives us the competitive advantage.

Delivering superior customer service and shareholder value.

“Dedicate ourselves to the pursuit of providing a respectful and rewarding work environment for our employees.

Auditors Report

To the Members

Sharon Bio-Medicine Limited

1. We have audited the attached Balance Sheet of Sharon Bio-Medicine Limited as at 30th June, 2012, and also the Statement of Profit and Loss Account for the year ended as on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) order, 2003, ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1996 we enclose in the Annexure a Statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from examination of those books.
 - c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Statement of Profit & Loss Account and Balance Sheet and Cash Flow Statement comply with the Accounting Standards referred to in sub Section 3(c) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of Directors are disqualified as on 30th June, 2012 from being appointed as a Director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, said accounts read together with the significant accounting policies and the Notes forming parts of accounts give the information required by the companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:-
 - i) In the case of the Balance Sheet, of the state of affairs of the company as at 30th June, 2012.
 - ii) In the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date.
 - iii) In the case of Cash Flow Statement, of the cash flow of the Sharon Bio-Medicine Limited for the year ended on that date.

Place : MUMBAI
Date : 22/10/2012

For **Shyam C. Agrawal & Co.**
Chartered Accountants
Firm Registration No.110243W
Sd/-
Shyam C. Agrawal
Proprietor
Membership No. 031774

Annexure to Auditor's Report

With Reference to paragraph 3 of the Auditors Report of **Sharon Bio-Medicine Limited** on financial statements for the year ended June 30, 2012.

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situations of Fixed Assets.
 - (b) As explained to us, the Fixed Assets have been Physically Verified by the Management during the year. No material discrepancies were noticed on such verifications.
 - (c) In our opinion and according to the information and explanation given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- 2) (a) The inventory have been physically verified during the year by the management. In our opinion the frequency of the verification is reasonable.
 - (b) The procedure for physical verification of stock followed by the Company are reasonable & adequate in relation to the size of the Company & the nature of its business.
 - (c) The Company has maintained proper records of Inventories. The Discrepancies, if any, noticed on physical verification of Stock as compared to book records have been properly dealt within the books of Accounts.
- 3) (a) As per information furnished, the Company has not granted interest free unsecured loans, to wholly owned subsidiary company during the year. The Maximum amount outstanding during the year was Rs. 8.39 Lacs and the yearend balance of such loan was Rs. 8.39 Lacs.
 - (b) In our opinion, other terms and conditions on which loans have been granted to wholly owned subsidiary company are not, prime facie, prejudicial to the interest of the company.
 - (c) In the case of loans granted to wholly owned subsidiary company, where stipulation have been made, the borrowers have been regular in repaying the principal amounts as stipulated.
 - (d) There is no overdue amount of more than Rupees One Lacs in respect of loan granted to parties covered in the register maintained under section 301 of the companies Act, 1956
 - (e) As per information furnished, the Company has not taken any interest free unsecured loan from parties covered under section 301 of the companies Act, 1956 during the year. The Maximum amount outstanding during the year was Rs. 1172.81Lacs and the yearend balance of such loan was Rs. 1172.81Lacs.
 - (f) In our opinion, other terms and conditions on which loans have been taken from parties covered in the register maintained under section 301 of the companies Act, 1956, prime facie, not prejudicial to the interest of the company.
 - (g) The Company has been regular in repaying the principal amount as stipulated, wherever stipulation exists.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regards to purchase of Inventory and Fixed assets and for the sale of Goods & Services. We have not observed any major weakness in the internal control system during the course of audit.
- 5) (a) In our opinion and according to the information and explanations given to us, the particulars of Contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.
 - (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices except in case of services received from parties. We have been informed that no similar services have been taken from other parties and hence the prices at which services have been received is not comparable.
- 6) In our opinion and according to the information and explanation given to us, the company has not accepted any deposit from public during the year, within the meaning of section 58A and 58AA and other relevant provisions of

the companies Act, 1956 and rules frames there under.

- 7) In our opinion the company has an internal audit system commensurate with its size and nature of its business.
- 8) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Act in relation to products manufactured, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.
- 9) (a) According to the information, explanation given to us and records of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material dues as applicable with the appropriate authorities.
(b) According to the information and explanations given to us and records of the company examined by us, no dues in respect of Sales Tax, Income Tax, Custom Duty, Excise Duty, Cess and other material dues have been deposited on account of dispute.
- 10) The company does not have any accumulated losses at the end of financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 11) In our opinion and according to information and explanation given to us the company has not defaulted in repayment of any dues to financial Institutions and banks.
- 12) In our opinion and according to the information and explanation given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion the company is not a chit fund or nidhi / mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Companies (Auditors report) Order 2003 are not applicable to the company.
- 14) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- 15) In our opinion and as per the information and explanations given to us by the company no guarantees has been given by the company for loans taken by others from banks or financial institutions.
- 16) In our opinion, the term loan raised during the year and loans outstanding at the beginning of the year were applied for the purpose for which they were raised.
- 17) According to the information and explanation given to us and on overall examination of the balance sheet we report that no funds raised on short term basis have been used for long term investments.
- 18) According to the information and explanation given to us the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures during the year.
- 20) The company has not raised any money by the way of Public issue during the year.
- 21) According to the information and explanation given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For **SHYAM C. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 110243W
Sd/-
Shyam C. Agrawal
Proprietor
Membership No.031774

Place : MUMBAI
Date : 22/10/2012

Balance Sheet as at 30th June 2012

	<i>Particulars</i>	<i>Note No.</i>	30/06/2012 ₹ in Lacs	30/06/2011 ₹ in Lacs
I	EQUITY AND LIABILITIES			
(1)	Shareholders fund			
	(a) Share Capital	B	1,055.69	1,055.69
	Share Application Money		5,475.00	5,475.00
	(b) Reserves and Surplus	C	17,274.29	13,335.16
(2)	Non Current Liabilities			
	(a) Long term borrowings	D	19,351.51	13,078.92
	(b) Deferred Tax Liabilities (Net)	A (12)	699.27	465.72
	(c) Long Term Provisions	E	52.94	42.94
(3)	Current Liabilities			
	(a) Short term borrowings	F	26,889.21	21,283.04
	(b) Trade Payables	G	4,966.85	3,105.21
	(c) Other Current Liabilities	H	505.47	130.36
	(d) Short term provision	I	1,132.32	622.32
	Total		<u>77,402.55</u>	<u>58,594.37</u>
II.	ASSETS			
(1)	Non Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	J	20,132.51	18,084.87
	(ii) Capital Work-in-progress	K	5,990.25	2,703.67
	(b) Non Current Investments	L	398.24	388.24
	(c) Long term Loans and Advances	M	-	-
(2)	Current Assets			
	(a) Inventories	N	19,621.56	15,521.37
	(b) Trade receivables	O	26,011.58	19,253.50
	(c) Cash and Cash equivalents	P	628.22	383.99
	(d) Short term Loans and Advances	Q	4,620.19	2,258.73
	(e) Other Current Assets	R	-	-
	Total		<u>77,402.55</u>	<u>58,594.37</u>

**Significant Accounting Policies
And Notes to Accounts**

As per our Report of Even Date

For **SHYAM C. AGRAWAL & CO.**

Chartered Accountants

Firm Registration No. 110243W

Sd/-

Shyam C. Agrawal

Proprietor

Membership No. 31774

Place: MUMBAI

Dated: 22nd October, 2012

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For **SHARON BIO-MEDICINE LTD.**

For and on behalf of the board

C.E.O. & M.D

Savita Satish Gowda

Sd/-

Director

Mohan P. Kala

Sd/-

Director

Lalit Misra

Sd/-

Profit and Loss Statement for the year ended 30th June 2012

₹ in Lacs

	<i>Particulars</i>	<i>Note No.</i>	30/06/2012	30/06/2011
I	Revenue from operations	S		
	Other Operating Income		78,506.14	60,604.66
II	Other Income	T	92.69	112.18
III	Total Revenue (I + II)		78,598.83	60,716.83
IV.	Expenses			
	Purchases / Documentation Expenses		69,697.58	54,334.88
	Changes in inventories of finished goods, work in process and Stock in trade	U	(4,100.20)	(3,854.76)
	Employee benefit expense	V	1,397.22	1,264.50
	Finance costs	W	3,425.97	2,680.81
	Depreciation and amortisation expense	J	886.38	833.69
	Preliminary expenses written off		-	0.72
	Other expenses	X	1,983.75	1,793.69
	Total expenses		73,290.69	57,053.51
V.	Profit before exceptional and extraordinary items and tax (III-IV)		5,308.14	3,663.32
VI.	Exceptional Items		3.14	16.10
VII.	Profit before extraordinary items and tax (V-VI)		5,305.00	3,647.22
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII-VIII)		5,305.00	3,647.22
X.	Tax expenses:			
	(1) Current Tax		910.00	400.00
	(2) Deferred Tax		233.56	130.57
XI.	Profit/ (Loss) for the period from continuing operations (VII-VIII)		4,161.44	3,116.65
XII.	Profit/ (Loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/ (Loss) for Discontinuing operations (after tax) (XII-XIII)		-	-
	Prior Period Expense/(Income)		-	-
XV.	Profit/ (Loss) for the period (XI + XIV)		4,161.44	3,116.65
XVI.	Earnings per equity share: (Face value of Rs 10 each (Previous Year Rs 10 each)	A(p) & (ab)		
	(1) Basic (Rs)		39.42	29.52
	(2) Diluted (Rs)		38.12	28.55

**Significant Accounting Policies
And Notes to Accounts**

 As per our Report of Even Date
For **SHYAM C. AGRAWAL & CO.**

 Chartered Accountants
Firm Registration No. 110243W
Sd/-

Shyam C. Agrawal Proprietor
Mermbership No. 31774
Place: MUMBAI
Dated: 22nd October, 2012

