

Contents

<i>Particulars</i>	<i>Pg. No.</i>
Managing Directors' Letter ▶ ▶ ▶	3
Financial Highlights ▶ ▶ ▶	4
Notice ▶ ▶ ▶	7
Directors Report ▶ ▶ ▶	10
Corporate Governance ▶ ▶ ▶	16
Management Discussion & Analysis ▶ ▶ ▶	25
Auditors' Report ▶ ▶ ▶	28
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



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
Bank of Maharashtra
Canara Bank.
Indian Overseas Bank
Punjab National Bank
State Bank of India
Union Bank of India

Statutory Auditors :

Shyam C. Agrawal & Company
(Chartered Accountants)

Company Secretaries (in practice) :

Jagdish Patel & Company.

Company Secretaries :

Samsad Alam Khan.

Registrar & Transfer Agent :

Link Intime India Private Limited.





Dear Owners,

Warm Greetings to all our stake holders from all of us at Sharon.

It gives me immense pleasure in presenting before you with pride, our 24th Annual Report with continuous growth once again.

Our company Sharon has achieved the net profit of Rs. 5285.90 Lacs on its turnover of Rs 105,949.66 Lacs during this financial year. The following growth plans have been put into effect keeping in mind our mission of "Building an Integrated Company".

We have invested Rs 70 Crores in our oral solid dosage facility at Selaqui, Dehradun to increase the capacity to more than double to cater to the demands of our existing and new customers. We are also investing around Rs 10 Crores in our Active Ingredient (API) unit to increase capacity and upgrade the facility to cater to the international markets.

We are working on Telescoping Reactions and Down-stream processing using Process Intensification techniques. We are utilizing "flow chemistry" and "bio-catalysis" to drive this effort at achieving highly cost effect and atom-efficient "green" technologies to achieve cost-effective manufacturing excellence. The equipments being installed are the of the state-of-the-art in this new but proven technology. Some of these technologies have already been put into operation at certain reaction stages in your plant.

I would like to express my sincere gratitude to my fellow colleagues on the board, my employees for their sincerity and hard work, the Stakeholders, Banks, Bond Holders, Creditors and all Associates for all the support which has brought success to your Company. This contribution of all has made each us confident to deliver maximum value to all.

Last but not the least a quote which has always been back of my mind :

"Take up one idea. Make that one idea your life - think of it, dream of it, live on that idea. Let the brain, muscles, nerves, every part of your body, be full of that idea, and just leave every other idea alone. This is the way to success."

-- Swami Vivekanada

On Behalf of the Board

Sd/-

Place: Mumbai

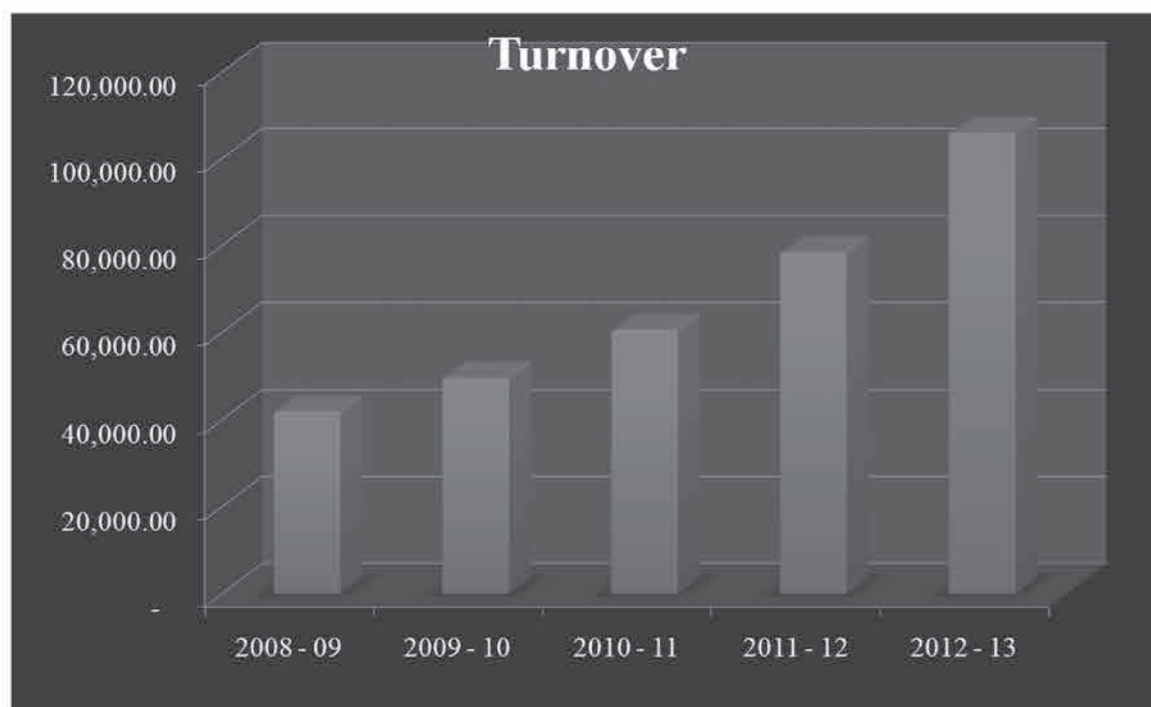
Date: 29.08.2013

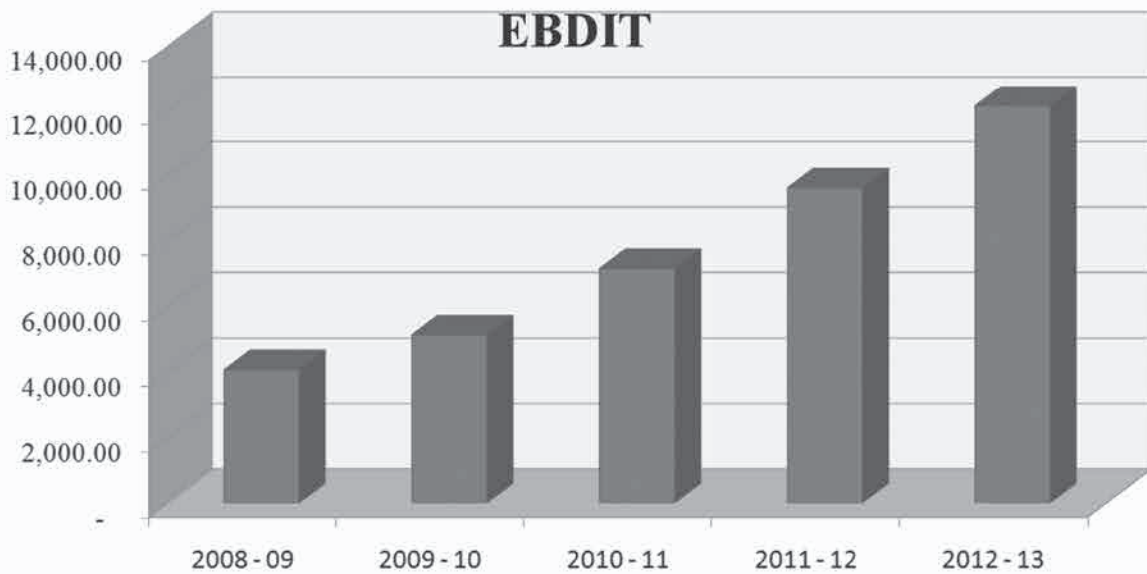
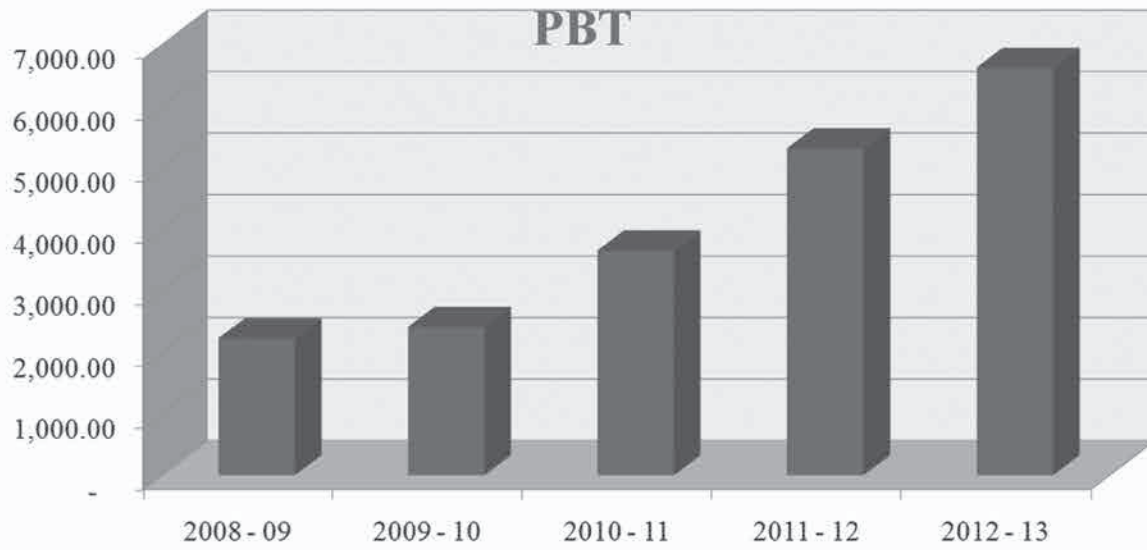
Savita Satish Gowda (Ms.)
(Chairperson & Managing Director)

