Sharon
BIO-MEDICINE LTD.
ISO 9001 - 2008 Certified Company

FORM A

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

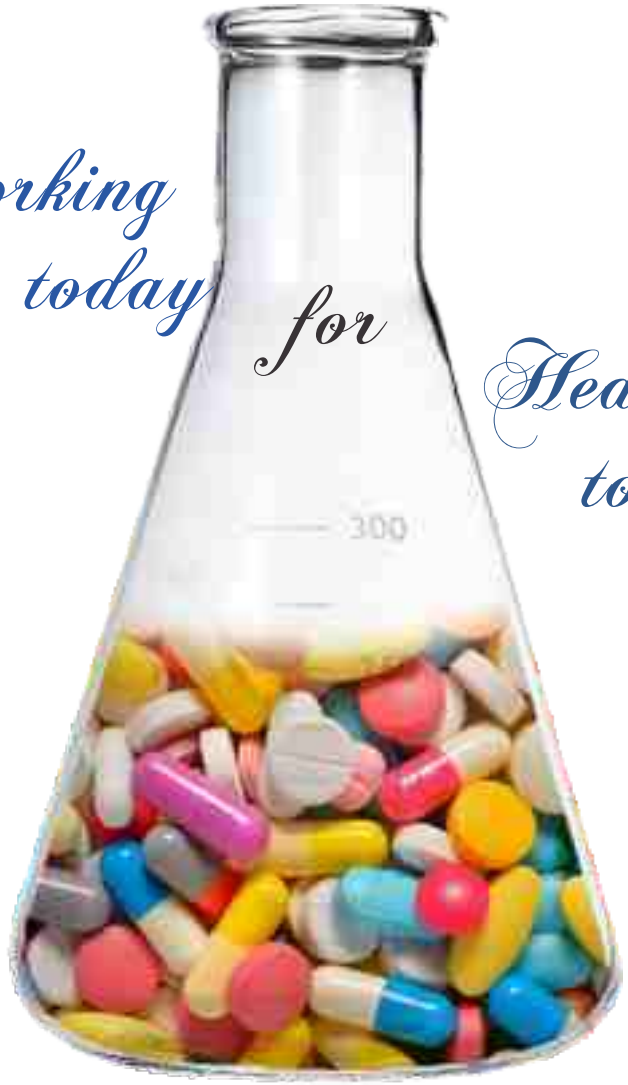
1.	Name of the Company	Sharon Bio-Medicine Limited
2.	Annual Financial Statements for the year ended	30th June, 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	• CFO/ Managing Director	Ms. Savita Gowda
	• CFO	Mr. Mohan Kala
	• Auditor of the Company	Mr. Shyam C. Agarwal
	• Audit Committee Chairman	Dr. Nivedita Patil

Regd. Off. & Works I : W-34 & 34/1, MIDC, Taloja, Dist-Raigad, Maharashtra (India),
Works II: Plot No. L-6, MIDC, Taloja, Dist-Raigad, Maharashtra (India)
Admin Office : 312, C Wing, BSEL Tech Park, Sector - 30(A), Vashi, Navi Mumbai - 400 705
Tel.: 91 22 - 67944000, Fax : 91 22 - 67944001
Head Office : Plot No. 163, Smt Janakidevi Public School Rd., SVP Nagar, Andheri (West), Mumbai - 400 053.
Tel. :91 22 26323192 / 93 / 94 Fax : 26323140 E-mail : info@sharonbio.com
www.sharonbio.com

Sharon
BIO-MEDICINE LTD.

25 YEARS OF CARING

working today for Healthy tomorrow



25TH ANNUAL REPORT 2013-2014

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

25th annual report 2013-14

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Chairperson & Managing Director:

Savita Satish Gowda (Ms.)

Whole Time Directors:

Lalit Misra

Vijay Kirpalani

Director:

M. P. Kala

Non-Executive Directors:

Asif Taiyab Rangwala

Nivedita Patil (Dr.)

Harish Palecanda

Madhav Manohar Sapre

Bankers :

State Bank of India
Canara Bank
Axis Bank Limited
Allahabad Bank
Punjab National Bank
Union Bank of India
Indian Overseas Bank
Bank of Maharashtra

Statutory Auditors :

Shyam C. Agrawal & Company
(Chartered Accountants)

Company Secretaries (in practice) :

Jagdish Patel & Company

Company Secretaries :

Archana Hemant Andhare

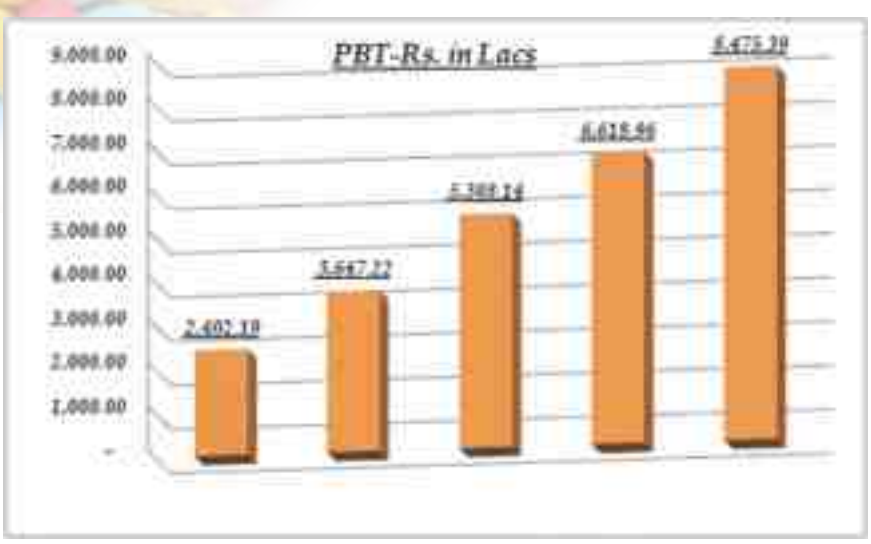
Registrar & Transfer Agent :

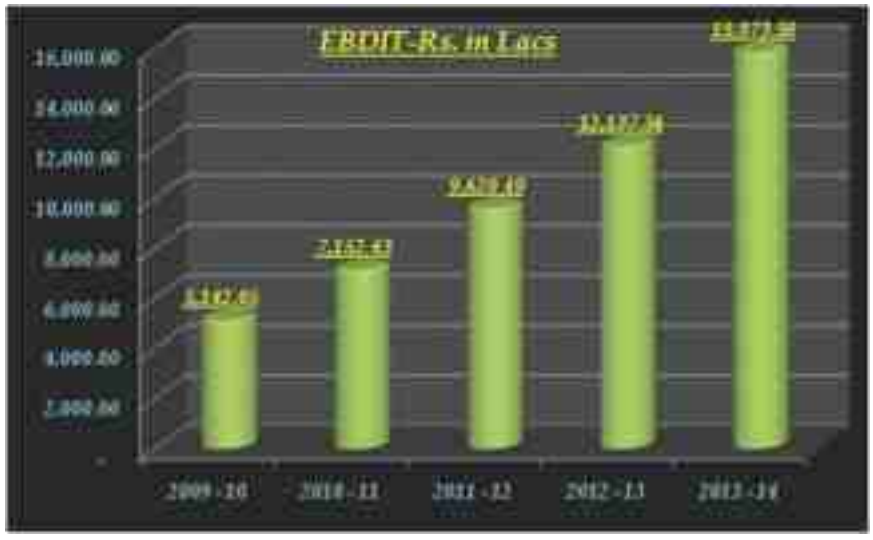
Link Intime India Private Limited

Financial Highlights of your Company

Accounting periods ₹ in Lacs

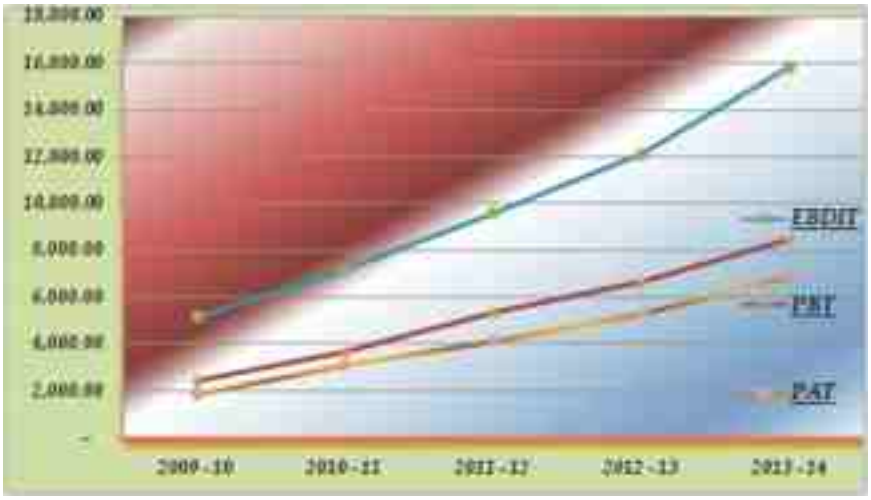
Particulars	2009 - 10	2010 - 11	2011 - 12	2012 - 13	**2013 - 14**
Turnover	49,649.88	60,604.66	78,506.14	105,949.66	**131,376.82**
Other Income	156.97	112.18	92.69	88.65	**167.71**
EBDIT	5,142.05	7,152.43	9,620.49	12,137.54	**15,873.58**
Interest	2,099.88	2,680.81	3,425.97	4,305.80	**5,862.76**
Depreciation	639.98	824.40	886.38	1,212.78	**1,535.44**
PBT	2,402.19	3,647.22	5,308.14	6,618.96	**8,475.39**
Income Tax	350.00	400.00	910.00	1,200.00	**1,301.00**
PAT	1,871.63	3,116.65	4,161.44	5,285.90	**6,961.72**
EPS	17.73	29.52	37.31	38.84	**5.23**
Adjusted EPS	1.77	2.95	3.73	3.88	**5.23**
Diluted EPS	1.77	2.95	3.73	3.01	**3.69**


PBT-Rs. in Lacs
9,000.00
8,000.00
7,000.00
6,000.00
5,000.00
4,000.00
3,000.00
2,000.00
1,000.00
-
2,402.18
3,647.22
5,308.14
6,618.96
8,475.39


EBDIT-Rs. in Lacs
16,000.00
14,000.00
12,000.00
10,000.00
8,000.00
6,000.00
4,000.00
2,000.00
-
2009-10
2010-11
2011-12
2012-13
2013-14

Other Income-Rs. in Lacs
180.00
160.00
140.00
120.00
100.00
80.00
60.00
40.00
20.00
-
2009-10
2010-11
2011-12
2012-13
2013-14

PAT-Rs. in Lacs


EBDIT
PBT
PAT
2009-10
2010-11
2011-12
2012-13
2013-14

Adjusted E.P.S in Rs.

Letter from Managing Director

Dear Owners,

Warm greetings from me & Sharon Family.

It's a feeling of great pleasure to present you your company's **25th Annual Report** monitoring the continuing Growth of SHARON for more than 15 years in row.

Financial year 2014 will be one more year to be noted as a momentous year in the history of SHARON. We have been exploring all the opportunities for effective deployment of capitaland other resources to defining and executing growth strategies and driving innovation across various facets of our business area

Emerging as a strong, assertive & sustainable global enterprise, your company has always focused on five factors:-

1. **EXPANSION;** Achieving high levels of Capital Efficiency

As Managing Director of your company I feel proud to announce that your company has invested Rs.85 Crores for doubling the capacity of the formulation plant located at Selaqui, in Uttarakhand. Anticipating good margins from formulation business based on the past year's results and to cater to the increasing export and domestic demand. The management of your company has also deployed Rs. 30 Crores in Bulk Drugs & Intermediates.

2. **RESEARCH & DEVELOPMENT;** Innovations leading sustained Growth

A pharma firm's value proposition is strongly tied to its R&D capabilities, which serve as the engine for innovation and growth. At Sharon, R&D is a strong value creator, managed with vision and built into your company's DNA. Starting from route selection, in-depth analysis is undertaken swiftly throughout the process-chain, to ensure "Quality", "Cost-competitiveness", "High process-efficiencies", "Safety", "Environmental-impact" and Durability & robustness of the process. Another necessary & synergistic area of focus of your company has been in Toxicology studies, this is the bulwark of safety for pharma products.

3. **QUALITY MANAGEMENT;** Quality-centric systems

At Sharon, great stress is put on all 4 attributes of Quality - management, viz. quality planning, qualitycontrol, quality assurance and quality improvement. The focus of Quality management is not only on product and service quality, but also the means to achieve it.

4. **OPERATIONAL EXCELLENCE;** through Asset Productivity, Capital Effectiveness & Operations Risk Management.

Sharon invests in adequate employee strength & compensation coupled with intensive training. Empowered & effective, trained employees are Sharon's main assets.

- **Asset Productivity :** We strive to optimize facilities, infrastructure, manufacturing capacities by ensuring reliability of equipment, process control, manpower training and energy-optimization.

  -Eg. : we have shifted from Furnace Oil to cleaner & cheaper LPG with large cost savings.

- **Capital Effectiveness :** Efficient and swift planning of business, facilities, projects, value-improving practices has led to overall quantum increase in effectiveness of the Capital employed.
- **Operations & Risk Management :** Management of technical & facility safety systems, occupational health, environmental foot-prints, effective customer-relationship management and product-stewardship in the market have mitigated the risks in most areas, permitting the company to operate effectively in a competitive market.

5. **MARKET AWARENESS :**

The success of any expansion in any business organization, in the terms of production or growth in market geographically, is purely dependent on the agile decision making and market awareness of upper management. Our market & cost prediction models that form foundation of all our expansion plans have proven correct till now and your company's projects have repeatedly achieved early break-even.

Further, this was only possible due to early benefits that a company can enjoy only if they are have a high level of awareness of the market dynamics in the related Industry.

Combined, these factors make a big impact on the survival and growth of any business organization.

The slow recovery of the global economy after a long period of recession, and the looming fear of slipping into recession again shows that there seems still some time before self sustaining and significant growth patterns emerges in the industry. However, the Indian Pharma Industry is managing to grow well, not only in the Indian context but also in keeping global requirements apart from a few regulatory set-backs some companies have faced from the west. In this regard, your company's management has endeavoured to create a sustainable framework in which to thrive in the future with wider large markets and new products. There seems no doubt that in the coming years, your company will be immensely benefitted as a result of the Expansion projects soon to reach their optimal capacities.