 A
Y

 For **SHARON BIO-MEDICINE LTD.**
For and on behalf of the board

 C.E.O. & M.D
Director
Director

Savita Satish Gowda Sd/-
Mohan P. Kala Sd/-
Lalit Misra Sd/-

Cash Flow Statement for the year ending 30th June 2012

₹ in Lacs

<i>Particulars</i>	<i>For the Year ended 30/06/2012</i>	<i>For the Year ended 30/06/2011</i>
A. Cash flow from operating activities		
Profit before tax	5,305.00	3,647.22
Depreciation	872.40	824.40
Interest income	(92.69)	(112.18)
Income Tax	(910.00)	(400.00)
Miscellaneous Expenses W/off & Amoratisation Exp. w/off		0.72
Interest expense	3,398.34	2,680.81
Operating profit before working capital changes	8,573.04	6,640.97
(Increase)/Decrease in Inventory	(4,100.20)	(3,854.76)
(Increase)/Decrease in Debtors	(6,758.07)	(3,376.31)
Increase in creditors	1,861.63	747.58
Increase in provisions	885.11	(55.39)
Decrease/(Increase) in loans & advances	(2,361.46)	(1,020.93)
Interest Paid	(3,398.34)	(2,680.81)
Net cash generated from operation	(13,871.33)	(10,240.62)
B. Cash flow from investing activities		
Purchase of fixed assets	(6,206.61)	(961.63)
Receipt of interest	92.69	112.18
Investment in preference shares		
Decrease/(Increase) in Investments	(10.00)	25.05
Net cash used in investing activities	(6,123.92)	(824.40)
C. Cash flow from financing activities		
Proceeds from loans - Secured	5,962.15	4,564.93
Proceeds from loans - Unsecured	5,916.60	(4,459.39)
Proposed Dividend	(190.02)	(190.02)
Tax on Distributed Profit	(32.29)	(32.30)
Increase in Share Application Money	-	4,674.00
Increase in Deffered Tax Liability		
Increase in Long Term Provision	10.00	12.00
Net cash (used in)/generated from financing activities	11,666.44	4,569.22
Net (decrease)/increase in cash and cash equivalents	244.23	145.17
Cash and cash equivalents at the beginning of the year	383.99	238.82
Cash and cash equivalents at the end of the year	628.22	383.99
Cash & Bank Balances (as per schedule : P)	628.22	383.99
Less : Deposits with maturity more than 3 months	525.76	266.37
Cash & Cash Equivalents for Cash Flow Statement	102.47	117.62

As per our Report of Even Date
 For SHYAM C. AGRAWAL & CO.
 Chartered Accountants
 Firm Registration No. 110243W
 Sd/-
Shyam C. Agrawal
 Proprietor
 Membership No. 31774
 Place: MUMBAI
 Dated: 22nd October, 2012

For SHARON BIO-MEDICINE LTD.
 For and on behalf of the board

C.E.O. & M.D	Savita Satish Gowda	Sd/-
Director	Mohan P. Kala	Sd/-
Director	Lalit Misra	Sd/-

Schedule forming part of the Balance Sheet as at 30th June 2012

₹ in Lacs

<i>Particulars</i>	30/06/2012	30/06/2011
B. SHARE CAPITAL		
Authorised		
20250000 (Previous year: 20250000) Equity Share of Rs.10/- each	2,025.00	2,025.00
Issues, Subscribed and Fully Paid up		
10556900 (Previous year 10556900) Equity Shares of Rs.10/- Each fully paid up.	1,055.69	1,055.69
	<u>1,055.69</u>	<u>1,055.69</u>
Shareholder holding more than 5% of entire Share Capital	<i>No of Shares in lacs</i>	<i>No of Shares in lacs</i>
Bagulvani Trading & Investment P. Ltd.	8.24	8.24
Mohan P. Kala	19.04	19.04
Asha Mohan Kala	5.84	5.84
Ramco Properties P. Ltd.	9.15	9.15
Revon Finance & Investment P. Ltd.	11.22	11.22
Savita Satish Gowda	6.94	6.94
No fresh shares issued during the year.		
<u>Terms/Rights attached to equity shares:</u>		
<i>The company has only one type of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.</i>		
C. RESERVES AND SURPLUS		
<u>Securities Premium Account</u>		
Opening Balance	1,522.50	1,522.50
Add : Addition during the year	-	-
Closing Balance	1,522.50	1,522.50
<u>Reserve for Premium ON FCCB</u>		
Opening Balance	2,102.26	1,494.76
Add : Addition during the year	2,410.61	607.50
Closing Balance	4,512.87	2,102.26
<u>Revaluation Reserves</u>		
Opening Balance	36.25	36.25
Add : Addition during the year	-	-
Closing Balance	36.25	36.25
<u>General Reserve</u>		
Opening Balance	1,678.88	1,378.88
Add : Addition during the year	500.00	300.00
Closing Balance	2,178.88	1,678.88

Schedule forming part of the Balance Sheet as at 30th June 2012

₹ in Lacs

<i>Particulars</i>	30/06/2012	30/06/2011
<u>Profit and Loss Account</u>		
Opening Balance	7,995.27	4,784.83
Add : Profit during the year	1,028.51	3,210.44
Closing Balance	9,023.78	7,995.27
	<u>17,274.29</u>	<u>13,335.16</u>
D. Long term Borrowings		
(i) Term loans from Banks - Secured	4,753.41	4,382.40
Term Loans are secured by First charge on Fixed Assets and Second Charge on Current Assets.		
(ii) Loans against vehicles from banks - Secured (Vehicle Loan is secured against the Vehicle).	28.44	43.47
Loans from related parties & others - Unsecured	5,391.53	1,172.81
Loan from Other - FCCB - Unsecured	9,178.13	7,480.24
	<u>19,351.51</u>	<u>13,078.92</u>
E. Long term Provisions		
Provision for Employee benefits	52.94	42.94
	<u>52.94</u>	<u>42.94</u>
F. Short term Borrowings		
1) Cash Credit from Banks - Secured	26,889.21	21,283.04
Working Capital Loans are secured by First charge on Current Assets and Second Charge on Fixed Assets.		
	<u>26,889.21</u>	<u>21,283.04</u>
G. Trade Payables		
Creditors		
Total outstanding dues to Micro, Small and Medium Enterprises & Others	4,966.85	3,105.21
Others	-	-
	<u>4,966.85</u>	<u>3,105.21</u>
H. Other Current Liabilities		
Sundry Creditors for Expenses	505.47	130.36
	<u>505.47</u>	<u>130.36</u>
I. Short term Provisions		
Provision for taxation (net of advance tax)	910.00	400.00
Proposed Dividend	190.02	190.02
Distribution Tax on Dividends	32.29	32.29
	<u>1,132.32</u>	<u>622.32</u>

Schedule forming part of the Balance Sheet as at 30th June 2012

₹ in Lacs

<i>Particulars</i>	30/06/2012	30/06/2011
--------------------	------------	------------

J. Fixed Assets under Non Current Assets

Assets	Gross Block				Depreciation				Net Block	
	Balance as on 01.07.2011	Additions	Deletion	As on 30.06.2012	Upto 30.06.2011	During the Year	Deletion	Upto 30.06.2012	As on 30.06.2012	As on 30.06.2011
Land	1,203.35	-		1,203.35	-	-		-	1,203.35	1,203.35
Building	3,915.40	44.22		3,959.62	393.83	93.11		486.94	3,472.67	3,521.57
Office premises	2,084.86	600.13		2,684.99	-	-		-	2,684.99	2,084.86
Delhi office	-	8.43		8.43	-	-		-	8.43	-
Plant & machinery	11,330.49	2,182.81		13,513.30	1,724.90	649.52		2,374.42	11,138.88	9,605.59
Lab equipments	625.36	29.80		655.16	108.14	30.44		138.57	516.59	517.22
Electrical fittings	747.80	1.81		749.61	116.88	35.58		152.46	597.15	630.92
Office equipment	80.27	-		80.27	17.83	3.81		21.65	58.63	62.44
Motor car	190.06	36.04	11.04	215.06	50.91	19.51	4.70	65.71	149.34	139.15
Furniture & fixture	278.43	3.31		281.73	66.45	17.71		84.16	197.58	211.98
Computer	155.85	23.75		179.60	73.29	25.97		99.25	80.35	82.56
Air conditioners	29.99	0.77		30.76	4.77	1.45		6.22	24.54	25.22
Total	20,641.86	2,931.07	11.04	23,561.89	2,556.99	877.09	4.70	3,429.38	20,132.51	18,084.87
Previous year	20,111.21	535.35	4.70	20,641.86	1,734.25	824.40	1.66	2,556.99	18,084.87	1,837.69

Note :- As certified by the management, the company has obtained the possession of new office premises situated at Vashi for carrying out interior work. Since the same has not been put to use, depreciation has not been charged during the year.

K. Capital work in progress	<u><u>5,990.25</u></u>	<u><u>2,703.67</u></u>
L. Non Current Investments		
Yusur International FZE	64.55	64.55
5 Shares @ AED 100,000/- Each		
Siddhivinayak Developers	275.00	275.00
Investment of Gratuity Fund	52.94	42.94
Investment in Overseas Company	5.74	5.74
100 Shares @ EURO 100/- Each		
	<u><u>398.24</u></u>	<u><u>388.24</u></u>
M. Long term Loans and Advances	<u><u>-</u></u>	<u><u>-</u></u>
N. Inventories	<u><u>19,621.56</u></u>	<u><u>15,521.37</u></u>
	<u><u>19,621.56</u></u>	<u><u>15,521.37</u></u>
O. Trade Receivables		
a) Outstanding for period exceeding 6 months		
Unsecure considered good	374.16	564.44
b) Other unsecured considered good	25,637.41	18,689.07
	<u><u>26,011.58</u></u>	<u><u>19,253.50</u></u>

Schedule forming part of the Balance Sheet as at 30th June 2012

₹ in Lacs

<i>Particulars</i>	30/06/2012	30/06/2011
P. Cash and Cash Equivalents		
Balances with Banks	77.30	83.70
Cash on hand	25.17	33.92
Deposit with banks held as Margin Money	37.85	-
Deposit having maturity more than 12 months	487.91	266.37
	<u>628.22</u>	<u>383.99</u>
Q. Short Term Loans and Advances		
Advances recoverable in cash or kind	4,620.19	2,258.73
Security Deposits	-	-
	<u>4,620.19</u>	<u>2,258.73</u>
R. Other Current Assets		
Preliminary Expenses		
Opening Balance	-	0.72
Less: Written off	-	0.72
	<u>-</u>	<u>-</u>
S. Revenue from operations		
(a) Revenue from Sales & Services	78,506.14	60,604.66
(b) Other Services	-	-
(c) Other operating revenues	-	-
	<u>78,506.14</u>	<u>60,604.66</u>
T. Other Income		
Interest Income	29.14	-
Other Income	63.55	112.18
Dividend Received	-	-
	<u>92.69</u>	<u>112.18</u>
U. Changes in inventories of finished goods, work in process and Stock in trade		
Opening Inventories	15,521.37	11,666.61
Less: Closing Inventories	19,621.56	15,521.37
Decrease/(Increase) in inventories	<u>(4,100.20)</u>	<u>(3,854.76)</u>
V. Employee benefit expense		
Salaries, wages & bonus	1,352.56	1,240.67
Contribution to provident fund and other funds	-	-
Workmen and staff welfare expenses	44.66	23.83
	<u>1,397.22</u>	<u>1,264.50</u>

Schedule forming part of the Balance Sheet as at 30th June 2012

₹ in Lacs

<i>Particulars</i>	30/06/2012	30/06/2011
W. Finance costs		
Interest & Bank Charges	3,398.34	2,680.81
Other borrowing cost	-	-
Foreign currency exchange loss	27.63	-
	<u>3,425.97</u>	<u>2,680.81</u>
X. Other expenses		
Power & Fuel Expenses	726.97	675.67
Repairs Maintenance	139.53	98.25
Factory Expenses	115.97	102.33
Research & Development	154.17	172.93
Audit Fees	5.00	5.00
Telephone Expenses	21.16	19.47
General Expenses	36.75	29.06
Printing & Stationery	49.20	48.78
Travelling Expenses	155.73	144.99
Rent ,Rates & Taxes	57.37	47.65
Legal & Professional Charges	101.43	97.17
Product Registration Expenses	61.34	24.87
Books & Periodicals	0.72	1.42
Car Expenses	30.39	22.40
Advertisement Expenses	7.17	6.48
Conveyance	40.50	27.32
Membership & Subscription	2.44	1.90
Stock Exchange Listing Fees	1.78	1.70
Insurance	40.67	36.52
Directors Remuneration	68.83	81.74
Brokerage & Commission	86.07	66.32
Postage & Telegram Charges	12.61	16.53
Business Promotions Expenses	24.78	28.25
Exhibition Expenses	43.16	36.93
	<u>1,983.75</u>	<u>1,793.69</u>

Annexure - A

Significant Accounting Policies

1. Basis for Preparation of Financial Statements :

The Financial statements have been prepared under the historical cost convention, on an accrual basis of accounting, to comply in all the material respects with the notified accounting standards by the Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 1956. The Accounting principles discussed more fully below are consistent with those used in the previous year.