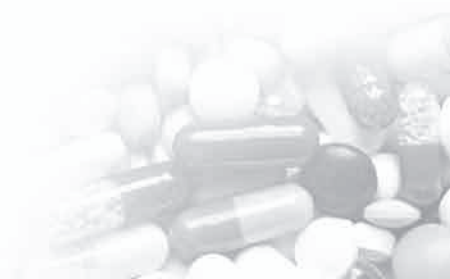
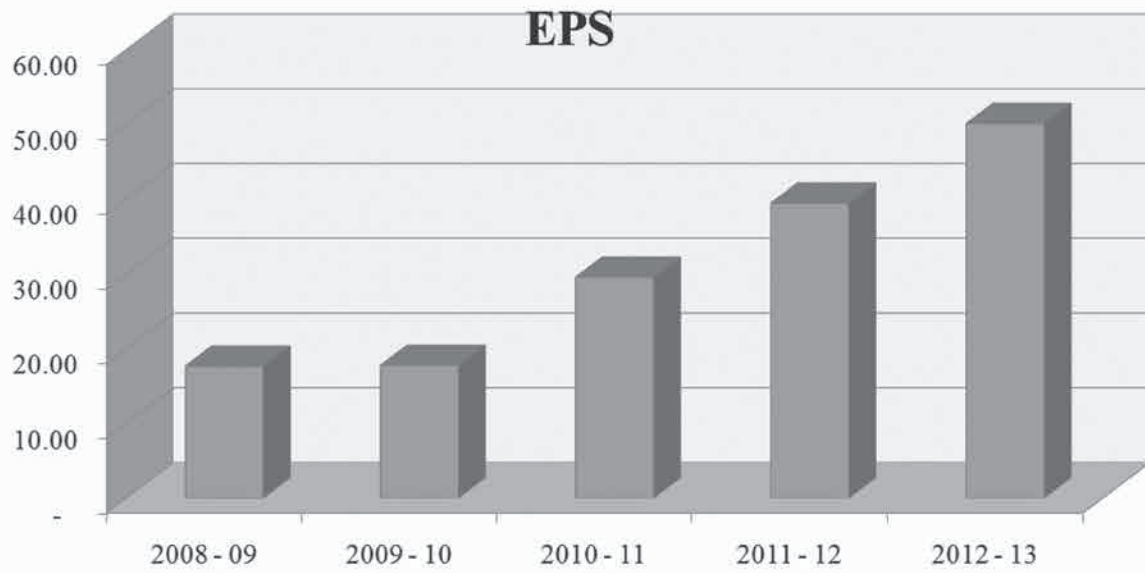
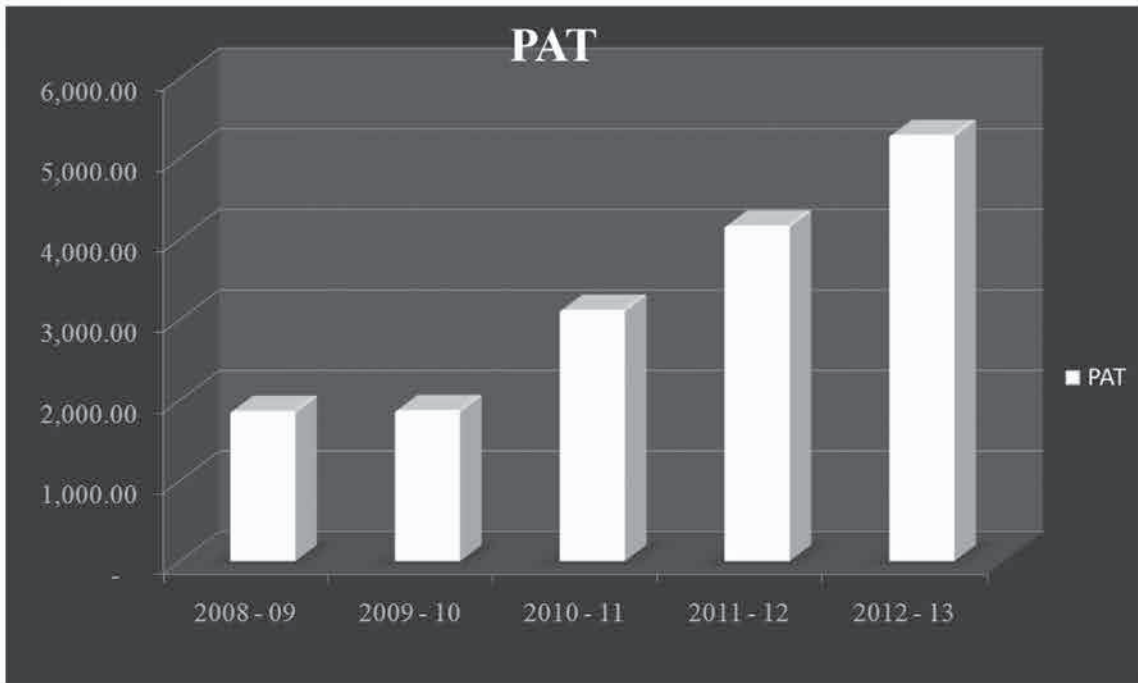


Financial Highlights of your Company

<i>Particulars</i>	<i>Accounting periods</i>				<i>₹ in Lacs</i>
	2008 - 09	2009 - 10	2010 - 11	2011 - 12	2011 - 12
Turnover	41,979.12	49,649.88	60,604.66	78,506.14	105,949.66
Other Income	183.23	156.97	112.18	92.69	88.65
EBDIT	4,073.33	5,142.05	7,152.43	9,620.49	12,137.54
Interest	1,436.32	2,099.88	2,680.81	3,425.97	4,305.80
Depreciation	417.90	639.98	824.40	886.38	1,212.78
PBT	3,139.37	2,402.19	3,647.22	5,308.14	6,618.96
Income Tax	310.00	350.00	400.00	910.00	1,200.00
PAT	2,718.79	1,871.63	3,116.65	4,161.44	5,285.90
EPS	17.62	17.73	29.52	39.42	50.07









Notice

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of Sharon Bio-Medicine Limited will be held at Plot No. V/10, MIDC, Taloja, Dist. Raigad, Maharashtra 410 208 on 9th December, 2013 at 9.00 a.m. to transact following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 30th June, 2013 and Statement of Profit and Loss 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. Lalit Misra who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Nivedita Patil, who retires by rotation, and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. Mohan Kala, who retires by rotation, and being eligible, offers himself for re-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:

Appointment of Mr. Madhav Sapre as a Director

“RESOLVED THAT Mr. Madhav Sapre who was appointed as Additional Director of the Company by the Board of Directors, who holds office under Section 161 of the companies Act, 2013, until the date of the Annual General Meeting and in the respect of whom the company has received notice in writing under section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of a Director, who has given his consent to act as Director and declaration in Form DD-A, be and is hereby appointed as a Director of the company liable to retire by rotation.”

On Behalf of the Board

Sd/-

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

Place: Mumbai
Date: 14.11.2013



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. Explanatory Statements Pursuant to Section 102 of the Companies Act 2013, relating to the special business is annexed herewith.
3. The register of members and the share transfer book of the Company shall remain closed from 5th December, 2013 to 9th December, 2013 (both days inclusive).
4. The Dividend as recommended by the Board, if approved at the members meeting will be payable on or after 14th December, 2013 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 6th December, 2013 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 9th December, 2013 after giving effect to all valid shares transfer in physical form lodged with the company before 5th December, 2013.
5. 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.
6. 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.
7. 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.
8. 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.
9. Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.
10. 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.





11. As required under Clause 49 (IV) of the Listing Agreement the details of the appointment of new Director or re-appointment of a Directors 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>
Mr. Lalit Misra	37	B.Tech (Chemical Engineering) Exp. of 15 yrs	Nil	3,00,000
Dr. Nivedita Patil	40	MBBS, DOMS Exp. of 10 yrs	Nil	Nil
Mr. Mohan Kala	56	M.A. (Economics) Chartered Accountant Exp. of 32 yrs	Nil	18,23,730
Mr. Madhav Sapre	61	B.Tech (Chemical Engineering) Exp. of 37 yrs	Nil	Nil

On Behalf of the Board

Sd/-

Place: - Mumbai
Date: 14.11.2013

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

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 7:

The company has received a notice under section 257 of the Companies Act, 1956 from member proposing the appointment of Mr. Madhav Sapre for the office of the Director of the company. Mr. Madhav Sapre is a result oriented person with proven capabilities, he has experience of 37 years. Entire career has been in the field of API; Fine Chemicals; Intermediates; Formulations.

Mr. Madhav Sapre is appointed as an Independent and Non-Executive Director.

The Board recommends to pass the resolution.

None of the directors except Mr. Madhav Sapre is concern or interested in this resolution.

On Behalf of the Board

Sd/-

Place: - Mumbai
Date: 14.11.2013

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



Director's Report

Dear Shareholders,

Your directors are pleased to present their 24th 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, 2013. The Financial highlights for the period under review are given below.

COMPANY'S PERFORMANCE:

Your Company has achieved turnover of Rs. 105,949.66 lacs for the year-ended 30.06.2013 as against the turnover of Rs. 78,506.14 Lacs for the year-ended 30.06.2012.

The Financial Results as follows :

(₹ in Lacs)

Particulars	30.06.2013		30.06.2012	
	Standalone	Consolidated	Standalone	Consolidated
Turnover & Other Income	106,038.31	107,470.81	78,598.83	80,537.78
Profit Before Interest, Depreciation, Extra ordinary items & Tax (EBIDTA)	12,137.51	12,222.73	9,620.49	9,736.73
Interest	4,305.80	4,306.13	3,425.97	3,426.21
Depreciation & Amortization Expenses	1,212.78	1,212.78	886.38	886.38
Profit Before Tax & Extra-ordinary Item (P. B. T).	6,618.96	6,703.82	5,308.14	5,424.14
Provision for Tax.	1,200.00	1,200.00	910.00	910.00
Provision for Deferred Tax Liability.	133.06	133.06	233.56	233.56
Profit after Tax (P. A. T)	5,285.90	5,370.76	4,161.44	4,277.44
Earnings Per Share (E. P. S).				
- Basic	50.07	50.87	39.42	40.52
- Diluted	48.42	49.20	38.12	39.19

Operational Performance:

To the members :

The Directors of your company are pleased to present the 24th Annual Report of your Company along with the review & comparison reports of its total income, earning per share, dividend and other expenses, 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 106038.31 Lacs the consolidated turnover was Rs. 107470.81 Lacs. The Standalone Profit in current year 2012-13 is Rs. 5285.90 lacs against Rs. 4161.44 Lacs in the previous year 2011 – 2012.

Your company have booked total sales by enhancing 34.96% of sales as compared to last year. During the last fiscal year your company have achieved net profit of 5285.90 lacs showing an appreciation of 27.02% on an annualized basis.

Expansion & Payout:

The company's policy been followed, with more Investment in tangible assets rather than doing unfruitful expenditure, however, no compromise been done with research & development activities.



Having a sharper view and associated with experience professionals the management of your company have given a free way for expansion in formulation unit and research & development activities. It is our pride to let the owners know that your company has successfully invested more than Rs. 70 Crores (Rupees Seventy Crores Only) in the expansion of formulation plant located at Uttarakhand. In term of production quantity enhancement, the expanded plant can now produce more than double as compared to one year back, with hardly any room left for any sort of wastage or damage. Keeping a positive view, in long run, on international markets and margins & benefits entwine with them, major focus been put on expansion in plant & machinery and research & development activities associated with new & existing drugs, new processes or improvement or cutting down of any existing process with more beneficial results. The management of your company have never neglected the technical expert, in-fact a dedicated team of engineering department has not only contributed in enhancing the production quantity to double but has also significantly reduced the cost of expansion with their years of experience. The credit of expansion goes not only to the Sharon's departmental teams but also to the Bankers which had put their trust and supported Sharon for their expansion plans.

The capital Investment of Rs. 10 Crores (Rupees Ten Crores Only) has also been done in API & API Intermediates units located at MIDC, Taloja. Feeding to the export orders first and to minimize the breakdown of any kind, process or technical, management of your company felt it necessary to expand its API units, which gives a great chunk of contribution towards the revenue generated from operations.

SA-Ford :

Management of your company is very much bullish on the Toxicology studies, which has given company an edge over others. This division of your company started generating margins from the 3rd year of its operation itself. It has given management a different dimension to enter into service sector that will be making a big impact in the business industry of India and abroad In near future. SA-ford, unambiguously is functional as per the International standards and was established & lead by Mr. Kramer a German national who dedicated his 5 years, with Sharon as SA-ford Head, of his decades of experience and expertise in the field of toxicology studies. Your company have also obtained success in achieving approval from Argentina authorities for establishing a unit for GLP toxicology studies.

Taking the transparent view the management of your company intends to reward the shareholders by recommending dividend of Rs. 1.50/- per share on equity share of Rs. 10/- each (i.e 15%), for the period under review to its eligible members after the approval by the members at its 24th Annual General Meeting (AGM).

The total dividend payout will aggregate to Rs. 158.35 Lacs and the dividend distribution tax payable by the company would amount to Rs. 26.91 lacs. The total outflow of funds would be approx Rs. 185.26 Lacs.

