



SHARON BIO-MEDICINE LIMITED

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CIN: L24110M1989PLCO52251

Postal Ballot Notice

Notice pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and administration) Rules, 2014

Notice is hereby given that pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 or such other rules as may be notified (hereinafter referred to as the "Rules") for the consent of the Members of Sharon Bio-Medicine Limited (hereinafter referred to as the "Company") to the resolution mentioned below under section 62(1)(c) of the Companies Act, 2013, which is proposed to be passed by Postal Ballot. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013, pertaining to the said resolution setting out the material facts and reasons thereof is annexed hereto for your consideration. The Postal Ballot Form is also annexed to this Notice for the purpose of exercising the votes in respect of the following resolution:

Issue of warrants convertible into equity shares on Preferential basis to Promoter Group

To consider, and if thought fit, to pass (give assent/dissent) the following Resolution, with or without modification, as a Special Resolution:

"RESOLVED that pursuant to provisions of Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013, if any (including any statutory modification(s) or re-enactment thereof and the applicable provisions of Companies Act, 1956, for the time being in force), and pursuant to the provisions of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009 (SEBI ICDR Regulations, 2009), as in force and subject to other applicable Rules, Regulations and Guidelines issued by Securities and Exchange Board of India (SEBI) from time to time and the provisions of Foreign Exchange Management Act, 1999 and Rules and Regulations framed thereunder and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into between the Company with Stock Exchanges, where the shares of the Company are listed, and subject to requisite approvals, consents, permissions and / or sanctions, if any, of SEBI, Stock Exchanges and other appropriate authorities including the Reserve Bank of India, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and / or sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the Board be and is hereby authorized to create, offer, issue and allot, from time to time, in one or more tranches, upto 1,80,00,000 only warrants on a preferential basis to Savita Gowda, Lalit, Misra, Mohan Kala, Bagulvani General Trading Pvt Ltd, Ramco Properties Pvt Ltd, Revon Consultancy Management Services Pvt Ltd, Venus Global Management & Consultancy Services Pvt Ltd (Promoter Group) entitling the holder of each warrant, from time to time to apply for and obtain allotment of one equity share of the face value of Rs 2/- each fully paid-up against such Warrant (hereinafter referred to as the "Warrants"), in one or more tranches, in such manner, at a price not less than Rs. 45 per warrant and each warrant shall be converted into one equity share of the face value of Rs.2/- each and a minimum premium of Rs.43/- per share or at a price not lower than the price determined in accordance with SEBI ICDR Regulations, 2009 and on such terms and conditions as may be determined by the Board or other provisions of the law as may be prevailing at the time;

RESOLVED FURTHER that without prejudice to the generality of the above, the aforesaid issue of the Warrants shall be on the following terms:

1. In accordance with Chapter VII of SEBI ICDR Regulations, 2009, minimum 25% of the consideration payable for the Warrants (and the equity shares into which they are converted), shall be paid by the proposed allottees to the Company before issue and allotment of the Warrants.
2. The holders of each Warrant will be entitled to apply for and obtain allotment of one equity share of the face value of Rs 2/- each of the Company against each Warrant at any time after the date of allotment but on or before expiry of eighteen months from the date of allotment, in one or more tranches. At the time of exercise of entitlement, the warrant holder(s) shall pay the balance of the consideration payable, if any, in respect of the Warrants being so exercised to the Company simultaneously with the allotment of equity shares by the Company pursuant to such exercise. The amount so paid will be adjusted/set-off against the issue price of the resultant equity shares.
3. If the entitlement against the Warrants to apply for the equity shares is not exercised within the aforesaid period, the entitlement of the Warrant holders to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrant shall stand forfeited.
4. Upon receipt of the requisite payment of the remaining consideration payable in respect of the Warrants, as above, the Board (or a Committee thereof) shall allot one equity share per Warrant by appropriating Rs 2/- towards equity share capital and the balance amount paid against each Warrant, towards the securities premium. The allotment shall only be made in the dematerialized form.
5. In the event of the Company making a bonus issue by way of capitalization of its reserves, prior to allotment of equity shares resulting from the exercise of the option under the Warrants, the number of shares to be allotted against such Warrants shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium shall stand reduced accordingly.
6. In the event of the Company making a rights offer by way of issue of new equity shares prior to allotment of equity shares resulting from the exercise of the option under the Warrants, the entitlement of the equity shares under the Warrants shall stand increased in the same proportion in the rights offer and such additional equity shares will be offered to the Warrant holder(s) at the same price at which the existing shareholders are offered equity shares.