2. Revenue Recognition:

Sales of products are recognized when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods. Exports sale are recognized on the basis of Bill of Lading/Airway Bills. Sales stated are excluding sales tax and net of returns. Revenue of Consulting Income has been accounted on accrual basis.

3. Use of Estimates :

The presentation of financial statement in conformity with the generally accepted principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as on the date of financial statements and the reported amount of revenues and expenses during the period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

4. Fixed Assets :

- a) Fixed Assets are stated at their original cost, adjusted by revaluation of certain land & building less provision for impairment losses, if any, depreciation, amortization and adjustments on account of foreign exchange fluctuations in respect of changes in rupee liability of foreign currency loans used for acquisition of fixed assets
- b) Borrowing cost eligible for Capitalization, incurred in respect of acquisition/construction of a qualifying assets, till the asset is substantially ready for use, are capitalized as part of the cost of that assets.
- c) Pre operative, Trail run and incidental expenses relating to the projects are carried forward to be capitalized and apportioned to various assets on commissioning of the Project.

5. Depreciation :

Depreciation on fixed assets is provided using the straight line method and as per rate provided in the XIV schedule of the Companies Act, 1956, based on the useful life as estimated by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

6. Inventories :

Items of inventories are valued on the basis given below:

Raw Materials and Packing Materials: at Cost net of CENVAT/VAT computed on first-in –first method. Bulk Drugs produced for captive consumption are valued at cost.

Work in process and Finished Goods: at Cost including material cost net of CENVAT, labour cost and all overheads other than selling and distribution overheads for work-in- process and the same or realizable value, whichever is lower in case of finish goods except physician samples which are valued at cost as computed above.

Stores and Spares: Stores and spares parts are valued at purchase cost.

7. **Foreign currency transaction :**

Foreign currency assets and liabilities are translated at exchange rate prevailing on the last working day of accounting year. Gain or loss on the restatement of foreign currency transaction or on cancellation of forward contract if any is reflected in the Profit and Loss account except gain or loss relating to acquisition of fixed assets which is adjusted to the carrying cost of fixed assets.

Transaction in Foreign Currency is recorded in the Books of Account in Indian Rupee at the rate of exchange prevailing on the date of transaction.

8. **Investments :**

Long Term Investments are Valued at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the Management,.

9. **Borrowing Cost :**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of times to get ready for it's intend use. All other borrowing costs are charged to revenue.

10. **Earning per Share :**

The Company reports basic and diluted earning per share in accordance with Accounting Standard 20 on Earnings per Share. Basic earning per share is computed by dividing the net profit or Loss for the period by the weighted average number of Equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of Equity shares during the period as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

11. **Taxation :**

Current Tax: Current Tax is calculated as per the provisions of the Income Tax Act, 1961

Deferred Tax: Deferred tax is recognized on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are subject to the consideration of prudence are recognized and carried forward only to the extent that there is reasonably certainly that sufficient taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year end, based on the tax rates and law enacted or substantially enacted on balance sheet date.

MAT Credit: MAT Credit entitlement is recognized only when the company actually avails MAT credit based on its annual tax computation

12. **Provisions and Contingent Liabilities :**

Provisions are recognized for present obligations, of uncertain timing or amount, arising as a result of past event where reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations. Where it is not probable that an outflow of resources embodying economic benefit will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of resources embodying economic benefit is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, are so also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

13. Employee Benefits:

i. **Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

ii. **Long Term Employee Benefits**

- Retirement Benefits in the form of provident fund is a defined contribution scheme and contributions are charged to the Profit and Loss account for the year/period when the contributions are due.
- Gratuity being a defined benefit obligation is provided on the basis payment basis.
- Leave Encashment is recognized on the basis of payment basis at the end of the year.

iii. **ESOS**

Employee Stock Options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed by Guidance Note on 'Accounting for Employee Share-based payments' issued by ICAI read with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines 1999 issued by SEBI. The excess of market value, if any, of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to the profit and loss account on vesting basis over the vesting period of the options. The un-amortized portion of the deferred employee compensation is reduced from Employee Stock Option Outstanding, which is shown under Reserves and Surplus.

14. CENVAT and Service Tax Credit:

CENVAT and Service Tax credit utilized during the year is accounted in excise duty and unutilized CENVAT/Service Tax balance at the year end is considered as advance excise duty.

Annexure - Y

NOTES TO ACCOUNTS :

1. The company had issued 165 Nos. of Zero Coupon Foreign Currency Convertible Bonds of US\$ 1,00,000 each aggregating to US\$ 16.5 Million on November 27,2007. These Bonds are convertible Bonds at the option of bond holders into equity shares of Rs. 10/- each fully paid at reset price of Rs. 228.04/- per share, subject to the terms of issue, with a fixed exchange rate of Rs. 39.35/- equal to US\$ 1.00 within 5 years and 7 days from the date of issue.

The Bonds are redeemable at maturity on December 4, 2012 representing a YTM of 7.00%. A Reserve of Rs. 2410.61 Lacs (P.Y. Rs.607.50 Lacs) for the year has been created for the redemption premium.

2. In the absence of information as regards to the status/classification of the relevant enterprises into Micro, Small and Medium Enterprises, information as required under Notification No. G.S.R. 719(E) dated 16.11.2007 issued by the Department of the Company Affairs in respect of the total amount payable and amount of interest thereon paid during the year and payable at the end of the year to the Sundry Creditors could not be disclosed.

3. Contingent Liabilities not provided for :

(₹ in Lacs)

<i>Particulars</i>	2011 - 2012	2010 - 2011
a) Letter of Credit against goods (Margin Money with bank ₹ 32.69 Lacs)	295.87	472.30
b) Bank Guarantee for MPCB	1.43	4.50

4. The Previous Year figures have been regrouped / rearranged, wherever necessary to make them comparable with the current years' figures.

5. Sundry Debtors, Sundry Creditors, Loans & advances are subject to confirmation and reconciliation.
6. In the opinion of the Board the current assets, loans and advances are approximately of the value stated if realized in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

7. Installed Capacity & Its Utilisation :

<i>Class of Goods</i>	<i>Installed Capacity</i>	<i>Utilisation</i>
Active Pharma Ingredients and Intermediates	150,000 Liters of Reactors Capacity	90% (Approx)
Formulation	2.5bn Tablets 1 bn Capsules	87% (Approx.)

The licensed & installed capacities are as certified by the Management and have not been verified by the Auditors as this is a technical matter.

8. Directors Remuneration paid :

<i>Name of the Directors</i>	<i>Salary (Rs.)</i>	<i>Perquisite (Rs.)</i>	<i>Total (Rs.)</i>
Ms. Savita Satish Gowda, C.E.O & Managing Director	27,00,000/- (27,00,000/-)	NIL (NIL)	27,00,000/- (27,00,000/-)
Mr. Vijay Kirpalani, Whole Time Director	14,83,000/- (27,74,400/)	NIL (NIL)	14,83,000/- (27,74,400/)
Mr. Lalit Misra, Whole Time Director	27,00,000/- (27,00,000/)	NIL (NIL)	27,00,000/- (27,00,000/)

Figure in bracket () pertains to previous year.

9. As per Accounting Standards (AS-18) on related party disclosures issued by the Institute of Chartered Accountants of India,

i) Details of Related Parties :

- | | |
|--|---|
| 1) Key Management Personnel | Savita Satish Gowda (Ms.) (C.E.O. & Managing Director)
Lalit Misra (Whole Time Director)
Mohan P. Kala (Director)
Vijay Kirpalani (Whole Time Director) |
| 2) Related Parties of Key Management Personnel | Asha M. Kala (Ms.)
Ms. Amita Kala (Ms.) |
| 3) Companies over which Key Management Personnel and their relatives have interest | Ramco Properties Pvt. Ltd.
Revon Finance & Investments Pvt. Ltd.
Bagulwani General Trading Pvt. Ltd.
Venus Finance & Investments Pvt. Ltd.
Enki Life Science Limited (Formerly known as Sharon Biotech Ltd.)
Nesh Pharmatech Pvt. Limited. |
| 4) Associate Firm | Siddhivinayak Developers |
| 5) Subsidiary Company | Yusur International FZE, UAE |

ii) **Transactions with related parties :**

(₹ in Lacs)

S.No.	Nature of transactions	Key Management personnel		Related parties of Key Management Personnel		Companies over which Key Management Personnel and their relatives have interest and Associate Firm	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1.	Remuneration	69.14	81.74	27.40	15.97	--	--
2.	Rent Paid	9.00	7.65	--	--	30.00	30.00
3.	Unsecured Loan Received	--	--	--	--	--	1172.81
4.	Investments Made	--	--	--	--	--	--

iii) **Balance of the Related Parties at the year end :**

(₹ in Lacs)

S.No.	Nature of transactions	Key Management personnel		Related parties of Key Management Personnel		Subsidiary Company/Companies over which Key Management Personnel and their relatives have interest.	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1.	Unsecured Loan Received.	--	36.48	--	31.32	1105.01	1105.01
2.	Investment made	--	--	--	--	275.00	275.00
3.	Loans & Advances	--	--	--	--	8.39	8.39

10. The Company has a Single Segment namely Pharmaceuticals/Chemicals. Therefore the company does not fall under different business segments as defined by AS- 17 “Segmental Reporting” issued by ICAI.