Reduction of 3% in dividend as compared to previous years is due to the expansion in formulation unit at Uttarakhand, keeping a vigil and track on the margins, opportunities, competitors, threats & other contingencies those are associated with the development and penetration of new products into domestic & international markets. Small savings now, turn to be super savers later.

Management Review 2012-13:

As we narrated in our 23rd Annual Report about the political turmoil, debt crisis in european and middle east countries and natural calamities, which still exists and have now even taken a sharper turn.

Natural calamities, being inevitable, have not only horrified the entire world but have shaken India with lives and monetary losses and opportunities those were foreseen in the newly developed state of Uttarakhand. State of Uttarakhand will take years to come up from the incident which swallowed thousands of local residents & devotees and made a financial loss of billions of rupees. However, the management of your company leaves no stone unturned when it comes to charity, as Sharon says it Sharing. The management of your company have donated not only direct cash to the affected & distressed residents of Uttarakhand, who were ignored by local NGO's & political parties, but also distributed medicines, food, clothes through its own sources to be ensured that needy are served, beside holding blood donation camps at various occasions.



The situation about the debt ridden European & middle east countries, have taken a wider lap, by including some of the developed western countries into its circle. Further, bad turned worst, by following the wrong business policies implemented and accounted by the ministry of commerce and trade of the government of India. Fuel, being a major component for any manufacturing company, is not stable in the terms of money, which force all the entities & person to re-schedule all their business modules and working strategies. This further, has been made more complicated, monotonous and tedious by induction of new laws and adamant time barring statutory requirements of several Acts & Laws loaded on business entities along with other scrutiny and demand notices issued by the various revenue departments of government of India. All the business entities were having great expectations from the Ministry of Commerce, government of India, regarding the corrective steps for foreign & business policies, which were ignored and a huge reduction, variation & unstability were noticed in GDP growth, Inflation, Value of Rupee, Export and Import during the last & current fiscal year, which may continue and make more bad impact on the economy of our country.

However, being loaded with wide range of consumers, mass Educated Population, rural population, wide geographical area, undeveloped infrastructure, scattered market, unorganized Industries and efficient transportation system within and outside India by Roads, Air or water, all these factors turns India into the perfect hub for business for next 50 years.

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:

Currently the work of HR has been widened with the scope to carter the need of all the units and divisions of your company along with maintaining the harmonious relations between all the work staff of all departments at distinct locations and units.

Happy employees are key to success, following the old policy of company, social events and other occasions were celebrated.

All these events were managed and organized by the Human Resource and the intention was to attach all the employees within one single string for the cordial relations among all working staff.

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>	2012 – 2013			2011 – 2012		
	<i>Units</i>	<i>Avg. Rate</i>	<i>Amount</i>	<i>Units</i>	<i>Avg. Rate</i>	<i>Amount</i>
Power & Fuel Consumption	15015124	5.51	827.16	14836862	4.90	726.97

ii. Foreign Exchange Transactions :

(₹ in Lacs)

<i>Particulars</i>	2012-2013	2011-2012
A. CIF value of Goods Imported	817.25	951.45
B. Value of Goods Exported (FOB and service charges).	8643.11	5733.41
C. Marketing, Reimbursement, Travelling & Other Expenses	248.60	151.26

iii. Technology Absorption, Adoption and Innovation :

- Upgraded the old utilities of API plants located at MIDC, Talaja.
- Upgraded the cooling/chilling plant for its API plants located at MIDC, Talaja.
- Shifting from furnace oil to LPG, which is more eco friendly and economical, for API plants located at MIDC, Talaja.

Insurance:

All the properties of the Company, including the Plants & Machineries and Raw Material, Semi-Finished, Finished Goods in possession of company alongwith the quantity 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. Lalit Misra, Dr. Nivedita Patil and Mr. Mohan P. Kala, 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 BB+' (Double B plus) rating for the Long Term Bank facilities and 'A4+' (A Four plus) rating for the Short Term Bank facilities of the company.

The Foreign Bondholders have big faith in working and business policies followed by the management of your company. They have thereby agreed to extend the period of Foreign Currency Convertible Bonds (FCCB) loan for the period of further 5 years, with reduced cost of interest @ LIBOR + 3.50% which accounts approx 5% per annum interest rate. All the documents and related papers have been submitted to Reserve Bank of India (RBI) for their approval regarding the extension of FCCB period.

This is the cheapest fund available in the market that a corporate can avail that so without any dispute between bondholders and your company. Your company managed to grab this opportunity for which it was construed in negative pattern by the Credit Analysis & Research Limited (CARE).

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/-

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

Place: - Mumbai
Date: 29.08.2013



Annexure to the Directors' report:

Employee Stock Options Scheme 2010

	<i>Particulars</i>	Grant I	Grant II	Grant III	Total
a) i	Options granted (Grant 1 was in the year 2009-10, Grant 2 & 3 in year 2010-11 and Nil in current year)	231103	39600	109250	379953
b)	Pricing Formula	Upto 40% discount to market price			
c)	Options vested (upto 30th June 2013)	115623	Nil	Nil	115623
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 (upto 30th June 2013)	82670	22400	42200	147270
g)	Variation of terms options during year ended 30th June 2013	Nil	Nil	Nil	
h)	Money realized by exercise of options	Nil	Nil	Nil	
l)	Total number of options in force (as at 30th June 2013)	148433	17200	67050	232683
j)	Employee wise details of options granted during 2012-13				
1	Senior Management personnel	Nil	Nil	Nil	
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 50.22	Rs 50.22	Rs 50.22	
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.15,87,030/- 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 15,87,030/- and EPS would have been lower by Rs.0.15, 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	



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.

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.	14	P	Nil	Nil	Nil	693860
Lalit Misra	E. D.	14	P	Nil	Nil	Nil	300000
Vijay Kirpalani	E. D.	14	P	Nil	Nil	Nil	Nil
Mohan P. Kala (C.A.)	N. E. D.	14	P	Nil	Nil	Nil	1823730
V. N. Badoni (Dr)	I & N.E. D.	12	P	Nil	Nil	Nil	Nil
Sanjay Shah.	I & N. E. D.	05	A	Nil	Nil	Nil	Nil
Nivvedita Patil (Dr)	I & N. E. D.	14	A	Nil	Nil	Nil	Nil
Drunal Shah	I & N. E. D.	05	A	Nil	Nil	Nil	Nil
Harish Palecanda	I & N. E. D.	13	A	Nil	Nil	Nil	Nil

I – Independent Director, N.E.D. – Non-Executive Director, M.D. – Managing 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 2012-13, 14 (Fourteen) Board Meetings were held as follows:-

July 12 to Sept.12	Oct. 12 to Dec.12	Jan. 13 to March 13	April 13 to June 13
02/08/2012	05/10/2012	21/01/2013	15/05/2013
06/08/2012	15/10/2012	14/02/2013	
14/08/2012	22/10/2012		
28/09/2012	31/10/2012		
	12/11/2012		
	22/11/2012		
	21/12/2012		

• **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.

CS. Samsad 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:



Name	Designation	Category
Nivvedita Patil (Dr)	Chairman	Independent & Non-Executive Director
V. N. Badoni (Dr)	Member	Independent & Non-Executive Director.
Lalit Misra	Member	Executive Director.

CS. 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 2012-13 are as under.

Executive Directors	Salary(Rs.)	Perquisite (Rs.)	Total (Rs.)
Savita Satish Gowda, C.E.O & M. D	16,11,000/-	10,89,000/-	27,00,000/-
Vijay Kirpalani, Whole Time Director.	6,72,000/-	6,72,000/-	13,44,000/-
Lalit Misra, Whole Time Director.	16,11,000/-	10,89,000/-	27,00,000/-

General Body Meetings :

Details of General Meeting

Financial Year	AGM	Venue/ Location	Date and Time	Special Resolution Passed
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
2011-2012	AGM	Plot No.W-34, W-34/1 MIDC, Taloja, Dist. Raigad, Maharashtra 410 208	29.12.2012 at 9.00 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, 2013, which is annexed hereto. Statements and the cash flow statement for the year ended 30th June, 2013 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 Fourth Annual General Meeting	9 th Day of December, 2013
Date & Time :	at 9.00 a.m.
Venue :	Plot No. V/10, MIDC, Taloja, Dist. Raigad, Maharashtra 410 208.





Financial Calendars (Tentative)

Financial reporting for the quarter ended 30th September, 2013 :	2nd week of November, 2013.
Financial reporting for the quarter ended 31st December, 2013 :	2nd week of February, 2014.
Financial reporting for the quarter ending 31st March, 2014 :	2nd week of May, 2014.
Financial reporting for the quarter ending 30th June, 2014 :	Last week of August, , 2014.
Book Closure Date :	5th December, 2013 till 9th December, 2013 (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 2013-14.
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

Month	BSE			NSE		
	High	Low	Average	High	Low	Average
July,2012	460.00	419.50	439.75	460.00	356.00	408
August, 2012	429.00	400.00	414.5	429.00	397.35	413.18
September, 2012	409.85	324.70	367.28	409.95	324.80	367.38
October, 2012	368.95	357.90	363.43	375.00	301.15	338.08
November, 2012	366.00	338.00	352	368.00	339.00	353.5
December, 2012	439.00	340.00	389.5	439.85	340.00	389.93
January, 2013	396.00	350.00	373	398.90	350.00	374.45
February, 2013	362.95	341.00	351.98	365.00	332.05	348.53
March, 2013	355.70	340.40	348.05	397.55	344.30	370.93
April, 2013	348.30	344.10	346.2	350.10	343.90	347
May, 2013	348.95	338.00	343.48	348.85	338.50	343.68
June, 2013	348.00	329.80	338.9	347.95	330.80	339.38
Average price per share upto June, 2013			369.00	366.17		

(Source –www.bseindia.com and www.nseindia.com)



Distribution of Shareholding as on June 30, 2013

<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	2059	97.0769	466299	4.4170
5001	10000	16	0.7544	114899	1.0884
10001	20000	5	0.2357	66096	0.6261
20001	30000	5	0.2357	132648	1.2565
30001	40000	4	0.1886	138553	1.3124
40001	50000	6	0.2829	273629	2.5919
50001	100000	6	0.2829	414968	3.9308
100001	and above	18	0.9430	8949808	84.7769
	Total	2119	100.00	10556900	100.00
Physical		421		81604	0.77
Electronic mode		1698		10475296	99.23
	Total	2119		10556900	100.0000

Categories of Shareholders as on June 30, 2013

<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	83	3083861	29.21
2.	Clearing Member	26	162054	1.54
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	15	7657	0.07
9.	Overseas Corporate Bodies	0	0	0
10.	Foreign Companies	1	150000	1.42
11.	Public	1984	790553	7.49
12.	Promoters	10	6362775	60.74
	Total	2119	10556900	100.00





Details of Equity Shares Under lock-in	NIL
Dematerialization of shares	As on June 30, 2013 a total of 10556900 equity shares constituting 99.23% is dematerialized and balance 0.77% 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 2082. Khasara No.1027,1028,1030 & 1037,Central Hope Town, Sillaqui, Dist.Dehradoun, Uttaranchal 2481973. Plot No.V/10, MIDC, Taloja, Dist. Raigad, Maharashtra 410 2084. 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, 2013.

By and on Behalf of the Board

Sd/-

Savita Satish Gowda (Ms.)