I would like to express my sincere gratitude to my fellow colleagues on the board, my employees for their sincerity and hard work and thank to entire Sharon team, the Stakeholders, Banks, Creditors and all Associates for all the help and guidance to bringing your Company in successful growth and assure our Stakeholders to deliver the maximum value to their stake in future through continued relentless efforts of the Sharon team.

On Behalf of the Board

Sd/-

Place: Mumbai
Date: 21.11.2014

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

Notice

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of Sharon Bio-Medicine Limited (CIN : L24110MH1989PLC052251) will be held at Plot No. V/10, MIDC, Taloja, Dist. Raigad, Maharashtra 410 208 on 17th December, 2014 at 9.30 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Financial Statements as at 30th June, 2014 together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Vijay Kirpalani (DIN: 00033759) who retires by rotation, and being eligible, offers himself for re-appointment.
4. **To appoint Auditors and to fix their remuneration**

   To consider and, if thought fit to pass, with or without modification(s) the following Resolution as an Ordinary Resolution.

   "RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s Shyam C Agrawal & Co (Firm Registration No. 110243W) the Chartered Accountants, Mumbai, be and are hereby re- appointed as the Auditors of the Company to hold office for the period of three (3) years from the conclusion of this meeting until the conclusion of the Twenty Eighth Annual General Meeting of the Company (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) at a remuneration as may be decided by the Chairman.

SPECIAL BUSINESS :

5. **Appointment of Mr. Harish Palecanda (DIN No.: 02797391) as the Independent Director.**

   To consider and, if thought fit to pass, with or without modification(s) the following Resolution as an Ordinary Resolution.

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Harish Palecanda (DIN No.: 02797391), be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) years w.e.f. 01.04.2014 to 31.03.2019, not liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director,"

6. **Appointment of Dr. Nivvedita Patil (DIN No.: 00344641) as the Independent Director.**

   To consider and, if thought fit to pass, with or without modification(s) the following Resolution as an Ordinary Resolution.

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49

of the Listing Agreement, Dr. Nivvedita Patil (DIN No.: 00344641), be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) years w.e.f. 01.04.2014 to 31.03.2019, not liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director,"

7. **Appointment of Mr. Madhav Sapre (DIN No.: 06715632) as the Independent Director.**

   To consider and, if thought fit to pass, with or without modification(s) the following Resolution as an Ordinary Resolution.

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Madhav Sapre (DIN No.: 06715632), be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) years w.e.f. 01.04.2014 to 31.03.2019, not liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director,"

8. **Appointment of Mr. Asif Taiyabbhai Rangwala (DIN No.: 00054035) as the Independent Director.**

   To consider and, if thought fit to pass, with or without modification(s) the following Resolution as an Ordinary Resolution.

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Asif Taiyabbhai Rangwala (DIN: 00054035) , be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) years w.e.f. 15.05.2014 to 14.05.2019, not liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director,"

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

   "RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and any other applicable provisions thereof and the Articles of Association of the Company, consent of the members be and is hereby accorded to the Board of Directors of the Company to borrow moneys by way of loans, debentures, or otherwise from time to time for the purpose of the business of the Company upon such terms and conditions and with or without mortgaging or charging undertakings, assets and properties, whether movable or immovable, stock-in-trade, work-in-process, debtors or any part thereof of the Company as security, as the Board of Directors may in its absolute discretion deem fit even if the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) may exceed the aggregate of the paid up capital and free reserves (i.e. reserves not set apart for any specific purpose) of the Company provided however that the total amount up to which moneys may be borrowed by the Company shall not exceed Rs. 10,00,00,00,000/- (Rupees one thousand crores only) over and above the aggregate of the paid up capital and free reserves of the Company and shall exclude all temporary loans obtained by the Company from its bankers in the ordinary course of its business."

10 To consider and if thought fit, to pass with or without modifications the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and any other applicable provisions thereof and the Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company to create mortgages and/or charges on all or any of the immovable and/or movable properties, both present and future, of the Company where ever situate, and/or the whole or substantially the whole of the undertaking or undertakings of the Company, and/or conferring power to enter upon and take possession of the assets of the Company together with power to take over the management of business and concern of the Company in certain events on such terms and conditions and at such time and times and with such ranking and in such form and manner as the Board of Directors of the Company may deem fit, in favour of the Trustees for the Debenture holders or in favour of any Financial /Other Institution(s)/ Banks/Lender(s) for securing any Debentures issued/ to be issued, loan obtained/to be obtained or for moneys borrowed/to be borrowed together with interest, compound interest and/or additional interest, liquidated damages, commitment charges, premium on prepayment or on redemption, remuneration payable to the Debenture Trustees, costs, charges, expenses and other moneys payable by the Company to the Debenture Trustees /Lenders in terms of the Debenture Trust Deed and/or Agreement entered/ to be entered into between the Company and Debenture Trustees Financial /Other Institution(s)/ /Banks/Lenders.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary and/or alter all or any of the terms and conditions of the security aforesaid in consultation with the Debenture Trustees and other Lenders/Mortgagees as may be necessary.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to prepare, finalize and execute with the Debenture Trustees/Lenders such documents, deeds, writings and agreements, as it may consider necessary for creating mortgages and/or charges and to do all such acts, deeds, matters and things as it may consider necessary, expedient, appropriate or desirable for the purpose of giving effect to this resolution."

11. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

On Behalf of the Board

Sd/-

Savita Satish Gowda (Ms.)
DIN: 00042957 (Chairperson & Managing Director)

Place: Mumbai
Date: 21.11.2014

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.

   Pursuant to provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the company may appoint single person as proxy who shall not act as proxy for any other person or shareholder. Proxies submitted on behalf of limited companies etc., must be supported by an appropriate resolution / authority, as applicable.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of aforementioned business is attached.

3. The register of members and the share transfer books of the Company will remain closed from 14th December, 2014 to 17th December, 2014 (both days inclusive).

4. The Members whose names appear in the Register of Members/list of Beneficial Owners as received from Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) on 5th December, 2014 are entitled to vote by Ballot Paper attending Annual General Meeting in person(s) on the resolutions set forth in this Notice.

5. **Voting through electronic means**

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the general meeting.

II. The Members whose names appear in the Register of Members/list of Beneficial Owners as received from Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) 5th December, 2014 are entitled to vote on the resolutions set forth in this Notice. The Voting period will commence on Thursday, 11th December, 2014 at 9:00 am and will end on Saturday, 13th December, 2014 at 6:00 p.m.

III. The procedure and instructions for the voting through electronic means are as follows:-

   a) Launch the internet browser by typing the following **URL:https://www.evoting.nsdl.com.**

   b) Click on "Shareholder-Login" to cast your vote.

   c) Enter your credentials (i.e. User Id and password as mentioned over-leaf). Members, whose e-mail addresses are registered with the Company / Depository Participants, are being informed their user Id and password details by email. Please use this password as the initial password. Click login. If you are already registered with NSDL for e-voting then you can use your existing user Id and password for login.

d) If you are logging in for the first time, Password Change Menu appears. Change the password of your choice with minimum 8 digits/ characters or a combination thereof. Please note the new password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

e) Home page of "e-voting" opens. Click on "e-voting": Active Voting Cycles.

f) Select "EVEN (E-Voting Event Number)" of SHARON BIO MEDICINE LIMITED. For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.

g) Now you are ready for "e-voting" as "Cast Vote" Page opens.

h) Members holding multiple folio's/ demat accounts shall choose voting process separately for each of the folio's/ Demat accounts.

i) Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.

j) Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority Letter etc. together with the attested specimen signature(s) of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer CS Jagdish Patel, Practicing Company Secretary through email at : jppvapi13@yahoo.com with a copy marked to **evoting@nsdl.co.in**

k) Once the vote on a resolution is cast by a member, he shall not be allowed to change it subsequently.

l) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the "downloads" section of https://www.evoting.nsdl.com or contact NSDL by email at **evoting@nsdl.co.in**

m) Members have an option to vote either through e-voting or casting a vote at the Meeting. If a Member has opted for e-voting, then he should not cast his vote at the Meeting also and vice-a-versa. However, in case, a Member has cast his vote at the Meeting and also by e-voting, then voting done through e-voting shall prevail and voting done at the Meeting shall be treated as invalid.

n) The voting rights of the member shall be in proportion to the paid up value of their shares in the equity capital of the company as on the cut off date, being 14th November 2014.

The Scrutinizer shall within period not exceeding 3(three) working days from the conclusion of e-voting period unblock the votes in the presence of atleast 2 (two) witnesses not in the employment of the Company and will make scrutinizers report of the votes cast in favour or against, if any forthwith to the Chairman of the Meeting.

o) The results on the resolution shall be declared at or after the annual general meeting of the Company and the resolutions will be deemed to be passed on the annual general meeting date, subject to receipt of requisite number of votes in favor of the resolution.

p) The result declared will be available on the website of the Company i.e. **www.sharonbio.com** and on NSDL's website: **URL:https://www.evoting.nsdl.com** within 2 days of passing of the resolutions and communications of same to BSE Ltd and NSE India Ltd.

(A) **In case of members receiving the physical copy of Notice of General Meeting [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**

i. Initial password is provided as below at the bottom of the Attendance Slip for the AGM.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

ii. Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.

(B) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to **https://www.evotingindia.co.in** and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

IV. The voting period begins at on Thursday, 11th December, 2014 at 9:00 am and will end on Saturday, 13th December, 2014 at 6:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the record date of 5th December, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to **helpdesk.evoting@cdslindia.com.**

V. The Company has appointed CS Jagdish Patel, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in fair and transparent manner.

VI. A copy of this notice has been placed on the website of the Company and the website of CDSL.

6. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturday & Sunday, up to and at the Annual General Meeting of the Company.

7. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.

8. 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.

9. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

10. Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.

11. At the ensuing Annual General Meeting, Mr. Vijay Kriplani (DIN: 00033759) retire by rotation and is being proposed for re-appointment as Director, Mr. Harish Palecanda (DIN: 02797391), Dr. Nivvedita Patil (DIN: 00344641) & Mr. Madhav Sapre (DIN: 06715632) are being appointed as the Independent Directors for the

period of five (5) years w.e.f. 1st April, 2014 and Mr. Asif Rangwala (DIN: 00054035) is being appointed as the Independent Directors for the period of five (5) years w.e.f. 15th May, 2014, not liable to retire by rotation the detail as required under Clause 49 (IV)(v)of the Listing Agreement is given below:

Name of the Directors	*Age*	*Educational Qualification*	*Directorships in other Companies*	*No. of Shares held*
Mr. Vijay Kirpalani	58	B. E (Chemical Engineering)	Nil	Nil
Mr. Harish Palecanda	44	B. Com	Nil	Nil
Dr. Nivedita Patil	41	MBBS, DOMS	Nil	Nil
Mr. Madhav Sapre	62	B.Tech (Chemical Engineering)	Nil	Nil
Mr. Asif Rangwala	57	B. Tech (Chemical Engineering)	Nil	Nil

On Behalf of the Board

Sd/-

Place: - Mumbai
Date: 21.11.2014

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

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

Item No. 5 to 8:

Section 149 of the Companies Act, 2013, read with 49 of the Listing Agreement effective from 1st October, 2014, it is hereby proposed to appoint four (4) independent directors as proposed at resolution No. 5 to 8.

As per Clause 49 of the Listing Agreement with the Stock Exchanges the shareholding and particulars of Mr. Harish Palecanda, Dr. Nivvedita Patil, Mr. Madhav Sapre and Mr. Asif Rangwala are given herein above resolutions.

None of the Independent Directors are related neither with each other nor with Promoters and Key Managerial Persons.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are in any way concerned or interested, financially or otherwise, in these Resolutions.

Item No. 9:

As per the provisions of Section 180(1)(c)of the Companies Act, 2013, a company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) only with the approval of Members of the Company by way of a Special Resolution.

The Board accordingly recommends the Special Resolution as mentioned at item no. 9 of this Notice for your approval.

None of the Directors or Key Managerial Persons of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

Item No. 10:

The Members of the Company, at the Annual General Meeting held on 07/04/2008, had accorded by way of an ordinary resolution, their approval to the Board of Directors of the Company and/or a Committee thereof to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. Since the mortgages and/or charges to be created by the Company to secure moneys borrowed/ to be borrowed may be considered as disposal of the undertaking of the Company, it is considered necessary that the proposed creation of mortgages and/or charges, in view of enhance borrowing limit.

However, after the applicability of the provisions of Section 180(1)(a) of the Companies Act, 2013, a company can sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company with the approval of Members of the Company by way of a Special Resolution.

The Board accordingly recommends the Special Resolution as mentioned at item no. 10 of this Notice for your approval.

None of the Directors or Key Managerial Persons of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

Item No. 11:

The existing Articles of Association (AoA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the new Act.

The Act is now largely in force, on 12th September, 2013, and substantive sections of the Act which deal with the general working of companies stand notified.

With the notification of the Act several regulations of the existing AoA of the Company require alterations or deletions in several articles. Therefore the Directors propose to replace whole set of existing AoA by a new set of Articles.

The AoA to be substituted in place of the existing AoA. Draft of new set of Articles is kept open for inspection at Registered Office and Corporate Office of the Company

None of the Director(s) / Key Managerial Personnel(s) of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.11 of the Notice.

On Behalf of the Board

Sd/-

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

Place: - Mumbai
Date: 21.11.2014

Director's Report

Dear Owners,

Your directors are pleased to present their 25th 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, 2014. The Financial highlights for the period under review are given below.

COMPANY'S PERFORMANCE:

Days have been lapsed for the dictum stating, "the strong only getting stronger".

Exemplary performance has been achieved by your company against the backdrop of a downbeat economy, cash crunch market, volatile global pharmaceutical landscape, rabid competition with limited resources. Our performance this year is not only a natural progression of the momentum that we have generated over the two decades but also the vindication of our long range strategy to focus on improvement on existing flow of work accompanied with harmonious & flawless execution of performance and above all complete focus on Research & Development.

This year been marked where we have enhanced our technology & production capabilities and capacity, ventured into new markets with new and improved products and given a new and better shape to our management and leadership bandwidth.

We at Sharon along with our no sleep work force very much believe in our clean and transparent endeavor of hard work and achieving the results keeping in mind not only the limited resources we experience from time to time but also the time span within which the work should be performed by the company as a whole along with keeping a vigil at what society wants and our ability to pre-empt and further, anticipating challenges and turning them into opportunities. All the problems and constraints are first to be acknowledged and further broken into as many as possible fragments which help us to locate where exactly the problem persist. Fragmenting the constraints makes it easy and gives our work force the oomph to crack and takedown any challenge let it be existing, upcoming or a prevailing one having a chronicle effect because of being undetected due to any circumstances.