7. The Warrant(s) by itself until exercised and equity shares allotted, does not give to the holder(s) thereof any rights with respect to that of a shareholder of the Company except as specified above.

RESOLVED FURTHER that the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon exercise of option by Warrant holder(s) or as may be necessary in accordance with the terms of the offer.

RESOLVED FURTHER that without prejudice to the generality of the above, the relevant date as per SEBI ICDR Regulations, 2009, for determination of price of the Equity Shares to be issued and allotted upon exercise of the right attached to the Warrants referred to above, is 14th June 2014, being 30 days prior to the date of Declaration of results of Postal Ballot, which is deemed date of the General Meeting passing the resolution

RESOLVED FURTHER that the equity shares allotted on exercise of warrants in terms of this resolution shall rank pari passu in all respects including as to dividend, with the existing fully paid up equity shares of face value of Rs 2/- each of the Company, subject to the relevant provisions contained in the Articles of Association of the Company.

RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion deem necessary, desirable, incidental or expedient to the issue or allotment of the aforesaid Warrants and listing of the Equity Shares on exercise with the Stock Exchange(s) as appropriate and to clarify, resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said Warrants, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors, any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution.”

By Order of the Board,
For Sharon Bio-Medicine Limited.

Savita Gowda
Chairperson and Managing Director

Place : Navi Mumbai,
Date : 10th June 2014

NOTES:

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business specified above is annexed hereto.

The Board of Directors has appointed Mr. Pramod H. Mehendale, Practising Company Secretary, Mumbai as the Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.

This notice is being sent to all the members, whose names appear on the register of members/list of beneficial owners as received from the National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as on Friday, 6th June, 2014 in line with the “Green Initiative in the Corporate Governance” launched by the Ministry Of Corporate Affairs allowing paperless compliances by recognizing emails as one of the modes services of Notice/documents to the Shareholders, the company is sending this Notice electronically on the e-mail addresses as opted by the Members. The Company is dispatching Postal Ballot Form to those Shareholders whose email addresses are not registered with the Company.

All relevant documents referred to in this Notice and the statement pursuant to Section 102 of the Companies Act, 2013 shall be open for inspection at the Administrative Office of the Company on all working days from 11.00 am till 3.00 pm up to the date of declaration of closing of the Postal Ballot.

Members have option to vote either through e-voting or physical mode and the voting period commences on 12th June, 2014 till 11th July, 2014. If a Member has opted for e-voting, then he/she should not vote by Physical Ballot and vice-versa. However, in case Members cast their vote, both via physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-voting shall be treated invalid.

You are requested to read carefully the instructions printed overleaf of the Postal Ballot Form and return the said form duly completed in all respects, in the enclosed self addressed, postage pre-paid envelope, so as to reach the Scrutinizer on or before the close of working hours on Friday, 11th July 2014.

The Scrutinizer will submit his report to the Chairperson after completion of the scrutiny and the results of the voting by Postal Ballot will be announced by the Chairperson/ Company Secretary or by any such other person as may be authorized by the Chairperson on Monday, 14th day of July, 2014 at 3:00 p.m. at the Registered Office of the Company.

The Result of the Postal Ballot will be posted on the Company's website: <http://www.sharonbio.com> besides communicating to the Stock Exchanges where the Equity Shares of the Company are listed. The result of the Postal Ballot will also be informed in the ensuing Corporate Governance Report of the Company.

Members are requested to carefully read the instructions printed in the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed should be returned in the enclosed pre-paid self addressed envelope directly to the Scrutinizer so as to reach the Scrutinizer on or before the close of working hours, 5.30 p.m. on 11th July, 2014. Any Postal Ballot Form received after close of working hours on 11th July, 2014 shall be treated as if the reply from the Members has not been received.

