



Report on Corporate Governance

Corporate Governance is not merely the compliance of a set of regulatory laws and regulations but is a set of good and transparent practices that enable an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. It goes beyond building and strengthening the trust and integrity of the Company by ensuring conformity with the globally accepted best governance practices. The Securities and Exchange Board of India (SEBI) observes keen vigilance over governance and fulfillment of these regulations in letter and spirit, which entails surety towards sustainable development of the Company, enhancing stakeholders' value eventually.

1. Company's philosophy on Corporate Governance :

Corporate governance is most often viewed as both the structure and the relationships which determine corporate direction and performance. The board of directors is typically central to corporate governance. Corporate governance refers to the mechanisms, processes and relations by which corporations are controlled and directed.

The Company firmly believes that corporate governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders and clients of the Company and the unquestioned integrity of all personnel involved or related to the Company. Corporate Governance contains a set of principles, process and systems to be followed by directors, Management and all Employees of the Company for increasing the shareholders' value, keeping in view interest of other stakeholders. While adhering to the above, the Company is committed integrity, transparency, accountability and compliance with laws in all dealings with shareholders, employees, the Government, customers, suppliers and other stakeholders.

The Company is committed to uncompromising integrity in its conduct of business. Its value systems and ethical principles set the ground rules of the manner in which it interacts with employees and outside world. The Company promotes a culture of honesty and fairness and encourages its employees to express their concerns regarding unethical practices or suspected misconduct, without any fear of punishment or unfair treatment.

The Company is in compliance with the requirements stipulated under Clause 49 of the erstwhile Listing Agreement and applicable provisions of the SEBI (LODR) Regulations, 2015.

2. Board of Directors :

The Board of Directors ("the Board") facilitates effective fulfillment of the Board's tasks and provides leadership and guidance to the Company's management and helps in supervising the performance of the Company and helps achieving goals. The Board plays a crucial role enhancing and protecting the reputation of the organization are expected to exercise their duties in the best interests of shareholders and to maximize wealth.

The Board comprises of the members distinguished in various fields such as management, finance, law, marketing, technology and strategic planning. This provides reliability to the Company's functioning and the Board ensures a critical examination of the strategies and operational planning mechanisms adopted by the management across the globe.

The Company has an optimum combination of Directors on the Board and is in conformity with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2016, the Board comprised of 4 Directors out of which 2 are Non-Executive Independent Directors and 2 are Executive Directors.

Agenda papers of the Boards and its Committee meetings are circulated to the Directors well in advance of the meetings, supported with significant information as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an effective and well-informed decision making during the meetings.

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other normal business. During the Financial Year 2015-2016, 8 (Eight) Board Meetings were held on **8th August 2015**,



29th August 2015, 10th November 2015, 05th January 2016, 12th January 2016, 12th February, 2016, 29th February, 2016 and 1st March 2016. Time gap between any two meetings was not more than 120 days.

Details of the composition, category of the Directors, their attendance at the Board Meetings held during the year & Annual General Meeting (AGM) held on **31st Dec., 2015**, Directorships and Committee Memberships are as under:

<i>Name of Director</i>	<i>Category of Directorship</i>	<i>No. of Board Meetings Attended during the year</i>	<i>No. of Equity Shares held as on March 31, 2016</i>	<i>Attendance at the last AGM held on Dec.31, 2015</i>
Ms. Savita Satish Gowda	M.D	8	71,72,830	P
Mr. Lalit Misra	E. D.	8	32,36,500	P
Dr. Nivedita Patil	I.D.	8	Nil	A
*Mr. Mohan P. Kala	N. E. D.	3	14,774,200	P
*Mr. Madhav Sapre	I & N. E. D.	3	Nil	A
Mr. Harish Palecanda	I & N. E. D.	8	Nil	A

I – Independent Director, N.E.D. -Non-Executive Director, M.D. -Managing Director * Resigned w.e.f. 31/12/2015

The Board periodically reviews the compliance report of all laws applicable to the Company. All the Directors have made necessary disclosures about the directorships and committee positions they occupy in other companies. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all Companies in which they are Directors.

The particulars of Directors, who are proposed to be re-appointed at the ensuing AGM, are given in the Notice convening the AGM.

Composition of the Audit Committee

The Audit Committee comprises of experts specializing in accounting / financial management. During the Financial Year 2015-16, **3(Three)** meetings of the Audit Committee were held on **29th August, 2015, 10th November, 2015 and 12th February, 2016**. The time gap between any two meetings was not more than 4 months and the Company has complied with all the requirements as mentioned under the Listing Agreement and the Companies Act, 2013.