11. **Earnings Per Share :**

(₹ in Lacs)

Particulars	2011 - 2012	2010-2011
Profit Attributable to Equity Shareholders	4161.44	3116.65
Weighted average no. of Equity Shareholders outstanding-Basic	10556900	10556900
Weighted average no. of Equity Share outstanding -Diluted	10915782	10915782
Nominal value of Equity Share	10/-	10/-
Basic Earning Per Share	39.42	29.52
Diluted Earning Per Share	38.12	28.55

12. **Deferred Tax Liability :**

Deferred Tax Liability relating to earlier years is 130.57 Lacs and liability for current years is 233.56 Lacs.

13. **Employee Stock Option Scheme :**

- a) The Compensation Committee of the Board granted 148,850 options to selected employees and Directors of the Company under Sharon ESOS 2010. 109,250 Options been Granted to Selected Old Employees and

39,600 Options been Granted to Selected New Employees. Each option is convertible into One equity share of 10/- each at exercise price of Rs. 171.00/- per share. The options granted would vest over a vesting period of 4 years from the date of grant.

- b) The closing market price of share on 31st December, 2010, a day prior to the date of grant on BSE was Rs.171.00 per share. This is considered as market price as per SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999. As per this the intrinsic value per option works out to be Nil, as the options have been granted market price of Rs. 171.00 per share.

14. Foreign Exchange Transactions

(₹ in Lacs)

<i>Particulars</i>	2011 - 2012	2010-2011
A. CIF value of goods imported	951.45	788.89
B. Value of Goods Exported (FOB and service charges)	5733.41	3657.24
C. Traveling Expenses	87.30	51.81
D. Commission & Marketing Expense	50.52	35.87
E. Fees & Other Expenses	13.44	20.65

15. During the year the company has made the provision of Gratuity for Employees. The total investment of Rs.52.94 Lacs has been made till now and the same has been invested in the Mutual Funds.

16. Auditors Remuneration:

(₹ in Lacs)

<i>Particulars</i>	2011 - 2012	2010-2011
Audit Fee	3.00	3.00
Tax Audit Fees	1.00	1.00
Other Matters	1.00	1.00
Total	5.00	5.00

For **Shyam C. Agrawal & Co.**

Chartered Accountants

Firms Registration No. 110243W

Sd/-

Shyam C. Agrawal

(Proprietor)

Membership No. 031774

Place : Mumbai

Date: 22.10.2012

Savita Satish Gowda (Ms.) (C.E.O. & M.D.)

Sd/-

Lalit Misra (Director)

Sd/-

Mohan P. Kala (C. A) (Director)

Sd/-

Samsad Alam Khan (Company Secretary)

Sd/-

Additional Information in Pursuant to Part IV of the Shchedule VI to the Companies ACT,1956
Balance Sheet Abstracted and Company's Genral Business Profile:

1. Registration Details :

- a) Registration No. : L24110MH1989PLCO52251
 b) State Code : 11
 c) Balance sheet Date : 30.06.2012.

2. Capital raised during the year (Rupees in Thousand) :

- a) Public Issue : Nil
 b) Right Issue : Nil
 c) Bonus Issue : Nil
 d) Private Placement : Nil

3. Position of Mobilization and Development of Funds (Rupees in Thousands) :

- a) Total Liabilites : 7,740,254.67
 b) Total Assets : 7,740,254.67
 c) Sources of Fund :
 - Paid Up Captial: 105,569.00 - Reserves & Surplus : 1,727,428.52
 - Secured Loans : 3,167,106.62 - Unsecured Loans : 1,456,965.42
 - Deferred Tax liability : 69,927.33 - Advance against Share application Money 547,500.00
 d) Application of Founds:
 - Net Fixed Assets : 2,013,250.71 - Investments : 39,823.52
 - Net Current Assets : 1,738,770.73 - Misc. Expenditure : -
 - Accumulated Losses : Nil - Captial WIP : 599,025.04

4. Performance of the Company (Rupees in Thousand) :

- a) Turnover (Sales) : 7,850,613.85 b) Total Expenditure : 7,329,068.68
 c) Profit Before Tax : 530,499.75 d) Profit After Tax : 416,143.96
 e) Earning per Share : 39.42 f) Dividend Per Share : 1.80

5. Generic Names of three Principal Products of the Company :

<i>Sr. No.</i>	<i>Product Description</i>	<i>Item Code No.(ITC)</i>
1.	Timetazidine di Hydrochloride	29214190
2.	Ketoconzole	29221900
3.	Pentaprazole	29299000

YUSUR INTERNATIONAL FZE, UAE,
a 100% subsidiary Company.

Directors Report

To,
The Members,
Yusur International FZE

Your Directors are pleased to present the Company's Annual Report together with the Audited Annual Accounts for the year ended June 30, 2012.

Financial results :

Your Company is a wholly owned subsidiary of Sharon Bio-Medicine Limited. The business activity of the company is trading and marketing of pharmaceutical and Other items. During the year under report your Company achieved a net total income of Rs. 1938.95 Lacs (previous year Rs 2105.66 Lacs). The operations for the financial year have resulted in a net Profit of Rs 120.24 lacs (previous year Rs 201.75 Lacs).

Dividend :

No dividend is proposed by the Directors.

Director's responsibility statement :

Your Directors confirm :

- a) that in the preparation of annual accounts, the applicable accounting standards have been followed.
- b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give the true and fair view of the state of affairs of the company at the end of the year ended 30th June, 2012 and the profit of the Company for the year.
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) that the Directors have prepared annual accounts on a going concern basis.

Particulars of Employees :

During the year under report, the company had no employee who was in receipt of remuneration of not less than Rs 60,00,000/- per annum or not less than Rs 5,00,000/- per month or any part thereof.

The relationship between the company and its employees remained cordial throughout the year.

Auditors :

M/s Kala Deepak & Company, Chartered Accountants retire at the ensuing Annual General Meeting and have offered themselves for re-appointment.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo :

During the year under review, the Company has not carried out any manufacturing activities. Therefore, information required pursuant to Section 217(1)(e) of the Companies Act, 1956 are not applicable.

For and on behalf of the Board
Mohan. P. Kala (C.A)

Sd/-
Manager

Auditors Report to the Members of Yusur International, FZE.

1. We have audited the attached Balance Sheet of Yusur International FZE,UAE as at 30th June, 2012 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. In carrying out our audit we have placed reliance on the work of MASTER AUDITING, Chartered International Accountant, UAE and have carried out such further checks as we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Since the company is a foreign company as defined in Section 591 of the Companies Act, 1956, the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, does not apply and hence the matters specified therein are not reported upon.
4. Further to our comments above, we report that :
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit
 - ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of the books.
 - iii. The Balance sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
 - iv. These accounts are prepared to comply with the requirements of the Companies Act, 1956 relating to the subsidiary and holding company disclosure requirements.
 - v. In our opinion, the Balance sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - vi. Since the appointment of directors to this company are not governed by the provisions of the Companies Act, 1956 the provisions relating to disqualifications u/s 274(1) (g) of the Companies Act,1956 does not apply to this company.
 - vii. In our opinion and to the best of our information and according to the explanation given to us, the accounts read with and subject to the notes thereon give the information required by the Companies Act 1956 in the manner so require and give a true and fair view
 - (a) in the case of Balance sheet, of the State of Affairs of the Company as on 30th June, 2012,
 - (b) in the case of Profit and Loss Account of the Profit for the year ended on that date and,
 - (c) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For **Kala Deepak & Co.**
Chartered Accountants
Firms Registration No. 129226W
sd/-

Place : Mumbai
Date : 22/10/2012

C.A Deepak Kala
Proprietor
Membership No.128328

YUSUR INTERNATIONAL FZE Balance Sheet as at 30th June 2012

	<i>Particulars</i>	<i>Note No.</i>	30/06/2012 ₹ in Lacs	30/06/2011 ₹ in Lacs
I	SOURCES OF FUNDS:			
	Share Holder's Funds			
	Capital	A	64.55	64.55
	Reserves & Surplus	B	696.41	562.09
	Loan Funds			
	Unsecured Loans	C	8.39	8.39
	TOTAL		<u>769.36</u>	<u>635.04</u>
	 APPLICATION OF FUNDS:			
	Current Assets, Loans & Advances			
	Sundry Debtors	D	810.72	1,038.18
	Cash & Bank Balance	E	2.96	2.67
	Loans & Advances	F	3.57	2.91
			<u>817.25</u>	<u>1,043.76</u>
	Less : Current Liabilities	G	<u>47.89</u>	<u>408.72</u>
	Net Current Assets		769.36	635.04
	 TOTAL		<u>769.36</u>	<u>635.04</u>

Significant Accounting Policies and Notes to Accounts

I

Kala Deepak & Company
Chartered Accountants
Firm Registration No. 129226W
Sd/-
CA Deepak Kala
Proprietor
M. No. 128328
Place : MUMBAI
Date : 22/10/2012

For **Yusur International FZE**

Sd/-
Mohan. P. Kala (C.A)
Manager

YUSUR INTERNATIONAL FZE Profit and Loss Statement for the year ended 30th June 2012

₹ in Lacs

	<i>Particulars</i>	<i>Note No.</i>	30/06/2012	30/06/2011
I	INCOME			
	Sales		1,907.64	2,076.59
	Consulting Income		31.32	29.07
			<u>1,938.95</u>	<u>2,105.66</u>
	Expenses			
	Purchases		1,760.10	1,828.77
	Administrative and Other Expenses	H	0.00	75.14
			<u>1,760.10</u>	<u>1,903.91</u>
	Net Profit for the Period		178.85	201.75
	Transferred to Statutory Reserve		30.32	24.73
	Transfer to Profit & Loss Account		148.54	177.02
			<u>178.85</u>	<u>201.75</u>
	Basic & Diluted earning per Share		35.77	40.35
	Weighted No. of Equity Shares of AED 100000/- each		5.00	5.00

Significant Accounting Policies and Notes to Accounts

Kala Deepak & Company
Chartered Accountants
Firm Registration No. 129226W
Sd/-
CA Deepak Kala
Proprietor
M. No. 128328
Place : MUMBAI
Date : 22/10/2012

I

For **Yusur International FZE**

Sd/-
Mohan. P. Kala (C.A)
Manager

YUSUR INTERNATIONAL FZE Cash Flow statement for the year ending 30th June 2012

₹ in Lacs

<i>Particulars</i>		30/06/2012	30/06/2011
A.	Cash flow from Operating Activities		
	Net Profit Before Tax	178.85	201.75
	Adjustments for:		
	Depreciation	-	-
	Operating Cash Flow before Working Capital changes	178.85	201.75
	Adjustments for:		
	Changes in Trade & Other Receivables	(0.66)	0.06
	Change in Debtors	227.46	102.63
	Change in Inventories	-	-
	Change in Trade Payables & Other Current Liabilities	(360.83)	(300.47)
	Cash Generated from Operation	-	-
	Interest paid	-	-
	Net Cash Flow from Operating Activities (A)	44.82	3.98
B.	Cash Flow from Investing Activities:		
	Increase in Fixed Assets & Capital Work in Progress	-	-
	Increase in Share Investments	-	-
	Sale of Assets	-	-
	Interest / Other Income Received	-	-
	Net Cash from Investing Activities (B)	-	-
C.	Cash Flow from Financing Activities:		
	Advance Received against Share Application Money	-	-
	Increase in Share Capital	-	-
	Increase in Capital Translation Reserve	18.33	1.68
	Proceeds of Bank Loans & Other Financial Institution	-	-
	Decrease in Unsecured Loans	-	-
	Increase in Miscellaneous Exp.	-	-
	Net Cash flow from Financing Activities (C)	18.33	1.68
	Net Cash Flow during the year (A+B+C)	63.15	5.65
	Opening Cash & Cash equivalents	6.53	0.88
	Cash & Cash equivalent at 30/06/2012	69.68	6.53

