



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 :

<i>Name of Director</i>	<i>No. of Meeting Attended</i>	<i>Remarks</i>
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:

<i>Name</i>	<i>Designation</i>	<i>Category</i>
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 :

- Review the existing "Investor Redressal System" and suggest measures for improvement.
- The Investors' Grievance Committee meets to review and to take note of the Compliance Report submitted to the Stock Exchanges and Grievances of the shareholders and several meetings were held.
- To look into redressing of Shareholders and Investors Complaints regarding transfer of shares, non receipt of annual Reports etc.

During the 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.

<i>Executive Directors</i>	<i>Salary(Rs.)</i>	<i>Perquisite (Rs.)</i>	<i>Total (Rs.)</i>
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

<i>Financial Year</i>	<i>AGM</i>	<i>Venue/ Location</i>	<i>Date and Time</i>	<i>Special Resolution Passed</i>
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	<ol style="list-style-type: none">1. Plot No.W-34, W-34/1 MIDC, Taloja, Dist. Raigad, Maharashtra 410 2082. Khasara No.1027,1028,1030 & 1037,Central Hope Town, Sillaqui, Dist.Dehradoon, Uttaranchal 2481973. Plot No.V/10, MIDC, Taloja, Dist. Raigad, Maharashtra 410 2084. Plot No.L/6, MIDC, Taloja, Dist. Raigad, Maharashtra 410 208
Investors' correspondence to be addressed to	Link Intime India Private Limited Registrar & Share Transfer Agent C-13, Pannalal Silk Mills Compound L. B. S. Marg, Bhandup (W) Mumbai-400078
Telephone	022-25963838
Fax	022-25946969

DECLARATION

I, **Savita Satish Gowda**, Managing Director & CEO of M/s Sharon Bio-Medicine Limited hereby declare that all the members of the Board of Directors and the Senior management personnel have affirmed compliances with the Code of conduct for the year ended 30th June, 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

Place: Mumbai
Date: 21.11.2014

Sd/-

Shyam C. Agrawal Proprietor
Membership no. 031774