Managing Director & CEO

Place :- Mumbai

Date:- 29.08.2013



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, 2013 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:- 29.08.2013

By & on Behalf of the Board

Sd/-

Mohan P. Kala (C. A)
(Director & 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, 2013, 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: 29.08.2013

For Shyam C.Agrawal & Co. (Chartered Accountants)

Firm registration No. 110243W

Sd/-

Shyam C. Agrawal Proprietor
Membership no. 031774



Management Discussion & Analysis

The Indian Pharmaceutical Industry in the world is third largest in terms of volume. According to Brand India Equity Foundation, the Indian pharmaceutical market is likely to grow at a compound annual growth rate (CAGR) of 14-17 per cent in between 2012-16, which makes India among the top five pharmaceutical emerging markets of the world.

As per the public sources there are 4,655 pharmaceutical manufacturing plants in all over India, employing over 345,000 workers.

a.) Indian Pharmaceutical Industry – Overview

In terms of the global market, India currently holds a modest share and it has been growing at approximately 10% per year. India gained its foothold on the global scene with its innovatively engineered generic drugs and active pharmaceutical ingredients (API), and it is now seeking to become a major player in outsourced clinical research as well as contract manufacturing and research. There are 74 US FDA-approved manufacturing facilities in India, more than in any other country outside the U.S, almost 20% of all Abbreviated New Drug Applications (ANDA) to the FDA are expected to be filed by Indian companies. Growth in other fields notwithstanding, generics are still a large part of the picture. London research company Global Insight estimates that India's share of the global generics market will have risen from 4% to 33% by 2007. The Indian pharmaceutical industry has become the third largest producer in the world and is poised to grow into an industry of \$20 billion in 2015 from the current turnover of \$12 billion.

Amidst the increasing patent cliffs, declining R&D productivity, and increasing regulatory and price containment pressures; the global pharmaceutical market continues its focus toward emerging markets. The contribution of emerging markets is expected to double by 2016. The growth in emerging markets is expected to be led by China and India in the near future (China with a CAGR of 15 per cent–18 per cent during 2012–2016 and India with a CAGR 14 per cent–17 per cent during 2012–2016). This augurs well for all the constituents of the Indian pharma industry – Indian companies and global pharma companies along with all ancillary supporting players like CRAMS, CROs.

India gained its foothold on the global scene with its innovatively engineered generic drugs and active pharmaceutical ingredients (API), and it is now seeking to become a major player in outsourced clinical research as well as contract manufacturing and research. The Indian pharma industry is expected to be among the top 5 global markets in value terms by 2020, bolstered by increasing domestic demand. The Indian pharma (formulations) industry stood at Rs 629.0 billion in FY12, registering a y-o-y growth of 16 per cent and expected to reach around Rs 55 billion by 2020. The growth of the market was largely driven by sales of drugs for chronic diseases such as diabetes and cardiovascular ailments. Also with the Indian Government's focus on Indian healthcare growth with coverage of the masses through the National Rural Health Scheme, even with the economic conditions, the Indian pharma industry is expected to continue.

b.) Domestic pharma players – Impact on global pharma industry

Indian pharma manufacturers are known globally for their low-cost approach, which is backwards-integrated and has the scale to challenge patents and be the first to launch on their expiry. With \$76 billion worth of patented drugs likely to go off patent in the US between 2012 and 2015, India is poised to capture its share of the global generics market. The share of global generics (including biosimilars) is expected to increase from 25.3 per cent in 2011 to 35.2 per cent by 2016. This rise in the demand for generics is likely to drive the growth of bulk drug export. In addition, super generics, the incrementally modified generics drugs (IMDs), are currently at a nascent stage of their development in India, but offer a huge market opportunity for the future.

While exports continue to be a large driver of margins for the larger Indian companies, given the regulatory environments in the regulated markets, the margins will continue to be under focus going forward. Also the adherence to the regulated standards will be an area that most of the Indian companies tapping global markets would have to differentially focus on. The Indian companies have also continued to focus on the Indian market. While launches of new products in the Indian markets has come down (as a result of the IP regime), the focus has turned towards reach and therefore growth in Tier-II and rural markets. Also the focus is more on more effective marketing



and distribution strategies. Alliances with MNCs as part of co-marketing/ distribution arrangements are further strengthening this learning for the industry.

But the industry seems to be stabilising and with many MNCs wanting to deleverage their over reliance on China, this industry seems to be back on growth path. But global economic conditions can have an impact both on growth and margins for this industry.

India is touted as fast emerging global hub in the clinical trials and research space (driven by cost-effectiveness, a huge patient pool, a genetically diverse population and trained clinical investigators are some of the factors driving the country's clinical trials industry). The size of the market was around 400 million US\$ in 2011. India's share of this market is expected to increase from 2.1 per cent in 2011 to 3 per cent in 2015. There are more than 120 clinical trial organisations in the country. The Government is also tightening its regulatory norms related to informed consent and provision of compensation to victims of clinical trial. However, India is facing stiff competition from countries such as China, due to which the number of new trials registered in the country declined from 365 in 2010 to 230 in 2011.

c.) Rural-centric initiatives to enhance market access

Robust consumption in the rural economy is expected to be a key growth driver. Rural India accounts for more than 70 per cent of all Indian households and close to 40 per cent of the total consumption pie. Henceforth, a large number of companies are organising their efforts to derive a major portion of their overall sales from this untapped market.

Additionally, pharma companies are looking to implement new and effective business models in India and improve the health of patients. Delivering patient health outcomes implies getting involved in the cycle of care, rather than just delivering drugs to a health care system.

The Government's regulatory and pricing policy is likely to have a larger impact on the pharmaceutical sector.

d.) Global pharma market

India continues to remain a focus market for pharma MNCs. Currently, the Indian market is regarded by MNCs as one of the faster growing market globally, primarily driven by a large population, evolving patient demographics, increasing health care expenditure, growing urbanisation, rising life expectancy, and active private-sector participation.

Pharma MNCs, Giant and Big domestic Pharma companies have increased investments in the domestic market over the past few years and are now comfortably placed to capture a substantial share of the domestic market.

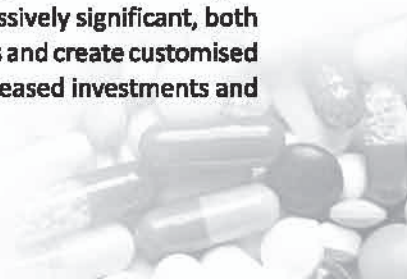
However, US shutdown for consecutive 16 days starting from 2nd October, 2013 till 17th October, 2013 has affected entire international money market and business world over, resulting into slow down in international economy, but we are satisfied that our company's order position and remittances are not affected. Our Marketing and Sales team has worked hard to keep the consistency in momentum of growth.

e.) Relationship - Pharmaceuticals and Biotechnology

Unlike in other countries, the difference between biotechnology and pharmaceuticals remains fairly defined in India. Bio-tech there still plays the role of pharma's little sister, but many outsiders have high expectations for the future. India accounted for 2% of the \$41 billion global biotech market and in 2003 was ranked 3rd in the Asia-Pacific region and 11th in the world in number of biotech. In 2004-05, the Indian biotech industry saw its revenues grow 37% to \$1.1 billion. The Indian biotech market is dominated by bio pharmaceuticals; 75% of 2004-05 revenues came from bio-pharmaceuticals, which saw 30% growth last year. Of the revenues from bio-pharmaceuticals, vaccines led the way, comprising 47% of sales. Biologics and large-molecule drugs tend to be more expensive than small-molecule drugs, and India hopes to sweep the market in bio-generics and contract manufacturing as drugs go off patent and Indian companies upgrade their manufacturing capabilities.

SUMMARY

India's pharma market has evolved and shifted gears to set foot on an accelerated growth path. In conclusion, as emerging markets become increasingly important and India's role among these becomes progressively significant, both domestic and pharma MNCs will need to adapt their business models, organisations and processes and create customised strategies. Overall, active participation from domestic and international pharma companies, increased investments and





strategic initiatives will likely underpin future growth and enable the Indian pharma market to break into the global top tier in the present decade.

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

a.) 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

b.) 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.

Sharon as an Integrated Company

Sharon has today two Active Pharma Ingredient plants in Taloja of which one is approved by WHO and KFDA and twelve CEP's filed and one is granted. It has filed DMF's in the US.

Sharon has a Oral Solid dosage facility located at Dehradun certified by UKMHRA, TGA Australia, TPD Canada, NDA Uganda, MSS Namibia and Yemen. It has been working on contract manufacturing model with reputed global companies. It has been executing several validation and exhibit batches for product application filing in the US, EU, Canada and Australia. It has also filed one ANDA application for USA.

Sharon is well supported with the Research and Development Centre and team working on Telescoping Reactions and Down-stream processing using Process Intensification techniques. We are utilizing “flow chemistry” and “bio-catalysis” to drive this effort at achieving highly cost effective and atom-efficient “green” technologies to achieve cost-effective manufacturing excellence. The equipments being installed are the of the state-of-the-art in this new but proven technology. Some of these technologies have already been put into operation at certain reaction stages in your plant.

Sharon has gone further backward and set up its CRO under SA-FORD brand. It is a OECD GLP approved laboratory offering various toxicology services.

Today Sharon is moving forward to get its plants now approved by the US FDA for which the work has been done and is waiting to get the inspection date.

With all this in place the Company in a medium size will be one of the first to have such an integration from preclinical to API to Formulations all facilities approved by the Europe and US authorities.



Auditors Report

To,
The Members of
M/s SHARON BIO-MEDICINE LIMITED,

Report on the Financial Statements

We have audited the accompanying financial statements of M/s SHARON BIO-MEDICINE LIMITED, which comprise the Balance Sheet as at 30th June, 2013, Statement of Profit and Loss account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the company in accordance with the Accounting Standards referred to in sub-section (3C) of the section 211 of the Companies Act, 1956 (the "Act"). This responsibility includes the design, the implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material statements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.

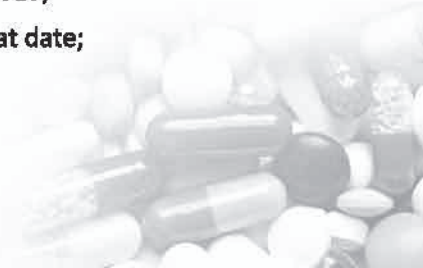
An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of the accounting estimates made by management as well as evaluating the overall financial presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- i. in the case of Balance Sheet, of the State of affairs of the Company as at 30th June, 2013;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;





iii. in the case of the Cash Flow Statement, of the cash flow for the year ended on that date;

Report on Other Legal and Regulatory Requirements

As required by Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Act, we annex thereto a statement on matters specified in paragraph 4 & 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph 7 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 purpose of our audit;
- b. In our opinion, the Company, as required by the law, has kept proper books of account, so far as it appears from our examination of such books;
- c. The Balance Sheet and Statement of Profit and Loss & Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet and the Statement of Profit and Loss & Cash Flow Statement comply with the Accounting Standards referred in Section 211 (3C) of the Act.
- e. On the basis of the written representations received from the directors, as on 30th June, 2013, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 30th June, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place : MUMBAI
Date : 29/08/2013

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, 2013.