Members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.

The Special Resolution mentioned above shall be declared as passed if the number of votes cast in its favour is not less than three times the number of votes cast, if any, against the said Resolution.

In the event of the resolution assented by the requisite majority of the Members of the Company through Postal Ballot process, the date of declaration of results shall be deemed to be the date of passing of the said resolution.

Instructions for e-voting

In case of Shareholders' receiving e-mail from R&T Agents

- (i) Open e-mail and open PDF file viz; "SBML info e-voting.pdf" with your Client ID or Folio Number as Password. The said PDF file contains your user ID and Password for 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 Shareholders – Login
 - (iv) Put user ID and Password as initial password noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note your 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 e-voting opens. Click on e-voting: Active voting cycles.
 - (vii) Select "EVEN" (E-Voting Event Number) of Sharon Bio-Medicine Limited.
 - (viii) Cast your vote by selecting appropriate option and click on "submit" and also "confirm" when prompted.
 - (ix) Upon confirmation, the message "vote cast successfully" will be displayed.
 - (x) Once you have voted on resolution, you will not be allowed to modify your vote.
 - (xi) 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 duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through e-mail: phmandco@gmail.com with a copy marked to evoting@nsdl.co.in
- (b) In case of Shareholders receiving Postal Ballot Form by Post and desiring to cast e-vote:
- (i) Initial password is provided at the bottom of the Postal Ballot Form
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of (a) above, to cast vote
- (c) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the Downloads section of www.evoting.nsdl.com
- (d) If you are already registered with NSDL for e-voting then you can use your existing user ID and Password for casting vote
- (e) 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 communication(s).

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013.

In terms of Section 102(1) of the Companies Act, 2013, the following Explanatory Statement sets out all the material facts relating to above said Special Resolution.

Directors and companies belonging to the Promoter Group have brought in money over a period of time and the same is now lying at the credit of loans and advances. Company needs funds for the long term working capital requirement of the Company. Board of Directors, at its meeting held on 10th June 2014, considered, issuance of upto 1,80,00,000 Warrants through a preferential offer to Promoters / Promoter Group as appropriate in the interest of the Company, subject to necessary approvals.

The price at which such Warrants may be exercised over a period of eighteen months from the date of allotment shall be the price determined as per Regulation 76 of the SEBI ICDR Regulations, 2009. Currently, the SEBI ICDR Regulations, 2009 provide that the issue of shares on a preferential basis can be made at a price not less than the higher of the following:

The average of the weekly high and low of the closing prices of the related equity shares quoted on a recognised Stock Exchange during the 26 weeks preceding the relevant date; OR the average of the weekly high and low of the closing prices of the related equity shares quoted on a recognised Stock Exchange during the two weeks preceding the relevant date. 'Stock Exchange' for this purpose shall mean any of the recognised stock exchanges and on which the highest trading volume in respect of the shares of the Company has been traded during the preceding six months prior to the relevant date.

The details of the issue and other particulars as required in terms of the Chapter VII of the SEBI ICDR Regulations, 2009 in relation to the above said Special Resolution are given as under:

i. The Objects of the issue through preferential offer:

The proceeds of the preferential offer are proposed to be used for working capital requirement of the Company and to augment the long term financial resources of the Company.

ii. The intention of the promoters/directors/key management persons to subscribe to the offer:

The preferential issue is being made to Promoter/Promoter Group viz. Savita Gowda, Lalit, Misra, Mohan Kala, Bagulvani General Trading Pvt Ltd, Ramco Properties Pvt Ltd, Revon Consultancy Management Services Pvt Ltd, Venus Global Management & Consultancy Services Pvt Ltd.

iii. Securities to be issued:

The resolution set out in the accompanying Notice authorizes the Board to issue to Savita Gowda, Lalit Misra, Mohan Kala, Bagulvani General Trading Pvt Ltd, Ramco Properties Pvt Ltd, Revon Consultancy Management Services Pvt Ltd, Venus Global Management & Consultancy Services Pvt Ltd., upto 1,80,00,000 Warrants, entitling the holder of each Warrant to apply for and obtain allotment of one equity share of the face value of Rs.2/- each fully paid-up against each Warrant within eighteen months of its allotment, in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of SEBI ICDR Regulations, 2009.