All the limbs of Sharon have to perform equally and harmoniously to get the best results not only in the term of profitability but also in upbringing the culture, market capitalization, growth, stability, expansion and market penetration with our new products & improvement in our current manufacturing processes by curtailing the unwanted manufacturing processes bearing in mind the responsibility toward the environment and society. We consider it not as a responsibility but as an obligation because we our self are a part of it and it makes us feel home like.

Cost cutting been considered a very effective tool that your company always follow. However, free hand was and is always granted to Research & Development activities. We at Sharon consider Research & Development as a back bone of any pharmaceutical company. Growth cannot be achieved, sustained and stabilized unless and until the new and improved products penetrate the market with improved results, low cost, high margins and penetrating into new and upcoming market places.

SBML under the vision of its directors and quest for sustainable growth along with your faith in us have achieved the turnover of Rs. 131,376.82 lacs for the year ended 30th June, 2014 as compared to the turnover of Rs. 105,949.66 Lacs which was achieved during the previous year ending as on 30thJune, 2013.

The Financial Results as follows : (₹ in Lacs)

Particulars	30.06.2014 Standalone	30.06.2014 Consolidated	30.06.2013 Standalone	30.06.2013 Consolidated
Turnover & Other Income	**131,544.54**	**132,672.62**	106,038.31	107,470.81
Profit Before Interest, Depreciation, Extra ordinary items & Tax (EBIDTA)	**15,873.58**	**15,944.35**	12,137.51	12,222.73
Interest	**5,862.76**	**5,863.00**	4,305.80	4,306.13
Depreciation & Amortization Expenses	**1,535.44**	**1,535.44**	1,212.78	1,212.78
Profit Before Tax & Extra-ordinary Item (P. B. T).	**8,475.39**	**8,545.91**	6,618.96	6,703.82
Provision for Tax.	**1,301.00**	**1,301.00**	1,200.00	1,200.00
Provision for Deferred Tax Liability.	**212.66**	**212.66**	133.06	133.06
Profit after Tax (P. A. T)	**6,961.72**	**7,032.25**	5,285.90	5,370.76
Earnings Per Share (E. P. S).				
- Basic	*** 5.23**	*** 5.27**	50.07	50.87
- Diluted	*** 3.69**	*** 3.72**	48.42	49.20

* Please note that EPS has been reduced because the equity shares has been split in the ratio of 10:2, that is to say the face value of equity share originally which was Rs. 10/ has been reduced to Rs. 2 each. Thereby, the holder of 1 equity share of face value of Rs. 10/- received 5 equity share with new face value of Rs. 2/- each.

Further, the Bonus equity shares were also issued to the share holders to the tune of 1:1. Thereby the share holders received the double number of shares as they were holding.

Operational Performance:

To the members :

It gives the directors of your company an immense pleasure to present you the 25th 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 the total standalone income stood at Rs 131,544.54 Lacs the consolidated Income is Rs. 132,672.62 Lacs. The Standalone Profit in current year 2013-2014 stood to Rs. 6,961.72 lacs against Rs. 5,285.90 Lacs in the previous year 2012–2013.

Your company have booked total sales by enhancing 21.91% as compared to last year. During the last fiscal year your company have achieved net profit of 69,61.72 lacs showing an appreciation of 31.70% on an annualized basis thereby enhancing your company's profitability by 17.32% as compared to last fiscal year.

Dividend :

To see a broad smile on the faces of the owners your company wish to recommend, subject to approval of its shareholders at its ensuing Annual General Meeting, the dividend payout of Rs.380,04,840 as compared to Rs.158,35,350 which was paid during the last fiscal year to its shareholders, thereby giving an increase of 240% as compared to last year's dividend payout. Subject to shareholder's approval your company have recommended dividend % to be 18%, making it a handsome hike of 20% as compared to last fiscal year.

The total dividend payout in terms of money accounts to Rs. 4,44,63,763 including the dividend distribution tax.

Share Capital :

During the year under review the company's paid-up equity share capital has been enhanced by Rs. 10,55,69,000 (Rupees Ten Crore Fifty Five Lacs Sixty Nine Thousand only) consequent to the allotment of 5,27,84,500 bonus equity shares of Rs. 2/- each.

The original equity share capital of Rs. 10,55,69,000 (Rupees Ten Crore Fifty Five Lacs Sixty Nine Thousand only) aggregating from 1,05,56,900 number of equity share, face value of Rs. 10/- each has been split into 5,27,84,500 number of equity shares, face value of Rs. 2/- each. That is to say that every holder of equity share, the face value of which was Rs. 10/- each was allotted 5 new equity shares, face value of which is Rs. 2/- each. The bonus shares to the equity share holder has been issued in the ratio of 1:1, Every holder of equity share has been issued the same number of equity share as held by them.

Further, stock split and bonus shares has been issued after getting the consent of shareholder by postal ballot and approval from all statutory authorities under which company is governed.

Expansion :

Expansion and gloom in a humans body and mental level are the judging factor of their growth, health, vision, stability and sustainability in this concrete jungle, that we stay in.

On the same footing even a company is judged very stringently not only by humans but also by other peers, rivals and other companies of different business segments, corporate investors, FII's, Mutual Funds, retail investors and HNI's. Expansion or no expansion or a negative expanding makes a direct nexus between the organization and its going concern.

Having a sharper view and associated with experience professionals, the management of your company expanded in formulation unit and research & development activities. Rs. 85 Crores (Rupees Eighty Five Crores) had already been deployed in expansion of formulation plant located at Uttarakhand. It is our pride to let the owners know that your company has successfully invested more than Rs. 85 Crores (Rupees Eighty Five Crores) in the expansion of formulation plant located at Uttarakhand. The outcome of which can even be evaluated by a layman. 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. It was again the timely completion of our project work which gave us the upper hand and helped us battle the sales and other opportunities which got demolished after one of our old API's plant was disturbed by the fire, which took place in the month of June, 2014.

The management of your company have never neglected the technical expect, 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.30 Crores (Rupees Thirty 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 service industry of India which is and will be having an upper hand from rest of the countries for more 50 years till some African countries take it over. Toxicology studies, has given your company an edge over others. This division of your company started generating margins from the 4th 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 scientist who dedicated more than half the decade with Sharon as SA-ford Head with his years 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.

Management Review 2013 - 2014 :

The year 2013-2014 was very struggling and challenging year not only for Sharon but even for almost all manufacturing and service industries. However, having a bullish view on pharmaceutical industry of India and anticipating a stable and business friendly government in near future your company had invested a major chunk in expanding its formulation unit located at Selaqui, Uttarakhand. Due to above action considered good by the management of your company the production capacity has been doubled as compared to previous years.

Further, moving a step ahead during the year 2013-2014 your company got the Expanded Area inspected by United Kingdom – Medicine & Health Care Product Regulatory Agency (UKMHRA) for Good Manufacturing Practices for both tablets and capsules. The positive outcome of which may be conveyed to the owners at the annual general meeting. This move will carter the excess market demand and fill up the back log of export orders pending for a while.

The political stability can be seen at the end or say at the beginning of this fiscal year, which clearly shows one sided voting for a political party and having a bold & transparent Prime Minister, having a logo, "Make in India" who is not only business friendly but also having a soft corner for every hard working Indian, we predict a shinning and glowing future for not only manufacturing industry but also for the service industry and entire nation.

Please refer Management Discussion & Analysis of this report for a detailed elaboration.

Industrial Relations :

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 :

Human resource is a job which calls not only the dedication but also the harmonious relations to be maintained between lower & middle, middle & top and Human Resource & all managerial and other working levels. Your company strongly believes that people are its most valued resource and their efficiency plays a vital role in success or failure of any organization, let it be profit oriented or non-profit oriented organization. A thorough scrutiny, with minimal working papers, is done before appointing any personal at whatsoever level he may is to be appointed. We firmly believe the same at the time of sacking an employee of any level, considering his work experience and time devoted by him toward our company. Completion of a job assigned and achieving the set of pre determined goals on TIMELY basis are considered to be on top priority. Process of any work mechanical, technical or managerial demands a set of flow of work to be performed. Timely completion of the work can only be achieved if the person is very much aware of those flows which, comes after the experience and time spent by the respective employee. Even the process of the work can be curtailed only if the grip on the respective work is firm, which again calls for time and experience an employee has achieved from his dedication in work. So double thoughts are given before any employee is sacked, because we believe in team work.

Therefore, the HR department has been casted with an additional responsibility to regularly conduct several programs across all working levels which includes development programs and formulate employee friendly policies. One of the major dynamics of these initiatives is the identification of the high potential employees and charting out their path to sustain the organizations momentum which further enhances their capabilities to take and perform at new and higher challenges.

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 :

During the year under review, your Company has not granted any further options to employees/Directors, under Sharon ESOS 2010. The total number of options Granted as at the end of year are 217065 out of these 140724 have vested as on 30th June 2014. These figures are based on a face value of Rs.10/- each and prior to issue of bonus shares. The actual number of options will be revised due to corporate action undertaken during the year for issue of shares on sub-division of face value to Rs.2 from Rs.10 and issue of bonus shares in the ratio of 1 for every 1 held.

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

i. **Conservation of Energy :** (₹ in Lacs)

	2013 – 2014			2012 – 2013		
Particulars	*Units*	*Avg. Rate*	*Amount*	*Units*	*Avg.Rate*	*Amount*
Power & Fuel Consumption	**16100248**	**5.45**	**876.81**	15015124	5.51	827.16

ii. **Foreign Exchange Transactions :** (₹ in Lacs)

Particulars	**2013-2014**	2012-2013
A. CIF value of Goods Imported	**582.68**	8,17.25
B. Value of Goods Exported (FOB and service charges).	**108,64.92**	86,43.11
C. Marketing, Reimbursment, Travelling & Other Expenses	**163.60**	2,48.60

iii. **Technology Absorption, Adoption and Innovation :**

a. Upgraded the old utilities of API plants located at MIDC, Taloja.
b. Upgraded the cooling/chilling plant for its API plants located at MIDC, Taloja.
c. Shifting from furnance oil to LPG, which is more eco friendly and economical, for API plants located at MIDC, Taloja.

Insurance:

All the properties of the Company, including the Plants & Machineries and Raw Material, Semi-Finished, Finished Goods in possession of company along with the quantity with Job workers, have been adequately insured.

FIRE LOSS ; Abnormal & Unavoidable in Nature :

During the month of June, 2014 fire occurred at one of our old API's Plant at W-34 & W-34/1, MIDC, Taloja, Dist.-Raigad, Maharashtra. However, during the fire no human loss has been resulted. However, the loss of Rs.22,15,65,820/- (Rupees Twenty Two Crores Fifteen Lacs Sixty Five Thousand Eight Hundred Twenty) has been reported on account of stock lying at the plant area along with the capital loss of Rs. 14,58,69,468/- (Rupees Fourteen Crores Fifty Eight Lacs Sixty Nine Thousand Four Hundred Sixty Eight) of Plant & Machinery on Written Down Value basis.

Your directors had opted for the replacement insurance policy instead of normal insurance policy on capital goods. Thereby, you will be pleased to know that your company will be receiving the current replacement value of plant & machinery that has been lost due to fire and not the Written Down Value of Plant & Machinery lost in fire. Keeping

uncertainty on mind your company have taken the loss of profit policy, in case the profit of company is hampered in any form. Your company has put up the total claim of approx Rs.40,00,00,000 (Rupees Forty Crores) including the loss of factory building and some furniture & fixtures.

Further, it would be worth noting that because the fire had occurred in the last month of the financial year 2014, therefore, there was negligible operational loss of production and sales pertaining to the reporting period ending as on 30th June, 2014. To refrain the impact of production & sales loss that would have had surely been casted on the future months on production & sales, the management of your company took the immediate corrective steps by making the tie-ups with some of the job work at some other factory sites so as to carter the production & marketing demand.

Fixed Deposits:

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

Directors:

In Accordance with the provision of Companies Act 1956, and Articles of Association of company, Mr. Vijay Kirpalani (DIN: 00033759) Director of the company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment.

In terms of Section 149 of the Companies Act, 2013, Mr. Harish Palecanda (DIN No.: 02797391), Dr. Nivvedita Patil (DIN No.: 00344641) and Mr. Madhav Sapre (DIN No.: 06715632) are being appointed as the Independent Directors for the period of five (5) years w.e.f. 1st April, 2014, and Mr. Asif Taiyabbhai Rangwala (DIN No.: 00054035) is being appointed as the Independent Director for the period of five (5) years w.e.f. 15th May, 2015 and are not liable to retire by rotation.

Mr. Sanjay Shah, Dr. V.N. Badoni and Mr. Drunal Shah have been resigned during the year.

Declaration to the effect that the proposed appointees meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchange has been received from each of the aforesaid Independent Directors.

Credit Rating:

Credit Analysis & Research Limited (CARE) has enhanced our credit rating and assigned 'BBB -' from BB+ for the Long Term Bank facilities and 'A 3' from A 4+ for the Short Term banking facilities of our 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.

This is the cheapest fund available in the market that a corporate can avail that so without any dispute between bondholders and your company.

Auditors:

M/s. Shyam C. Agrawal & Co., Chartered Accountants, retire as Auditor of the company at the conclusion of ensuing Annual General Meeting and has confirmed their eligibility and willingness to accept the office of Auditor, if re-appointed. Accordingly, the said Auditor will be re-appointed as Auditor of the company at the Annual General Meeting for the period of 3 years.

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 pursuance 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: 21.11.2014

Annexure to the Directors' report:

Employee Stock Options Scheme 2010

	Particulars	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 2014)	105724	4575	30425	140724
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 2014)	90138	24350	48400	162888
g)	Variation of terms options during year ended 30th June 2014	Nil	Nil	Nil	
h)	Money realized by exercise of options	Nil	Nil	Nil	
I)	Total number of options in force (as at 30th June 2014)	140965	15250	60850	217065
j)	Employee wise details of options granted during 2013-14				
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 6.44	Rs 6.44	Rs 6.44	
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.11,38,358/- 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 11,38,358/- and EPS would have been lower by Rs.0.01, 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)	Sigificant 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	

Note: The working of EPS is based ON face value of Rs.2 per share. The face value was sub-divided to Rs.2 per share from Rs.10 share during the year. The number of shares have also increased due to Bonus issue in the ratio of 1 for 1 held alloted during the year.