NOTES:- Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard -3 issued by The Institute of Chartered Accountant of India

Kala Deepak & Company
Chartered Accountants
Firm Registration No. 129226W
Sd/-
CA Deepak Kala
Proprietor
M. No. 128328
Place : MUMBAI
Date : 22/10/2012

For **Yusur International FZE**

Sd/-
Mohan. P. Kala (C.A)
Manager

Schedule forming part of the Balance Sheet as ay 30th June 2012

₹ in Lacs

<i>Particulars</i>	30/06/2012	30/06/2011
Schedule - "A"		
Share capital		
Authorised capital		
5(P.Y.5) Equity Shares of AED 1,00,000/- each	64.55	64.55
Total	<u>64.55</u>	<u>64.55</u>
Issued, Subscribed & Paidup capital		
5 (P.Y. 5) Equity Shares of AED 1,00,000/- each fully paid up.	64.55	64.55
Total	<u>64.55</u>	<u>64.55</u>
Schedule - "B"		
Reserve & Surplus		
Statutory Reserve	86.93	56.62
Profit & Loss Account	595.02	509.34
Capital Translation Reserve	14.46	(3.87)
Total	<u>696.41</u>	<u>562.09</u>
Schedule - "C"		
Unsecured Loans		
From Holding Company		
- Sharon Bio-Medicine Ltd.	8.39	8.39
Total	<u>8.39</u>	<u>8.39</u>
Schedule - "D"		
Current Assets		
Sundry Debtors	810.72	1,038.18
Total	<u>810.72</u>	<u>1,038.18</u>
Schedule - "E"		
Cash & Bank Balance		
Cash in Hand	0.45	0.12
Cash at Bank	2.50	2.54
Total	<u>2.96</u>	<u>2.67</u>
Schedule - "F"		
Loans & Advances		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or Kind or for value to be received		
Deposits	3.57	2.91
Total	<u>3.57</u>	<u>2.91</u>
Schedule - "G"		
Current Liabilities		
Sundry Creditors	47.89	408.72
Total	<u>47.89</u>	<u>408.72</u>
Schedule - "H"		
Administrative and Other Expenses		
Salaries	52.71	64.66
Legal & license related expenses	4.55	6.21
Audit Fees	0.66	0.54
Bank service charges	0.24	0.19
Other General Expenses	0.45	0.33
Rent	4.24	3.22
Total	<u>62.86</u>	<u>75.14</u>

Significant Accounting Policies and Notes Forming part of the accounts for the year ended June 30, 2012.

I. Accounting Policies:

- a) The financial statements are prepared under the historical cost convention on Accrual basis. The financial statements conform to the requirements of Schedule VI to the Companies Act, 1956
- b) Conversion into Indian Rupees:
The translation of financial statements into Indian Rupees is done in accordance with AS 11 (Revised The Effects of Changes in Foreign Exchange Rates issued by the Institute of Chartered Accountants of India, which is mandatory w.e.f. 01.04.2004). The resultant Foreign Exchange Fluctuation reserve is shown separately under shareholders funds or under Profit and Loss account on the asset side.
The Assets and Liabilities are translated at closing rate except share capital and Unsecured Loan, which is translated at the rate as on transaction date. The income and expenditure are translated at a rate nearing the average rate during the year.
- c) Revenue Recognition: Revenue of Consulting Income has been accounted on accrual basis.
- II) The Company is 100% subsidiary of Sharon Bio-Medicine Limited. The Accounts have been prepared and audited in Indian Rupees for the purpose of attachment to the accounts of the holding company to comply with the provisions of Indian Companies Act, 1956
- III) For the purpose of conversion of the local currency (N) into Indian Currency (INR), the exchange rate applied is as per para 1(b) of the accounting policies.
- IV) As per Accounting Standards (AS-18) on related party disclosures issued by the Institute of Chartered Accountants of India,

Details of Related Parties:

- 1) Key Management Personnel **Mohan P. Kala (C. A) (Manager)**
2) Holding Company **Sharon Bio-Medicine Limited**

i) Transaction with related parties: (₹ in Lacs)

Sr. No.	Nature of transactions	Holding Company		Key Management Personnel	
		2011-12	2010-11	2011-12	2010-11
1.	Unsecured Loan Received	Nil	Nil	Nil	Nil

ii) Balance at the year end of related parties (₹ in Lacs)

Sr. No.	Nature of transactions	Holding Company		Key Management Personnel	
		2011-12	2010-11	2011-12	2010-11
1.	Unsecured Loan Received	8.39	8.39	Nil	Nil

For **Kala Deepak & Co.**
Chartered Accountants
Firms Registration No. 129226W

For **Yusur International FZE**

Sd/-
CA Deepak Kala
Proprietor
Membership No. 128328
Place: Mumbai
Date : 22/10/2012

Sd/-
Mohan P. Kala (C. A)
Manager

Auditors Report on Consolidated Financial Statement

To,
The Board of Directors,
Sharon Bio-Medicine Limited

1. We have audited the attached Consolidated Balance Sheet of Sharon Bio-Medicine Limited and its subsidiary as at 30th June, 2012, and also the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date annexed thereto.
2. These financial statements are the responsibility of the company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
3. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
4. We did not audit the financial statement of Yusur International FZE included in the consolidated financial statements, which constitute total assets of Rs. 769.36 Lacs as at June 30, 2012, Total revenue of Rs. 1938.95 Lacs, Net profit of Rs. 116.00 Lacs, net cash flow amounting to Rs. 0.29 Lacs as for the year ended June 30,2012. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
5. We Report that the consolidated financial statement have been prepared by the Group's Management in accordance with the requirements of Accounting Standard issued by the Institute of Chartered Accountants of India viz. Accounting Standard 21 ' Consolidated Financial Statements' and on the basis of the separate financial statements of Sharon Bio-Medicine Limited and its subsidiary included in the consolidated financial statement.
6. In our opinion and to the best of our information and according to the explanations given to us, said accounts read together with the significant accounting policies and the Notes forming parts of accounts give the information required by the companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:-
 - i) In the case of the Consolidated Balance Sheet, of the state of affairs of the Sharon Bio-Medicine Limited and its subsidiary as at 30th June, 2012.
 - ii) In the case of the Consolidated Profit and Loss Account, of the profit of the Sharon Bio-Medicine Limited and its subsidiary for the year ended on that date.
 - iii) In the case of Consolidated Cash Flow Statement, of the cash flow of the Sharon Bio-Medicine Limited and its subsidiary for the year ended on that date.

For **Shyam C. Agrawal & Co.**
Chartered Accountants
Firm Registration No.110243W

Sd/-
Shyam C. Agrawal
Proprietor
Membership No. 031774

Place : Mumbai.
Date : 22/10/2012

Annexure to Auditor's Report

With Reference to paragraph 3 of the Auditors Report of Sharon Bio-Medicine Limited on financial statements for the year ended June 30, 2012.

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situations of Fixed Assets.
b) As explained to us, the Fixed Assets have been Physically Verified by the Management during the year. No material discrepancies were noticed on such verifications.
c) In our opinion and according to the information and explanation given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- 2) a) The inventory have been physically verified during the year by the management. In our opinion the frequency of the verification is reasonable.
b) The procedure for physical verification of stock followed by the Company are reasonable & adequate in relation to the size of the Company & the nature of its business.
c) The Company has maintained proper records of Inventories. The Discrepancies, if any, noticed on physical verification of Stock as compared to book records have been properly dealt within the books of Accounts.
- 3) a) As per information furnished, the Company has not granted interest free unsecured loans, to wholly owned subsidiary company during the year. The Maximum amount outstanding during the year was Rs. 8.39 Lacs and the yearend balance of such loan was Rs. 8.39 Lacs.
b) In our opinion, other terms and conditions on which loans have been granted to wholly owned subsidiary company are not, prime facie, prejudicial to the interest of the company.c)In the case of loans granted to wholly owned subsidiary company, where stipulation have been made, the borrowers have been regular in repaying the principal amounts as stipulated.
d) There is no overdue amount of more than Rupees One Lacs in respect of loan granted to parties covered in the register maintained under section 301 of the companies Act, 1956
e) As per information furnished, the Company has not taken any interest free unsecured loan from parties covered under section 301 of the companies Act, 1956 during the year. The Maximum amount outstanding during the year was Rs. 1172.81Lacs and the yearend balance of such loan was Rs. 1172.81 Lacs.
f) In our opinion, other terms and conditions on which loans have been taken from parties covered in the register maintained under section 301 of the companies Act, 1956, prime facie, not prejudicial to the interest of the company.
g) The Company has been regular in repaying the principal amount as stipulated, wherever stipulation exists.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regards to purchase of Inventory and Fixed assets and for the sale of Goods & Services. We have not observed any major weakness in the internal control system during the course of audit.
- 5) a) In our opinion and according to the information and explanations given to us, the particulars of Contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.
b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices except in case of services received from parties. We have been informed that no similar services have been taken from other parties and hence the prices at which services have been received is not comparable.
- 6) In our opinion and according to the information and explanation given to us, the company has not accepted any deposit from public during the year, within the meaning of section 58A and 58AA and other relevant provisions of

the companies Act, 1956 and rules frames there under.

- 7) In our opinion the company has an internal audit system commensurate with its size and nature of its business.
- 8) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Act in relation to products manufactured, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.
- 9) a) According to the information, explanation given to us and records of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material dues as applicable with the appropriate authorities.
b) According to the information and explanations given to us and records of the company examined by us, no dues in respect of Sales Tax, Income Tax, Custom Duty, Excise Duty, Cess and other material dues have been deposited on account of dispute.
- 10) The company does not have any accumulated losses at the end of financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 11) In our opinion and according to information and explanation given to us the company has not defaulted in repayment of any dues to financial Institutions and banks.
- 12) In our opinion and according to the information and explanation given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion the company is not a chit fund or nidhi / mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Companies (Auditors report) Order 2003 are not applicable to the company.
- 14) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- 15) In our opinion and as per the information and explanations given to us by the company no guarantees has been given by the company for loans taken by others from banks or financial institutions.
- 16) In our opinion, the term loan raised during the year and loans outstanding at the beginning of the year were applied for the purpose for which they were raised.
- 17) According to the information and explanation given to us and on overall examination of the balance sheet we report that no funds raised on short term basis have been used for long term investments.
- 18) According to the information and explanation given to us the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures during the year.
- 20) The company has not raised any money by the way of Public issue during the year.
- 21) According to the information and explanation given to us no fraud on or by the company has been noticed or reported during the course of our audit.