- 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 taken 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. 4048.56Lacs and the yearend balance of such loan was Rs. 4048.56 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, are 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 : 29/08/2013

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



Balance Sheet as at 30th June 2013

Particulars	Note No.	30/06/2013 ₹ In Lacs	30/06/2012 ₹ 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	17,862.04	12,761.41
(2) Non Current Liabilities			
(a) Long term borrowings	D	28,086.75	23,864.38
(b) Deferred Tax Liabilities (Net)	A (12)	832.33	699.27
(c) Long Term Provisions	E	52.94	52.94
(3) Current Liabilities			
(a) Short term borrowings	F	36,302.06	26,889.21
(b) Trade Payables	G	5,985.54	4,966.85
(c) Other Current Liabilities	H	155.79	505.47
(d) Short term provision	I	1,385.27	1,132.32
Total		<u><u>97,193.42</u></u>	<u><u>77,402.55</u></u>
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	J	27,154.53	20,132.51
(ii) Capital Work-in-progress	K	4,281.67	5,990.25
(b) Non Current Investments	L	398.24	398.24
(c) Long term Loans and Advances	M	-	-
(2) Current Assets			
(a) Inventories	N	26,023.64	19,621.56
(b) Trade receivables	O	35,509.89	26,011.58
(c) Cash and Cash equivalents	P	627.34	628.22
(d) Short term Loans and Advances	Q	3,198.11	4,620.19
(e) Other Current Assets	R	-	-
Total		<u><u>97,193.42</u></u>	<u><u>77,402.55</u></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: 29th August, 2013

A

Y

For **SHARON BIO-MEDICINE LTD.**

For and on behalf of the board

Managing Director **Savita Satish Gowda** Sd/-

Director **Mohan P. Kala** Sd/-

Director **Lalit Misra** Sd/-



Profit and Loss Statement for the year ended 30th June 2013

Particulars	Note No.	30/06/2013 ₹ In Lacs	30/06/2012 ₹ in Lacs
I Revenue from operations	R		
Other Operating Income		105,949.65	78,506.14
II Other Income	S	88.65	92.69
III Total Revenue (I + II)		<u>106,038.31</u>	<u>78,598.83</u>
IV. Expenses			
Purchases / Documentation Expenses		96,609.93	69,697.58
Changes in inventories of finished goods, work in process and Stock in trade	T	(6,402.08)	(4,100.20)
Employee benefit expense	U	1,431.06	1,397.22
Finance costs	V	4,305.80	3,425.97
Depreciation and amortisation expense		1,212.78	886.38
Other expenses	W	2,261.86	1,983.75
Total expenses		<u>99,419.35</u>	<u>73,290.69</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		6,618.96	5,308.14
VI. Exceptional Items		-	3.14
VII. Profit before extraordinary items and tax (V-VI)		6,618.96	5,305.00
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		6,618.96	5,305.00
X. Tax expenses:			
(1) Current Tax		1,200.00	910.00
(2) Deferred Tax		133.06	233.56
XI. Profit/ (Loss) for the period from continuing operations (VII-VIII)		5,285.90	4,161.44
XII. Proposed Dividend		158.35	190.02
XIII. Tax on Distribution of Profits		26.91	32.29
XIV. Profit/ (Loss) for Discontinuing operations (after tax) (XII-XIII)		-	-
Prior Period Expense/(Income)		-	-
XV. Profit/ (Loss) for the period (XI + XIV)		5,100.63	3,939.12
XVI. Earnings per equity share: (Face value of Rs 10 each (Previous Year Rs 10 each)	A(p) & (ab)		
(1) Basic (Rs)		50.07	39.42
(2) Diluted (Rs)		48.42	38.12

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: 29th August, 2013

A
Y

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

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



Cash Flow Statement for the year ending 30th June 2013

<i>Particulars</i>	30/06/2013 ₹ In Lacs	30/06/2012 ₹ in Lacs
A. Cash flow from operating activities		
Profit before tax	6,618.96	5,305.00
Depreciation	1,203.50	872.40
Interest income	(88.65)	(92.69)
Income Tax	(1,200.00)	(910.00)
Interest expense	4,277.19	3,398.34
Operating profit before working capital changes	10,810.99	8,573.04
(Increase)/Decrease in Inventory	(6,402.08)	(4,100.20)
(Increase)/Decrease in Debtors	(9,498.32)	(6,758.07)
Increase in creditors	1,018.70	1,861.63
Increase in provisions	(96.73)	885.11
Decrease/(Increase) in loans & advances	1,422.08	(2,361.46)
Interest Paid	(4,277.19)	(3,398.34)
Net cash generated from operation	(17,833.54)	(13,871.33)
B. Cash flow from investing activities		
Purchase of fixed assets	(6,516.94)	(6,206.61)
Receipt of interest	88.65	92.69
Investment in preference shares		
Decrease/(Increase) in Investments	-	(10.00)
Net cash used in investing activities	(6,428.29)	(6,123.92)
C. Cash flow from financing activities		
Proceeds from loans - Secured	12,465.46	5,962.15
Proceeds from loans - Unsecured	1,169.76	5,916.60
Proposed Dividend	(158.35)	(190.02)
Tax on Distributed Profit	(26.91)	(32.29)
Increase in Long Term Provision	-	10.00
Net cash (used In)/generated from financing activities	13,449.95	11,666.44
Net (decrease)/Increase In cash and cash equivalents	(0.89)	244.23
Cash and cash equivalents at the beginning of the year	628.22	383.99
Cash and cash equivalents at the end of the year	627.34	628.22
Cash & Bank Balances (as per schedule : P)	627.34	628.22
Less : Deposits with maturity more than 3 months	50.29	525.76
Cash & Cash Equivalents for Cash Flow Statement	577.04	102.47

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: 29th August, 2013

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

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



Schedule forming part of the Balance Sheet as at 30th June 2013

₹ in Lacs

<i>Particulars</i>	30/06/2013	30/06/2012
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
	1,055.69	1,055.69
Shareholder holding more than 5% of entire Share Capital	<i>No of Shares</i>	<i>No of Shares</i>
Bagulvani Trading & Investment P. Ltd.	824,238	824,238
Mohan P. Kala	1,823,730	1,903,630
Asha Mohan Kala	613,860	583,760
Ramco Properties P. Ltd.	915,091	915,091
Revon Finance & Investment P. Ltd.	1,121,996	1,121,996
Savita Satish Gowda	693,860	693,860
No fresh shares issued during the year.		

Terms/Rights attached to equity shares :

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.

C. RESERVES AND SURPLUS

Securities Premium Account

Opening Balance	1,522.50	1,522.50
Add : Addition during the year	-	-
Closing Balance	1,522.50	1,522.50

Revaluation Reserves

Opening Balance	36.25	36.25
Add : Addition during the year	-	-
Closing Balance	36.25	36.25

General Reserve

Opening Balance	2,178.88	1,678.88
Add : Addition during the year	1,000.00	500.00
Closing Balance	3,178.88	2,178.88



Schedule forming part of the Balance Sheet as at 30th June 2013

₹ in Lacs

<i>Particulars</i>	30/06/2013	30/06/2012
Profit and Loss Account		
Opening Balance	9,023.78	7,995.27
Add : Profit during the year	4,100.63	1,028.51
Closing Balance	13,124.41	9,023.78
	<u>17,862.04</u>	<u>12,761.41</u>
D. Long term Borrowings		
(i) Term loans from Banks - Secured	7,821.85	4,753.41
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).	12.61	28.44
Loans from related parties & others - Unsecured	6,263.68	5,391.53
Loan from Other - FCCB - Unsecured	13,988.61	13,691.00
	<u>28,086.75</u>	<u>23,864.38</u>
E. Long term Provisions		
Provision for Employee benefits	52.94	52.94
	<u>52.94</u>	<u>52.94</u>
F. Short term Borrowings		
1) Cash Credit from Banks - Secured	36,302.06	26,889.21
Working Capital Loans are secured by First charge on Current Assets and Second Charge on Fixed Assets.		
	<u>36,302.06</u>	<u>26,889.21</u>
G. Trade Payables		
Creditors		
Total outstanding dues to Micro, Small and Medium Enterprises & Others	5,985.54	4,966.85
Others	-	-
	<u>5,985.54</u>	<u>4,966.85</u>
H. Other Current Liabilities		
Sundry Creditors for Expenses	155.79	505.47
	155.79	505.47
I. Short term Provisions		
Provision for taxation (net of advance tax)	1,200.00	910.00
Proposed Dividend	158.35	190.02
Distribution Tax on Dividends	26.91	32.29
	<u>1,385.27</u>	<u>1,132.32</u>



Schedule forming part of the Balance Sheet as at 30th June 2013

₹ in Lacs

Particulars	30/06/2013	30/06/2012
-------------	------------	------------

J. Fixed Assets under Non Current Assets

Assets	Gross Block			Depreciation				Net Block		
	Balance as on 01.07.2012	Additions	Deletion	As on 30.06.2013	Upto 30.06.2012	During the Year	Deletion	Upto 30.06.2013	As on 30.06.2013	As on 30.06.2012
Land	1,203.35	-	-	1,203.35	-	-	-	-	1,203.35	1,203.35
Building	3,959.62	1,712.17	-	5,671.78	486.94	100.42	-	587.36	5,084.42	3,472.67
Office premises	2,684.99	109.28	-	2,802.70	-	-	-	-	2,802.70	2,684.99
Plant & machinery	13,513.30	5,435.89	-	18,949.19	2,374.42	958.27	-	3,332.69	15,616.50	11,138.88
Lab equipments	655.16	567.64	-	1,222.80	138.57	33.59	-	172.16	1,050.64	516.59
Electrical fittings	749.61	185.78	-	935.39	152.46	36.56	-	189.02	746.36	597.15
Office equipment	80.27	12.85	-	93.13	21.65	4.15	-	25.79	67.34	58.63
Motor car	215.06	7.78	-	222.84	65.71	20.92	-	86.64	136.20	149.34
Furniture & fixture	281.73	119.57	-	401.30	84.16	17.85	-	102.01	299.29	197.58
Computer	179.60	45.31	-	224.91	99.25	30.08	-	129.33	95.58	80.35
Air conditioners	30.76	29.27	-	60.02	6.22	1.66	-	7.88	52.15	24.54
Total	23,561.89	8,225.52	-	31,787.41	3,429.38	1,203.50	-	4,632.88	27,154.53	20,132.51
Previous year	20,641.86	2,931.07	11.04	23,561.89	1,734.25	87.79	4.70	3,429.38	20,132.51	18,084.87

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

4,281.67

5,990.25

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

52.94

Investment in Overseas Company

5.74

5.74

100 Shares @ EURO 100/- Each

398.24

398.24

M. Long term Loans and Advances

-

-

N. Inventories

26,023.64

19,621.56

26,023.64

19,621.56

O. Trade Receivables

a) Outstanding for period exceeding 6 months
Unsecure considered good

612.63

374.16

b) Other unsecured considered good

34,897.26

25,637.41

35,509.89

26,011.58



Schedule forming part of the Balance Sheet as at 30th June 2013

₹ in Lacs

<i>Particulars</i>	30/06/2013	30/06/2012
P. Cash and Cash Equivalents		
Balances with Banks	549.81	77.30
Cash on hand	27.24	25.17
Deposit with banks held as Margin Money	18.29	37.85
Deposit having maturity more than 12 months	32.00	487.91
	<u>627.34</u>	<u>628.22</u>
Q. Short Term Loans and Advances		
Advances recoverable in cash or kind	3,198.11	4,620.19
Security Deposits	-	-
	<u>3,198.11</u>	<u>4,620.19</u>
R. Revenue from operations		
(a) Revenue from Sales & Services	105,949.65	78,506.14
(b) Other Services	-	-
(c) Other operating revenues	-	-
	<u>105,949.65</u>	<u>78,506.14</u>
S. Other Income		
Interest Income	15.27	29.14
Other Income	73.38	63.55
Dividend Received	-	-
	<u>88.65</u>	<u>92.69</u>
T. Changes in inventories of finished goods, work in process and Stock in trade		
Opening Inventories	19,621.56	15,521.37
Less: Closing Inventories	26,023.64	19,621.56
Decrease/(Increase) in inventories	<u>(6,402.08)</u>	<u>(4,100.20)</u>
U. Employee benefit expense		
Salaries, wages & bonus	1,384.49	1,352.56
Workmen and staff welfare expenses	46.57	44.66
	<u>1,431.06</u>	<u>1,397.22</u>
V. Finance costs		
Interest & Bank Charges	4,277.19	3,398.34
Other borrowing cost	-	-
Foreign currency exchange loss	28.61	27.63
	<u>4,305.80</u>	<u>3,425.97</u>