The number of options and exercise price, fair price and closing prices at the time of grant have been shown on the basis of face value of Rs.10 per share (pre-bonus and sub-division). In acutals number of options and exercise price will be modified due to the corporate action of sub-division of face value and bonus shares.

$ to be reworked based on exact PAT figure for FY 2014

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 Eight (8) Directors of which Four (4) are Executive Directors, Four (4) are Independent & Non-Executive Directors. The Chairman of the Company is an Executive-Promoter 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.	15	P	Nil	Nil	Nil	6938600
Mr. Lalit Misra	E. D.	15	P	NIL	NiL	NiL	3000000
Vijay Kirpalani	E. D.	15	P	Nil	Nil	Nil	Nil
M. P. Kala	N. E. D.	15	P	Nil	Nil	Nil	18237300
V. N. Badoni (Dr)*	I & N.E. D.	12	P	Nil	Nil	Nil	Nil
Sanjay Shah*	I & N. E. D.	6	A	Nil	Nil	Nil	Nil
Nivvedita Patil (Dr)	I & N. E. D.	7	A	Nil	Nil	Nil	Nil
Drunal Shah*	I & N. E. D.	1	A	Nil	Nil	Nil	Nil
Harish Palecanda	I & N. E. D.	7	A	Nil	Nil	Nil	Nil
Mr. Madhav Sapre**	I & N. E. D.	6	A	Nil	Nil	Nil	Nil
Mr. Asif Rangwala**	I & N. E. D.	2	A	Nil	Nil	Nil	Nil

I – Independent Director, N.E.D. – Non-Executive Director, M.D. – Managing Director

* Mr. Sanjay Shah, Dr. V.N. Badoni and Mr. Drunal Shah have been resigned during the year

**Mr. Madhav Sapre and Mr. Asif Rangwala was appointed during the year.

The Company Secretary of the Company was the secretary to the Board.

- **Number of Board Meetings held during the year along with the dates of Meetings :**

During the year 2013-14, 15 (Fifteen) Board Meetings were held as follows:-

July 13 to Sept.13	Oct. 13 to Dec.13	Jan. 14 to March 14	April 14 to June 14
23.07.2013	12.11.2013	14.01.2014	15.05.2014
29.08.2013	14.11.2013	20.01.2014	30.05.2014
01.09.2013	26.11.2013	08.02.2014	10.06.2014
	04.12.2013	24.02.2014	
	05.12.2013		

- **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 :

Name	*Designation*	*Category*
Nivedita Patil (Dr)	Chairman	Independent & Non-Executive Director
Mr. Asif Rangwala *	Member	Independent & Non-Executive Director
M. P. Kala	Member	Non-Executive Director

* Mr. Asif Rangwala has appointed as director of the Company effective from 15.5.2014 **Dr. V.N.Badoni has resign as a director of the Company effective from 13.5.2014 The Company Secretary of the Company was the secretary to the Audit Committee.

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 :

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

Name of Director	*No. of Meeting Attended*	*Remarks*
V. N. Badoni (Dr) *	4	---
Nivedita Patil (Dr)	4	---
M. P. Kala	4	---

* Mr. Asif Rangwala has appointed as director of the Company effective from 15.5.2014

**Dr. V.N.Badoni has resign as a director of the Company effective from 13.5.2014

The Company Secretary of the Company was the secretary to the Audit 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*
Nivedita Patil (Dr)	Chairman	Independent & Non-Executive Director
Asif Rangwala*	Member	Independent & Non-Executive Director.
Lalit Misra	Member	Executive Director.

* Mr. Asif Rangwala has appointed as director of the Company effective from 15.5.2014

**Dr. V.N.Badoni has resign as a director of the Company effective from 13.5.2014

Role of Shareholders/Investors' Grievance Committee :

a). Review the existing "Investor Redressal System" and suggest measures for improvement.

b). 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.

c). To look into redressing of Shareholders and Investors Complaints regarding transfer of shares, non receipt of annual Reports etc.

During the year 2013-14, ten (10) 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 2013-14 are as under.

Executive Directors	*Salary(Rs.)*	*Perquisite (Rs.)*	*Total (Rs.)*
Savita Satish Gowda, C.E.O & M. D	27,50,000	0.00	27,50,000
Lalit Misra, Whole Time Director.	27,50,000	0.00	27,50,000
Vijay Kirpalani, Whole Time Director.	13,44,000	0.00	13,44,000

Annual General Meetings:

Details of General Meeting

Financial Year	*AGM*	*Venue/ Location*	*Date and Time*	*Special Resolution Passed*
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
2012-2013	AGM	Plot No. V-10, MIDC, Taloja, Dist. Raigad, Maharashtra 410 208	9.12.2013 at 9.30 a.m.	0

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 form 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, 2014, which is annexed hereto. Statements and the cash flow statement for the year ended 30th June, 2014 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 Fifth Annual General Meeting	17th December, 2014
Date & Time :	at 9.30 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, 2014 :	2nd week of November, 2014.
Financial reporting for the quarter ended 31st December, 2014 :	2nd week of February, 2015.
Financial reporting for the quarter ending 31st March, 2015 :	2nd week of May, 2015.
Financial reporting for the quarter ending 30th June, 2015 :	Last week of August, , 2015.

Book Closure Date :	14th December, 2014 to 17th December, 2014 (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 2014-15.
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 1-7-2013 to 30-6-2014

Month	**BSE**			**NSE**		
	High	*Low*	*Average*	*High*	*Low*	*Average*
July,2013	370.05	290	330.03	370.00	253.05	311.525
August, 2013	385	290	337.5	368.00	260.00	314
September, 2013	321	275.5	298.25	354.95	254.00	304.475
October, 2013	320	281	300.5	322.45	255.00	288.725
November, 2013	310	272.7	291.35	336.00	258.00	297
December, 2013	395	282	338.5	398.90	275.05	336.975
January, 2014	457.8	315	386.4	460.00	315.05	387.525
February, 2014	435	42.45	298.73	435.00	42.35	238.675
March, 2014	51.5	39	45.25	51.45	39.05	45.25
April, 2014	49.55	41.5	45.53	49.80	41.50	45.65
May, 2014	50.65	42.4	46.53	51.00	42.00	46.5
June, 2014	49.34	3.5	46.4	49.45	43.45	46.45
			2704.97			2662.75
Average price per shares upto June, 2014			**225.41**			**221.89**

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

Distribution of Shareholding as on June 30, 2014

No. of Shares held		*No. of Shareholders*	*% of Total Shareholders*	*No. of Shares*	*% of Total Shares*
1	5000	3811	62.8567	739674	0.7007
5001	10000	949	15.6523	870517	0.8246
10001	20000	547	9.0219	960411	0.9097
20001	30000	303	4.9975	864308	0.8187
30001	40000	75	1.2370	278466	0.2638
40001	50000	115	1.8968	557089	0.5277
50001	100000	119	1.9627	907232	0.8594
100001	and above	144	2.3751	100391303	95.0954
	Total	**6063**	**100.0000**	**105569000**	**100.0000**
Physical		**381**		**103326960**	**97.88**
Electronic mode		**5682**		**2242040**	**2.12**
	Total	**6063**		**105569000**	**100**

Categories of Shareholders as on June 30, 2014

Sr. No.	*Category*	*No. of Folios*	*Total Shares held*	*% to the Share Capital*
1.	Other Bodies Corporate	209	29723733	28.1557
2.	Clearing Member	169	1477676	1.3997
3.	Foreign Institutional Investors	1	4762	0.0045
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	57	121811	0.1154
9.	Overseas Corporate Bodies	0	0	0
10.	Foreign Companies	1	150000	1.4209
11.	Public	5614	9189038	8.7043
12.	Promoters/Directors	12	63551980	60.1995
	Total	**6063**	**105569000**	**100.00**

Details of Equity Shares Under lock-in	NIL
Dematerialization of shares	As on June 30, 2014 a total of 105569000 equity shares constituting 97.88% is dematerialized and balance 2.12% shares are in physical mode
Plant Location	1. Plot No.W-34, W-34/1 MIDC, Taloja, Dist. Raigad, Maharashtra 410 208 2. Khasara No.1027,1028,1030 & 1037,Central Hope Town, Sillaqui, Dist.Dehradoon, Uttaranchal 248197 3. Plot No.V/10, MIDC, Taloja, Dist. Raigad, Maharashtra 410 208 4. Plot No.L/6, MIDC, Taloja, Dist. Raigad, Maharashtra 410 208
Investors' correspondence to be addressed to	Link Intime India Private Limited Registrar & Share Transfer Agent C-13, Pannalal Silk Mills Compound L. B. S. Marg, Bhandup (W) Mumbai-400078
Telephone Fax	022-25963838 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, 2014.

By and on Behalf of the Board

Sd/-

Savita Satish Gowda (Ms.)

Managing Director & CEO

Place :- Mumbai

Date:- 21.11.2014

CEO CERTIFICATION

I, **Ms. Savita Gowda,** Chairman & Managing Director (M.D.) of **Sharon Bio-Medicine Ltd.** certify that :

(a) I have reviewed financial statements and the cash flow statement for the year ended 30.6.2014 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 year which are fraudulent, illegal or violative of the company's code of conduct.

(c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which We are aware and the steps We have taken or propose to take to rectify these deficiencies.

(d) I have indicated to the auditors and the Audit Committee :

(i) significant changes in internal control over financial reporting 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 we 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 over financial reporting.

By & on Behalf of the Board
Sd/-
Savita Satish Gowda (Ms.)
(Managing Director & CEO)

Place :- Mumbai
Date:- 21.11.2014

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, 2014, 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.

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

Place: Mumbai
Date: 21.11.2014

Management Discussion & Analysis

PHARMACEUTICAL SECTOR :

India is today one of the top emerging markets in the global pharmaceutical scene. The sector is highly knowledge-based and its steady growth is positively affecting the Indian economy. The organised nature of the Indian pharmaceutical industry is attracting several companies that are finding it viable to increase their operations in the country. India's pharmaceutical sector will touch USD $ 55 billion by 2020, with the potential to reach USD $ 70 billion in an aggressive growth scenario. In a pessimistic scenario characterised by regulatory controls and economic slowdown, the market will be depressed but is still expected to reach US$ 45 billion. India currently exports drug intermediates, Active Pharmaceutical Ingredients (APIs), Finished Dosage Formulations (FDFs), Bio-Pharmaceuticals, and Clinical Services across the globe. In the period 2002-2012, the country's healthcare sector grew three times in size, touching USD $ 78.6 billion from USD $ 23 billion. India's pharmaceutical market experienced a similar boom, reaching USD $ 18 billion in 2012 from USD $ 6 billion in 2005. The rise of pharmaceutical outsourcing and investments by multinational companies (MNCs), allied with the country's growing economy, committed health insurance segment and improved healthcare facilities, is expected to drive the market's growth.

Further, The measures announced in the Union Budget for 2014-15 by Mr Arun Jaitley, Union Minister for Finance, Government of India is expected to propel the growth of the Indian pharmaceutical sector. Announcements like the hike in the FDI cap for the insurance sector and setting up of 15 Model Rural Health Research are expected to play an important role in the growth of the Indian pharmaceutical sector. The Government of India also made its intent clear to move towards Health for all and announced key initiatives like free drug service and free diagnostics service. The Government of India is planning to take up these issues on a priority basis. The rural health research centres are expected to put an overall positive impact on the Indian pharma sector highlighting the healthcare issues suffered by rural population and helping the Indian pharmaceutical companies to offer feasible solutions to the challenges.

Moreover, recently Argentina has fully opened its USD $ 6 Billion drug market to the Indian pharmaceutical industry, increasing the potential to finished pharmaceutical products. It may be noted here that the scope was earlier limited to raw materials. The Latin American country has recently included India on the list of countries that can supply medicines to it. India companies have the capability to supply generic drugs to Argentina at half the price.

According to estimates, Argentina's pharmaceutical market is expected to cross USD $ 15 billion by 2020. Around eight key markets in the Latin American region are valued at USD $ 30 billion, reporting a compound annual growth rate (CAGR) of over 10 per cent, a big chunk of which will surely be part of Indian Pharmaceutical Industry. More clarity will emerge with the Latin American nation coming out with its regulations which could throw light on the amount of time required for product registrations.

Further, following positive factors on the below mentioned Industry will also make direct impact on Indian pharmaceutical companies and their revenues:

a.) **BIOTECHNOLOGY IMPACT**

The biotechnology sector of India is one of the most significant sectors in enhancing India's global profile as well as contributing to the growth of the economy. This sector is directly related not only to pharmaceutical and healthcare but also to the agricultural sector of India.

India is among the top 12 biotech destinations in the world and is the largest producer of recombinant Hepatitis B vaccine. Out of the top 10 biotech companies in India, six focus their expertise in bio-pharmaceuticals and four specialise in agri-biotech.

The Government of India has taken a lot of initiatives to improve the biotechnology sector in the country as well as offer enough scope for research in this field. The Department of Biotechnology (DBT) along with other government funded institutions such as National Biotechnology Board (NBTB) and many other autonomous bodies representing the biotechnology sector, are actively working together so as to project India as a global hub for biotech research and business excellence.

The growth in gross domestic product (GDP) over the next decade will expand the domestic market and Indians will be able to afford healthcare products, and demand for food commodities and energy will grow too. Presently, many countries are looking forward to invest not only in the Indian biotechnology sector but take the share of overall manufacturing industry eg. Pharmaceutical, Healthcare, R&D, Electronics, FMCG including the service sector.

b.) **OVERALL HEALTHCARE SECTOR :**

India has been awarded a 'Polio Free' status by way of an official certification presented by the World Health Organisation (WHO). India is among other countries in the South East Asian region which have been certified as being free of the polio virus. India has been polio free since January 2011.

The healthcare industry is potentially the world's largest industry with total revenues of approximately USD $ 2.8 trillion (which counts to USD $ 28,00 Billion).

In India as well, healthcare has emerged as one of the largest service sectors constituting 5 per cent of the gross domestic product (GDP) and offering employment to around 4 million people. India's primary competitive advantage over its peers lies in its large pool of well-trained medical professionals. Also, India's cost advantage compared to peers in Asia and Western countries is significant - cost of surgery in India is one-tenth of that in the US or Western Europe.