Details of the composition of the Committee and attendance during the year are as under:

<i>Name of Director</i>	<i>Category of Directorship</i>	<i>No. of Meetings Attended</i>
Dr. Nivedita Patil	Chairman of Committee & Independent Director	3
*Mr. Mohan P. Kala	Member & Non-Executive Director	2
*Mr. Madhav Sapre	Member, Independent & Non-Executive Director	2
Mr. Harish Palecanda	Member, Independent & Non-Executive Director	3
Mr. Lalit Misra	Member, Executive Director	3

*Resigned w.e.f. 31/12/2015

The terms of reference of the Audit Committee were in order to cover the matters specified under revised Regulation 17(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. This Committee has powers and roles comprising of Financial Reporting and disclosure, recommendation of appointment/removal of Auditors, reviewing of company's results, evaluation of Independent Directors performances.



Nomination and Remuneration Committee

The Committee's constitution and terms of reference are in compliance with provisions of section 178 of the Companies Act, 2013, Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

During the Financial Year 2015-16, 2 (**Two**) meetings of the Committee were held on **8th August, 2015** and **12th February, 2016**.

Details of the composition of the Committee and attendance during the year are as under:

<i>Name of Director</i>	<i>Category of Directorship</i>	<i>No. of Meetings Attended</i>
Dr. Nivedita Patil	Chairman of Committee & Independent Director	2
*Mr. Mohan P. Kala	Member & Non-Executive Director	1
*Mr. Madhav Sapre	Member, Independent & Non-Executive Director	1
Mr. Harish Palecanda	Member, Independent & Non-Executive Director	2
Ms. Savita Gowda	Member, Executive Director	2

This Committee has powers to recommend/ approve remuneration, Identification of Persons who are qualified to become director, Recommend to the board their appointment and removal, approve remuneration of Non-Executive Directors.

Remuneration Policy for Key Managerial Personnel and other Employees of the Company

As per listing regulation the Company is required to frame Remuneration Policy for Key Managerial Personnel and Other employees. The Nomination and Remuneration Committee are responsible for Identifying suitable person eligible to become director and recommend to the Board their appointment and removal. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce.

Role of committee shall, inter-alia, include the following:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) Devising a policy on diversity of board of directors;

(4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

(5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Stakeholders Relationship Committee

5(Five) meetings of the Committee were held during the year 2015-16 on 3rd July' 2015, 8th January' 2016, 15th January' 2016, 20th January' 2016 and 25th February 2016. The details of composition of the Committee and attendance during the year are as under:

<i>Name of Director</i>	<i>Category of Directorship</i>	<i>No. of Meetings Attended</i>
Dr. Nivedita Patil	Chairman of Committee & Independent Director	5
Mr. Lalit Misra	Member, Executive Director	5
Ms. Savita Gowda	Member, Executive Director	5



The terms of reference were in line with Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews Shareholder's/ Investor' s complaints like non-receipt of Annual Report, physical transfer/ transmission/transposition, split/ consolidation of share certificates, issue of duplicate share certificates etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including security holders.

Corporate Social Responsibility Committee:

In accordance with provisions of Section 135 of the Companies Act, 2013, the composition of the CSR committee is as follows:

<i>Name of Director</i>	<i>Category of Directorship</i>
Dr. Nivedita Patil	Chairman of Committee & Independent Director
Mr. Lalit Misra	Member, Executive Director
Ms. Savita Gowda	Member, Executive Director

The Corporate Social Responsibility Committee shall,—

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) Monitor the Corporate Social Responsibility Policy of the company from time to time.

Further, no committee meeting was held during the period under review.

General Body Meetings:

<i>Financial Year</i>	<i>Date</i>	<i>Venue/ Location</i>	<i>Time</i>	<i>Sp. Resolution Passed</i>
2012-2013	9.12.2013	Plot No. V-10, MIDC, Taloja, Dist. Raigad, Maharashtra 410 208	9.00 a.m.	0
2013-2014	17.12.2014	Plot No. V-10, MIDC, Taloja, Dist. Raigad, Maharashtra 410 208	9.30 a.m.	3
2014-2015	31.12.2015	Plot No. V-10, MIDC, Taloja, Dist. Raigad, Maharashtra 410 208	9.30 a.m.	0

TRAINING FOR BOARD MEMBERS

Regulation 25(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company is required to conduct familiarization programme enabling the Independent Directors of the Company to understand the Company's business in depth that would facilitate their active participation in managing the Company.

The Company has adopted a system to familiarize its Independent Directors with the Company, to make them aware of their roles, rights & responsibilities in the Company, and nature of the industry in which the Company operates business model of the Company, etc.

