



# Corporate Governance

(Pursuant to clause 49 of the Listing Agreement)

## 1. 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 lay 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 a report on Corporate Governance at Sharon

## 2. 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 Six (6) Directors of which Three (3) are Executive Directors, Three (3) are Independent & Non-Executive Directors. The Chairperson 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 their requisite disclosures regarding Committee positions held by them in other companies as per Clause 49(l) (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	
<b>Ms. Savita Satish Gowda</b>	Chairman, M.D	20	P	Nil	Nil	Nil	71,72,830
<b>Mr. Lalit Misra</b>	E. D.	20	P	Nil	Nil	Nil	32,36,500
<b>Mr. Vijay Kirpalani*</b>	E. D.	15	P	Nil	Nil	Nil	Nil
<b>Mr. Mohan P. Kala</b>	N. E. D.	20	P	Nil	Nil	Nil	19,406,200
<b>Dr. Nivedita Patil</b>	I & N. E. D.	20	A	Nil	Nil	Nil	Nil
<b>Mr. Harish Palecanda</b>	I & N. E. D.	10	A	Nil	Nil	Nil	Nil
<b>Mr. Madhav Sapre</b>	I & N. E. D.	9	A	Nil	Nil	Nil	Nil
<b>Mr. Asif Rangwala*</b>	I & N. E. D.	5	A	Nil	Nil	Nil	Nil

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

\* Mr. Vijay Kirpalani and Mr. Asif Rangwala have resigned 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 2014-15, (Twenty) 20 Board Meetings were held as follows:-

July 14 to Sept.14	Oct. 14 to Dec.14	Jan. 15 to March 15	April 15 to June 15
02.07.2014	10.10.2014	02.02.2015	14.05.2015
15.07.2014	20.10.2014	14.02.2015	23.05.2015
16.07.2014	13.11.2014	17.03.2015	10.06.2015
17.07.2014	21.11.2014	24.03.2015	
25.08.2014	29.12.2014	30.03.2015	
28.08.2014			
27.09.2014			

• **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 informations are 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 has 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 was duly signed by the CEO forms part of this report.

**3. Audit Committee :**

As per clause 49 of the Listing Agreement entered into with the Stock Exchanges and as per provisions of Section-177 of the Companies Act, 2013. The Present composition of the Audit Committee is as follows:

Name	Designation	Category
<b>Dr. Nivedita Patil</b>	Chairperson	Independent & Non-Executive Director
<b>Mr. Asif Rangwala *</b>	Member	Independent & Non-Executive Director
<b>Mr. Mohan P. Kala</b>	Member	Non-Executive Director
<b>Mr. Madhav Sapre</b>	Member	Independent & Non-Executive Director

\* Mr. Asif Rangwala has resigned from the office of the Director of the Company effective from 24.03.2015. Consequently, the Audit Committee was re-constituted. The Company Secretary of the Company was the secretary to the Audit Committee.



**Ms. Savita Gowda**, Managing Director and Chief Executive Officer (CEO) is permanent invitees to the Audit Committee Meetings. The Statutory Auditors are 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 Held</i>	<i>No. of Meeting Attended</i>
<b>Dr. Nivedita Patil</b>	4	4
<b>Mr. Mohan P. Kala</b>	4	4
<b>Mr. Asif Rangwala*</b>	4	3
<b>Mr. Madhav Sapre (w.e.f. 24.03.2015)</b>	4	1

\* Mr. Asif Rangwala has resigned from the office of the Director of the Company effective from 24.03.2015. Consequently, the Audit Committee was re-constituted.

The Company Secretary of the Company was the secretary to the Audit Committee.

The Minutes of the Audit Committee Meetings were noted by the Board of Directors at the Board Meetings.

#### **4. Shareholders/Investors' Grievance Committee/ Stakeholders Relationship Committee :**

As per the existing clause 49 of the Listing Agreements entered into with the Stock Exchanges and the Provisions of Companies Act, 2013, the present composition of the Shareholders/Investors' Grievance Committee/Stakeholders Relationship Committee is as follows:

<i>Name</i>	<i>Designation</i>	<i>Category</i>
<b>Dr. Nivedita Patil</b>	Chairman	Independent & Non-Executive Director
<b>Mr. Asif Rangwala*</b>	Member	Independent & Non-Executive Director.
<b>Mr. Lalit Misra</b>	Member	Executive Director.
<b>Mr. Madhav Sapre</b>	Member	Independent & Non-Executive Director.

