

## **Contents**

<i>Particulars</i>	<i>Pg. No.</i>
Managing Directors' Letter	3
Financial Highlights	4
Notice	7
Directors Report	10
Corporate Governance	16
Management Discussion & Analysis	25
Auditors' Report	28
Balance Sheet	32
Profit & Loss Account	33
Cash Flow Statement	34
Schedules	35
Balance Sheet Abstract	46
Reports & Accounts of Subsidiary Company	47
Consolidated Financial Statement & Reports	54



***Registered Office :***

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

***Corporate Office :***

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

***Administrative Office :***

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

***website :***

[www.sharonbio.com](http://www.sharonbio.com)

***Bankers :***

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

***Statutory Auditors :***

Shyam C. Agrawal & Company  
(Chartered Accountants)

***Company Secretaries (in practice) :***

Jagdish Patel & Company.

***Company Secretaries :***

Samsad Alam Khan.

***Registrar & Transfer Agent :***

Link Intime India Private Limited.





**Dear Owners,**

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

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

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

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

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

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

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

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

**-- Swami Vivekanada**

On Behalf of the Board

Sd/-

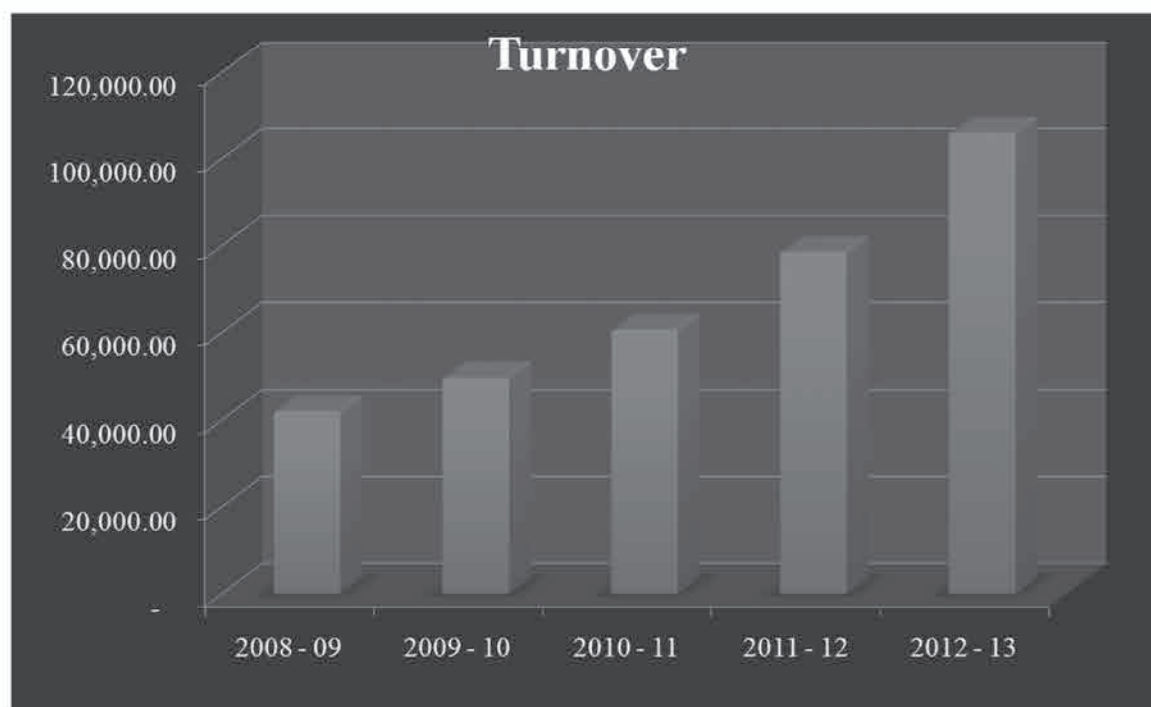
Place: Mumbai  
Date: 29.08.2013

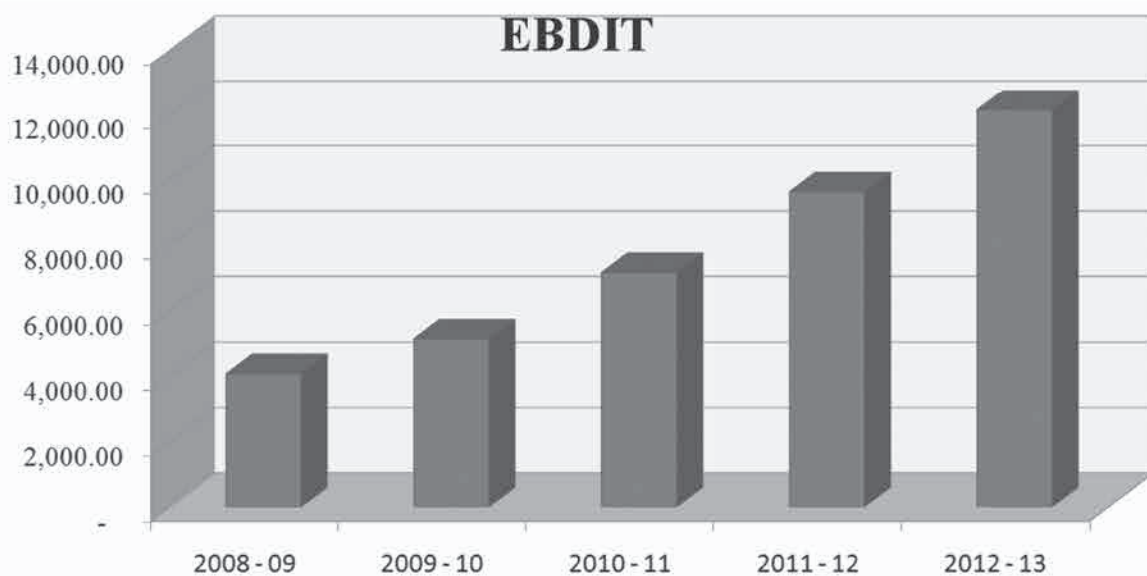
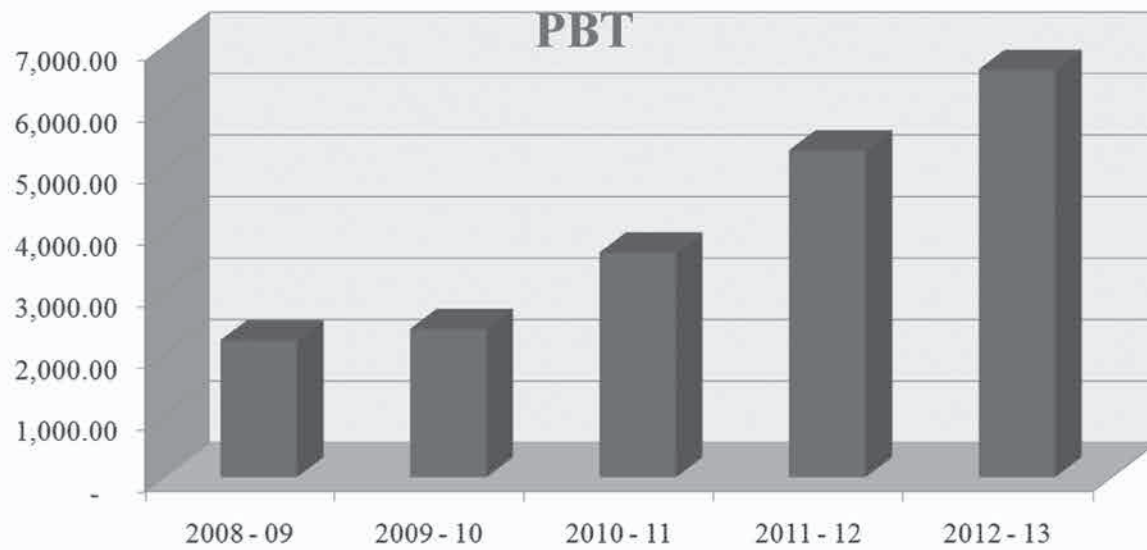
**Savita Satish Gowda (Ms.)**  
(Chairperson & Managing Director)