PERFORMANCE EVALUATION

The performance evaluation process is a constructive mechanism for improving board effectiveness, maximizing strengths and tackling weaknesses, leading to an immediate improvement in performance throughout the organization. The Board of the Company has carried out the annual performance evaluation of its own performance, the Directors individually including the Managing Director as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee, and Stakeholders Relationship Committee on parameters such as attendance and participation in the Meetings, preparedness for the meetings, understanding of the Company &



the external environment in which it operates, contribution to strategic direction, raising of valid concerns to the Board, constructive contribution to issues, active participation at meetings and engaging with & challenging the management team without confronting or obstructing the proceeding of the Board and its Committee meetings of which the Director is a member pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Managing Director and the Non Independent Directors was carried out by the Independent Directors at its meeting. The Directors expressed their satisfaction with the evaluation process.

DISCLOSURES

I. Related Party Transactions

The transactions with related parties as per Accounting Standard AS-18 are set out in Notes to accounts under Note no. 11 forming part of financial statements. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 27(2)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company

II. Managing Director Certification

Certification on financial statements pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been obtained from the Managing Director of the Company. Extract of the same is given at the end of this Report.

III. Code of Conduct for Directors

The Board has laid down Codes of Conduct for Executive Directors and for Non-Executive/ Independent Directors of the Company. The Codes of Conduct have been circulated to the Board and the compliance of the same has been affirmed by them. A declaration signed by the MD in this regard is given at the end of this Report.

IV. Subsidiary Companies

The Company has no material non-listed Indian Subsidiary Company as defined in Regulation 24 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, the Company has one foreign subsidiary during the period under review.

V. Risk Management & Internal Control

The board has ultimate responsibility for risk management and internal control, including for the determination of the nature and extent of the principal risks it is willing to take to achieve its strategic objectives and for ensuring that an appropriate culture has been embedded throughout the organization. The Company has implemented a comprehensive 'Enterprise Risk Management' framework in order to understand the risks they are exposed to, put controls in place to counter threats, and effectively pursue their objectives and further to anticipate, identify, measure, mitigate, monitor and report the risks, details of which are given in the Risk Management section under 'Management Discussion and Analysis Report' which forms part of this Annual Report. The team presents their key audit findings of every quarter to the Audit Committee. The management updates the members about the remedial actions taken or proposed for the same. The suggestions and comments from the Committee members are vigilantly incorporated and executed by the Company.

VI. Independent Directors

The Independent Directors of the Company have the option and freedom to meet and interact with the Company's Management as and when they deem it necessary. They are provided with necessary resources and support to enable them to analyze the information/data provided by the Management and help them to perform their role effectively.



MEANS OF COMMUNICATION

The quarterly and annual financial results are normally published in The Free Press Journal (English) and Navshakti (Marathi) newspapers. The following information is promptly uploaded on the Company's website.

GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting

Day, Date & Time	Tuesday, 27th September, 2016 at 09:30 A.M
Venue	Plot No. V-10, MIDC, Taloja, Dist. Raigad, Maharashtra 410 208.
Book closure	Tuesday, September 20, 2016 to Tuesday, September 27, 2016 (both days inclusive)

Financial Calendars (Tentative) -Financial Year 2016-2017

1st Quarter	On or before 15th August, 2016
2nd Quarter	On or before 15th November, 2016
3rd Quarter	On or before 15th February, 2017
4th Quarter	On or before 30th May, 2017 Audited yearly result for the year ended March 2017- End of May 2017

ii. Dividend

In view of the loss, The Board of Directors, do not recommend any dividend for the period ended 31st March, 2016. No dividend was declared in the previous year also.

iii. Stock Code / Symbol

BSE Security Code	532908
ISIN in (NSDL and CDSL)	INE028B01029
Corporate Identity Number (CIN)	L24110MH1989PLC052251
NSE Security ID	SHARONBIO

iv. Market Price Data

The market price data i.e. monthly high and low prices of the Company's shares on BSE & NSE are given below

Month	BSE			NSE		
	High	Low	Shares Traded	High	Low	Shares Traded
July, 2015	23.00	12.45	8389025	23.00	12.50	23782809
August, 2015	25.55	15.85	8359486	25.60	16.00	22529561
September, 2015	18.75	15.10	1645877	18.90	15.00	4596809
October, 2015	23.35	17.00	3089307	23.35	17.15	6913124
November, 2015	23.75	19.20	4142167	22.90	19.00	7102233
December, 2015	32.55	20.40	16932433	32.50	20.00	40097318
January, 2016	29.90	18.50	4236613	29.90	17.70	9056180
February, 2016	24.40	15.10	2350060	24.50	15.10	5826910
March, 2016	17.35	10.10	7849074	17.45	10.05	25984558

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

v. Registrar & Transfer Agent

Link Intime India Pvt. Ltd

Registrar & Share Transfer Agent

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup(West), Mumbai-400078.