\* Mr. Asif Rangwala has resigned from the office of the Director of the Company effective from 24.03.2015. Consequently, the Shareholders/Investors' Grievance Committee/Stakeholders Relationship Committee was re-constituted.

The Company Secretary of the Company was the secretary to the Shareholders/Investors' Grievance Committee/Stakeholders Relationship Committee.



### **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 2014-15, Eighteen (18) complaints were received by the Company. No complaint was pending to be resolved at the end of the financial year.

All shares received for transfers were registered and dispatched within 15 days of receipt, wherever documents were correct and valid in all respects.

### **5. Corporate Social Responsibility Committee**

As per the provision of Companies Act 2013, the present composition of the Corporate Social Responsibility Committee is as follows:

<i>Name</i>	<i>Designation</i>	<i>Category</i>
<b>Dr. Nivedita Patil</b>	Chairperson	Independent & Non-Executive Director
<b>Mr. Lalit Misra</b>	Member	Executive Director.
<b>Mr. Madhav Sapre</b>	Member	Independent & Non-Executive Director.

### **Role of Corporate Social Responsibility Committee:**

1. The committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of Corporate Social Responsibility policy.
2. To recommend the amount of expenditure to be incurred on CSR activities

### **6. 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 2014-15 are as under.

<i>Executive Directors</i>	<i>Salary (Rs.)</i>	<i>Perquisite (Rs.)</i>	<i>Total (Rs.)</i>
<b>Ms. Savita Satish Gowda, M. D</b>	33,00,000	0.00	33,00,000
<b>Mr. Lalit Misra, Whole Time Director.</b>	33,00,000	0.00	33,00,000
<b>Mr. Vijay Kirpalani, Whole Time Director.</b>	10,08,000	0.00	10,08,000

### **7. 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>
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 9.00 a.m.	0
2013-2014	AGM	Plot No. V-10, MIDC, Taloja, Dist. Raigad, Maharashtra 410 208	17.12.2014 at 9.30 a.m.	3

The company has passed One (1) special resolutions through Postal Ballot.



## 8. **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.

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.

## 9. **Implementation of Code of Conduct for Insider Trading :**

The Company has adopted Code of Conduct as per the 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.

## 10. **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.

## 11. **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, 2015, which is annexed hereto. Statements and the cash flow statement for the year ended 30th June, 2015 is enclosed separately at the end of the report.

## 12. **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

## 13. **General Shareholders' Information :**

Twenty Sixth Annual General Meeting	31st December, 2015
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 30 <sup>th</sup> September, 2015 :	2 <sup>nd</sup> week of November, 2015.
Financial reporting for the quarter ended 31 <sup>st</sup> December, 2015 :	2 <sup>nd</sup> week of February, 2016.
Financial reporting for the quarter ending 31 <sup>st</sup> March, 2016 :	2 <sup>nd</sup> week of May, 2016.
Financial reporting for the quarter ending 30 <sup>th</sup> June, 2016 :	Last week of August, 2016.
Book Closure Date :	25 <sup>th</sup> December, 2015 to 31 <sup>st</sup> December, 2015 (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 Listing Fees have been paid for Financial Year 2015-16.
Company Identification No. :	L24110MH1989PLC052251
Dated of Incorporation :	19.06.1989
NSDL & CDSL-ISIN :	<b>INE028B01011</b>

### Monthwise Stock Market Data (BSE & NSE) relating to equity shares of the company for the period 1-7-2014 to 30-6-2015

Month	BSE			NSE		
	High	Low	Average	High	Low	Average
July, 2014	80.00	47.25	63.63	79.90	47.25	63.58
August, 2014	83.30	68.90	76.10	83.40	68.60	76.00
September, 2014	90.20	67.00	78.60	90.35	62.50	76.43
October, 2014	81.50	61.50	71.50	81.65	61.05	71.35
November, 2014	72.00	55.10	63.55	72.00	55.05	63.53
December, 2014	59.95	23.85	41.90	57.45	23.80	40.63
January, 2015	40.90	25.30	33.10	41.35	25.30	33.33
February, 2015	27.25	15.40	21.33	27.50	15.60	21.55
March, 2015	26.65	17.25	21.95	26.45	17.20	21.83
April, 2015	25.65	17.80	21.73	25.35	17.60	21.48
May, 2015	19.30	15.95	17.73	19.50	15.85	17.68
June, 2015	16.35	12.50	14.68	17.00	12.50	14.75
Average price per shares upto June, 2015			<b>43.81</b>	<b>43.51</b>		