**Schedule forming part of the Balance Sheet as at 30th June 2013**

₹ in Lacs

<i>Particulars</i>	30/06/2013	30/06/2012
W. Other expenses		
Power & Fuel Expenses	827.16	726.97
Repairs Maintenance	140.72	139.53
Factory Expenses	116.73	115.97
Research & Development	130.07	154.17
Audit Fees	5.00	5.00
Telephone Expenses	19.05	21.16
General Expenses	33.84	36.75
Printing & Stationery	64.03	49.20
Travelling Expenses	176.13	155.73
Rent, Rates & Taxes	62.46	57.37
Legal & Professional Charges	135.78	101.43
Product Registration Expenses	72.66	61.34
Books & Periodicals	0.96	0.72
Car Expenses	31.05	30.39
Advertisement Expenses	5.39	7.17
Conveyance	43.24	40.50
Membership & Subscription	1.52	2.44
Stock Exchange Listing Fees	2.65	1.78
Insurance	71.47	40.67
Directors Remuneration	67.44	68.83
Brokerage & Commission	143.57	86.07
Postage & Telegram Charges	15.90	12.61
Business Promotions Expenses	53.41	24.78
Exhibition Expenses	41.62	43.16
	<u>2,261.86</u>	<u>1,983.75</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. Miscellaneous Expenditure :

Preliminary Expenses & Public Issue Expenses are amortized in five equal yearly Installments

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 its 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. 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.

13. 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.



14. **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.

i. **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.

ii. **Employees Stock Option Scheme**

The company has granted options to selected Employees including Directors under Sharon ESOS 2010. This options have been granted at Market Prevailing Rate at the time of Grant.

15. **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 27, November 2007. These Bonds are convertible Bonds at the option of bond holders into equity shares of Rs. 10/- each fully paid at the conversion price of Rs. 315/- per share initially but now conversion price has been reset to Rs. 228.04/- per share, subject to the terms of issue, with a fixed exchange rate of Rs. 39.15 equal to US\$ 1.00 within 5 years and 7 days from the date of issue.

The Bonds could not be redeemed due to non arrangement of funds, therefore, company asked bondholders to extend the bonds for the further period of 5 years. Bondholders have agreed to extend the period between one year to five years and interest to be paid between LIBOR + 3.50% - 5% per annum, as per the ECB guidelines. The bondholders have given their consent as stated above and the company authorize dealer has submitted the documents to Reserve Bank of India (RBI), accordingly.

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>	2012 - 2013	2011 - 2012
a) Letter of Credit against goods (Margin Money with bank ₹36.79 Lacs)	74.18	295.87
b) Bank Guarantee for MPCB	0.50	1.43





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	95% (Approx)
Formulation	4.75 bn Tablets per shift per annum 1.75 bn Capsules per shift per annum	62.35% (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, Managing Director	27,00,000/- (27,00,000/-)	NIL (NIL)	27,00,000/- (27,00,000/-)
Mr. Vijay Kirpalani, Whole Time Director	13,44,000/- (14,83,000/-)	NIL (NIL)	13,44,000/- (14,83,000/-)
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. 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.

10. Related party disclosure :

As per Accounting Standards (AS-18) on related party disclosures issued by the Institute of Chartered Accountants of India, detailed disclosure is as follows :

i) Details of Related Parties :

- | | |
|--|---|
| 1) Key Management Personnel | Savita Satish Gowda (Ms.) (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. Amrita Kala (Ms.) |



- 3) Companies over which Key Management Personnel and their relatives have Interest
- Ramco Properties Pvt. Ltd.
Revon Finance & Investments Pvt. Ltd.
Bagulwanl General Trading Pvt. Ltd.
Venus Finance & Investments Pvt. 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	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1.	Remuneration	67.44	69.14	24.00	27.40	—	—
2.	Rent Paid	9.00	9.00	—	—	30.00	30.00
3.	Unsecured Loan Received	287.16	—	—	—	758.84	—
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.	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1.	Unsecured Loan Received.	323.64	36.48	31.32	31.32	4048.56	3289.72
2.	Investment made	—	—	—	—	275.00	275.00
3.	Loans & Advances	—	—	—	—	8.39	8.39

11. Earnings Per Share

(₹ in Lacs)

Particulars	2012 - 2013	2011-2012
Profit Attributable to Equity Shareholders	5285.90	4161.44
Weighted average no. of Equity Share	10556900	10556900
Diluted average no. of Equity Share	10915782	10915782
Nominal value of Equity Share Rs.	10/-	10/-
Earning Per Share (EPS) - Basic (Rs.)	50.07	39.42
Earning Per Share (EPS) - Diluted (Rs.)	48.42	38.12



12. Deferred Tax Liability :

Deferred Tax Liability relating to earlier year is Rs. 233.56/- and liability for current year is Rs. 133.06/-.

13. Foreign Exchange Transactions

(₹ in Lacs)

Particulars	2012 - 2013	2011-2012
A. CIF value of goods imported	817.25	951.45
B. Value of Goods Exported (FOB and service charges)	8643.11	5733.41
C. Marketing, Reimbursement, Travelling & Other Expenses	248.60	151.26

14. Auditors Rremuneration:

(₹ in Lacs)

Particulars	2012 - 2013	2011-2012
Audit Fee	2.50	2.50
Tax Audit Fees	1.00	1.00
Other Matters	0.50	0.50
Total	4.00	4.00

As per attached Report of even date

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

Chartered Accountants

Firms Registration No. 110243W

Sd/-

Shyam C. Agrawal

(Proprietor)

Membership No. 031774

Place : Mumbai

Date: 29.08.2013

For and on behalf of the board

Savita Satish Gowda (Ms.) (Managing Director)

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 Shcedule VI to the Companies ACT,1956

Balance Sheet Abstracted and Company's Genral Business Profile:

1. Registration Deatalls :

- a) Registration No. : L24110MH1989PLCO52251
- b) State Code : 11
- c) Balance sheet Date : 30.06.2013

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 :	9,719,341.97		
b) Total Assets :	9,719,341.97		
c) Sources of Fund :			
- Paid Up Captial:	105,569.00	- Reserves & Surplus :	1,727,428.52
- Secured Loans :	783,446.17	- Unsecured Loans :	2,025,228.67
- Deferred Tax liability :	83,233.38	- Advance against Share application Money	547,500.00
d) Application of Founds:			
- Net Fixed Assets :	2,715,453.26	- Investments :	39,823.52
- Net Current Assets :	6,535,897.97	- Misc. Expenditure :	-
- Accumulated Losses :	Nil	- Captial WIP :	428,167.22

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

a) Turnover (Sales) :	10,603,830.81	b) Total Expenditure :	9,941,935.15
c) Profit Before Tax :	661,895.66	d) Profit After Tax :	528,589.62
e) Earning per Share :	50.07	f) Dividend Per Share :	1.50

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

Sr. No.	Product Description	Item Code No.(ITC)
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, 2013.

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. 1432.51 Lacs (previous year Rs 1938.95 Lacs). The operations for the financial year have resulted in a net Profit of Rs 84.87 lacs (previous year Rs 115.99 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, 2013 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 24,00,000/- per annum or not less than Rs 2,00,000/- 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 M/s Yusur International FZE, UAE as at 30th June, 2013 and the Profit and Loss Account of the Company along with Cash Flow Statement 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 not 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, 2013,
 - (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/-

C.A Deepak Kala
Proprietor
Membership No.128328

Place : Mumbai
Date : 16/08/2013

**YUSUR INTERNATIONAL FZE Balance Sheet as at 30th June 2013**

	<i>Particulars</i>	<i>Note No.</i>	30/06/2013 ₹ in Lacs	30/06/2012 ₹ in Lacs
I	SOURCES OF FUNDS:			
	Share Holder's Funds			
	Capital	A	64.55	64.55
	Reserves & Surplus	B	773.95	696.41
	Loan Funds			
	Unsecured Loans	C	8.39	8.39
	TOTAL		<u>846.89</u>	<u>769.36</u>
	APPLICATION OF FUNDS:			
	Current Assets, Loans & Advances			
	Sundry Debtors	D	842.02	810.72
	Cash & Bank Balance	E	4.48	2.96
	Loans & Advances	F	20.86	3.57
			<u>867.35</u>	<u>817.25</u>
	Less : Current Liabilities	G	<u>20.46</u>	<u>47.89</u>
	Net Current Assets		<u>846.89</u>	<u>769.36</u>
	TOTAL		<u>846.89</u>	<u>769.36</u>

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 : 16/08/2013

I

For Yusur International FZE

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

**YUSUR INTERNATIONAL FZE Profit and Loss Statement for the year ended 30th June 2013**

₹ in Lacs

	<i>Particulars</i>	<i>Note No.</i>	30/06/2013	30/06/2012
I	INCOME			
	Sales		1,401.88	1,907.64
	Consulting Income		30.63	31.32
			<u>1,432.51</u>	<u>1,938.95</u>
	Expenses			
	Purchases		1,298.59	1,760.10
	Administrative and Other Expenses	H	49.05	62.86
			<u>1,347.64</u>	<u>1,822.96</u>
	Net Profit for the Period		84.87	115.99
	Transferred to Statutory Reserve		24.87	30.32
	Transfer to Profit & Loss Account		59.99	85.68
			<u>84.87</u>	<u>115.99</u>
	Basic & Diluted earning per Share		16.97	23.20
	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 : 16/08/2013

I

For Yusur International FZE

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




YUSUR INTERNATIONAL FZE Cash Flow statement for the year ending 30th June 2013

₹ in Lacs

<i>Particulars</i>	30/06/2013	30/06/2012
A. Cash flow from Operating Activities		
Net Profit Before Tax	84.87	115.99
Adjustments for:		
Depreciation	-	-
Provision for Tax	-	-
Miscellaneous expenses w/off	-	-
Interest paid	-	-
Interest/Other Income Received	-	-
Loss on Sale of Assets	-	-
Operating Cash Flow before Working Capital changes	84.87	115.99
Adjustments for:		
Changes in Trade & Other Receivables	(17.29)	(0.66)
Change in Debtors	(31.29)	227.46
Change in Inventories	-	-
Change in Trade Payables & Other Current Liabilities	(27.43)	(360.83)
Cash Generated from Operation	-	-
Interest paid	-	-
Net Cash Flow from Operating Activities (A)	8.85	(18.03)
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	(7.33)	18.33
Proceeds of Bank Loans & Other Financial Institution	-	-
Decrease in Unsecured Loans	-	-
Increase in Miscellaneous Exp.	-	-
Net Cash flow from Financing Activities (C)	(7.33)	18.33
Net Cash Flow during the year (A+B+C)	1.52	0.29
Opening Cash & Cash equivalents	2.96	2.67
Cash & Cash equivalent at 30/06/2013	4.48	2.96

