

DEEPTI & ASSOCIATES PRACTICISING COMPANY SECRETARY

SECRETARIAL COMPLIANCE REPORT OF SHARON BIO-MEDICINE LIMITED

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

I have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Sharon Bio-Medicine Limited (hereinafter referred as 'the listed entity'), having its Registered Office at W-34 34/1M I D C Taloja, Raigad, Maharashtra – 410208. Secretarial Review was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct / statutory compliances and to provide my observations thereon.

Based on my verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, I hereby report that the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter :

I, *CS Deepti Grover* Practicing Company Secretary (FCS Membership No.: 7654 and COP No. 17546) have examined:

- (a) all the documents and records made available to us and explanation provided by Sharon Bio-Medicine Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) order dated May 17, 2023, passed by the Hon'ble NCLT, Mumbai Bench, Court-I approving the resolution plan submitted in the Corporate Insolvency Resolution Process ("CIRP") of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016,
- (e) representation made by the listed entity,

for the financial year ended March 31, 2023, ("Review Period") in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined,

include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *(Not applicable for the period under review)*
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not applicable for the period under review)*
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; *(Not applicable for the period under review)*
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; *(Not applicable for the period under review)*
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that,

In 2017, a company petition (bearing number C.P. No. 246/I&BP/NCLT/MAH/2017) ("Company Petition") was filed against the Corporate Debtor by Culross Opportunities SP and Peter Beck and Partners under Section 7 of the Code. Pursuant to the order dated April 11, 2017, the Company Petition was admitted by the Hon'ble NCLT and corporate insolvency resolution process ("CIRP") was commenced against the Corporate Debtor under the provisions of the Code. Vide order dated April 25, 2017, the Adjudicating Authority appointed Mr. Dinkar T. Venkatasubramanian as the interim resolution professional for the Corporate Debtor, who was later confirmed as resolution professional by the Committee of Creditors on May 22, 2017

During the CIRP of the Corporate Debtor, the Resolution Plan dated December 13, 2017 submitted by Peter Beck and Partner Vermoögensverwaltung Ltd. ("Earlier Resolution Applicant" and the plan is hereinafter referred to as the "Previous Resolution Plan") was approved by the CoC and subsequently by the Adjudicating Authority pursuant to the order dated February 28, 2018 ("Plan Approval Order"). Further, a monitoring agency was appointed to supervise the implementation of the Resolution Plan ("Monitoring Agency").

Pursuant to the approval of the previous resolution plan by Hon'ble Adjudicating Authority, the monitoring agency had carried out the capital reduction of the corporate debtor as per the terms of the previous resolution plan. However, the Plan Approval Order was challenged by promoters before the Hon'ble National Company Law Appellate Tribunal, New Delhi ("NCLAT") (by way of Company Appeal (AT) (Insolvency) No. 164 of 2018), which was dismissed by the Hon'ble NCLAT vide its order dated December 19, 2018, and the Plan Approval Order was upheld.

Thereafter, an appeal was filed against the order passed by the Hon'ble NCLAT before the Hon'ble

Supreme Court (being Civil Appeal No. 1603 of 2019). The Hon'ble Supreme Court by its order dated April 5, 2019, dismissed the appeal and upheld the order of the Hon'ble NCLAT.

In the meanwhile, as per the Previous Resolution Plan the company has undertaken a selective capital reduction of :

- i) The entire shareholding held by (erstwhile) Promoter group and secured lenders of the company;
- ii) Up to 90% of equity shares held by public shareholders.

And the record date for the same was 02/04/2019. Further the respective Stock Exchanges where the shares of the company are listed have given in-principle approval for listing of 57,55,625 Equity shares of Rs. 2/- each allotted post capital reduction.

However, despite several opportunities, the Earlier Resolution Applicant failed to implement the Previous Resolution Plan, in accordance with the terms and conditions specified therein. In view thereof and after several rounds of litigation, the Hon'ble Supreme Court vide order dated February 28, 2022 (in Civil Appeal No. 1305-1306 of 2022) ("Supreme Court Order") granted liberty to initiate fresh CIRP in relation to the Corporate Debtor and to take all consequential actions in furtherance thereof, in accordance with law.

In light of the Supreme Court Order, State Bank of India (acting on behalf of the lenders of the Corporate Debtor), filed an application (being IA No. 1062 of 2022 in the Company Petition) and subsequently an additional affidavit (collectively "Lenders' Application") for inter alia withdrawal of the liquidation application (filed earlier on account of continuous default by the Earlier Resolution Applicant) and for seeking directions for granting 105 days for inviting expressions of interest/resolutions plans from interested prospective resolution applicants, and for appointment of Mr. Pulkit Gupta as the resolution professional for the CIRP of Corporate Debtor. The Hon'ble Adjudicating Authority was pleased to allow the Lenders' Application pursuant to its order dated June 03, 2022 and appointed Mr. Pulkit Gupta as the Interim Resolution Professional ("IRP"). Pursuant thereto, the CIRP of Corporate Debtor has been re-initiated.