iv. Relevant Date:

The Relevant Date for the purpose of determining the price of the shares arising out of the Warrants, in accordance with the pricing method given in Chapter VII of SEBI ICDR Regulations, 2009 is 14th June 2014 which is 30 days prior to the date of Declaration of results of Postal Ballot, which is deemed date of the General Meeting passing the resolution.

v. Terms of issue of Warrants to Promoter and/or Promoter Group:

1. The proposed allottees of Warrants shall, on the date of allotment, pay/adjust an amount equivalent to at least 25% of the price fixed per Warrant in terms of the Chapter VII of SEBI ICDR Regulations, 2009.
2. The holders of each Warrant will be entitled to apply for and obtain allotment of one equity share of the face value of Rs 2/- each of the Company against each Warrant at any time after the date of allotment but on or before the expiry of eighteen months from the date of allotment, in one or more tranches. At the time of exercise of entitlement, the Warrant holder(s) shall pay the balance of the consideration payable, if any, in respect of the Warrants being so exercised to the Company simultaneously with the allotment of equity shares by the Company pursuant to such exercise. The amount so paid will be adjusted/set-off against the issue price of the resultant equity shares.
3. If the entitlement against the Warrants to apply for the equity shares is not exercised within the aforesaid period, the entitlement of the Warrant holders to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrant shall stand forfeited.
4. Upon receipt of the requisite payment of the remaining consideration payable in respect of the Warrants as above, the Board (or a Committee thereof) shall allot one equity share per Warrant by appropriating Rs 2/- towards equity share capital and the balance amount paid against each Warrant, towards the securities premium. The allotment shall only be made in the dematerialized form.
5. In the event of the Company making a bonus issue by way of capitalization of its reserves, prior to allotment of equity shares resulting from the exercise of the option under the Warrants, the number of shares to be allotted against such Warrants shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium shall stand reduced proportionately.
6. In the event of the Company making a rights offer by way of issue of new equity shares prior to allotment of equity shares resulting from the exercise of the option under the Warrants, the entitlement of the equity shares under the Warrants shall stand increased in the same proportion in the rights offer and such additional equity shares will be offered to the Warrant holder(s) at the same price at which the existing shareholders are offered equity shares.
7. The Warrant(s) by itself until exercised and equity shares allotted, does not give to the holder(s) thereof any rights with respect to that of a shareholder of the Company except as specified above.
8. The equity shares issued as above shall rank pari passu in all respects including with respect to dividend, with the then fully paid up equity shares of the Company, subject however to the provisions of the Memorandum and Articles of Association of the Company.
9. The Company hereby undertakes that it would compute the price of the securities specified above in terms of the provisions of the SEBI ICDR Regulations, 2009 based on the relevant date which 14th June 2014.

vi. Lock-in period:

The equity shares arising out of the exercise of the right attached to the Warrants allotted on a preferential basis to the proposed allottees shall be subject to lock-in for a period of three years from the date of trading approval granted for such shares, as specified under Chapter VII of the SEBI ICDR Regulations, 2009 relating to preferential issues.

vii. Particulars of subscribers to Warrants:

The Promoters/Promoter Group viz. Savita Gowda, Lalit, Misra, Mohan Kala, Bagulvani General Trading Pvt Ltd, Ramco Properties Pvt Ltd, Revon Consultancy Management Services Pvt Ltd, Venus Global Management & Consultancy Services Pvt Ltd, intend to subscribe to an aggregate of upto 1,80,00,000 Warrants under the Preferential Issue.

viii. Shareholding Pattern pre and post Preferential Offer:

The shareholding pattern giving the present position as also considering full allotment of warrants to Promoters / Promoter Group and equity shares arising out of the conversion thereof, as per the Resolution set out in the accompanying Notice are given below:

Category of shareholders	Pre-Allotment Holding		Post-Allotment Holding #	
	Total Number of Shares	%age of Total Voting	Total Number of Shares	%age of Total Voting
Promoter and Promoter Group	63551980	60.20	81551980	66.00
FII	4762	0.00	4762	0.00
Foreign Bodies Corporate	1500000	1.42	1500000	1.21
NRIs	107908	0.10	107908	0.09
Bodies Corporate	29856181	28.28	29856181	24.16
Resident Individuals/Others	10548169	9.99	10548169	8.54
Total	105569000	100.00	126569000	100.00

Assuming full conversion of all warrants being issued.