Place : MUMBAI
Date : 22/10/2012

For **SHYAM C. AGRAWAL & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No. 110243W
Sd/-
Shyam C. Agrawal
Proprietor
Membership No.031774

Consolidated Balance Sheet as at 30th June 2012

	<i>Particulars</i>	<i>Note No.</i>	30/06/2012 ₹ in Lacs	30/06/2011 ₹ in Lacs
I	EQUITY AND LIABILITIES			
(1)	Shareholders fund			
	(a) Share Capital	B	1,055.69	1,055.69
	Share Application Money		5,475.00	5,475.00
	(b) Reserves and Surplus	C	17,970.90	13,897.25
(2)	Non Current Liabilities			
	(a) Long term borrowings	D	19,351.51	13,078.92
	(b) Deferred Tax Liabilities (Net)	A (12)	699.27	465.72
	(c) Long Term Provisions	E	52.94	42.94
(3)	Current Liabilities			
	(a) Short term borrowings	F	26,889.21	21,283.04
	(b) Trade Payables	G	5,014.74	3,513.94
	(c) Other Current Liabilities	H	505.47	130.36
	(d) Short term provision	I	1,132.32	622.32
	Total		<u>78,146.85</u>	<u>59,565.18</u>
II.	ASSETS			
(1)	Non Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	J	20,132.51	18,084.87
	(ii) Capital Work-in-progress	K	5,990.25	2,703.67
	(b) Non Current Investments	L	333.69	323.69
	(c) Long term Loans and Advances	M	-	-
(2)	Current Assets			
	(a) Inventories	N	19,621.56	15,521.37
	(b) Trade receivables	O	26,822.30	20,291.69
	(c) Cash and Cash equivalents	P	631.18	386.65
	(d) Short term Loans and Advances	Q	4,615.36	2,253.25
	(e) Other Current Assets	R	-	-
	Total		<u>78,146.85</u>	<u>59,565.18</u>

Significant Accounting Policies And Notes to Accounts

As per our Report of Even Date

For SHYAM C. AGRAWAL & CO.

Chartered Accountants

Firm Registration No. 110243W

Sd/-

Shyam C. Agrawal

Proprietor

Membership No. 31774

Place: MUMBAI

Dated: 22nd October, 2012

A

Y

For SHARON BIO-MEDICINE LTD.

For and on behalf of the board

C.E.O & M.D. Savita Satish Gowda (Ms.) Sd/-

Director Mohan P. Kala Sd/-

Director Lalit Misra Sd/-

Consolidated Profit and Loss Statement for the year ended 30th June 2012

₹ in Lacs

	<i>Particulars</i>	<i>Note No.</i>	30/06/2012	30/06/2011
I	Revenue from operations	S		
	Other Operating Income		80,413.78	62,681.24
II	Other Income	T	124.01	141.25
III	Total Revenue (I + II)		80,537.78	62,822.49
IV.	Expenses			
	Purchases / Documentation Expenses		71,457.68	56,163.65
	Changes in inventories of finished goods, work in process and Stock in trade	U	(4,100.20)	(3,854.76)
	Employee benefit expense	V	1,449.93	1,329.15
	Finance costs	W	3,426.21	2,680.99
	Depreciation and amortisation expense	J	886.38	833.69
	Preliminary expenses written off		-	0.72
	Other expenses	X	1,993.65	1,803.99
	Total expenses		75,113.65	58,957.43
V.	Profit before exceptional and extraordinary items and tax (III-IV)		5,424.14	3,865.07
VI.	Exceptional Items		3.14	16.10
VII.	Profit before extraordinary items and tax (V-VI)		5,420.99	3,848.97
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII-VIII)		5,420.99	3,848.97
X.	Tax expenses:			
	(1) Current Tax		910.00	400.00
	(2) Deferred Tax		233.56	130.57
XI.	Profit/ (Loss) for the period from continuing operations (VII-VIII)		4,277.43	3,318.40
XII.	Profit/ (Loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/ (Loss) for Discontinuing operations (after tax) (XII-XIII)		-	-
	Prior Period Expense/(Income)		-	-
XV.	Profit/ (Loss) for the period (XI + XIV)		4,277.43	3,318.40
XVI.	Earnings per equity share: (Face value of Rs 10 each (Previous Year Rs 10 each)	A(p) & (ab)		
	(1) Basic (Rs)		40.52	31.43
	(2) Diluted (Rs)		39.19	30.40

Significant Accounting Policies And Notes to Accounts

As per our Report of Even Date
For SHYAM C. AGRAWAL & CO.
Chartered Accountants
Firm Registration No. 110243W
Sd/-

Shyam C. Agrawal Proprietor
Membership No. 31774
Place: MUMBAI
Dated: 22nd October, 2012

A
Y

For SHARON BIO-MEDICINE LTD.
For and on behalf of the board

C.E.O. & M.D. Savita Satish Gowda (Ms.) Sd/-
Director Mohan P. Kala Sd/-
Director Lalit Misra Sd/-

Consolidated Cash Flow Statement for the year ending 30th June 2012

₹ in Lacs

<i>Particulars</i>		<i>For the Year ended 30/06/2012</i>	<i>For the Year ended 30/06/2011</i>
A.	Cash flow from operating activities		
	Profit before tax	5,420.99	3,848.97
	Depreciation	877.09	824.40
	Interest income	(124.01)	(141.25)
	Income Tax	(910.00)	(400.00)
	Miscellaneous Expenses W/off & Amoratisation Exp. w/off	-	0.72
	Interest expense	3,398.58	2,680.99
	Operating Profit before working Capital Changes	8,662.66	6,813.83
	(Increase)/Decrease in Inventory	(4,100.20)	(3,854.76)
	(Increase)/Decrease in Debtors	(6,530.60)	(3,273.68)
	Increase in creditors	1,875.91	447.67
	Increase in provisions	510.00	(55.95)
	Decrease/(Increase) in loans & advances	(2,362.12)	(1,020.87)
	Interest Paid	(3,398.58)	(2,680.99)
	Net Cash generated from Operation	(14,005.59)	(10,438.58)
B.	Cash Flow from Investing Activities		
	Purchase of fixed assets	(6,211.31)	(961.63)
	Receipt of interest	124.01	141.25
	Investment in preference shares	-	-
	Decrease/(Increase) in Investments	(10.00)	25.05
	Net cash used in Investing Activities	(6,097.30)	(795.33)
C.	Cash Flow from Financing Activities		
	Proceeds from loans - Secured	5,962.15	4,564.93
	Proceeds from loans - Unsecured	5,916.60	(4,459.39)
	Proposed Dividend	(190.02)	(190.02)
	Tax on Distributed Profit	(32.29)	(32.30)
	Increase in Share Application Money	-	4,674.00
	Increase in Deffered Tax Liability		
	Increase in Capital Translation Reserves	18.33	(2.19)
	Increase in Long Term Provision	10.00	12.00
	Net Cash (Used in)/Generated from Financing Activities	11,684.76	4,567.03
	Net (Decrease)/Increase in Cash and Cash Equivalents	244.53	146.95
	Cash and cash equivalents at the beginning of the year	386.65	239.70
	Cash and cash equivalents at the end of the year	631.18	386.65
	Cash & Bank Balances (as per schedule : P)	631.18	386.65
	Less : Deposits with maturity more than 3 months	525.76	266.37
	Cash & Cash Equivalents for Cash Flow Statement	105.42	120.28

As per our Report of Even Date
 For **SHYAM C. AGRAWAL & CO.**
 Chartered Accountants
 Firm Registration No. 110243W
 Sd/-
Shyam C. Agrawal
 Proprietor
 Mermbership No. 31774
 Place: MUMBAI
 Dated: 22nd October, 2012

For **SHARON BIO-MEDICINE LTD.**
 For and on behalf of the board

C.E.O. & M.D. **Savita Satish Gowda (Ms.)** Sd/-
 Director **Mohan P. Kala** Sd/-
 Director **Lalit Misra** Sd/-

Consolidated Schedule forming part of the Balance Sheet as at 30th June 2012

₹ in Lacs

<i>Particulars</i>	30/06/2012	30/06/2011
B. SHARE CAPITAL		
Authorised		
20250000 (Previous year: 20250000) Equity Share of Rs.10/- each	2,025.00	2,025.00
Issues, Subscribed and Fully Paid up		
10556900 (Previous year 10556900) Equity Shares of Rs.10/- Each fully paid up.	1,055.69	1,055.69
	<u>1,055.69</u>	<u>1,055.69</u>
Shareholder holding more than 5% of entire Share Capital	<i>No of Shares in lacs</i>	<i>No of Shares in lacs</i>
Bagulvani Trading & Investment P. Ltd.	8.24	8.24
Mohan P. Kala	19.04	19.04
Asha Mohan Kala	5.84	5.84
Ramco Properties P. Ltd.	9.15	9.15
Revon Finance & Investment P. Ltd.	11.22	11.22
Savita Satish Gowda	6.94	6.94
No fresh shares issued during the year.		
<u>Terms/Rights attached to equity shares:</u>		
<i>The company has only one type of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.</i>		
C. RESERVES AND SURPLUS		
<u>Securities Premium Account</u>		
Opening Balance	1,522.50	1,522.50
Add : Addition during the year	-	-
Closing Balance	1,522.50	1,522.50
<u>Reserve for Premium on FCCB</u>		
Opening Balance	2,102.26	1,494.76
Add : Addition during the year	2,410.61	607.50
Closing Balance	4,512.87	2,102.26
<u>Revaluation Reserves</u>		
Opening Balance	36.25	36.25
Add : Addition during the year	-	-
Closing Balance	36.25	36.25
<u>General Reserve</u>		
Opening Balance	1,735.50	1,410.77
Add : Addition during the year	530.32	324.73
Closing Balance	2,265.81	1,735.50
<u>Capital Translation Reserves</u>		
Opening Balance	(3.87)	(1.68)
Add : Addition during the year	18.33	(2.19)
Closing Balance	14.47	(3.87)

