

TWENTY SEVENTH
ANNUAL REPORT
2015-16



Sharon
BIO-MEDICINE LTD.

Caring for Relationships



Corporate Information

Managing Director :

Ms. Savita Satish Gowda

Executive Director & CFO:

Mr. Lalit Misra

Non-Executive Directors :

Dr. Nivedita Patil

Mr. Harish Palecanda

Statutory Auditors :

Shyam C. Agrawal & Company
(Chartered Accountants)

Company Secretaries (in practice) :

Deep Shukla & Associates

Secretarial Auditor :

Neha Gupta

Company Secretary :

Viral Vora

Registrar & Transfer Agent :

Link Intime India Private Limited

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

Catholic Syrian Bank

Registered Office :

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

Administrative Office :

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

website : www.sharonbio.com



Contents

<i>Particulars</i>	<i>Pg. No.</i>
Managing Directors' Letter	2
Financial Highlights	2
Notice	3
Directors Report	10
Form No. MGT 9	21
Secretarial Audit Report	29
Management Discussion & Analysis	31
Corporate Governance	33
Auditors' Report	41
Balance Sheet	45
Profit & Loss Account	46
Cash Flow Statement	47
Schedules	48
Balance Sheet Abstract	58
Reports & Accounts of Subsidiary Company	59
Consolidated Financial Statement & Reports	66



Letter from Managing Director

Dear Shareholders,

Greetings from all of us at **Sharon** !

I would like to thank you for continuously supporting your Company and the Management during the difficult and adverse period so far in our history.

As you all are aware fire accident which took place in June 2014, had impacted not only on company's financial performance but also on company's operational performance severely. Since, we had to shut one of the API Manufacturing facility due to fire we had outsourced our business to meet the demands of the market. Subsequently, quality issue aroused and it lead to rejections of the goods from customers and this strained the relationship with many major customers.

Despite of so many hurdles your company has managed to get the clearance from long awaited approval by US FDA for the formulation facility located at Dehradun. It evidently proves our continued focus on Quality & Regulatory Compliance. There have been various factors which made it a difficult year for the company. We do not expect a magical turn around but are working towards gradually turning around the overall performance of your Company in the time to come.

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

Warm Regards,

Savita Gowda
(Managing Director)

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Financial Highlights

Accounting periods

₹ in Lacs

<i>Particulars</i>	2011 - 12	2012 - 13	2013-14	2014-15	2015-16
Turnover	78,506.14	105,949.66	131,376.82	83,395.46	25,345.48
Other Income	92.69	88.65	167.71	263.21	194.93
EBIDTA	9,620.49	12,137.54	15,873.58	(3,175.13)	(13,189.00)
Interest	3,425.97	4,305.80	5,862.76	9,364.48	7,098.15
Depreciation & Amortisation	886.38	1,212.78	1,535.44	1,916.65	1,501.46
PBT	5,308.14	6,618.96	8,475.39	(14,456.25)	(21,788.61)
Income Tax	910.00	1,200.00	1,301.00	-	-
PAT	4,161.44	5,285.90	6,961.72	(22,586.41)	(29,920.39)
EPS	37.31	38.84	5.23	(18.99)	(25.16)
Adjusted EPS	3.73	3.88	5.23	(18.99)	(25.16)
Diluted EPS	3.73	3.01	3.69	(14.63)	(19.38)



Notice

NOTICE is hereby given that the 27th 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 Tuesday, 27th September, 2016 at 09:30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statement of the Company for the nine months period ended March 31, 2016 together with the Reports of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Ms. Savita Gowda (DIN: 00042957), who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

“RESOLVED THAT, pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 and the Rules made there under, and pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the 25th AGM held on 17th December 2014, the appointment of M/s. Shyam C. Agrawal & Co., Chartered Accountants, Mumbai (Firm Registration no. 110243W) as the auditors of the Company to hold office till the conclusion of the third consecutive AGM to be held in the year 2017 be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration payable to them for the financial year ended 31st March 2017 as may be determined by the audit committee in consultation with the auditors.”

SPECIAL BUSINESS:

4. 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 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration to the tune of Rs.1,25,000/- p.a. in addition to out of expenses, if any, incurred and as approved by the Board of Directors, to be paid to M/s Kasina & Associates, Cost Accountants, (Firm Registration No.104088), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2017, be and is hereby ratified.”

5. 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 20 of the Companies Act 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any member by the company by sending to him by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the company be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the shareholder for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the company and that no such request shall be entertained by the company post the dispatch of such document by the company to the shareholder.”



“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, director or key managerial personnel of the company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to above resolution.”

For and on behalf of the Board of Directors

Place: Navi Mumbai

Date: 11.08.2016

Ms. Savita Gowda

Managing Director

[DIN: 00042957]

Registered Office: W-34 & W-34/1, MIDC, TALOJA, DIST. RAIGAD, MAHARASHTRA-410208.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, September 20, 2016 to Tuesday, September 27, 2016** (both days inclusive).
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution either in advance or along with such representative, authorizing him to attend and vote on their behalf at the Meeting.
4. Members who hold shares in electronic form are requested to write their Client ID and DP ID number and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting to facilitate identification of membership at the AGM.
5. For convenience of members, an attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto. Members are requested to affix their signature at the space provided and hand over the attendance slip at the place of meeting. The proxy of a member should mark on the attendance slip as 'proxy'.
6. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 for item of Special Businesses is annexed herewith.
7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & public holidays between 11.00 a.m. and 1.00 p.m. up to the date of 27th Annual General Meeting.