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 : 16/08/2013

For Yusur International FZE

Sd/-

Mohan. P. Kala (C.A)

Manager



Schedule forming part of the Balance Sheet as at 30th June 2013

₹ in Lacs

<i>Particulars</i>	30/06/2013	30/06/2012
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	111.81	86.93
Profit & Loss Account	655.01	595.02
Capital Translation Reserve	7.13	14.46
Total	<u>773.95</u>	<u>696.41</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	842.02	810.72
Total	<u>842.02</u>	<u>810.72</u>
Schedule - "E"		
Cash & Bank Balance		
Cash in Hand	1.74	0.45
Cash at Bank	2.74	2.50
Total	<u>4.48</u>	<u>2.96</u>
Schedule - "F"		
Loans & Advances		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or Kind or for value to be received		
Deposits	3.90	3.57
Total	<u>20.86</u>	<u>3.57</u>
Schedule - "G"		
Current Liabilities		
Sundry Creditors	20.46	47.89
Total	<u>20.46</u>	<u>47.89</u>
Schedule - "H"		
Administrative and Other Expenses		
Salaries	39.59	52.71
Legal & license related expenses	3.48	4.55
Audit Fees	0.71	0.66
Bank service charges	0.33	0.24
Other General Expenses	0.29	0.45
Rent	4.64	4.24
Total	<u>49.05</u>	<u>62.86</u>



Significant Accounting Policies and Notes Forming part of the accounts for the year ended June 30, 2013.

i) Accounting Policies :

- a) **The Financial Statements:** The Financial Statements are prepared under the historical cost convention on accrual basis. The financial statements confirm 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	
		2012-13	2011-12	2012-13	2011-12
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	
		2012-13	2011-12	2012-13	2011-12
1.	Unsecured Loan Received	8.39	8.39	Nil	Nil

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

Sd/-
CA Deepak Kala
Proprietor
Membership No. 128328
Place: Mumbai
Date : 16/08/2013

For Yusur International FZE

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, 2013, 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 Yusr International FZE included in the consolidated financial statements, which constitute total assets of Rs. 8,46.89 Lacs as at June 30, 2013, Total revenue of Rs. 14,32.51 Lacs, Net profit of Rs. 84.87 Lacs, net cash flow amounting to Rs. 1.52 Lacs as for the year ended June 30, 2013. 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, 2013.
 - 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 : 29/08/2013





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, 2013.

- 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 taken 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. 4048.56Lacs and the yearend balance of such loan was Rs. 4048.56 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 : 29/08/2013

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 2013

	Particulars	Note No.	30/06/2013 ₹ in Lacs	30/06/2012 ₹ 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	18,635.99	13,457.82
(2)	Non Current Liabilities			
	(a) Long term borrowings	D	28,086.75	23,864.38
	(b) Deferred Tax Liabilities (Net)	A (12)	832.33	699.27
	(c) Long Term Provisions	E	52.94	52.94
(3)	Current Liabilities			
	(a) Short term borrowings	F	36,302.06	26,889.21
	(b) Trade Payables	G	6,006.00	5,014.74
	(c) Other Current Liabilities	H	155.79	505.47
	(d) Short term provision	I	1,385.27	1,132.32
	Total		97,987.83	78,146.85
II.	ASSETS			
(1)	Non Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	J	27,154.53	20,132.51
	(ii) Capital Work-in-progress	K	4,281.67	5,990.25
	(b) Non Current Investments	L	333.69	333.69
	(c) Long term Loans and Advances	M	-	-
(2)	Current Assets			
	(a) Inventories	N	26,023.64	19,621.56
	(b) Trade receivables	O	36,351.91	26,822.30
	(c) Cash and Cash equivalents	P	631.82	631.18
	(d) Short term Loans and Advances	Q	3,210.57	4,615.36
	(e) Other Current Assets	R	-	-
	Total		97,987.83	78,146.85

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: 29th August, 2013

A

Y

For SHARON BIO-MEDICINE LTD.

For and on behalf of the board

Managing Director **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 2013

₹ in Lacs

	Particulars	Note No.	30/06/2013	30/06/2012
I	Revenue from operations	S		
	Other Operating Income		107,351.53	80,413.78
II	Other Income	T	119.28	124.01
III	Total Revenue (I + II)		107,470.81	80,537.78
IV.	Expenses			
	Purchases / Documentation Expenses		97,908.52	71,457.68
	Changes in inventories of finished goods, work in process and Stock in trade	U	(6,402.08)	(4,100.20)
	Employee benefit expense	V	1,470.65	1,449.93
	Finance costs	W	4,306.13	3,426.21
	Depreciation and amortisation expense	J	1,212.78	886.38
	Preliminary expenses written off		-	-
	Other expenses	X	2,270.99	1,993.65
	Total expenses		100,766.99	75,113.65
V.	Profit before exceptional and extraordinary items and tax (III-IV)		6,703.82	5,424.14
VI.	Exceptional Items			
VII.	Profit before extraordinary items and tax (V-VI)		6,703.82	5,420.99
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII-VIII)		6,703.82	5,420.99
X.	Tax expenses:			
	(1) Current Tax		1,200.00	910.00
	(2) Deferred Tax		133.06	233.56
XI.	Profit/ (Loss) for the period from continuing operations (VII-VIII)		5,370.76	4,277.43
XII.	Proposed Dividend		158.35	190.02
XIII.	Tax on distribution of Profit		26.91	32.29
XIV.	Profit/ (Loss) for Discontinuing operations (after tax) (XII-XIII)		-	-
	Prior Period Expense/(Income)		-	-
XV.	Profit/ (Loss) for the period (XI + XIV)		5,185.50	4,055.12
XVI.	Earnings per equity share: (Face value of Rs 10 each (Previous Year Rs 10 each)	A(p) & (ab)		
	(1) Basic (Rs)		50.87	40.52
	(2) Diluted (Rs)		49.20	39.19

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: 29th August, 2013

A
Y

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

Managing Director Savita Satish Gowda (Ms.) Sd/-
Director Mohan P. Kala Sd/-
Director Lalit Misra Sd/-



Consolidated Cash Flow Statement for the year ending 30th June 2013

₹ in Lacs

<i>Particulars</i>	<i>For the Year ended 30/06/2013</i>	<i>For the Year ended 30/06/2012</i>
A. Cash flow from operating activities		
Profit before tax	6,703.82	5,420.99
Depreciation	1,203.50	877.09
Interest income	(119.28)	(124.01)
Income Tax	(1,200.00)	(910.00)
Interest expense	4,277.52	3,398.58
Operating Profit before working Capital Changes	10,865.56	8,662.66
(Increase)/Decrease in Inventory	(6,402.08)	(4,100.20)
(Increase)/Decrease in Debtors	(9,529.61)	(6,530.60)
Increase in creditors	991.26	1,875.91
Increase in provisions	(96.73)	510.00
Decrease/(Increase) in loans & advances	1,404.79	(2,362.12)
Interest Paid	(4,277.52)	(3,398.58)
Net Cash generated from Operation	(17,909.88)	(14,005.59)
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(6,516.94)	(6,211.31)
Receipt of interest	119.28	124.01
Investment in preference shares	-	-
Decrease/(Increase) in Investments	-	(10.00)
Net cash used In Investing Activities	(6,397.66)	(6,097.30)
C. Cash Flow from Financing Activities		
Proceeds from loans - Secured	12,465.46	5,962.15
Proceeds from loans - Unsecured	1,169.76	5,916.60
Proposed Dividend	(158.35)	(190.02)
Tax on Distributed Profit	(26.91)	(32.29)
Increase in Share Application Money	-	-
Increase in Capital Translation Reserves	(7.33)	18.33
Increase in Long Term Provision	-	10.00
Net Cash (Used In)/Generated from Financing Activities	13,442.62	11,684.76
Net (Decrease)/Increase in Cash and Cash Equivalents	0.64	244.53
Cash and cash equivalents at the beginning of the year	631.18	386.65
Cash and cash equivalents at the end of the year	631.82	631.18
Cash & Bank Balances (as per schedule : P)	631.82	631.18
Less : Deposits with maturity more than 3 months	50.29	525.76
Cash & Cash Equivalents for Cash Flow Statement	581.52	105.42

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: 29th August, 2013

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

Managing Director **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 2013

₹ in Lacs

<i>Particulars</i>	30/06/2013	30/06/2012
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
	1,055.69	1,055.69
Shareholder holding more than 5% of entire Share Capital	<i>No of Shares</i>	<i>No of Shares</i>
Bagulvani Trading & Investment P. Ltd.	824,238	824,238
Mohan P. Kala	1,823,730	1,903,630
Asha Mohan Kala	613,860	583,760
Ramco Properties P. Ltd.	915,091	915,091
Revon Finance & Investment P. Ltd.	1,121,996	1,121,996
Savita Satish Gowda	693,860	693,860
No fresh shares issued during the year.		

Terms/Rights attached to equity shares :

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.

C. RESERVES AND SURPLUS

Securities Premium Account

Opening Balance	1,522.50	1,522.50
Add : Addition during the year	-	-
Closing Balance	1,522.50	1,522.50

Revaluation Reserves

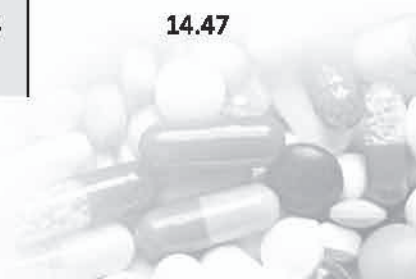
Opening Balance	36.25	36.25
Add : Addition during the year	-	-
Closing Balance	36.25	36.25

General Reserve

Opening Balance	2,265.81	1,735.50
Add : Addition during the year	1,024.87	530.32
Closing Balance	3,290.69	2,265.81

Capital Translation Reserves

Opening Balance	14.47	(3.87)
Add : Addition during the year	(7.33)	18.33
Closing Balance	7.14	14.47





Consolidated Schedule forming part of the Balance Sheet as at 30th June 2013

₹ in Lacs

<i>Particulars</i>	30/06/2013	30/06/2012
<u>Profit and Loss Account</u>		
Opening Balance	9,618.79	8,504.61
Add : Profit during the year	4,160.62	1,114.19
Closing Balance	13,779.42	9,618.79
	<u>18,635.99</u>	<u>13,457.82</u>
D. Long term Borrowings		
(i) Term loans from Banks - Secured	7,821.85	4,753.41
Term Loans are secured by First charge on Fixed Assets and Second Charge on Current Assets.		
(ii) Loans against vehicles from banks - Secured	12.61	28.44
(Vehicle Loan is secured against the Vehicle).		
Loans from related parties & others - Unsecured	6,263.68	5,391.53
Loan from Other - FCCB - Unsecured	13,988.61	13,691.00
	<u>28,086.75</u>	<u>23,864.38</u>
E. Long Term Provisions		
Provision for Employee benefits	52.94	52.94
	<u>52.94</u>	<u>52.94</u>
F. Short Term Borrowings		
1) Cash Credit from Banks - Secured	36,302.06	26,889.21
Working Capital Loans are secured by First charge on Current Assets and Second Charge on Fixed Assets.		
	<u>36,302.06</u>	<u>26,889.21</u>
G. Trade Payables		
Creditors		
Total outstanding dues to Micro, Small and Medium Enterprises & Others	6,006.00	5,014.74
Others	-	-
	<u>6,006.00</u>	<u>5,014.74</u>
H. Other Current Liabilities		
Sundry Creditors for Expenses	155.79	505.47
	<u>155.79</u>	<u>505.47</u>
I. Short term Provisions		
Provision for taxation(net of advance tax)	1,200.00	910.00
Proposed Dividend	158.35	190.02
Distribution Tax on Dividends	26.91	32.29
	<u>1,385.27</u>	<u>1,132.32</u>