Consolidated Schedule forming part of the Balance Sheet as at 30th June 2012

₹ in Lacs

<i>Particulars</i>	30/06/2012	30/06/2011
<u>Profit and Loss Account</u>		
Opening Balance	8,504.61	4,784.83
Add : Profit during the year	1,114.19	3,719.77
Closing Balance	<u>9,618.79</u>	<u>8,504.61</u>
	<u><u>17,970.70</u></u>	<u><u>13,897.25</u></u>
D. Long Term Borrowings		
(i) Term loans from Banks - Secured	4,753.41	4,382.40
Term Loans are secured by First charge on Fixed Assets and Second Charge on Current Assets.		
(ii) Loans against vehicles from banks - Secured (Vehicle Loan is secured against the Vehicle).	28.44	43.47
Loans from related parties & others - Unsecured	5,391.53	1,172.81
Loan from Other - FCCB - Unsecured	9,178.13	7,480.24
	<u>19,351.51</u>	<u>13,078.92</u>
E. Long Term Provisions		
Provision for Employee benefits	52.94	42.94
	<u>52.94</u>	<u>42.94</u>
F. Short Term Borrowings		
1) Cash Credit from Banks - Secured	26,889.21	21,283.04
Working Capital Loans are secured by First charge on Current Assets and Second Charge on Fixed Assets.		
	<u>26,889.21</u>	<u>21,283.04</u>
G. Trade Payables		
Creditors		
Total outstanding dues to Micro, Small and Medium Enterprises & Others	5,014.74	3,513.94
Others	-	-
	<u>5,014.74</u>	<u>3,513.94</u>
H. Other Current Liabilities		
Sundry Creditors for Expenses	505.47	130.36
	<u>505.47</u>	<u>130.36</u>
I. Short term Provisions		
Provision for taxation (net of advance tax)	910.00	400.00
Proposed Dividend	190.02	190.02
Distribution Tax on Dividends	32.29	32.29
	<u>1,132.32</u>	<u>622.32</u>
J. Fixed Assets under Non Current Assets		
Ref. 'Schedule J' - Pg. 37		

Consolidated Schedule forming part of the Balance Sheet as at 30th June 2012

₹ in Lacs

<i>Particulars</i>	30/06/2012	30/06/2011
K. Capital work in progress	<u>5,990.25</u>	<u>2,703.67</u>
L. Non Current Investments		
Siddhivinayak Developers	275.00	275.00
Investment of Gratuity Fund	52.94	42.94
Investment in Overseas Company 100 Shares @ EURO 100/- Each	5.74	5.74
	<u>333.69</u>	<u>323.69</u>
M. Long term Loans and Advances	<u>-</u>	<u>-</u>
N. Inventories	<u>19,621.56</u>	<u>15,521.37</u>
	<u>19,621.56</u>	<u>15,521.37</u>
O. Trade Receivables		
a) Outstanding for period exceeding 6 months Unsecured considered good	374.16	564.44
b) Other unsecured considered good	26,448.14	19,727.25
	<u>26,822.30</u>	<u>20,291.69</u>
P. Cash and Cash Equivalents		
Balances with Banks	79.80	86.24
Cash on hand	25.62	34.03
Deposit with banks held as Margin Money	37.85	-
Deposit having maturity more than 12 months	487.91	266.37
	<u>631.18</u>	<u>386.65</u>
Q. Short Term Loans and Advances		
Advances recoverable in cash or kind	4,615.36	2,253.25
Security Deposits	-	-
	<u>4,615.36</u>	<u>2,253.25</u>
R. Other Current Assets		
Preliminary Expenses		
Opening Balance	-	0.72
Less: Written off	-	0.72
	<u>-</u>	<u>-</u>
S. Revenue from operations		
(a) Revenue from Sales & Services	80,413.78	62,681.24
(b) Other Services	-	-
(c) Other operating revenues	-	-
	<u>80,413.78</u>	<u>62,681.24</u>
T. Other Income		
Interest Income	-	-
Scrap Sale	-	-
Other Income	124.01	141.25
	<u>124.01</u>	<u>141.25</u>

Consolidated Schedule forming part of the Balance Sheet as at 30th June 2012

₹ in Lacs

<i>Particulars</i>	30/06/2012	30/06/2011
U. Changes in inventories of finished goods, work in process and Stock in trade		
Opening Inventories	15,521.37	11,666.61
Less: Closing Inventories	19,621.56	15,521.37
Decrease/(Increase) in inventories	<u>(4,100.20)</u>	<u>(3,854.76)</u>
V. Employee benefit expense		
Salaries, wages & bonus	1,405.27	1,305.32
Workmen and staff welfare expenses	44.66	23.83
	<u>1,449.93</u>	<u>1,329.15</u>
W. Finance costs		
Interest & Bank Charges	3,398.58	2,680.99
Foreign currency exchange loss	27.63	-
	<u>3,425.97</u>	<u>2,680.81</u>
X. Other expenses		
Power & Fuel Expenses	726.97	675.67
Repairs Maintenance	139.53	98.25
Factory Expenses	115.97	102.33
Research & Development	154.17	172.93
Audit Fees	5.66	5.54
Telephone Expenses	21.16	19.47
General Expenses	37.21	35.60
Printing & Stationery	49.20	48.78
Travelling Expenses	155.73	144.99
Rent ,Rates & Taxes	61.61	50.86
Legal & Professional Charges	105.98	97.17
Product Registration Expenses	61.34	24.87
Books & Periodicals	0.72	1.42
Car Expenses	30.39	22.40
Advertisement Expenses	7.17	6.48
Conveyance	40.50	27.32
Membership & Subscription	2.44	1.90
Stock Exchange Listing Fees	1.78	1.70
Insurance	40.67	36.52
Directors Remuneration	68.83	81.74
Brokerage & Commission	86.07	66.32
Postage & Telegram Charges	12.61	16.53
Business Promotions Expenses	24.78	28.25
Exhibition Expenses	43.16	36.93
	<u>1,993.65</u>	<u>1,803.99</u>

Schedule to the Consolidated Accounts

Significant Accounting Policies : 'A'

1. Basis for preparation of Financial Statements :

The Financial statements have been prepared under the historical cost convention, on an accrual basis of accounting, to comply in all the material respects with the notified accounting standards by the Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 1956. The Accounting principles discussed more fully below are consistent with those used in the previous year.

2. Principles of Consolidation :

The Consolidated financial statements have been prepared in accordance with Accounting Standard 21' Consolidated Financial Statements' issued by the institute of Chartered Accountants of India. These relates to Sharon Bio-Medicine Limited and its Subsidiary.

The consolidated financial statements have been prepared on the following basis.

- i. The Financial statements of the company and its subsidiary company combined on line-by-line basis by adding together the book value of items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses in year-end inventories.
- ii. The difference between the Company's cost of investments in Subsidiaries, over its portion of equity at the time of acquisition of shares is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the Case may be.
- iii. The consolidated financial statements are prepared by adopting the uniform accounting policies for like transaction and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements except otherwise stated elsewhere in this schedule.

3. Revenue Recognition :

Sales of products are recognized when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods. Exports sale are recognized on the basis of Bill of Lading/Airway Bills. Sales stated are excluding sales tax and net of returns. Revenue of Consulting Income has been accounted on accrual basis.

4. Use of Estimates :

The presentation of financial statement in conformity with the generally accepted principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as on the date of financial statements and the reported amount of revenues and expenses during the period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

5. Fixed Assets :

- a) Fixed Assets are stated at their original cost, adjusted by revaluation of certain land & building less provision for impairment losses, if any, depreciation, amortization and adjustments on account of foreign exchange fluctuations in respect of changes in rupee liability of foreign currency loans used for acquisition of fixed assets
- b) Borrowing cost eligible for Capitalization, incurred in respect of acquisition/construction of a qualifying assets, till the asset is substantially ready for use, are capitalized as part of the cost of that assets.
- c) Pre operative, Trail run and incidental expenses relating to the projects are carried forward to be capitalized and apportioned to various assets on commissioning of the Project.

6. Depreciation :

Depreciation on fixed assets is provided using the straight line method and as per rate provided in the XIV schedule of the Companies Act, 1956, based on the useful life as estimated by the management. Depreciation is

charged on a pro-rata basis for assets purchased/sold during the year.

7. **Inventories :**

Items of inventories are valued on the basis given below:

Raw Materials and Packing Materials: at Cost net of CENVAT/VAT computed on first-in –first method. Bulk Drugs produced for captive consumption are valued at cost.

Work in process and Finished Goods: at Cost including material cost net of CENVAT, labour cost and all overheads other than selling and distribution overheads for work-in- process and the same or realizable value, whichever is lower in case of finish goods except physician samples which are valued at cost as computed above.

Stores and Spares: Stores and spares parts are valued at purchase cost.

8. **Foreign currency transaction :**

Foreign currency assets and liabilities are translated at exchange rate prevailing on the last working day of accounting year. Gain or loss on the restatement of foreign currency transaction or on cancellation of forward contract if any is reflected in the Profit and Loss account except gain or loss relating to acquisition of fixed assets which is adjusted to the carrying cost of fixed assets.

Transaction in Foreign Currency is recorded in the Books of Account in Indian Rupee at the rate of exchange prevailing on the date of transaction.

9. **Investments :**

Long Term Investments are Valued at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the Management,.

10. **Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of times to get ready for it's intend use. All other borrowing costs are charged to revenue.

11. **Earning per share:**

The Company reports basic and diluted earning per share in accordance with Accounting Standard 20 on Earnings per Share. Basic earning per share is computed by dividing the net profit or Loss for the period by the weighted average number of Equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of Equity shares during the period as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

12. **Cash flow statement:**

The cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow statements and present cash flows by operating, investing & financing activities of the company.

13. **Taxation:**

Current Tax: Current Tax is calculated as per the provisions of the Income Tax Act, 1961

Deferred Tax: Deferred tax is recognized on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are subject to the consideration of prudence are recognized and carried forward only to the extent that there is reasonably certainly that sufficient taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and law enacted or substantially enacted on balance sheet date.

MAT Credit: MAT Credit entitlement is recognized only when the company actually avails MAT credit based on its annual tax computation

14. Provisions and Contingent Liabilities:

Provisions are recognized for present obligations, of uncertain timing or amount, arising as a result of past event where reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations. Where it is not probable that an outflow of resources embodying economic benefit will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of resources embodying economic benefit is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, are so also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

15. Employee Benefits:

i. Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

ii. Long Term Employee Benefits

- Retirement Benefits in the form of provident fund is a defined contribution scheme and contributions are charged to the Profit and Loss account for the year/period when the contributions are due.
- Gratuity being a defined benefit obligation is provided on the basis payment basis.
- Leave Encashment is recognized on the basis of payment basis at the end of the year.

iii. Employee Stock Options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed by Guidance Note on 'Accounting for Employee Share-based payments' issued by ICAI read with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines 1999 issued by SEBI. The excess of market value, if any, of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to the profit and loss account on vesting basis over the vesting period of the options. The un-amortized portion of the deferred employee compensation is reduced from Employee Stock Option Outstanding, which is shown under Reserves and Surplus.

16. CENVAT and Service Tax Credit

CENVAT and Service Tax credit utilized during the year is accounted in excise duty and unutilized CENVAT/Service Tax balance at the year end is considered as advance excise duty.

17. Accounting Policies and Notes to Accounts of the financial statements of the company and its subsidiary are set out in their respective financial statements.