Tel. No. : 022 25963838 Fax. No. : 022 25946969



Other top 10 Shareholders as on March 31, 2016

Sr. No.	Top 10 Shareholders	Shareholding as on 31st March, 2016	
		No. of Shares	% of total shares of the Company
1	The Catholic Syrian Bank Ltd	6130886	5.46
2.	Savita Surendra Pai	853347	0.76
3.	Ideas 1st Information Services Pvt. Ltd	500000	0.45
4.	Nandkishore C Uniyal	371000	0.33
5.	M Animuthu	300000	0.27
6.	Samvid Gupta	300000	0.27
7.	Emkay Fincap Limited	289999	0.26
8.	Divya Kumar Shah	274000	0.24
9.	Lincoln P Coelho	210000	0.19
10.	Malti Kumud Dharaiya	209000	0.19

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

Distribution of Shareholding as on 31st March, 2016

No. of Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares	
1	500	16864	60.55	3604329	3.21
501	1000	4616	16.57	4014461	3.58
1001	2000	2714	9.74	4411363	3.93
2001	3000	1217	4.37	3273561	2.92
3001	4000	520	1.87	1910300	1.70
4001	5000	520	1.87	2498727	2.23
5001	10000	743	2.67	5555054	4.95
10001	and above	657	2.36	100383305	77.50
	Total	27331	100.00	118935700	100.00

vi. Dematerialization of Shares and Liquidity

According to the requirements of the Securities & Exchange Board of India (SEBI) the shares of the company are to be compulsorily traded in a dematerialized form. Consequently the company had written to its shareholders advising them that they had the option of converting their shareholdings from the physical form to the electronic form. As of 31.03.2016, a total number of 103404910 shares, representing 86.94% of the total shares of the company have been dematerialized.

Physical	21,64,090
Electronic mode	10,34,04,910
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
Total	11,89,35,700

vii. Address for Correspondence (Corporate Office)

C-312,BSEL Tech Park,Sector 30 A, Opp. Vashi Railway Station, Vashi, Navi Mumbai-400 703, Maharashtra.

viii. Plant Locations

1. Plot No. W-34, W-34/1, MIDC, Talaja, Dist. Raigad, Maharashtra, 410208.
2. Plot No. L-6, MIDC, Talaja, Dist. Raigad, Maharashtra, 410 208.
3. Khasara no. 1027/1028/1030 & 1037, Central Hope Town, Sillaqui, Dist. Dehradun, Uttaranchal, 248 011.
4. Plot No. V-10, MIDC, Talaja, Dist. Raigad, Maharashtra, 410 208.



**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI
(PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015**

To,
The Members of **Sharon Bio-Medicine Limited**

We have examined the compliance of the conditions of Corporate Governance by Sharon Bio-Medicine Limited having its Registered Office at W-34 & W-34/1, MIDC, Taloja, Raigad, Maharashtra: 410208 as stipulated in SEBI (Prohibition of Insider Trading) Regulations, 2015 entered into by the said Company with the Stock exchanges viz. BSE Ltd (BSE) and NSE Ltd, for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the Financial Statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has not entirely complied with the conditions of Corporate Governance as stipulated in SEBI (Prohibition of Insider Trading) Regulations, 2015. 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: 11.08.2016

For **Shyam C. Agrawal & Co.** (Chartered Accountants)
Firm registration No. 110243W
Sd/-
Shyam C. Agrawal Proprietor
Membership no. 031774

CERTIFICATION FROM THE MANAGING DIRECTOR AND CFO:

In terms of Regulation 17(8) of **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** entered with the BSE and NSE, I hereby certify as under:

- (a) I have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of my 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 my 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 I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

There have been no

- (i) significant changes in internal control over financial reporting during the year;
- (ii) significant changes in accounting policies during the year;
- (iii) Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Navi Mumbai
Date: 11.08.2016

	For and on Behalf of the Board of Directors Sd/- Savita Satish Gowda Managing Director DIN No: 00042957	Sd/- Lalit Misra Executive Director DIN No: 00033689
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DECLARATION BY THE MANAGING DIRECTOR ON 'CODE OF CONDUCT'

I hereby confirm that:

The Company has obtained from all the members of the Board and senior management, affirmation that they have complied with the Code of Conduct as applicable to them..

Place: Navi Mumbai
Date: 11.08.2016

For and on Behalf of the Board of Directors
Savita Satish Gowda
Managing Director
DIN No: 00042957