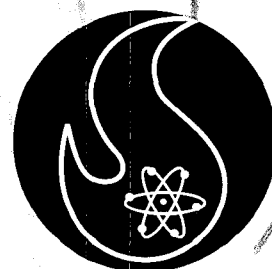


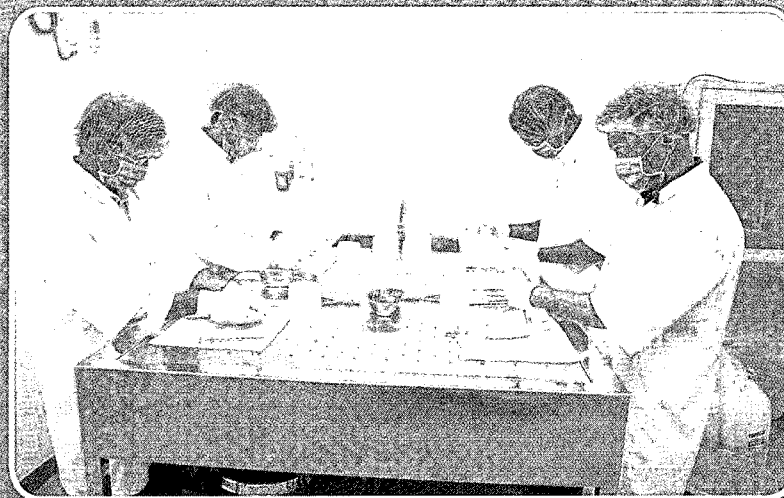
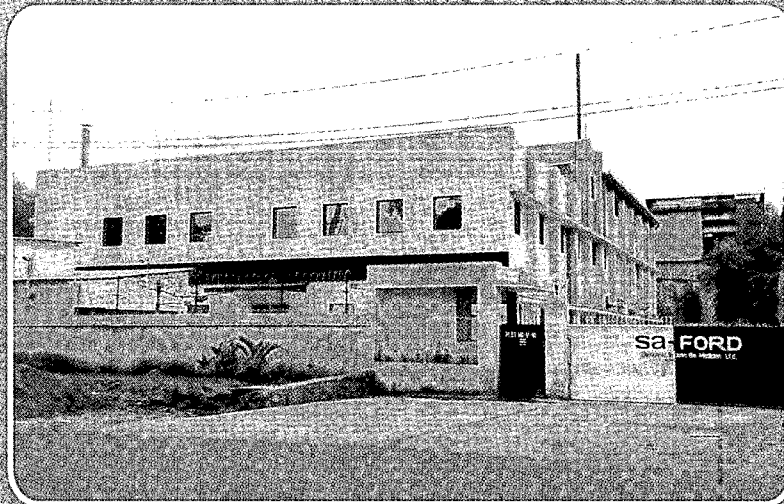
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20th Annual Report 2008-2009



Sharon
BIO-MEDICINE LTD.