The healthcare sector is growing at a 15 per cent compound annual growth rate (CAGR) and grew from USD $ 45 billion in 2008 to USD $ 78.6 billion in 2012 and is expected to touch USD $ 158.2 billion by 2017, which accounts to approx 6% of total healthcare industry globally. This makes the India a major hug for Investments. The private sector has emerged as a vibrant force in India's healthcare industry, lending it both national and international repute. The private sector's share in healthcare delivery is expected to increase from 66 per cent in 2005 to 81 per cent by 2015

c.) **REASEARCH & DEVELOPMENT :**

Research and development (R&D) is of utmost necessity to develop a country's production potential and also its science and technology sector. It helps a nation to progress and bring about innovation in all sectors. The Government of India has always supported this sector and has invested significantly in setting up universities and technological institutions as well as various research centres.

The government has set up various bodies to promote R&D in the country, such as the National Research Development Corporation (NRDC) and the Defence Research and Development Organisation (DRDO). The NDRC promotes, develops and commercialises the technologies and works under the administrative control of the Department of Scientific and Industrial Research, Ministry of Science and Technology; while the DRDO is dedicated towards enhancing self-reliance in the country's defence systems. Promoting R&D and bringing about the scientific temper will be the priority of the Science and Technology Ministry to make India the world leader in this area

The number of multinational corporation (MNC) R&D centres in India increased at a compound annual growth rate (CAGR) of 14.4 per cent to 1,031 during the first half of 2013. Out of the Indian cities, Bengaluru has the highest share of the MNC R&D companies followed by Pune and Mumbai. In India, the pharmaceutical sector accounts for the largest share of R&D followed by the automobile sector. According to forecasts, the gross spending in India on R&D should increase to USD $ 44 billion and account for 0.9 per cent of the GDP by the end of 2014, as compared to USD $ 42 billion and 0.85 per cent, respectively, in the year 2013.

India is presently ranked 76th among a total of 143 economies, as per the Global Innovation Index (GII).

d.) **GOVERNMENT INICIATIVES :**

From a market size of USD $ 12.6 billion in 2009, the Indian pharmaceutical market will grow to USD $ 55 billion by 2020, The exports of pharmaceuticals from India grew to USD $ 14.6 billion in 2012-13 from USD $ 6.23 billion in 2006-07, registering a compound annual growth rate (CAGR) of around 15.2 per cent.

The allowance of foreign direct investment (FDI) in India's pharma sector has been well received by foreign investors. According to data released by the Department of Industrial Policy and Promotion (DIPP), the drugs and pharmaceutical sector attracted FDI worth Rs 60,100.91 crore (USD $ 9.94 billion) between April 2000 and June 2014.

As per extant policy, FDI up to 100 per cent, under the automatic route, is permitted in the pharmaceutical sector for Greenfield investment. Hundred per cent FDI is also permitted for investments in existing companies under the government approval route. Further, the Government of India has also put in place mechanisms such as the Drug

Price Control Order and the National Pharmaceutical Pricing Authority to address the issue of affordability and availability of medicines. India plans to set up industrial parks in the pharmaceutical and information technology (IT) sectors in China to strengthen India-China trade and investment ties.

Further, the growth in Indian domestic market will be boosted by increasing consumer spending, rapid urbanisation, increasing healthcare insurance and so on. The lifestyle segments such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers will continue to be lucrative and fast growing owing to increased urbanisation and change in lifestyle patterns. Going forward, better growth in domestic sales will depend on the ability of companies to align their product portfolio towards these chronic therapies as these diseases are on the rise. In various global markets, governments have been taking several cost-effective measures in order to bring down healthcare expenses. Thus, governments are focusing on speedy introduction of generic drugs into the market. This too will benefit Indian pharma companies.

For the US market, Indian companies are developing niche portfolios in various segments. High margin injectables, dermatology, respiratory, biogenerics, complex generics, etc., have become areas of interest. Most of the Indian pharma companies have been working on these niche drugs in order to optimise growth and margins. Moreover, generic penetration in the US is expected to peak out at 86-87 per cent over the next couple of years from 83 per cent currently.

SUMMARY

Having a stable and business friendly government in hands and major positive factors India been surrounded with we can place a reliance to set foot on an accelerated growth path. In conclusion, the days ahead seems very progressive and booming for Indian companies not only within India but also to achieve some new heights globally. Investment in a systematic manner can be predicted on the way to switch India from developing to developed country levels. It may take some years to be developed but the initiated of the same has been taken and economist can feel the same.

II) **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.

III) **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.

Independent 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, 2014, 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 of the company 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") which continue to be applicable in respect of section 133 of Companies Act, 2013 in term of general circular 15/2013 dated 13th September, 2013 of the ministry of corporate affairs and in accordance with accounting principles generally accepted in India. 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, 2014;

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

1. 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.
2. As required by section 227(3) of the act, 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, which continue to be applicable in respect of section 133 of Companies Act, 2013 in term of general circular 15/2013 dated 13th September, 2013 of the ministry of corporate affairs .
   e. On the basis of the written representations received from the directors, as on 30th June, 2014, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 30th June, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place : MUMBAI
Date : 28/08/2014

Annexture to Auditor's Report

ANNEXURE REFERRED TO IN THE PARAGRAPH 3 OF INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2014 OF M/s SHARON BIO-MEDICINE LIMITED.

With Reference to paragraph 3 of the Auditors Report of Sharon Bio-Medicine Limited on financial statements for the year ended June 30, 2014..

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 off by the company during the year. However the Capital Loss of 14,58,69,468/- has been suffered by the Company

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. 1381.40 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.

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

Place : MUMBAI
Date : 28/08/2014

Balance Sheet as at 30th June 2014

	Particulars	*Note No.*	**30/06/2014 ₹ in Lacs**	30/06/2013 ₹ in Lacs
I	**EQUITY AND LIABILITIES**			
(1)	Shareholders fund			
	(a) Share Capital	B	2,111.38	1,055.69
	Preferential Dividend Warrants		8,055.50	5,475.00
	(b) Reserves and Surplus	C	24,227.38	17,862.04
(2)	**Non Current Liabilities**			
	(a) Long term borrowings	D	29,141.93	28,086.75
	(b) Deferred Tax Liabilities (Net)	A (12)	1,045.00	832.33
	(c) Long Term Provisions	E	52.94	52.94
(3)	**Current Liabilities**			
	(a) Short term borrowings	F	43,396.44	36,302.06
	(b) Trade Payables	G	6,118.15	5,985.54
	(c) Other Current Liabilities	H	197.29	155.79
	(d) Short term provision	I	1,745.64	1,385.27
	Total		**116,091.63**	97,193.42
II.	**ASSETS**			
(1)	**Non Current Assets**			
	(a) **Fixed Assets**			
	(i) Tangible Assets	J	32,501.90	27,154.53
	(ii) Capital Work-in-progress	K	1,492.77	4,281.67
	(b) Non Current Investments	L	123.24	398.24
(2)	**Current Assets**			
	(a) Inventories	N	32,245.02	26,023.64
	(b) Trade receivables	O	41,431.08	35,509.89
	(c) Cash and Cash equivalents	P	1,227.33	627.34
	(d) Short term Loans and Advances	Q	7,070.30	3,198.11
	Total		**116,091.63**	97,193.42

Significant Accounting Policies And Notes to Accounts — **A Y**

As per our Report of Even Date

For **SHYAM C. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 110243W
Sd/-
Shyam C. Agrawal
Proprietor
Mermbership No. 31774

Place: MUMBAI
Dated: 28th August, 2014

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

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

Profit and Loss Statement for the year ended 30th June 2014

	Particulars	*Note No.*	**30/06/2014 ₹ in Lacs**	30/06/2013 ₹ in Lacs
I	Revenue from operations	R		
	Other Operating Income		131,376.82	105,949.65
II	Other Income	S	167.71	88.65
III	**Total Revenue (I + II)**		**131,544.54**	**106,038.31**
IV.	Expenses			
	Purchases / Documentation Expenses		117,496.19	96,609.93
	Changes in inventories of finished goods, work in process and Stock in trade	T	6,221.38	(6,402.08)
	Employee benefit expense	U	1,887.39	1,431.06
	Finance costs	V	5,862.76	4,305.80
	Depreciation and amortisation expense		1,535.44	1,212.78
	Other expenses	W	2,508.76	2,261.86
	Total expenses		**123,069.15**	**99,419.35**
V.	Profit before exceptional and extraordinary items and tax (III-IV)		8,475.39	6,618.96
VI.	Exceptional Items		-	-
VII.	Profit before extraordinary items and tax (V-VI)		8,475.39	6,618.96
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII-VIII)		**8,475.39**	**6,618.96**
X.	Tax expenses:			
	(1) Current Tax		1,301.00	1,200.00
	(2) Deferred Tax		212.66	133.06
XI.	Profit/ (Loss) for the period from continuing operations (VII-VIII)		**6,961.72**	**5,285.90**
XII.	Proposed Dividend		380.05	158.35
XIII.	Tax on Distribution of Profits		64.59	26.91
XIV.	Profit/ (Loss) for Discontinuing operations (after tax) (XII-XIII)		-	-
	Transfer to General Reserve		1,000.00	1,000.00
XV.	Profit/ (Loss) for the period (XI + XIV)		5,517.09	4,100.63
XVI.	Earnings per equity share: (Face value of Rs 10 each (Previous Year Rs 10 each)	A(p) & (ab)		
	(1) Basic (Rs)		**5.23**	38.84
	(2) Diluted (Rs)		**3.69**	30.14

Significant Accounting Policies And Notes to Accounts — **A Y**

As per our Report of Even Date
For **SHYAM C. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 110243W
Sd/-
Shyam C. Agrawal Proprietor
Mermbership No. 31774
Place: MUMBAI
Dated: 28th August, 2014

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

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

Cash Flow Statement for the year ending 30th June 2014

	Particulars	**30/06/2014 ₹ in Lacs**	30/06/2013 ₹ in Lacs
A.	**Cash flow from operating activities**		
	Profit before tax	8,475.39	6,618.96
	Depreciation	1,526.16	1,203.50
	Interest income	167.71	88.65
	Income Tax	1,301.00	1,200.00
	Interest expense	5,862.76	4,277.19
	Operating profit before working capital changes	**14,395.59**	10,810.99
	(Increase)/Decrease in Inventory	6,221.38	(6,402.08)
	(Increase)/Decrease in Debtors	5,921.19	(9,498.32)
	Increase in creditors	132.60	1,018.70
	Increase in provisions	401.87	(96.73)
	Decrease/(Increase) in loans & advances	3,872.19	1,422.08
	Interest Paid	5,862.76	(4,277.19)
	Net cash generated from operation	**21,343.04**	(17,833.54)
B.	**Cash flow from investing activities**		
	Purchase of fixed assets	3,180.68	(6,516.94)
	Receipt of interest	167.71	88.65
	Investment in preference shares	-	-
	Decrease/(Increase) in Investments	275.00	-
	Net cash used in investing activities	**2,737.96**	6,428.29
C.	**Cash flow from financing activities**		
	Proceeds from loans - Secured	11,722.53	12,465.46
	Proceeds from loans - Unsecured	3,572.98	1,169.76
	Increase Preferential Dividend Warrants	2,580.50	-
	Proposed Dividend	380.05	158.35
	Tax on Distributed Profit	64.59	26.91
	Increase in Long Term Provision	-	-
	Net cash (used in)/generated from financing activities	**10,285.41**	13,449.95
	Net (decrease)/increase in cash and cash equivalents	**599.99**	(0.89)
	Cash and cash equivalents at the beginning of the year	627.34	628.22
	Cash and cash equivalents at the end of the year	1,227.33	627.34
	Cash & Bank Balances (as per schedule : P)	1,227.33	627.34
	Less : Deposits with maturity more than 3 months	184.52	50.29
	Cash & Cash Equivalents for Cash Flow Statement	1,042.81	577.04

As per our Report of Even Date
For **SHYAM C. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 110243W
Sd/-
Shyam C. Agrawal
Proprietor
Mermbership No. 31774
Place: MUMBAI
Dated: 28th August, 2014

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

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

Schedule formating part of the Balance Sheet as at 30th June 2014

₹ in Lacs

Particulars	**30/06/2014**	30/06/2013
B. **SHARE CAPITAL**		
Authorised		
175000000 (Previous year: 20250000) Equity Share of Rs.2/- each	**3,500.00**	2,025.00
Issues, Subscribed and Fully Paid up		
105569000 (Previous year 10556900) Equity Shares of Rs.2/- Each fully paid up.	2,111.38	1,055.69
	2,111.38	1,055.69
Shareholder holding more than 5% of entire Share Capital	*No of Shares*	*No of Shares*
Bagulvani Trading & Investment P. Ltd.	8,242,380	824,238
M. P. Kala	18,237,300	1,823,730
Asha Mohan Kala	6,138,600	613,860
Ramco Properties P. Ltd.	9,150,910	915,091
Revon Finance & Investment P. Ltd.	11,219,960	1,121,996
Savita Satish Gowda	6,862,830	693,860

The Shares has been split in the ratio of 1 : 5 and the Bonus Shares 1 : 1 has been allotted to the Shareholders

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	3,178.88	2,178.88
Add : Addition during the year	1,000.00	1,000.00
Less : Bonus Shares Issued	1,055.69	-
Closing Balance	**3,123.19**	3,178.88
Reinstatement of Fixed Assets Reserve		
Opening Balance	-	-
Add : Profit during the year	903.94	-
Closing Balance	**903.94**	**-**

Schedule formating part of the Balance Sheet as at 30th June 2014

₹ in Lacs

Particulars	30/06/2014	30/06/2013
Profit and Loss Account		
Opening Balance	13,124.41	9,023.78
Add : Profit during the year	5,517.09	4,100.63
Closing Balance	**18,641.50**	13,124.41
	24,227.38	17,862.04
D. **Long term Borrowings**		
(i) **Term loans from Banks - Secured** Term Loans are secured by First charge on Fixed Assets and Second Charge on Current Assets.	12,455.78	7,821.85
(ii) Loans against vehicles from banks - Secured (Vehicle Loan is secured against the Vehicle).	6.84	12.61
Loans from related parties & others - Unsecured	1,381.40	6,263.68
Loan from Other - FCCB - Unsecured	15,297.91	13,988.61
	29,141.93	28,086.75
E. **Long term Provisions**		
Provision for Employee benefits	52.94	52.94
	52.94	52.94
F. **Short term Borrowings**		
1) Cash Credit from Banks - Secured Working Capital Loans are secured by First charge on Current Assets and Second Charge on Fixed Assets.	43,396.44	36,302.06
	43,396.44	36,302.06
G. **Trade Payables**		
Creditors		
Total outstanding dues to Micro, Small and Medium Enterprises & Others	6,118.15	5,985.54
Others	-	-
	6,118.15	5,985.54
H. **Other Current Liabilities**		
Sundry Creditors for Expenses	197.29	155.79
	197.29	155.79
I. **Short term Provisions**		
Provision for taxation(net of advance tax)	1,301.00	1,200.00
Proposed Dividend	380.05	158.35
Distribution Tax on Dividends	64.59	26.91
	1,745.64	1,385.27