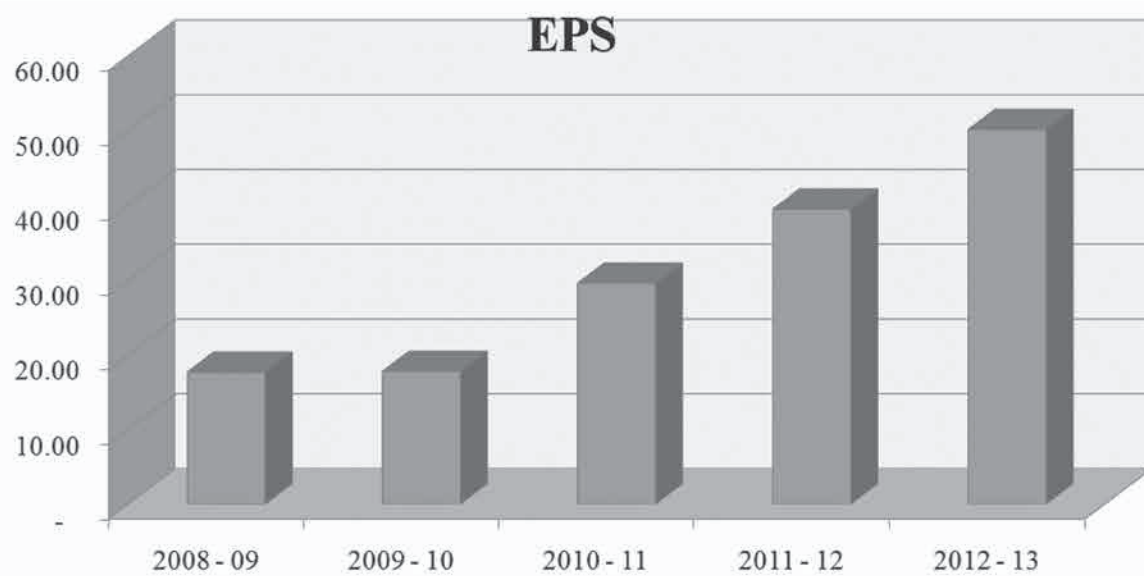
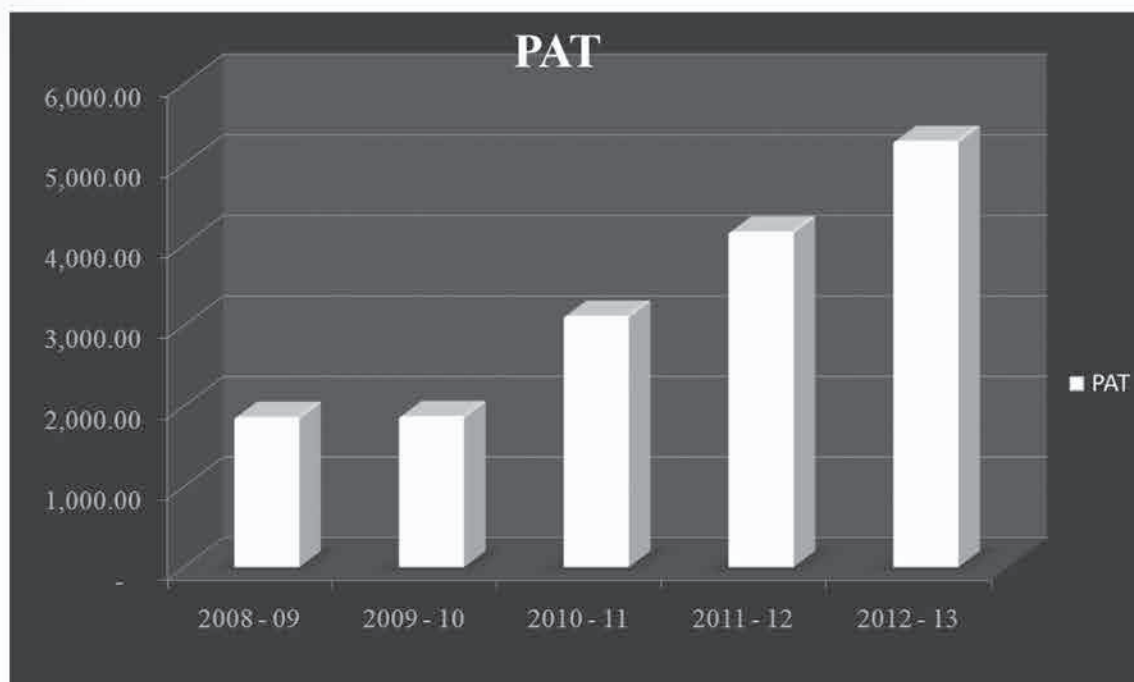