8. The Annual Report for 2015-2016, the Notice of the 27th AGM and instructions for e-voting, along with the Attendance slip and Proxy form, are being sent by electronic mode to all the members whose email address are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by permitted modes of dispatch.
9. If the members have any queries on the audited accounts, directors' report & auditor's report, the same should be forwarded to the company in writing at its registered office at least 10 days before the meeting so that the same can be replied at the time of 27th Annual General Meeting to the members' satisfaction.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by members.
11. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
12. Members are requested to bring their copies of the reports to 27th Annual General Meeting.
13. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with share certificates to the Company.
14. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.
15. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
16. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Amendment Rules, 2015 as presently in force and the businesses set out in the Notice will be transacted through such voting.
17. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Income Tax Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents.
18. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to:

UNIT: SHARON BIO-MEDICINE LIMITED
C/o. Link Intime India Private Limited
Registrar & Share Transfer Agent
C-13, Pannanlal Silk Mills Compound,
L.B.S. Marg, Bhandup(W), Mumbai-400078.
Tel: 022- 25963838; Fax: 022-25946969



Instructions for Voting through electronics means:

In compliance with Regulation 44, SEBI Listing Obligation and Disclosure Requirements, 2015, provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 27th Annual General Meeting (AGM) by electronic means ("e-Voting") and the items of businesses as detailed in this Notice may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

The Members may cast their votes through E-voting from a place other than the venue of the AGM ("**Remote E-voting**").

Voting through physical ballot paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by Remote E-voting shall be able to cast their vote by physical ballot paper at the Meeting.

The Members who have cast their vote by Remote E-voting may also attend the Meeting but shall not be entitled to cast their vote again.

The Remote E-voting facility will commence from **9.00 a.m. on Saturday, 24th September, 2016** and will end at **5.00 p.m. on Monday, 26th September, 2016**. Remote E-voting will not be allowed beyond the aforesaid date and time and the Remote E-voting module shall be disabled by NSDL upon expiry of aforesaid period.

Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / beneficial owner as on the **cut-off date i.e. Tuesday, 20th September, 2016**.

The Members, whose names appear in the Register of Members / list of beneficial owners as on the cut-off date i.e. **Tuesday, 20th September, 2016** only shall be entitled to vote on the Resolutions set out in this Notice.

The Board of Directors at their meeting held on 11th August, 2016 has appointed Mr. Deep Shukla, Practicing Company Secretary (Membership No. FCS 5652) as the Scrutinizer to scrutinize the E-voting process and voting done through physical ballot paper at the AGM in a fair and transparent manner

The Scrutinizer shall, after scrutinizing the votes cast at the AGM and through Remote E-voting, not later than forty eight hours pursuant to Reg. 44 of SEBI (LODR) Regulations, 2015, from the conclusion of the AGM, make a consolidated Scrutinizer's report and submit the same to the Chairman of the Meeting.

The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.sharonbio.com and on the website of NSDL and shall also be communicated to BSE Ltd. and NSE Ltd.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. Tuesday, 27th September, 2016.

I. The process and manner for remote e-voting are as under:

(A) In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

- i) Open email and open PDF file viz; "**sharonbio e-voting.pdf**" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- ii) Launch internet browser by typing the following URL: **<https://www.evoting.nsdl.com/>**
- iii) Click on Shareholder - Login
- iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- v) Password change menu appears. Change the password/PIN with new password of your choice with



minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- vii) Select “EVEN” of “Sharon Bio- Medicine Limited”.
- viii) Now you are ready for remote e-voting as Cast Vote page opens.
- ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to deep@deepshukla.com with a copy marked to evoting@nsdl.co.in

(B) In case, a Member receives physical copy of the Notice of Annual General Meeting [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- i) Initial password is provided as below/at the bottom of the Attendance Slip for the Annual General Meeting:

EVEN (Remote 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.

- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- III. If you are already registered with NSDL for remote e-voting, then you can use your existing User ID and Password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **Tuesday, September 20, 2016**.
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **Tuesday, September 20, 2016**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA i.e. Link Intime India Pvt. Ltd.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- VII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VIII A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.



- IX. The Chairman of the Meeting, shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours, pursuant to Reg. 44 of SEBI (LODR) Regulations, 2015, of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company **www.sharonbio.com** and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and NSE Limited.

Details of Directors seeking appointment / re-appointment at the Annual General Meeting [In pursuance of Clause 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

Particular	Ms. Savita Gowda
(a) A brief resume of the director;	Ms. Savita Gowda , Managing Director, aged 44 years, is a Graduate in B.Sc. (Chemistry). MBA in 1999 from Newport University, California (USA). She has over 23 years experience in manufacturing and marketing of Drug Intermediates & Bulk Drugs.
(b) Nature of her expertise in specific functional areas;	The Managing Director has played multiple roles during the last 23 years in transforming Sharon from a small 'Me Too' Company to a multi-product and multi-service provider across the Pharma Value Chain. In the past, she has not only achieved but at times surpassed Targets set forth for her. During the journey of Sharon so far, she has ensured that high levels of business ethics are imbedded into all working at Sharon and ensured that at all times the long term objectives are addressed to during decision making. Her visionary approach and in-depth understanding of market dynamics reflects in decisions which led to Sharon's forward integration into Formulations contract manufacturing for regulated markets.
(c) Disclosure of relationships between directors inter-se;	She is related to Executive Director (Mr. Lalit Misra)
(d) Names of listed entities in which person also holds the directorship and the membership of Committees of the board; (Other than Sharon Bio-Medicine Ltd);	NIL
(e) Shareholding of director.	7,172,830 shares