Schedule formating part of the Balance Sheet as at 30th June 2014

₹ in Lacs

Particulars	**30/06/2014**	30/06/2013

J. Fixed Assets under Non Current Assets

Assets	Gross Block				Depreciation				Net Block	
	Balance as on 01.07.2013	*Additions*	*Deletion*	*As on 30.06.2014*	*Upto 30.06.2013*	*During the Year*	*Deletion*	*Upto 30.06.2014*	*As on 30.06.2014*	*As on 30.06.2013*
Land	1,203.35	-	-	1,203.35	-	-	-	-	1,203.35	1,203.35
Building	5,671.78	1,506.28	75.05	7,103.01	587.36	224.38	45.20	766.54	6,336.48	5,084.42
Office premises	2,802.70	189.30	-	2,992.01	-	-	-	-	2,992.01	2,802.70
Plant & machinery	18,949.19	4,879.52	1,053.39	22,775.31	3,332.69	1,075.64	528.49	3,879.84	18,895.48	15,616.50
Lab equipments	1,222.80	561.93	-	1,784.73	172.16	84.25	-	256.41	1,528.32	1,050.64
Electrical fittings	935.39	205.18	-	1,140.56	189.02	49.29	-	238.32	902.25	746.36
Office equipment	93.13	48.24	-	141.36	25.79	6.03	-	31.83	109.54	67.34
Motor car	222.84	26.48	-	249.31	86.64	21.38	-	108.02	141.30	136.20
Furniture & fixture	401.30	1.15	-	402.45	102.01	25.43	-	127.44	275.01	299.29
Computer	224.91	10.21	-	235.12	129.33	36.91	-	166.24	68.88	95.58
Air conditioners	60.02	-	-	60.02	7.88	2.85	-	10.73	49.30	52.15
Total	**31,787.41**	**7,428.28**	**1,128.44**	**38,087.24**	**4,632.88**	**1,526.16**	**573.69**	**5,585.34**	**32,501.90**	**27,154.53**
Previous year	23,561.89	8,225.22	-	31,787.41	3429.38	1,203.50	-	4,632.88	27,154.53	20,124.08

Note :- As certified by the management, the company has obtained the possesssion of new office premisses however the interior work is being carried out therefore no depreciation has been taken during the year.

K.	**Capital work in progress**	**1,492.77**	4,281.67
L.	**Non Current Investments**		
	Yusur International FZE	64.55	64.55
	5 Shares @ AED 100,000/- Each		
	Siddhivinayak Developers	-	275.00
	Investment of Gratuity Fund	52.94	52.94
	Investment in Overseas Company	5.74	5.74
	100 Shares @ EURO 100/- Each		
		123.23	398.24
M.	**Long term Loans and Advances**	-	-
N.	**Inventories**	26,023.64	19,621.56
	Raw Material & Packing Material	10,615.03	7,287.55
	Goods in Process	9,006.16	8,512.63
	Finished Goods	11,705.33	9,488.34
	Store, Spares & Consumbales	918.51	735.12
		32,245.02	26,023.64

Schedule formating part of the Balance Sheet as at 30th June 2014

₹ in Lacs

Particulars	30/06/2014	30/06/2013
O. **Trade Receivables**		
a) Outstanding for period exceeding 6 months		
Unsecure considered good	2,105.80	612.63
b) Other unsecured considered good	39,325.28	34,897.26
	41,431.08	35,509.89
P. **Cash and Cash Equivalents**		
Balances with Banks	1,015.24	549.81
Cash on hand	27.57	27.24
Deposit with banks held as Margin Money	184.52	18.29
Deposit having maturity more than 12 months	-	32.00
	1,227.33	627.34
Q. **Short Term Loans and Advances**		
Advances recoverable in cash or kind	7,070.30	3,198.11
	7,070.30	3,198.11
R. **Revenue from operations**		
(a) Revenue from Sales & Services	129,161.17	105,949.65
(b) Insurance Claim against Stock	2,215.66	
	131,376.83	105,949.65
S. **Other Income**		
Interest Income	167.71	15.27
Other Income	-	73.38
	167.71	88.65
T. **Changes in inventories of finished goods, work in process and Stock in trade**		
Opening Inventories	26,023.64	19,621.56
Less: Closing Inventories	32,245.02	26,023.64
Decrease/(Increase) in inventories	**6,221.38**	6,402.08
U. **Employee benefit expense**		
Salaries, wages & bonus	1,810.91	1,384.49
Workmen and staff welfare expenses	76.48	46.57
	1,887.39	1,431.06
V. **Finance costs**		
Interest & Bank Charges	5,862.76	4,277.19
Foreign currency exchange loss	-	28.61
	5,862.76	4,305.80

Schedule formating part of the Balance Sheet as at 30th June 2014

₹ in Lacs

Particulars	**30/06/2014**	30/06/2013
W. **Other expenses**		
Power & Fuel Expenses	876.81	827.16
Repairs Maintenance	247.39	140.72
Factory Expenses	117.67	116.73
Research & Development	248.55	130.07
Audit Fees	5.00	5.00
Telephone Expenses	16.71	19.05
General Expenses	47.82	33.84
Printing & Stationery	61.19	64.03
Traveling Expenses	156.20	176.13
Rent, Rates & Taxes	60.50	62.46
Legal & Professional Charges	150.98	135.78
Product Registration Expenses	7.40	72.66
Books & Periodicals	1.20	0.96
Car Expenses	33.35	31.05
Advertisement Expenses	7.36	5.39
Conveyance	47.47	43.24
Membership & Subscription	0.95	1.52
Stock Exchange Listing Fees	3.88	2.65
Insurance	20.50	71.47
Directors Remuneration	61.82	67.44
Brokerage & Commission	225.55	143.57
Postage & Telegram Charges	12.36	15.90
Business Promotions Expenses	55.94	53.41
Exhibition Expenses	42.15	41.62
	2,508.76	2,261.86

Annexure - A

Significant Accounting Policies

1. **Basis for Preparation of Financial Statements :**

   The financial statements of the company have been prepared in accordance with generally accepted accounting Principles in India (Indian GAAP) to comply with accounting standards notified under section 211 (3C) of the companies act, 1956 (which continues to be applicable in respect of section 133 of new companies act, 2013 in term of general circular 15/2013 dated September, 13, 2013 of the ministry of corporate affairs) and the relevant provisions of companies Act 1956 and 2013 Act, as applicable. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting.

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) Tangible Fixed Assets are stated at their historical 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) Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of intangible asset comprises its purchase price including import duties and other taxes, other attributable direct expenses making the asset ready for its intended use.

   c) 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.

   d) 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 rates provided in the schedule XIV 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 out 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 it's intend use. All other borrowing costs are charged to revenue.

11. **Earning per Share :**

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

12. **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. L**ong 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 invested with Gratuity Fund.
- 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.

16. **FIRE LOSS ; Abnormal & Unavoidable in Nature :**

During the month of June, 2014 fire occurred at one of our old API's Plant at W-34 & W-34/1, MIDC, Taloja, Dist.-Raigad, Maharashtra. However, during the fire no human loss has been resulted. However, the loss of Rs. 22,15,65,820/- (Rupees Twenty Two Crores Fifteen Lacs Sixty Five Thousand Eight Hundred Twenty) has been reported on account of stock lying at the plant area along with the capital loss of Rs. 14,58,69,468/- (Rupees Fourteen Crores Fifty Eight Lacs Sixty Nine Thousand Four Hundred Sixty Eight) of Plant & Machinery on Written Down Value basis.

Your directors had opted for the replacement insurance policy instead of normal insurance policy on capital goods. Thereby, you will be pleased to know that your company will be receiving the current replacement value of plant & machinery that has been lost due to fire and not the Written Down Value of Plant & Machinery lost in fire. Keeping uncertainty on mind your company have taken the loss of profit policy, in case the profit of company is hampered in any form. Your company has put up the total claim of approx Rs. 40,00,00,000 (Rupees Forty Crores) including the loss of factory building and some furniture & fixtures.

Further, it would be worth noting that because the fire had occurred in the last month of the financial year 2014, therefore, there was negligible operational loss of production and sales pertaining to the reporting period ending as on 30th June, 2014. To refrain the impact of production & sales loss that would have had surely been casted on the future months on production & sales, the management of your company took the immediate corrective steps by making the tie-ups with some of the job work at some other factory sites so as to carter the production & marketing demand.

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)

Particulars	**2013 - 2014**	2012 - 2013
a) Letter of Credit against goods (Margin Money with bank ₹184.52 Lacs)	100.62	74.18
b) Bank Guarantee for MPCB	15.10	0.50

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

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

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

7. **Installed Capacity & Its Utilisation :**

Class of Goods	*Installed Capacity*	*Utilisation*
Active Pharma Ingredients and Intermediates	180,000 Liters of Reactors Capacity	90% (Approx)
Formulation	4.75 bn Tablets per shift per annum 1.75 bn Capsules per shift per annum	65% (Approx.)

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

8. **Directors Remuneration paid :**

Name of the Directors	*Salary(Rs.)*	*Perquisite(Rs.)*	*Total(Rs.)*
Ms. Savita Satish Gowda, Managing Director	27,50,000/- (27,00,000/-)	NIL (NIL)	27,50,000/- (27,00,000/)
Mr. Vijay Kirpalani, Whole Time Director	13,44,000/- (13,44,000/-)	NIL (NIL)	13,44,000/- (13,44,000/-)
Mr. Lalit Misra, Whole Time Director	27,50,000/- (27,00,000/)	NIL (NIL)	27,50,000/- (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) **M. P. Kala** (Director) **Vijay Kirpalani** (Whole Time Director)
2) Related Parties of Key Management Personnel	**Asha Mohan 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 Global Management & Consultancy Services Pvt. Ltd.**
4) 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*	
		2013-14	2012-13	**2013-14**	2012-13	**2013-14**	2012-13
1.	Remuneration	81.10	67.44	24.00	24.00	--	--
2.	Rent Paid	9.00	9.00	--	--	36.00	30.00
3.	Unsecured Loan Received	118.49	287.16	228.10	--	220.10	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.*	
		2013-14	2012-13	**2013-14**	2012-13	**2013-14**	2012-13
1.	Unsecured Loan Received.	--	323.64	--	31.32	1381.40	4048.56
2.	Investment made	--	--	--	--	--	--
3.	Loans & Advances	--	--	--	--	8.39	8.39

11. **Earnings Per Share** (₹ in Lacs)

Particulars	**2013 - 2014**	2012-2013
Profit Attributable to Equity Shareholders	5517.09	4100.63
Weighted average no. of Equity Share	105569000	10556900
Diluted average no. of Equity Share	170070450	13706958
Nominal value of Equity Share Rs.	2/-	10/-
Earning Per Share (EPS) - Basic (Rs.)	5.23	38.84
Earning Per Share (EPS) - Diluted (Rs.)	3.69	30.14

12. **Deferred Tax Liability :**

Deferred Tax Liability relating to earlier year is Rs.133.06 Lacs and liability for current year is Rs.212.66 Lacs.

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

Particulars	**2013 - 2014**	2012-2013
A. CIF value of goods imported	582.68	817.25
B. Value of Goods Exported (FOB and service charges)	10,864.92	8,643.11
C. Marketing, Reimbursment, Travelling & Other Expenses	163.60	248.60

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

Particulars	**2013 - 2014**	2012-2013
Audit Fee	3.50	3.50
Tax Audit Fees	1.00	1.00
Other Matters	0.50	0.50
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: 28.08.2014

For and on behalf of the board

Savita Satish Gowda (Ms.) (Managing Director)
Sd/-

Lalit Misra (Director)
Sd/-

M. P. Kala (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 Deatails :**

   a) Registration No. : L24110MH1989PLCO52251
   b) State Code : 11
   c) Balance sheet Date : 30.06.2014

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

   a) Public Issue : Nil
   b) Right Issue : Nil
   c) Bonus Issue : 105,569
   d) Private Placement : Nil

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

   a) Total Liabilites : 11,609,163.39
   b) Total Assets : 11,609,163.39
   c) Sources of Fund :

- Paid Up Captial:	211,138.00	- Reserves & Surplus :	2,422,737.80
- Secured Loans :	5,585,905.55	- Unsecured Loans :	1,667,930.89
- Deferred Tax liability :	104,499.70	- Advance against Share application Money	--

   d) Application of Founds:

- Net Fixed Assets :	3,250,189.79	- Investments :	12,323.52
- Net Current Assets :	8,197,373.12	- Misc. Expenditure :	-
- Accumulated Losses :	Nil	- Captial WIP :	149,276.95

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

a) Turnover (Sales) :	13,154,453.92	b) Total Expenditure :	12,306,915.28
c) Profit Before Tax :	847,538.64	d) Profit After Tax :	696,172.32
e) Earning per Share :	5.23	f) Dividend Per Share :	0.36

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, 2014.

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. 1128.08 Lacs (previous year Rs 1432.51 Lacs). The operations for the financial year have resulted in a net Profit of Rs 70.52 lacs (previous year Rs 84.87 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, 2014 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 irregulations.