The Subsidiary Company considered in the consolidated financial statement is

<i>Name of the Subsidiary</i>	<i>Country of Incorporation</i>	<i>Proportion of Ownership Interest</i>	<i>Accounting Year ended on</i>
M/s Yusur International FZE	United Arab of Emirates (UAE)	100%	30.06.2012

Annexure - Y

NOTES TO ACCOUNTS :

1. The company had issued 165 Nos. of Zero Coupon Foreign Currency Convertible Bonds of US\$ 1,00,000 each aggregating to US\$ 16.5 Million on November 27, 2007. These Bonds are convertible Bonds at the option of bond holders into equity shares of Rs. 10/- each fully paid at reset price of Rs. 228.04/- per share, subject to the terms of issue, with a fixed exchange rate of Rs. 39.35/- equal to US\$ 1.00 within 5 years and 7 days from the date of issue.

The Bonds are redeemable at maturity on December 4, 2012 representing a YTM of 7.00%. A Reserve of Rs. 2410.61 Lacs (P.Y. Rs.607.50 Lacs) for the year has been created for the redemption premium.

2. In the absence of information as regards to the status/classification of the relevant enterprises into Micro, Small and Medium Enterprises, information as required under Notification No. G.S.R. 719(E) dated 16.11.2007 issued by the Department of the Company Affairs in respect of the total amount payable and amount of interest thereon paid during the year and payable at the end of the year to the Sundry Creditors could not be disclosed.

3. Contingent Liabilities not provided for :	2011 - 2012 (₹ in Lacs)	2010 - 2011 (₹ in Lacs)
a) Letter of Credit against goods (Margin Money with bank ₹ 32.69 Lacs)	295.87	472.30
b) Bank Guarantee for MPCB	1.43	4.50

4. The Previous Year figures have been regrouped / rearranged, wherever necessary to make them comparable with the current years' figures.

5. Sundry Debtors, Sundry Creditors, Loans & advances are subject to confirmation and reconciliation.

6. In the opinion of the Board the current assets, loans and advances are approximately of the value stated if realized in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

7. Installed Capacity & Its Utilisation :

Class of Goods	Installed Capacity	Utilisation
Active Pharma Ingredients and Intermediates	150,000 Liters of Reactors Capacity	90% (Approx)
Formulation	2.5bn Tablets 1 bn Capsules	87% (Approx.)

The licensed & installed capacities are as certified by the Management and have not been verified by the Auditors as this is a technical matter.

8. Directors Remuneration paid :

Name of the Directors	Salary (Rs.)	Perquisite (Rs.)	Total (Rs.)
Ms. Savita Gowda, Managing Director	27,00,000/- (27,00,000/)	NIL (NIL)	27,00,000/- (27,00,000/)
Mr. Vijay Kirpalani, Whole Time Director	14,83,000/- (27,74,400/)	NIL (NIL)	14,83,000/- (27,74,400/)
Mr. Lalit Misra, Whole Time Director	27,00,000/- (27,00,000/)	NIL (NIL)	27,00,000/- (27,00,000/)

Figure in bracket () pertains to previous year.

9. As per Accounting Standards (AS-18) on related party disclosures issued by the Institute of Chartered Accountants of India,

i) **Details of Related Parties :**

- | | |
|--|---|
| 1) Key Management Personnel | Savita Satish Gowda (Ms.) (C.E.O. & Managing Director)
Lalit Misra (Whole Time Director)
Mohan P. Kala (Director)
Vijay Kirpalani (Whole Time Director) |
| 2) Related Parties of Key Management Personnel | Asha M. Kala (Ms.)
Amita Kala (Ms.) |
| 3) Companies over which Key Management Personnel and their relatives have interest | Ramco Properties Pvt. Ltd.
Revon Finance & Investments Pvt. Ltd.
Bagulwani General Trading Pvt. Ltd.
Venus Finance & Investments Pvt. Ltd.
Enki Life Science Limited (Formerly known as Sharon Biotech Ltd.)
Nesh Pharmatech Pvt. Ltd. |
| 4) Associate Firm | Siddhivinayak Developers |
| 5) Subsidiary Company | Yusur International FZE, UAE |

ii) **Transactions with related parties :**

(₹ in Lacs)

S.No.	Nature of transactions	Key Management personnel		Related parties of Key Management Personnel		Companies over which Key Management Personnel and their relatives have interest and Associate Firm	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1.	Remuneration	69.14	81.74	27.40	15.97	--	--
2.	Rent Paid	9.00	7.65	--	--	30.00	30.00
3.	Unsecured Loan Received	--	--	--	--	--	1172.81
4.	Investments Made	--	--	--	--	--	--

iii) **Balance of the Related Parties at the year end :**

(₹ in Lacs)

S.No.	Nature of transactions	Key Management personnel		Related parties of Key Management Personnel		Subsidiary Company/Companies over which Key Management Personnel and their relatives have interest.	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1.	Unsecured Loan Received.	--	36.48	--	31.32	1105.01	1105.01
2.	Investment made	--	--	--	--	275.00	275.00
3.	Loans & Advances	--	--	--	--	8.39	8.39

10. The Company has a Single Segment namely Pharmaceuticals/Chemicals. Therefore the company does not fall under different business segments as defined by AS- 17 "Segmental Reporting" issued by ICAI.

11. **Earnings Per Share :**

2011 - 2012

2010-2011

(₹ in Lacs)

Profit Attributable to Equity Shareholders

4277.44

3318.40

Weighted average no. of Equity Shareholders outstanding-Basic

10556900

10556900

Weighted average no. of Equity Share outstanding -Diluted	10915782	10915782
Nominal value of Equity Share	10/-	10/-
Basic Earning Per Share	40.52	31.43
Diluted Earning Per Share	39.19	30.40

12. Deferred Tax Liability :

Deferred Tax Liability relating to earlier years is 130.57 Lacs and liability for current years is 233.56 Lacs.

13. a) The Compensation Committee of the Board granted 148,850 options to selected employees and Directors of the Company under Sharon ESOS 2010. 109,250 Options been Granted to Selected Old Employees and 39,600 Options been Granted to Selected New Employees. Each option is convertible into One equity share of 10/- each at exercise price of Rs. 171.00/- per share. The options granted would vest over a vesting period of 4 years from the date of grant.
- b) The closing market price of share on 31st December, 2010, a day prior to the date of grant on BSE was Rs.171.00 per share. This is considered as market price as per SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999. As per this the intrinsic value per option works out to be Nil, as the options have been granted market price of Rs. 171.00 per share.

14. Foreign Exchange Transactions

(₹ in Lacs)

Particulars	2011 - 2012	2010-2011
A. CIF value of goods imported	951.45	788.89
B. Value of Goods Exported (FOB and service charges)	5733.41	3657.24
C. Traveling Expenses	87.30	51.81
D. Commission & Marketing Expense	50.52	35.87
E. Fees & Other Expenses	13.44	20.65

15. During the year the company has made the provision of Gratuity for Employees. The total investment of Rs.52.94 Lacs has been made till now and the same has been invested in the Mutual Funds.

16. Auditors Remuneration:

(₹ in Lacs)

Particulars	2011 - 2012	2010-2011
Audit Fee	3.66	3.55
Tax Audit Fees	1.00	1.00
Other Matters	1.00	1.00
Total	5.66	5.55

For **Shyam C. Agrawal & Co.**
Chartered Accountants

Firms Registration No. 110243W
sd/-

Shyam C. Agrawal
(Proprietor)

Membership No. 031774
Place : Mumbai
Date: 22.10.2012

Savita Satish Gowda (Managing Director)
sd/-

Lalit Misra (Director)
sd/-

Mohan P. Kala (C. A) (Director)
sd/-

Samsad Alam Khan (Company Secretary)
sd/-

Statement pursuant to Section 212 of the Companies Act, 1956

Relating to Holding Company's Interest in the Subsidiary Company

(₹ in Lacs)

Yusur International FZE,UAE

(Formerly known as **Sharon International FZE**)

The Financial Year of the Subsidiary Company ended on	June 30,2012
Date from which it became subsidiary	August 10,2008
Number of Shares held by Sharon Bio-Medicine Limited (Holding Company) in the Subsidiary company at the end of the Financial Year of the Subsidiary company	5 equity shares of AED 1,00,000/- each
Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company.	100%
The Net aggregate amount of subsidiary companies Profit/(Loss) so far as it concerns Members of Holding Company	
A) Part of the Profit/(Loss) has not been dealt with in Company's Account for the current year or the previous year since it became subsidiary	--
B) Part of the Profit/(Loss) has been dealt with in Company's Account for the current year or the previous year since it became subsidiary	120.24
Issued & Subscribed Share Capital	64.55
Reserves	700.66
Total Assets	773.60
Total Liabilities	773.60
Investments	0
Turnover	1907.64
Profit/(Loss) before Taxation	120.24
Provision for Taxaaation	0
Profit/(Loss) after Taxation	120.24
Proposed Dividend	0
Exchange Rate	15.1575

For and on Behalf of the Board of Directors

Sd/-

Savita Satish Gowda (Ms.)
(C.E.O. & Managing Director)

Sd/-

Lalit Misra
(Whole Time Director)

Sd/-

Mohan P. Kala
(Director)

Sd/-

Samsad Alam Khan
Company Secretary

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Sharon Bio-Medicine Limited

Regd. Office: Plot No.W-34, W-34/1 MIDC, Taloja,
Dist. Raigad, Maharashtra 410 208

Attendance Slip

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholder may obtain additional slip on request.

D.P. ID*		Folio no.	
Client Id*		No. of Share/(s) held	
Name of Shareholder:		Name of the Proxy:	

I hereby record my presence at **Twenty Third Annual General Meeting** of the Company held at Plot No. W-34, W-34/1 MIDC, Taloja, Dist. Raigad, Maharashtra 410208 on **29th December, 2012** at 9.00 a.m.

Signature of the attending MEMBER/PROXY

* Applicable for investors holding shares in electronic form.

.....(Tear-Here).....

Sharon Bio-Medicine Limited

Regd. Office: Plot No.W-34, W-34/1 MIDC, Taloja,
Dist. Raigad, Maharashtra 410 208

Proxy Form

D.P. ID*		Folio no.	
Client Id*		No. of Share/(s) held	

I/We _____ of _____ in the district of _____
being a Member/Members of the above-named company, hereby appoint _____ of
_____ in the district of _____ or failing him _____
of _____ in the district of _____ as my/our Proxy to attend and vote for me/us
and on my/our behalf at the **Twenty Third Annual General Meeting** of the Company held at Plot No.W-34, W-34/1
MIDC, Taloja, Dist. Raigad, Maharashtra 410 208 on **29th December, 2012** at 9.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2012

**Affix
Re.1/-
Revenue
Stamp**

*Applicable for investors holding shares in electronic form.

NOTE: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than FORTYEIGHT HOURS before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.