R & D and Toxicology Unit at Taloja, Navi Mumbai



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BOARD OF DIRECTORS

Ms. Savita Gowda

Mr. Lalit Misra

Mr. Mohan P. Kala

Mr. Vijay Kirpalani

Dr. V. N. Badoni

Mr. Drunal Shah

Mr. Harish Palecanda

Mr. Sanjay Shah

Dr. Nivvedita Patil Kartik

Managing Director

Whole Time Director

Director

Whole Time Director

Independent Director

Independent Director

Independent Director

Independent Director

Independent Director

AUDITORS

M/s. K. K. Gangwal & Associates

Chartered Accountants

BANKERS

Canara Bank

Prime Corporate Branch, Nariman Point, Mumbai

State Bank of India

Overseas Branch, Cuffe Parade, Mumbai

Standard Chartered Bank

Fort Branch, Mumbai

COMPANY SECRETARY

Mr. R. M. Gaud

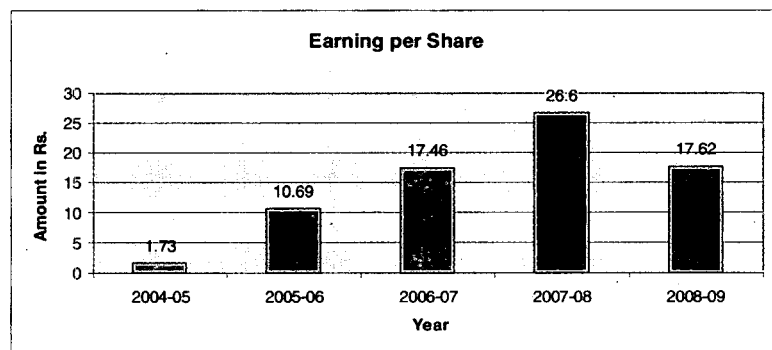
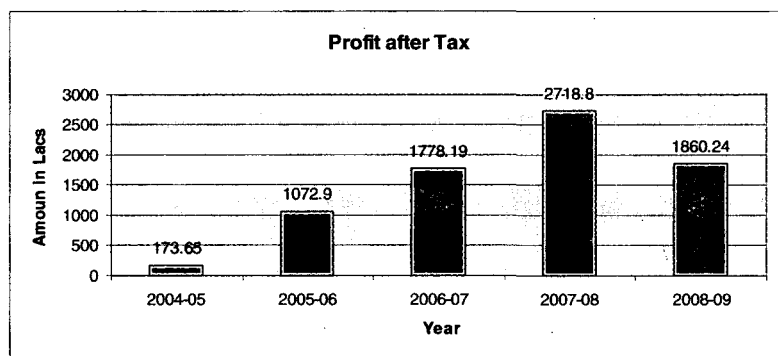
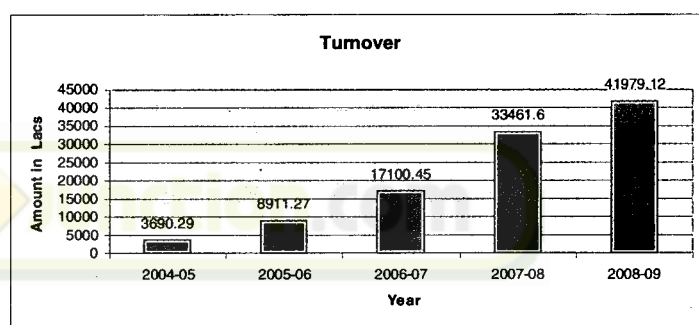
COMPANY SECRETARIES (in Practice)

Jagdish Patel & Co.

Annual Report 2008-09

Financial Highlights of Sharon Bio-Medicine Limited

	Rs. in Lacs				
	2004-05	2005-2006	2006-2007	2007-2008	2008-2009
Turnover	3690.29	8911.27	17100.45	33461.6	41979.12
Other Income	5.53	15.34	51.22	250.51	183.23
PBDIT	294.64	1403.42	2637.15	4158.03	4073.33
Interest	47.75	63.48	249.88	658.70	1436.32
Depreciation	50.62	55.70	117.92	359.96	417.90
PBT	196.27	1284.24	2269.35	3139.37	2219.11
Tax	22.62	202.75	478.00	407.00	310.00
PAT	173.65	1072.90	1777.28	2718.79	1860.24





Dear Shareholders,

It gives me immense pleasure to present before you the 20th Annual report of your company. It undoubtedly would be the most exciting Teenage any Indian Pharma Company would have been through. A teenage which has seen your company grow from a sales of Rs. 334 crores to Rs. 420 crores compare to last year.

Our Finished formulation business is now established and we now have presence in over 15 states across the country. We have not just limited this market penetration in the domestic arena but also internationally. We are working on over 5 South East Asian countries, 10 African countries, 8 Latin & Central American Countries. Also we are on track for getting our approvals from various regulatory bodies across the globe. This year saw our Finished Dosage facility get accredited and approved by health Authorities from Columbia, Yemen and Uganda and we look forward to the UK MHRA visit us for an audit in first quarter 2010. The past year also Sharon initiated work on the US Market front with 2 ANDA projects in collaboration with a US based partner.