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
M. P. Kala
Sd/-
Manager

Auditors Report to the Members of Yusur International, FZE, UAE

1. We have audited the attached Balance Sheet of M/s Yusur International FZE, UAE as at 30th June, 2014 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, 2014,
      (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 : 28/08/2014

YUSUR INTERNATIONAL FZE Balance Sheet as at 30th June 2014

	Particulars	*Note No.*	**30/06/2014** ₹ in Lacs	30/06/2013 ₹ in Lacs
I	**SOURCES OF FUNDS:**			
	Share Holder's Funds			
	Capital	A	64.55	64.55
	Reserves & Surplus	B	836.31	773.95
	Loan Funds			
	Unsecured Loans	C	8.39	8.39
	TOTAL		**909.26**	846.89
	APPLICATION OF FUNDS:			
	Current Assets, Loans & Advances			
	Sundry Debtors	D	829.95	842.02
	Cash & Bank Balance	E	6.97	4.48
	Loans & Advances	F	91.37	20.86
			928.30	867.35
	Less : Current Liabilities	G	19.04	20.46
	Net Current Assets		909.26	846.89
	TOTAL		**909.26**	846.89

Significant Accounting Policies and Notes to Accounts I

Kala Deepak & Company
Chartered Accountants
Firm Registration No. 129226W
Sd/-
CA Deepak Kala
Proprietor
M. No. 128328

Place : MUMBAI
Date : 28/08/2014

For **Yusur International FZE**

Sd/-
M. P. Kala
Manager

YUSUR INTERNATIONAL FZE Profit and Loss Statement for the year ended 30th June 2014 ₹ in Lacs

	Particulars	*Note No.*	**30/06/2014**	30/06/2013
I	**INCOME**			
	Sales		1,102.46	1,401.88
	Consulting Income		25.63	30.63
			1,128.08	**1,432.51**
	Expenses			
	Purchases		1,020.78	1,298.59
	Administrative and Other Expenses	H	36.78	49.05
			1,057.56	**1,347.64**
	Net Profit for the Period		**70.52**	**84.87**
	Transferred to Statutory Reserve		24.56	24.87
	Transfer to Profit & Loss Account		45.96	59.99
			70.52	**84.87**
	Weighted No. of Equity Shares of AED 100000/- each		5.00	5.00

Significant Accounting Policies and Notes to Accounts I

Kala Deepak & Company
Chartered Accountants
Firm Registration No. 129226W
Sd/-
CA Deepak Kala
Proprietor
M. No. 128328

Place : MUMBAI
Date : 28/08/2014

For **Yusur International FZE**

Sd/-
M. P. Kala
Manager

YUSUR INTERNATIONAL FZE Cash Flow statement for the year ending 30th June 2014 ₹ in Lacs

	Particulars	**30/06/2014**	30/06/2013
A.	**Cash flow from Operating Activities**		
	Net Profit Before Tax	**70.52**	84.87
	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	**70.52**	84.87
	Adjustments for:		
	Changes in Trade & Other Receivables	(70.52)	(17.29)
	Change in Debtors	12.06	(31.29)
	Change in Inventories	-	-
	Change in Trade Payables & Other Current Liabilities	(1.42)	(27.43)
	Cash Generated from Operation	-	-
	Interest paid	-	-
	Net Cash Flow from Operating Activities (A)	**10.65**	8.85
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	**(8.16)**	(7.33)
	Proceeds of Bank Loans & Other Financial Institution	-	-
	Decrease in Unsecured Loans	-	-
	Increase in Miscelleneous Exp.	-	-
	Net Cash flow from Financing Activities (C)	**(8.16)**	(7.33)
	Net Cash Flow during the year (A+B+C)	2.49	1.52
	Opening Cash & Cash equivalents	4.48	2.96
	Cash & Cash equivalent for Cash Flow Statement	**6.97**	4.48

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 : 28/8/2014

For **Yusur International FZE**

Sd/-
M. P. Kala
Manager

Schedule formating part of the Balance Sheet as at 30th June 2014

₹ in Lacs

Particulars		30/06/2014	30/06/2013
Schedule - "A"			
Share capital			
Authorised capital			
5(P.Y.5) Equity Shares of AED 1,00,000/- each		64.55	64.55
	Total	**64.55**	64.55
Issued, Subscribed & Paidup capital			
5 (P.Y. 5) Equity Shares of AED 1,00,000/- each fully paid up.		64.55	64.55
	Total	**64.55**	64.55
Schedule - "B"			
Reserve & Surplus			
Statutory Reserve		136.37	111.81
Profit & Loss Account		700.97	655.01
Capital Translation Reserve		(1.03)	7.13
	Total	**836.31**	773.95
Schedule - "C"			
Unsecured Loans			
From Holding Company			
- Sharon Bio-Medicine Ltd.		8.39	8.39
	Total	**8.39**	8.39
Schedule - "D"			
Current Assets			
Sundry Debtors		839.24	842.02
	Total	**839.24**	842.02
Schedule - "E"			
Cash & Bank Balance			
Cash in Hand		4.42	1.74
Cash at Bank		2.55	2.74
	Total	**6.97**	4.48
Schedule - "F"			
Loans & Advances			
(Unsecured, Considered Good)			
Advances Recoverable in Cash or Kind or for value to be received		85.88	16.95
Deposits		5.49	3.90
	Total	**91.37**	20.86
Schedule - "G"			
Current Liabilities			
Sundry Creditors		19.04	20.46
	Total	**19.04**	20.46
Schedule - "H"			
Administrative and Other Expenses			
Salaries		28.55	39.59
Legal & license related expenses		2.46	3.48
Audit Fees		0.71	0.71
Bank service charges		0.25	0.33
Other General Expenses		0.24	0.29
Rent		4.59	4.64
	Total	**36.78**	49.05

Significant Accounting Policies and Notes Forming part of the accounts for the year ended June 30, 2014.

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 — **M. P. Kala** (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*	
		2013-14	2012-13	**2013-14**	2012-13
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*	
		2013-14	2012-13	**2013-14**	2012-13
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 : 28/08/2014

For **Yusur International FZE**

Sd/-
M. P. Kala
Manager

Auditors Report on Consolidated Financial Statement

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

Report on the Consolidated Financial Statements :

We have audited the attached Consolidated financial statements of Sharon Bio-Medicine Limited (the company) and its subsidiary (the company and its subsidiary, constitute a Group) which comprise the consolidated balance sheet as at 30th June, 2014, and also the consolidated statement of profit and loss account and consolidated cash flow statement for the year then ended and the summary of the significant accounting policies and other explanatory statements and information.

Management's responsibility for the consolidated financial statements :

The Management of the company is responsible for the preparation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance of the company and consolidated cash flow statement of the group in accordance with the Accounting Standards and accounting principles generally accepted in India. 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 consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls.

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 consolidated 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 consolidated Balance Sheet, of the state of affairs of the company as at 30th June, 2014;
ii. in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date;
iii. in the case of the consolidated Cash Flow Statement, of the cash flow for the year ended on that date;

We did not audit the financial statement/ financial information of Yusur International FZE included in the consolidated financial statements, which constitute total assets of Rs. 9,09.25 Lacs as at June 30, 2014, Total revenue of Rs. 11,28.08 Lacs, Net profit of Rs. 70.52 Lacs, net cash flow amounting to Rs. 1.52 Lacs as for the year ended June 30, 2014. 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.

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..

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

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

Place : Mumbai.
Date : 28/08/2014

Consolidated Balance Sheet as at 30th June 2014

	Particulars	*Note No.*	**30/06/2014** ₹ in Lacs	30/06/2013 ₹ in Lacs
I	**EQUITY AND LIABILITIES**			
(1)	Shareholders fund			
	(a)Share Capital	B	2,111.38	1,055.69
	Share Application Money		8,055.50	5,475.00
	(b) Reserves and Surplus	C	25,063.69	18,635.99
(2)	**Non Current Liabilities**			
	(a) Long term borrowings	D	29,141.93	28,086.75
	(b) Deferred Tax Liabilities (Net)	A (12)	1,045.00	832.33
	(c) Long Term Provisions	E	52.94	52.94
(3)	**Current Liabilities**			
	(a) Short term borrowings	F	43,396.44	36,302.06
	(b) Trade Payables	G	6,137.19	6,006.00
	(c) Other Current Liabilities	H	197.29	155.79
	(d) Short term provision	I	1,745.64	1,385.27
	Total		**116,946.99**	97,987.83
II.	**ASSETS**			
(1)	**Non Current Assets**			
	(a) Fixed Assets			
	(i) Tangible Assets	J	32,501.90	27,154.53
	(ii) Capital Work-in-progress	K	1,492.77	4,281.67
	(b) Non Current Investments	L	58.69	333.69
(2)	**Current Assets**			
	(a) Inventories	N	32,245.02	26,023.64
	(b) Trade receivables	O	42,261.04	36,351.91
	(c) Cash and Cash equivalents	P	1,234.30	631.82
	(d) Short term Loans and Advances	Q	7,153.28	3,210.57
	Total		**116,946.99**	97,987.83

Significant Accounting Policies And Notes to Accounts — **A** **Y**

As per our Report of Even Date

For **SHYAM C. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 110243W
Sd/-
Shyam C. Agrawal
Proprietor
Mermbership No. 31774

Place: MUMBAI
Dated: 28th August, 2014

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

Managing Director **Savita Satish Gowda (Ms.)** Sd/-

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

Director **Lalit Misra** Sd/-

Consolidated Profit and Loss Statement for the year ended 30th June 2014

₹ in Lacs

	Particulars	*Note No.*	**30/06/2014**	30/06/2013
I	Revenue from operations	R		
	Other Operating Income		132,479.28	107,351.53
II	Other Income	S	193.34	119.28
III	**Total Revenue (I + II)**		**132,672.62**	107,470.81
IV.	Expenses			
	Purchases / Documentation Expenses		118,516.97	97,908.52
	Changes in inventories of finished goods, work in process and Stock in trade	T	6,221.38	6,402.08
	Employee benefit expense	U	1,915.94	1,470.65
	Finance costs	V	5,863.00	4,306.13
	Depreciation and amortisation expense		1,535.44	1,212.78
	Preliminery expenses written off		-	-
	Other expenses	W	2,516.74	2,270.99
	Total expenses		**124,126.71**	100,766.99
V.	Profit before exceptional and extraordinary items and tax (III-IV)		8,545.91	6,703.82
VI.	Exceptional Items		-	-
VII.	Profit before extraordinary items and tax (V-VI)		8,545.91	6,703.82
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII-VIII)		**8,545.91**	6,703.82
X.	Tax expenses:			
	(1) Current Tax		1301.00	1,200.00
	(2) Deferred Tax		212.66	133.06
XI.	Profit/ (Loss) for the period from continuing operations (VII-VIII)		**7,032.25**	5,370.76
XII.	Proposed Dividend		**380.05**	158.35
XIII.	Tax on distribution of Profit		**64.59**	26.91
XIV.	Profit/ (Loss) for Discontinuing operations (after tax) (XII-XIII)		-	-
	Transfer to General Reserve		1,024.56	1,024.87
XV.	Profit/ (Loss) for the period (XI + XIV)		**5,563.04**	4,160.62
XVI.	Earnings per equity share: (Face value of Rs 10 each (Previous Year Rs 10 each)	A(p) & (ab)		
	(1) Basic (Rs)		**5.27**	39.41
	(2) Diluted (Rs)		**3.72**	30.58

Significant Accounting Policies And Notes to Accounts — **A** **Y**

As per our Report of Even Date

For **SHYAM C. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 110243W
Sd/-
Shyam C. Agrawal Proprietor
Mermbership No. 31774
Place: MUMBAI
Dated: 28th August, 2014

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

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

Consolidated Cash Flow Statement for the year ending 30th June 2014

₹ in Lacs

	Particulars	For the Year ended 30/06/2014	For the Year ended 30/06/2013
A.	**Cash flow from operating activities**		
	Profit before tax	8,545.91	6,703.82
	Depreciation	1,526.16	1,203.50
	Interest income	193.34	119.28
	Income Tax	1,301.00	1,200.00
	Interest expense	5,863.00	4,277.52
	Operating Profit before working Capital Changes	**14,440.73**	10,865.56
	(Increase)/Decrease in Inventory	6,221.38	6,402.08
	(Increase)/Decrease in Debtors	5,909.12	9,529.61
	Increase in creditors	131.19	991.26
	Increase in provisions	401.87	96.73
	Decrease/(Increase) in loans & advances	3,942.71	1,404.79
	Interest Paid	5,863.00	4,277.52
	Net Cash generated from Operation	**21,403.16**	17,909.88
B.	**Cash Flow from Investing Activities**		
	Purchase of fixed assets	3,180.68	6,516.94
	Receipt of interest	193.34	119.28
	Investment in preference shares	-	-
	Decrease/(Increase) in Investments	275.00	-
	Net cash used in Investing Activities	**2,712.34**	6,397.66
C.	**Cash Flow from Financing Activities**		
	Proceeds from loans - Secured	11,722.53	12,465.46
	Proceeds from loans - Unsecured	3,572.98	1,169.76
	Increase Preferential Dividend Warrants	2,580.50	-
	Proposed Dividend	380.05	158.35
	Tax on Distributed Profit	64.59	26.91
	Capital Translation Reserves	8.16	7.33
	Net Cash (Used in)/Generated from Financing Activities	**10,277.25**	13,442.62
	Net (Decrease)/Increase in Cash and Cash Equivalents	**602.48**	0.64
	Cash and cash equivalents at the beginning of the year	631.82	631.18
	Cash and cash equivalents at the end of the year	1,234.30	631.82
	Cash & Bank Balances (as per schedule : P)	1,234.30	631.82
	Less : Deposits with maturity more than 3 months	184.52	50.29
	Cash & Cash Equivalents for Cash Flow Statement	1,049.78	581.52

As per our Report of Even Date
For **SHYAM C. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 110243W
Sd/-
Shyam C. Agrawal
Proprietor
Mermbership No. 31774
Place: MUMBAI
Dated: 28th August, 2014

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

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

Consolidated Schedule formating part of the Balance Sheet as at 30th June 2014

₹ in Lacs

Particulars	**30/06/2014**	30/06/2013
B. **SHARE CAPITAL**		
Authorised		
175000000 (Previous year: 20250000) Equity Share of Rs.2/- each	**3,500.00**	2,025.00
Issues, Subscribed and Fully Paid up		
105569000 (Previous year 10556900) Equity Shares of Rs.2/- Each fully paid up.	2,111.38	1,055.69
	2,111.38	1,055.69
Shareholder holding more than 5% of entire Share Capital	*No of Shares*	*No of Shares*
Bagulvani Trading & Investment P. Ltd.	8,242,380	824,238
M. P. Kala	18,237,300	1,823,730
Asha Mohan Kala	6,138,600	613,860
Ramco Properties P. Ltd.	9,150,910	915,091
Revon Finance & Investment P. Ltd.	11,219,960	1,121,996
Savita Satish Gowda	6,862,830	693,860

The Shares has been split in the ratio of 1 : 5 and the Bonus Shares 1 : 1 has been allotted to the Shareholders

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	3,290.69	2,265.81
Add : Addition during the year	1,024.56	1,024.87
Less : Bonus Shares Issued	1,055.69	-
Closing Balance	**3,259.56**	3,290.69
Reinstatement of Fixed Assets Reserve		
Opening Balance	-	-
Add : Profit during the year	903.94	-
Closing Balance	**903.94**	**-**