## Financial Highlights of your Company

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











## Notice

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

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Balance Sheet as at 30th June, 2013 and Statement of Profit and Loss for the Financial year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Lalit Misra who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Nivedita Patil, who retires by rotation, and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. Mohan Kala, who retires by rotation, and being eligible, offers himself for re-appointment
6. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS :**

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

Appointment of Mr. Madhav Sapre as a Director

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

**On Behalf of the Board**

Sd/-

Place: Mumbai  
Date: 14.11.2013

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



## **NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself, and proxy so appointed need not be a member of the Company. In order to be effective, proxy form must be lodged with the company not less than 48 hours before the commencement of the meeting.
2. Explanatory Statements Pursuant to Section 102 of the Companies Act 2013, relating to the special business is annexed herewith.
3. The register of members and the share transfer book of the Company shall remain closed from 5th December, 2013 to 9th December, 2013 (both days inclusive).
4. The Dividend as recommended by the Board, if approved at the members meeting will be payable on or after 14th December, 2013 to those whose names are on the Register of Members of the Company as
  - (a) As beneficial owner as at the end of the business day on 6th December, 2013 as per the list to be furnished by the depositories in respect of the shares held in electronic form.
  - (b) In the Register of Members of the Company as on 9th December, 2013 after giving effect to all valid shares transfer in physical form lodged with the company before 5th December, 2013.
5. Members are requested to bring their copy of the Annual Report along with them as copies of the same will not be distributed at the meeting.
6. Members desirous of asking any questions in regards to accounts published herein at the Annual General Meeting are requested to send in their questions in writing so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members who hold shares in electronic form are requested to write their DP Id and client Id numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilities identification of membership at the Meeting. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting. As copies of Annual Report will not be distributed at the meeting. Kindly forward your email-id to the company or RTA so as to enable in future to communicate in electronic mode.
9. Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.
10. The Members holding shares in dematerialized form may please note that while opening a depository account with participants, they may have given their bank account details, which will be printed on their dividend warrants. However, if Members want to change/ correct the bank account details, they should send the particulars to their depository participant with MICR code. The Company will not entertain any direct request from Members for deletion/ Changes in the bank account details furnished by the Depository Participants to the Company.







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

<i>Name of the Directors</i>	<i>Age</i>	<i>Educational Qualification</i>	<i>Directorships in other Companies</i>	<i>No. of Shares held</i>
<b>Mr. Lalit Misra</b>	37	B.Tech (Chemical Engineering) Exp. of 15 yrs	Nil	3,00,000
<b>Dr. Nivedita Patil</b>	40	MBBS, DOMS Exp. of 10 yrs	Nil	Nil
<b>Mr. Mohan Kala</b>	56	M.A. (Economics) Chartered Accountant Exp. of 32 yrs	Nil	18,23,730
<b>Mr. Madhav Sapre</b>	61	B.Tech (Chemical Engineering) Exp. of 37 yrs	Nil	Nil

**On Behalf of the Board**

Sd/-

Place: - Mumbai

Date: 14.11.2013

**Savita Satish Gowda (Ms.)**

(Chairperson & Managing Director)

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

#### **Item No. 7:**

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

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

The Board recommends to pass the resolution.

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

**On Behalf of the Board**

Sd/-

Place: - Mumbai

Date: 14.11.2013

**Savita Satish Gowda (Ms.)**

(Chairperson & Managing Director)



## Director's Report

**Dear Shareholders,**

Your directors are pleased to present their 24th Annual Report on the business and operations of your Company together with the Audited Statement of Accounts and the Auditors Report for the financial period ended 30th June, 2013. The Financial highlights for the period under review are given below.

### COMPANY'S PERFORMANCE:

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

The Financial Results as follows :

( ₹ in Lacs )

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

### Operational Performance:

To the members :

The Directors of your company are pleased to present the 24th Annual Report of your Company along with the review & comparison reports of its total income, earning per share, dividend and other expenses, both on Standalone and consolidated basis. The Report reviews the company's operations covering products of APIs, API-intermediates, bulk drugs, formulations, oral dosages, ointments, tabsules, capsules, tablets, research & development and Toxicology.

### Performance Review:

While Standalone above total Income stood at Rs 106038.31 Lacs the consolidated turnover was Rs. 107470.81 Lacs. The Standalone Profit in current year 2012-13 is Rs. 5285.90 lacs against Rs. 4161.44 Lacs in the previous year 2011 – 2012.

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

### Expansion & Payout:

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