As mentioned to you about the two new initiatives which were taken last year, it gives immense pleasure to inform you that our initiative towards formalizing our research services have taken shape and resulted in the formation of sa-Ford a division of Sharon which in its first phase is focusing on Toxicology services for Chemical & Pharmaceutical industry. Also along with it our new API manufacturing facility was commissioned and became operational earlier this year. With the R&D team working on war footing basis you should be seeing the launch of several new molecules in the coming year.

The board of directors have always emphasized on building sustainable business models and last year the benefits of the strategy were first evident. With global economic crisis hovering across the Indian Pharma Industry, your company has come out not just in a complacent manner but with flying colors. We are now well poised to break into the big league of Indian Pharma.

I take this opportunity to thank all stakeholders for their continued support and am sure that you all would continue to place upon us your trust to achieve our vision and goals.

I look forward to the active support of you our shareholders and also our employees, bankers, suppliers, customers and in particular our Board of Directors to achieve success in our business.

For and on behalf of the Board

Sd/-

Ms. Savita Gowda
(Managing Director)

Place : Mumbai
Date : 02.12.2009

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of Sharon Bio-Medicine Limited will be held at the Registered office at Plot No.W-34, W-34/1 MIDC, Taloja, Dist. Raigad, Maharashtra 410 208 on 31st December, 2009 at 9.00 a.m. to transact following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at June 30, 2009 and Profit and Loss Account for the Financial year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Mohan P. Kala, who retires by rotation, and being eligible, offers himself for appointment.
4. To appoint a Director in place of Mr. Sanjay Shah, who retires by rotation, and being eligible, offers himself for appointment.
5. To appoint Auditors and fix their remuneration.

"RESOLVED THAT the casual vacancy caused in the Office of the Company's auditors Mr. Kamal Gangwal, proprietor of M/s K.K. Gangwal & Associates, Chartered Accountants started practicing into partnership firm namely M/s. Jain Gangwal & Associates, Chartered Accountants functioning at Mumbai, be filled by appointing M/s. Jain Gangwal & Associates, Chartered Accountants, A Partnership Firm (as detailed in Letter dated 2nd December, 2009 received from the Auditors) to hold office from the conclusion this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company."

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Drunal Shah, who was appointed as an Additional Director of the Company by the Board of Directors, who holds office under section 260 of the Companies Act, 1956, until the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of a Director, who has given his consent to act as Director and declaration in Form DD-A, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Mr. Harish Palecanda, who was appointed as an Additional Director of the Company by the Board of Directors, who holds office under section 260 of the Companies Act, 1956, until the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of a Director, who has given his consent to act as Director and declaration in Form DD-A, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT subject to the provisions of section 198, 269 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956, consent of the members be and is hereby accorded for the Re-appointment of Mr. Vijay Kirpalani, as Whole Time Director designated as Technical Director of the Company for a period of 3 (Three) years with effect from 1st April, 2009 to 31st March, 2012 on the following terms and conditions:

(a) Basic Salary :- Rs. 2,00,000/- per month with annul increment upto 50%.

(b) Perquisites :- The appointee shall also be eligible to such allowances and perquisites as may be paid or allowable to other senior executives of the Company.

RESOLVED FURTHER THAT the remuneration payable to the appointee, in the event of absence or inadequacy of profit, be paid within the permissible under, and in accordance with, the provisions of section 198 of the Companies Act, 1956, read with the provisions section II of Part II of Schedule XIII thereto.



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

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

"RESOLVED THAT in accordance with the provisions contained in the Articles of Association and Sections 81 (1A) and all other applicable provisions of the Companies Act, 1956 ("the Act") and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include ESOS Compensation Committee which the Board may constitute having independent Directors in majority to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue grant/allot upto 5% of the issued & subscribed Equity Share Capital of the Company as on 30th June 2009, i.e.527845 Equity Stock options to the eligible present and future employees and Directors of the Company in one or more trenches through ESOS which entitles the option holders to subscribe to 1 (one) equity share of the Company of face value of Rs 10/- per option granted at grant price on such terms and conditions as may be fixed or determined by the Board.