Consolidated Schedule formating part of the Balance Sheet as at 30th June 2014

₹ in Lacs

Particulars	30/06/2014	30/06/2013
Capital Translation Reserves		
Opening Balance	7.14	14.47
Add : Profit during the year	8.16	7.33
Closing Balance	**1.02**	7.14
Profit and Loss Account		
Opening Balance	13,779.42	9,618.79
Add : Profit during the year	5,563.04	4,160.62
Closing Balance	**19,342.46**	13,779.42
	25,063.69	18,635.99
D. **Long term Borrowings**		
(i) **Term loans from Banks - Secured** Term Loans are secured by First charge on Fixed Assets and Second Charge on Current Assets.	12,455.78	7,821.85
(ii) Loans against vehicles from banks - Secured (Vehicle Loan is secured against the Vehicle).	6.84	12.61
Loans from related parties & others - Unsecured	1,381.40	6,263.68
Loan from Other - FCCB - Unsecured	15,297.91	13,988.61
	29,141.93	28,086.75
E. **Long term Provisions**		
Provision for Employee benefits	52.94	52.94
	52.94	52.94
F. **Short term Borrowings**		
1) Cash Credit from Banks - Secured Working Capital Loans are secured by First charge on Current Assets and Second Charge on Fixed Assets.	43,396.44	36,302.06
	43,396.44	36,302.06
G. **Trade Payables**		
Total outstanding dues to Micro, Small and Medium Enterprises & Others	6,137.19	6,006.00
	6,137.19	6,006.00
H. **Other Current Liabilities**		
Sundry Creditors for Expenses	197.29	155.79
	197.29	155.79
I. **Short term Provisions**		
Provision for taxation(net of advance tax)	1,301.00	1,200.00
Proposed Dividend	380.05	158.35
Distribution Tax on Dividends	64.59	26.91
	1,745.64	1,385.27

Consolidated Schedule formating part of the Balance Sheet as at 30th June 2014

₹ in Lacs

Particulars		30/06/2014	30/06/2013
J.	**Fixed Assets under Non Current Assets** Ref. **'Schedule J'** - Pg .		
K.	**Capital work in progress**	**1,492.77**	4,281.67
L.	**Non Current Investments**		
	Siddhivinayak Developers	-	275.00
	Investment of Gratuity Fund	52.94	52.94
	Investment in Overseas Company	5.74	5.74
	100 Shares @ EURO 100/- Each		
		58.69	333.69
M.	**Long term Loans and Advances**	-	-
N.	**Inventories**		
	Raw Material & Packing Material	10,615.03	7,287.55
	Goods in Process	9,006.16	8,512.63
	Finished Goods	11,705.33	9,488.34
	Store, Spares & Consumbales	918.51	735.12
		32,245.02	26,023.64
O.	**Trade Receivables**		
	a) Outstanding for period exceeding 6 months Unsecure considered good	2,105.80	612.63
	b) Other unsecured considered good	40,155.23	35,739.28
		42,261.04	36,351.91
P.	**Cash and Cash Equivalents**		
	Balances with Banks	1,017.78	552.55
	Cash on hand	31.99	28.98
	Deposit with banks held as Margin Money	184.52	18.29
	Deposit having maturity more than 12 months	-	32.00
		1,234.30	631.82
Q.	**Short Term Loans and Advances**		
	Advances recoverable in cash or kind	7,153.28	3,210.57
		7,153.28	3,210.57
R.	**Revenue from operations**		
	(a) Revenue from Sales & Services	130,263.62	107,351.53
	(b) Insurance Claim against Stock	2,215.66	
		132,479.28	107,351.53
S.	**Other Income**		
	Interest Income	167.71	15.27
	Other Income	25.63	104.01
		193.34	119.28

Consolidated Schedule formating part of the Balance Sheet as at 30th June 2014

₹ in Lacs

Particulars	**30/06/2014**	30/06/2013
T. **Changes in inventories of finished goods, work in process and Stock in trade**		
Opening Inventories	26,023.64	19,621.56
Less: Closing Inventories	32,245.02	26,023.64
Decrease/(Increase) in inventories	**6,221.38**	6,402.08
U. **Employee benefit expense**		
Salaries, wages & bonus	1,839.46	1,424.08
Workmen and staff welfare expenses	76.48	46.57
	1,915.94	1,470.65
V. **Finance costs**		
Interest & Bank Charges	5,863.00	4,277.52
Foreign currency exchange loss	-	28.61
	5,863.00	4,306.13
W. **Other expenses**		
Power & Fuel Expenses	876.81	827.16
Repairs Maintenance	247.39	140.72
Factory Expenses	117.67	116.73
Research & Development	248.55	130.07
Audit Fees	5.71	5.71
Telephone Expenses	16.71	19.05
General Expenses	48.06	34.13
Printing & Stationery	61.19	64.03
Traveling Expenses	156.20	176.13
Rent, Rates & Taxes	65.09	67.10
Legal & Professional Charges	153.44	139.27
Product Registration Expenses	7.40	72.66
Books & Periodicals	1.20	0.96
Car Expenses	33.35	31.05
Advertisement Expenses	7.36	5.39
Conveyance	47.47	43.24
Membership & Subscription	0.95	1.52
Stock Exchange Listing Fees	3.88	2.65
Insurance	20.50	71.47
Directors Remuneration	61.82	67.44
Brokerage & Commission	225.55	143.57
Postage & Telegram Charges	12.36	15.90
Business Promotions Expenses	55.94	53.41
Exhibition Expenses	42.15	41.62
	2,516.74	2,270.99

Annexure - A

Significant Accounting Policies

1. **Basis for Preparation of Financial Statements :**

   The financial statements of the company have been prepared in accordance with generally accepted accounting Principles in India (Indian GAAP) to comply with accounting standards notified under section 211 (3C) of the companies act, 1956 (which continues to be applicable in respect of section 133 of new companies act, 2013 in term of general circular 15/2013 dated September, 13, 2013 of the ministry of corporate affairs) and the relevant provisions of companies Act 1956 and 2013 Act, as applicable. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting.

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) Tangible Fixed Assets are stated at their historical 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) Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of intangible asset comprises its purchase price including import duties and other taxes, other attributable direct expenses making the asset ready for its intended use.

   c) 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.

   d) 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 rates provided in the schedule XIV 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 out 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 it's intend use. All other borrowing costs are charged to revenue.

11. **Earning per Share :**

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

12. **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. L**ong 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 invested with Gratuity Fund.
- 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.

16. **FIRE LOSS ; Abnormal & Unavoidable in Nature :**

During the month of June, 2014 fire occurred at one of our old API's Plant at W-34 & W-34/1, MIDC, Taloja, Dist.-Raigad, Maharashtra. However, during the fire no human loss has been resulted. However, the loss of Rs. 22,15,65,820/- (Rupees Twenty Two Crores Fifteen Lacs Sixty Five Thousand Eight Hundred Twenty) has been reported on account of stock lying at the plant area along with the capital loss of Rs. 14,58,69,468/- (Rupees Fourteen Crores Fifty Eight Lacs Sixty Nine Thousand Four Hundred Sixty Eight) of Plant & Machinery on Written Down Value basis.

Your directors had opted for the replacement insurance policy instead of normal insurance policy on capital goods. Thereby, you will be pleased to know that your company will be receiving the current replacement value of plant & machinery that has been lost due to fire and not the Written Down Value of Plant & Machinery lost in fire. Keeping uncertainty on mind your company have taken the loss of profit policy, in case the profit of company is hampered in any form. Your company has put up the total claim of approx Rs. 40,00,00,000 (Rupees Forty Crores) including the loss of factory building and some furniture & fixtures.

Further, it would be worth noting that because the fire had occurred in the last month of the financial year 2014, therefore, there was negligible operational loss of production and sales pertaining to the reporting period ending as on 30th June, 2014. To refrain the impact of production & sales loss that would have had surely been casted on the future months on production & sales, the management of your company took the immediate corrective steps by making the tie-ups with some of the job work at some other factory sites so as to carter the production & marketing demand.

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 bondholders have agreed 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 relavant 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)

Particulars	**2013 - 2014**	2012 - 2013
a) Letter of Credit against goods (Margin Money with bank ₹184.52 Lacs)	100.62	74.18
b) Bank Guarantee for MPCB	15.10	0.50

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

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

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

7. **Installed Capacity & Its Utilisation :**

Class of Goods	*Installed Capacity*	*Utilisation*
Active Pharma Ingredients and Intermediates	180,000 Liters of Reactors Capacity	90% (Approx)
Formulation	4.75 bn Tablets per shift per annum 1.75 bn Capsules per shift per annum	65% (Approx.)

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

8. **Directors Remuneration paid :**

Name of the Directors	*Salary(Rs.)*	*Perquisite(Rs.)*	*Total(Rs.)*
Ms. Savita Satish Gowda, Managing Director	27,50,000/- (27,00,000/-)	NIL (NIL)	27,50,000/- (27,00,000/)
Mr. Vijay Kirpalani, Whole Time Director	13,44,000/- (13,44,000/-)	NIL (NIL)	13,44,000/- (13,44,000/-)
Mr. Lalit Misra, Whole Time Director	27,50,000/- (27,00,000/)	NIL (NIL)	27,50,000/- (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) **M. P. Kala** (Director) **Vijay Kirpalani** (Whole Time Director)
2) Related Parties of Key Management Personnel	**Asha Mohan 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 Global Management & Consultancy Services Pvt. Ltd.**
4) 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*	
		2013-14	2012-13	**2013-14**	2012-13	**2013-14**	2012-13
1.	Remuneration	81.10	67.44	24.00	24.00	--	--
2.	Rent Paid	9.00	9.00	--	--	36.00	30.00
3.	Unsecured Loan Received	118.49	287.16	228.10	--	220.10	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.*	
		2013-14	2012-13	**2013-14**	2012-13	**2013-14**	2012-13
1.	Unsecured Loan Received.	--	323.64	--	31.32	1381.40	4048.56
2.	Investment made	--	--	--	--	--	--
3.	Loans & Advances	--	--	--	--	8.39	8.39

11. **Earnings Per Share** (₹ in Lacs)

Particulars	**2013 - 2014**	2012-2013
Profit Attributable to Equity Shareholders	5563.04	4160.62
Weighted average no. of Equity Share	105569000	10556900
Diluted average no. of Equity Share	170070450	13706958
Nominal value of Equity Share Rs.	2/-	10/-
Earning Per Share (EPS) - Basic (Rs.)	5.27	39.41
Earning Per Share (EPS) - Diluted (Rs.)	3.72	30.58

12. **Deferred Tax Liability :**

Deferred Tax Liability relating to earlier year is Rs.133.06 Lacs and liability for current year is Rs.212.66 Lacs.

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

Particulars	**2013 - 2014**	2012-2013
A. CIF value of goods imported	582.68	817.25
B. Value of Goods Exported (FOB and service charges)	10,864.92	8,643.11
C. Marketing, Reimbursment, Travelling & Other Expenses	163.60	248.60

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

Particulars	**2013 - 2014**	2012-2013
Audit Fee	3.50	3.50
Tax Audit Fees	1.00	1.00
Other Matters	1.20	1.21
Total	5.70	5.71

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: 28.08.2014

For and on behalf of the board

Savita Satish Gowda (Ms.) (Managing Director)
Sd/-

Lalit Misra (Director)
Sd/-

M. P. Kala (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 30,2014
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	70.52
Issued & Subscribed Share Capital	64.55
Reserves	836.31
Total Assets	909.26
Total Liabilities	909.26
Investments	0
Turnover	1102.46
Profit/(Loss) before Taxation	70.52
Provision for Taxaation	0
Profit/(Loss) after Taxation	70.52
Proposed Dividend	0
Exchange Rate	16.3766

For and on Behalf of the Board of Directors

Sd/-
Savita Satish Gowda (Ms.)
(Chairperson & Managing Director)

Sd/-
M. P. Kala
(Director)

Sd/-
Lalit Misra
(Whole Time Director)

Sd/-
Samsad Alam Khan
Company Secretary

Sharon Bio-Medicine Limited

(CIN : L24110MH1989PLC052251)

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 Fifth Annual General Meeting** of the Company held at Plot No. V/10, MIDC, Taloja, Dist. Raigad, Maharashtra 410208 on **17th December, 2014** at 9.30 a.m.

Signature of the attending MEMBER/PROXY

* Applicable for investors holding shares in electronic form.

(Tear Here)

Sharon Bio-Medicine Limited (CIN : L24110MH1989PLC052251)

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

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	
Registered Address	
Email ID	
Folio No./ Client ID	
DP ID	

I/We, being the member(s) of ..... shares of the above named company, hereby appoint

1. Name : .....
   Address : .....
   Email ID : ....., Signature : ....., or failing him
2. Name : .....
   Address : .....
   Email ID : ....., Signature : ....., or failing him
3. Name : .....
   Address : .....
   Email ID : ....., Signature : .....,

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at **Twenty-Fifth Annual General Meeting** of the Members of Company held at Plot No. V/10, MIDC, Taloja, Dist. Raigad, Maharashtra 410 208 on **17th December, 2014** at **9.30 a.m.** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To receive, consider and adopt Financial Statements as at 30th June, 2014 together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Vijay Kriplani (DIN: 00033759) who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.
5. To appoint Mr. Harish Palecanda, (DIN: 02797391) as the Independent Director.
6. To appoint Dr. Nivvedita Patil, (DIN: 00344641) as the Independent Director
7. To appoint Mr. Madhav Sapre, (DIN: 06715632) as the Independent Director.
8. To appoint Mr. Asif Rangwala, (DIN: 00054035) as the Independent Director.
9. To authorize the Board to borrow in excess of the limit under section 180(1)©of the Companies Act, 2013.
10. To authorize the Board to create charge by way of mortgage on the property of the Company under section 180(1)(a) of the Companies Act, 2013.
11. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.

Signed this _____ day of_____2014

Signature of Shareholder_____

Signature of Proxy holder(s)_____

Affix Re.1/- Revenue Stamp

NOTE: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

Clinical Pathology

Clinical Chemistry Analyzer

Cell Culture

Autoclaves

Individually Ventilated Cages

Necropsy Room & Pass Box

Test Item Storage

Activity Meter

Inhalation Unit

Air Handling Unit

Data Logging System

Building an Integrated Company

Toxicology Studies:

- OECD GLP CERTIFIED

  (GLP/C-0033)

Active pharmaceutical ingredient:

- WHO GMP & KFDA APPROVED
- DSIR APPROVED FACILITY

Oral solid dosage forms:

- UK MHRA, TGA (AUS), HEALTH CANADA, INVIMA (COLOMBIA), WHO GMP APPROVED
- DSIR APPROVED FACILITY

Sharon

...Caring for Relationships