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



### Distribution of Shareholding as on June 30, 2015

No. of Shares held		No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1	500	13,356	59.81	28,93,254	2.58
501	1000	3,733	16.72	32,40,658	2.89
1001	2000	2,283	10.22	37,38,603	3.33
2001	3000	1,030	4.61	27,71,247	2.47
3001	4000	412	1.85	15,05,709	1.34
4001	5000	394	1.76	18,91,460	1.68
5001	10000	633	2.83	47,33,848	4.22
10001	and above	488	2.19	10,48,76,321	81.50
<b>Total</b>		<b>22,329</b>	<b>100.00</b>	<b>11,89,35,700</b>	<b>100.00</b>

Physical	21,95,090
Electronic mode	10,33,73,910
Difference of 13366700 equity shares 6715400 equity are issued but yet to be credited and listed 6651300 equity are issued but yet to be credited and listed	1,33,66,700
<b>Total</b>	<b>11,89,35,700</b>

### Categories of Shareholders as on June 30, 2015

Sr. No.	Category	No. of Folios	Total Shares held	% to the Share Capital
(A).	Shareholding of Promoter and Promoter Group			
	Individuals/ Hindu Undivided Family	7	3,26,03,498	27.41
	Bodies Corporate	4	4,02,64,550	33.85
	<b>Total Shareholding of Promoter &amp; Promoter Group</b>	<b>11</b>	<b>7,28,68,048</b>	<b>61.27</b>
(B)	Public Shareholding			
1.	Institutional			
	Financial Institutions / Banks	2	61,30,962	5.15
2.	Non-Institutions			
	Bodies Corporate	400	52,75,477	4.44
	Individuals	21,421	3,05,92,443	25.72
	Trusts	1	8,000	0.01
	Non residents Indian (repat & Non Repat)	282	8,71,712	0.73
	Foreign Companies	1	15,00,000	1.26
	Clearing Member	210	16,89,058	1.42
	<b>Total Public Shareholding</b>	<b>22,317</b>	<b>4,60,67,652</b>	<b>38.73</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
	Promoter and Promoter Group	0	0	0
	Public	0	0	0.00
	<b>Grand Total (A) + (B) + (C)</b>	<b>22,328</b>	<b>11,89,35,700</b>	<b>100.00</b>



Details of Equity Shares Under lock-in	NIL
Dematerialization of shares	As on June 30, 2015 a total of 10,33,73,910 equity shares constituting 86.91% is dematerialized and balance 1.85% shares are in physical mode Difference of 1,33,66,700 equity shares 1. 67,15,400 equity are issued but yet to be credited and listed 2. 66,51,300 equity are issued but yet to be credited & listed
Plant 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. Dehradun, Uttaranchal 248 011. 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	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 30<sup>th</sup> June, 2015.

**By and on Behalf of the Board**

**Sd/-**

**Savita Satish Gowda (Ms.)**

DIN: 00042957

Managing Director & CEO

Place :- Mumbai

Date:- 29.08.2015





## CEO / CFO CERTIFICATION

We, **Ms. Savita Gowda**, Chairman & Managing Director (M.D.) and **Mr. Lalit Misra** (Director & CFO) of Sharon Bio-Medicine Ltd. both certify that :

- (a) We have reviewed financial statements and the cash flow statement for the year ended 30.6.2015 and that to the best of our 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 our 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) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we 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) We 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.)**

DIN: 00042957

(Managing Director & CEO)

**By & on Behalf of the Board**

Sd/-

**Lalit Misra**

DIN: 00033689

(Director & CFO)

Place :- Mumbai

Date:- 29.08.2015

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### **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, 2015, 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.

Place: Mumbai

Date: 29.08.2015

For **Shyam C. Agrawal & Co.** (Chartered Accountants)

Firm registration No. 110243W

Sd/-

**Shyam C. Agrawal** Proprietor

Membership no. 031774