RESOLVED FURTHER THAT the said equity shares may be allotted directly to such employees/ Directors in accordance with a Scheme framed in that behalf and that the scheme may also envisage for providing any financial assistance to the employee(s) to enable the employee to acquire, purchase or subscribe to the equity shares of the Company.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company; unless otherwise decided by the Board of Directors of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of Equity shares, the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

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

"RESOLVED THAT in accordance with the provisions contained in the Articles of Association and Sections 81 (1A) and all other applicable provisions of the Companies Act, 1956 ("the Act") and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include ESOS Compensation Committee which the Board may constitute having independent Directors in majority to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to extend the benefits of ESOS proposed

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in the Resolution number 8 in this Notice, to employees/Directors of subsidiary Companies, whether Indian or Foreign Subsidiaries, existing and as and when formed, under prevailing laws, rules and regulations and /or amendments thereto from time to time on such terms and conditions as may be fixed or determined by the Board on the basis of Salient Features of ESOS mentioned in aforesaid resolution and its annexure.

RESOLVED FURTHER THAT the said Equity shares may be allotted directly to such employees/ Directors in accordance with a Scheme framed in that behalf and that the scheme may also envisage for providing any financial assistance to the employee(s) to enable the employee to acquire purchase or subscribe to the equity shares of the Company.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company; unless otherwise decided by the Board of Directors of the Company."RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of Equity shares, the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

For and on behalf of the Board

Report Junction.com

Sd/-
Ms. Savita Gowda
(Chairman)

Place : Mumbai
Date : 02.12.2009

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself, and proxy so appointed need not be a member of the Company. In order to be effective, proxy form must be lodged with the company not less than 48 hours before the commencement of the meeting.
2. Explanatory Statements Pursuant to Section 173 (2) of the Companies Act 1956, relating to the special business is annexed herewith
3. The register of members and the share transfer book of the Company shall remain closed from 24th December, 2009 to 31st December, 2009 (both days inclusive).
4. The Dividend as recommended by the Board, if approved at the members meeting will be payable on or after 31.12.2009 to those whose names are on the Register of Members of the Company who are holding shares in electric mode, at the close of the business hours of 23.12.2009, and, members who are holding shares in physical mode, as on 31.12.2009.
5. Members are requested to bring their copy of the Annual Report along with them as copies of the same will not be distributed at the meeting.
6. Members desirous of asking any questions in regards to accounts published herein at the Annual General Meeting are requested to send in their questions in writing so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members who hold shares in electronic form are requested to write their DP Id and client Id numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for


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attending the Meeting to facilities identification of membership at the Meeting. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting. As copies of Annual Report will not be distributed at the meeting.

9. Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.
10. The Members holding shares in dematerialized form may please note that while opening a depository account with participants, they may have given their bank account details, which will be printed on their dividend warrants. However, if Members want to change/ correct the bank account details, they should send the particulars to their depository participant with MICR code. The Company will not entertain any direct request from Members for deletion/ Changes in the bank account details furnished by the Depository Participants to the Company.
11. As required under Clause 49 (IV) of the Listing Agreement the details of the appointment of new Director or re-appointment of a Director is given below:

Name of the Directors	Date of Appointment	Age	Qualification	No. of Shares held
Mr. Mohan P. Kala	13.02.1995	50	Chartered Account	1903630
Mr. Sanjay Shah	15.11.2006	58	M.Sc.	Nil
Mr. Drunal Shah	25.09.2009	32	B.E (Chem)	Nil
Mr. Harish Palecanda	25.09.2009	39	B.Com	Nil

For and on behalf of the Board

Sd/-

Ms. Savita Gowda
(Chairman)

Place : Mumbai

Date : 02.12.2009