Consolidated Schedule forming part of the Balance Sheet as at 30th June 2013

₹ in Lacs

<i>Particulars</i>	30/06/2013	30/06/2012
J. Fixed Assets under Non Current Assets Ref. 'Schedule J' - Pg. 37		
K. Capital work in progress	<u>4,281.67</u>	<u>5,990.25</u>
L. Non Current Investments		
Siddhivinayak Developers	275.00	275.00
Investment of Gratuity Fund	52.94	52.94
Investment in Overseas Company 100 Shares @ EURO 100/- Each	5.74	5.74
	<u>333.69</u>	<u>333.69</u>
M. Long term Loans and Advances	-	-
N. Inventories	26,023.64	19,621.56
	<u>26,023.64</u>	<u>19,621.56</u>
O. Trade Receivables		
a) Outstanding for period exceeding 6 months Unsecured considered good	612.63	374.16
b) Other unsecured considered good	35,739.28	26,448.14
	<u>36,351.91</u>	<u>26,822.30</u>
P. Cash and Cash Equivalents		
Balances with Banks	552.55	79.80
Cash on hand	29.98	25.62
Deposit with banks held as Margin Money	18.29	37.85
Deposit having maturity more than 12 months	32.00	487.91
	<u>631.82</u>	<u>631.18</u>
Q. Short Term Loans and Advances		
Advances recoverable in cash or kind	3,210.57	4,615.36
	<u>3,210.57</u>	<u>4,615.36</u>
S. Revenue from operations		
(a) Revenue from Sales & Services	107,351.53	80,413.78
	<u>107,351.53</u>	<u>80,413.78</u>
T. Other Income		
Interest Income	15.27	29.14
Other Income	104.01	94.86
	<u>119.28</u>	<u>124.01</u>
U. Changes In Inventories of finished goods, work in process and Stock in trade		
Opening Inventories	19,621.56	15,521.37
Less: Closing Inventories	26,023.64	19,621.56
Decrease/(Increase) in inventories	<u>(6,402.08)</u>	<u>(4,100.20)</u>

**Consolidated Schedule forming part of the Balance Sheet as at 30th June 2013**

₹ in Lacs

<i>Particulars</i>	30/06/2013	30/06/2012
V. Employee benefit expense		
Salaries, wages & bonus	1,424.08	1,405.27
Workmen and staff welfare expenses	46.57	44.66
	<u>1,470.65</u>	<u>1,449.93</u>
W. Finance costs		
Interest & Bank Charges	4,277.52	3,398.58
Foreign currency exchange loss	28.61	27.63
	<u>4,306.13</u>	<u>3,426.21</u>
X. Other expenses		
Power & Fuel Expenses	827.16	726.97
Repairs Maintenance	140.72	139.53
Factory Expenses	116.73	115.97
Research & Development	130.07	154.17
Audit Fees	5.71	5.66
Telephone Expenses	19.05	21.16
General Expenses	34.13	37.21
Printing & Stationery	64.03	49.20
Travelling Expenses	176.13	155.73
Rent, Rates & Taxes	67.10	61.61
Legal & Professional Charges	139.27	105.98
Product Registration Expenses	72.66	61.34
Books & Periodicals	0.96	0.72
Car Expenses	31.05	30.39
Advertisement Expenses	5.39	7.17
Conveyance	43.24	40.50
Membership & Subscription	1.52	2.44
Stock Exchange Listing Fees	2.65	1.78
Insurance	71.47	40.67
Directors Remuneration	67.44	68.83
Brokerage & Commission	143.57	86.07
Postage & Telegram Charges	15.90	12.61
Business Promotions Expenses	53.41	24.78
Exhibition Expenses	41.62	43.16
	<u>2,270.99</u>	<u>1,993.65</u>



Schedule to the Consolidated Accounts

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 sales are recognized on the basis of Shipping/Airway Bills. Sales stated are excluding sales tax and net of returns.

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, Trial 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. Miscellaneous Expenditure :

Preliminary Expenses & Public Issue Expenses are amortized in five equal yearly Installments

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 its 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. 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.

13. 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.



14. **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.

i. **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.

ii. **Employees Stock Option Scheme**

The company has granted options to selected Employees including Directors under Sharon ESOS 2010. This options have been granted at Market Prevailing Rate at the time of Grant.

15. **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.

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 27, November 2007. These Bonds are convertible Bonds at the option of bond holders into equity shares of Rs. 10/- each fully paid at the conversion price of Rs. 315/- per share initially but now conversion price has been reset to Rs. 228.04/- per share, subject to the terms of issue, with a fixed exchange rate of Rs. 39.15 equal to US\$ 1.00 within 5 years and 7 days from the date of issue.

The Bonds could not be redeemed due to non arrangement of funds, therefore, company asked bondholders to extend the bonds for the further period of 5 years. Bondholders have agreed to extend the period between one year to five years and interest to be paid between LIBOR + 3.50% - 5% per annum, as per the ECB guidelines. The bondholders have given their consent as stated above and the company authorize dealer has submitted the documents to Reserve Bank of India (RBI), accordingly.

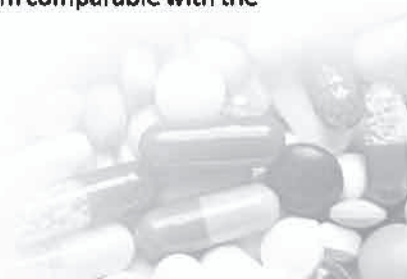
2. In the absence of information as regards to the status/classification of the relevant enterprises into Micro, Small and Medium Enterprises, information as required under Notification No. G.S.R. 719(E) dated 16.11.2007 issued by the Department of the Company Affairs in respect of the total amount payable 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>	2012 - 2013	2011 - 2012
a) Letter of Credit against goods (Margin Money with bank ₹ 36.79 Lacs)	74.18	295.87
b) Bank Guarantee for MPCB	0.50	1.43

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	95% (Approx)
Formulation	4.75 bn Tablets per shift per annum 1.75 bn Capsules per shift per annum	62.35% (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, Managing Director	27,00,000/- (27,00,000/-)	NIL (NIL)	27,00,000/- (27,00,000/)
Mr. Vijay Kirpalani, Whole Time Director	13,44,000/- (14,83,000/)	NIL (NIL)	13,44,000/- (14,83,000/)
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. 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.

10. Related party disclosure :

As per Accounting Standards (AS-18) on related party disclosures issued by the Institute of Chartered Accountants of India, detailed disclosure is as follows :

i) Details of Related Parties :

- | | |
|--|---|
| 1) Key Management Personnel | Savita Satish Gowda (Ms.) (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.
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	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1.	Remuneration	67.44	69.14	24.00	27.40	--	--
2.	Rent Paid	9.00	9.00	--	--	30.00	30.00
3.	Unsecured Loan Received	287.16	--	--	--	758.84	--
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.	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1.	Unsecured Loan Received.	323.64	36.48	31.32	31.32	4048.56	3289.72
2.	Investment made	--	--	--	--	275.00	275.00
3.	Loans & Advances	--	--	--	--	8.39	8.39

11. Earnings Per Share

(₹ in Lacs)

Particulars	2012 - 2013	2011-2012
Profit Attributable to Equity Shareholders	5285.90	4161.44
Weighted average no. of Equity Share	10556900	10556900
Diluted average no. of Equity Share	10915782	10915782
Nominal value of Equity Share Rs.	10/-	10/-
Earning Per Share (EPS) - Basic (Rs.)	50.87	40.52
Earning Per Share (EPS) - Diluted (Rs.)	49.20	39.19

**12. Deferred Tax Liability :**

Deferred Tax Liability relating to earlier year is Rs. 233.56/- and liability for current year is Rs. 133.06/-.

13. Foreign Exchange Transactions**(₹ in Lacs)**

<i>Particulars</i>	2012 - 2013	2011-2012
A. CIF value of goods imported	817.25	951.45
B. Value of Goods Exported (FOB and service charges)	8643.11	5733.41
C. Marketing, Reimbursement, Travelling & Other Expenses	248.60	151.26

14. Auditors Remuneration:**(₹ in Lacs)**

<i>Particulars</i>	2012 - 2013	2011-2012
Audit Fee	3.00	3.00
Tax Audit Fees	1.00	1.00
Other Matters	1.00	1.00
Total	5.00	5.00

As per attached Report of even date**For Shyam C. Agrawal & Co.**

Chartered Accountants

Firms Registration No. 110243W

Sd/-

Shyam C. Agrawal

(Proprietor)

Membership No. 031774

Place : Mumbai

Date: 29.08.2013

For and on behalf of the board**Savita Satish Gowda (Ms.) (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 30,2013
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	84.87
Issued & Subscribed Share Capital	64.55
Reserves	773.95
Total Assets	846.9
Total Liabilities	846.9
Investments	0
Turnover	1401.88
Profit/(Loss) before Taxation	84.87
Provision for Taxaation	0
Profit/(Loss) after Taxation	84.87
Proposed Dividend	0
Exchange Rate	16.5832

For and on Behalf of the Board of Directors

Sd/-

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

Sd/-

Lalit Misra
(Whole Time Director)

Sd/-

Mohan P. Kala
(Director)

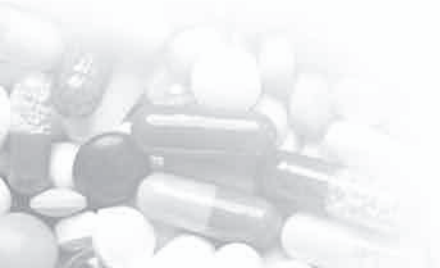
Sd/-

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 Fourth Annual General Meeting** of the Company held at Plot No. V/10, MIDC, Taloja, Dist. Raigad, Maharashtra 410208 on **9th December, 2013** 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 Fourth Annual General Meeting** of the Company held at Plot No.V/10, MIDC, Taloja, Dist.
Raigad, Maharashtra 410 208 on **9th December, 2013** at 9.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2013

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

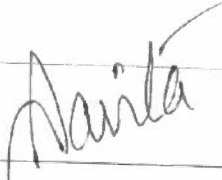

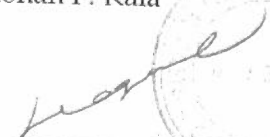
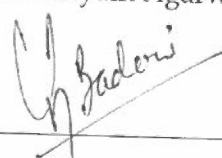
*Applicable for investors holding shares in electronic form.

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.



FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	Sharon Bio-Medicine Limited
2.	Annual Financial Statements for the year ended	30 th June, 2013
3.	Type of Audit Observation	Un-Qualified.
4.	<p>To be signed by-</p> <ul style="list-style-type: none"> • CEO/ Managing Director • CFO • Auditor of the Company • Audit Committee Chairman 	<p> _____ Ms. Savita Gowda</p> <p> _____ Mr. Mohan P. Kala</p> <p> _____ Mr. Shyam Agarwal</p> <p> _____ Mr. V. N. Badoni</p> 