The percentage of post preferential issue capital that may be held by the proposed allottee(s) is as follows

Name of the proposed allottee(s)	Pre-Allotment holding		Post-Allotment holding	
	Number of Shares	% of holding	Number of Shares	% of holding
Bagulvani General Trading Pvt. Ltd.	8242380	7.81	10776380	8.72
Lalit Misra	3000000	2.84	3265000	2.64
M P Kala	18237300	17.28	19543300	15.82
Ramco Properties Pvt. Ltd.	9150910	8.67	13758910	11.13
Revon Consultancy Management Services Pvt. Ltd.	11219960	10.63	15402960	12.47
Savita Gowda	6862830	6.50	7208830	5.83
Venus Global Management & Consultancy Services Pvt. Ltd.	0	0.00	4758000	3.85

There will be no change of control of the Company pursuant to the preferential allotment.

- ix. The identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees is as follows:

Name of the Proposed Allottees	Ultimate Beneficial Owner
Bagulvani General Trading Pvt. Ltd.	Preeti Misra, Vineeta Bulusu, Basanti Misra
Ramco Properties Pvt. Ltd.	Vineeta Bulusu, Preeti Misra, Harish Juyal
Revon Consultancy Management Services Pvt. Ltd.	Asha Kala, Mohan Kala
Venus Global Management & Consultancy Services Pvt. Ltd.	Vineeta Bulusu, Harish Juyal, Asha Kala

x. Proposed time within which the allotment shall be completed:

As required under Chapter VII of SEBI ICDR Regulations, 2009 the Company shall complete the allotment of Warrants as aforesaid on or before the expiry of 15 days from the date of passing of the resolution by shareholders through Postal Ballot or in the event the allotment of Warrants would require any approval(s) from any regulatory authority or the Central Government, within 15 (fifteen) days from the date of such approval(s), as the case may be.

xi. Others:

The certificate of the Statutory Auditors of the Company, certifying that the issue of securities on Preferential basis on the above terms is in accordance with the requirements contained in Chapter VII of the SEBI ICDR Regulations, 2009 will be available for inspection at the Registered office of the Company on all working days except Saturday and Sunday between 11 am to 3 pm upto the last day of receipt of Postal Ballot Forms i.e. 11th July 2014, 2014.

The price at which the warrants would be issued to Savita Gowda, Lalit, Misra, Mohan Kala, Bagulvani General Trading Pvt Ltd, Ramco Properties Pvt Ltd, Revon Consultancy Management Services Pvt Ltd, Venus Global Management & Consultancy Services Pvt Ltd can not be exactly determined before the issue of this Notice to the members as it depends on the average of the closing market prices prevailing in the preceding 2 weeks or 26 weeks prior to the Relevant Date, as per SEBI regulations.

As it is proposed to issue the Warrants on a preferential basis to persons other than the holders of the equity shares of the Company, entitling the holder to apply for and obtain allotment of one equity share of Rs 2/- each against such warrant, a special resolution is required to be approved by the members pursuant to the provisions of Section 62(1) (c) of the Companies Act, 2013 and Chapter VII of SEBI ICDR Regulations, 2009. The Listing Agreements executed by the Company with the Stock Exchanges also provide that the Company shall, in the first instance, offer all securities for subscription pro rata to the shareholders unless the shareholders in a general meeting decide otherwise. Your Directors therefore recommend the resolution for your approval.

None of the Directors or key managerial personnel or their relatives is in any way concerned or interested in the above referred Resolution except Ms Savita Gowda, Mr Lalit Misra and Mr Mohan Kala, Directors and for being associated with Promoter Group Companies.

By Order of the Board,
For Sharon Bio-Medicine Limited.

Savita Gowda
Chairperson and Managing Director

Place : Navi Mumbai,
Date : 10th June 2014