The Committee of Creditors confirmed the appointment of Mr. Pulkit Gupta as the resolution professional ("RP") for conducting the CIRP of the Corporate Debtor ("Resolution Professional"). The CoC after various rounds of discussions with the resolution applicants have approved the resolution plan on 16th November 2022 and the same was filed with the NCLT for its approval on 21st November 2022. Vide its order dated May 17, 2023, the Hon'ble NCLT, Mumbai Bench, Court-I, approved the said resolution plan.

In this context and based on the examination of the above, I hereby report that, during the Review Period:

- I. (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement	Regulation/ Circular No.	Observations/ Remarks
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1.	Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Regulations 17, 18, 19, 20 and 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Pursuant to Regulation 15(2A) and 15(2B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the corporate governance provisions as specified in regulations 17, 18, 19, 20 and 21 shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016. However, the role and responsibilities of the board of directors as specified under regulation 17 shall be fulfilled by the interim resolution professional or resolution professional in accordance with sections 17 and 23 of the Insolvency and Bankruptcy Code, 2016.
2.	Annual Report	Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	<p>The listed entity failed to submit the Annual Report to the stock exchanges and failed to upload the same on the stock exchanges. The listed entity could not convene the Annual General Meetings due to the partial capital reduction which took place pursuant to a resolution plan which was not implemented and later set aside.</p> <p>However, the Company produced a copy of the annual report for the FY 2023 which were dated after the review period.</p>

3.	Secretarial Audit Report	Regulation 24A(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Company is still in the process of undertaking secretarial audit report for review period.
4.	Continual Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015	Regulation 7(2) of the SEBI (Prohibition of Insider Trading) Regulations, 2015	All the Directors of the Company have resigned and during the review period the Company does not have any Directors on its Board. The powers of the Board are vested in the IRP with effect from June 3, 2022 vide the order of the Hon'ble NCLT, Mumbai. Therefore, the listed entity could not comply with this requirement.

listed entity has taken the following actions to comply with the observations made in previous reports:

As explained above, the listed entity was undergoing CIRP during the review period and during the said period there were no directors on the Board of the listed entity. The powers of the board of directors of the listed entity stood vested in the IRP / RP. The resolution plan submitted by Innova Captab Limited in the CIRP of the listed entity was approved by the Hon'ble NCLT, Mumbai Bench vide its order dated May 17, 2023, and as on the date of this report, the listed entity and the successful resolution applicant, viz., Innova Captab Limited are in the process of implementation of the approved resolution plan.

II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019: **Not Applicable**

III. I hereby report that, during the review period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).	NA	The listed entity was undergoing CIRP during the review period and there were no directors on the Board of the listed entity
2.	Adoption and timely updation of the Policies:		

	<ul style="list-style-type: none"> ● All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities ● All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI 	<p>Yes</p> <p>No</p>	
3.	<p>Maintenance and disclosures on Website:</p> <ul style="list-style-type: none"> ● The Listed entity is maintaining a functional website ● Timely dissemination of the documents/ information under a separate section on the website <p>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	-
4.	<p>Disqualification of Director:</p> <p>None of the Director(s) of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.</p>	<p>Yes</p>	<p>The listed entity was undergoing CIRP during the review period and there were no directors on the Board of the listed entity. The powers of the Board of Directors of the listed entity stood vested with the IRP/RP in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, and the said IRP/RP is not disqualified.</p>

5.	<p>Details related to Subsidiaries of listed entities have been examined w.r.t.:</p> <p>(a) Identification of material subsidiary companies</p> <p>(b) Disclosure requirement of material as well as other subsidiaries</p>	<p>NA</p> <p>NA</p>	<p>The listed entity does not have any subsidiaries.</p>
6.	<p>Preservation of Documents:</p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	<p>Yes</p>	<p>-</p>
7.	<p>Performance Evaluation:</p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.</p>	<p>No</p>	<p>The listed entity was undergoing CIRP during the review period and there were no directors on the Board of the listed entity. The powers of the Board of Directors of the listed entity stood vested with the IRP/RP in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016</p>
8.	<p>Related Party Transactions:</p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or</p> <p>(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.</p>	<p>NA</p> <p>NA</p>	<p>The listed entity did not enter into any related party transaction during the review period.</p>
9.	<p>Disclosure of events or information:</p> <p>The listed entity has provided all the required</p>		<p>-</p>

	disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	<p>Prohibition of Insider Trading:</p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	No	<p>The trading in the shares of the company remained suspended w.e.f. March 29, 2019, (i.e., closing hours of trading on March 28, 2019) on account of Reduction of Share Capital proposed in the Previous Resolution Plan which was not implemented. In view of the suspension of trading in shares of the Company, there was no possibility of any event of insider trading and hence non-maintenance of structured digital database does not have any adverse consequence.</p>
11.	<p>Actions taken by SEBI or Stock Exchange(s), if any:</p> <p>No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.</p>	Yes	<p>No actions taken by SEBI or Stock Exchanges</p>
12.	<p>Additional Non-compliances, if any:</p> <p>No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.</p>	Yes	<p>No additional non-compliance observed</p>

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Place:NEW DELHI**Signature:****Date:30/05/2023****Name of the Practicing Company Secretary****ACS/ FCS No.: CP No. :****UDIN****: F007654E000432****177****PR No. : 638**