



27th Annual Report

2011-2012







SANDU PHARMACEUTICALS LIMITED

DIRECTORS :

Shri Bhaskar G. Sandu : Chairman
Dr. Madan L. Kapre : Director
Shri Dilip R. Salgaocar : Director
Shri K. Vinaykumar : Director
Shri Shashank B. Sandu : Director
Shri Umesh B. Sandu : Managing Director &
Company Secretary

AUDITORS :

M/s. Joshi Joshi & Co.
Chartered Accountants
Fort, Mumbai - 400 001.

COST AUDITORS :

M/s Joshi Apte & Associates
Cost Accountants
Mulund (E), Mumbai 400 081.

BANKERS :

Dena Bank
Chembur Branch
Mani Bhuvan
Sion - Trombay Road,
Chembur, Mumbai - 400 071.

REGISTERED OFFICE :

Plot No. 25, 26, 29 & 30,
Pilerne Industrial Estate, Marra, Bardez,
Goa - 403 511.

REGISTRAR & SHARE TRANSFER AGENTS :

M/s. Sharex Dynamic (India) Pvt. Ltd.
Unit 1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri (East), Mumbai 400 072.
Tel : 022-2851 5606
E-mail : sharexindia@vsnl.com

ADVOCATES & SOLICITORS :

M/s. Madekar & Co.
84, Engineer House, 1st Floor,
Mumbai Samachar Marg,
Fort, Mumbai - 400 023.

CORPORATE OFFICE :

Sandu Nagar, D.K. Sandu Marg,
Chembur, Mumbai - 400 071.

27th ANNUAL GENERAL MEETING

DATE : Saturday, 29th September 2012
TIME : 9.00 a.m.
VENUE : Plot No. 25, 26, 29 & 30,
Pilerne Indl. Estate, Marra,
Bardez, Goa - 403 511.

ISIN NUMBER : INE 751D01014 (DEMAT)

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Twenty-Seventh Annual Report 2011-2012

NOTICE

The **TWENTY-SEVENTH** Annual General Meeting of **SANDU PHARMACEUTICALS LIMITED** will be held at Plot No. 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa – 403 511 on Saturday, 29th September, 2012 at 9.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Director's Report, Auditors Report, Audited Profit & Loss Account for the year ended 31st March, 2012 and Balance Sheet as at that date.
2. To appoint a director in place of Shri. Dilip Salgaoncar who being longest in office retires by rotation in accordance with Article 129 of the Articles of Association of the Company and being eligible offers himself for reappointment.
3. To reappoint the Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

Sd/-

Archana Bhangle

Officer- Corporate & Secretarial Compliance

Place : Mumbai

Date : 01st August, 2012

NOTES:

- a) A Member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and a proxy need not be a member of the Company. A proxy form is attached herewith.
- b) The proxy form duly signed and completed in all respect should be lodged with the General Meeting.
- c) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 14th September, 2012 to Saturday, 29th September, 2012 (both days inclusive)
- d) The Member / Proxies should bring their attendance slip duly completed for attending the meeting.
- e) The Members are requested to bring their copies of the Annual Reports to the Annual General Meeting as no separate copies will be distributed at the Annual General Meeting as a measure of Economy.
- f) The Members desiring any information as regards the Accounts are requested to send their queries only at the Registered Office of the Company so as to reach the Registered Office at least 7 days in advance of the date of Annual General Meeting so as to enable the Company to keep the information ready.
- g) Equity Shares of the Company have been activated by dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN number allotted by both the depositories is INE 751D01014.
- h) The Equity Shares of the Company are presently listed at the Bombay Stock Exchange Limited.

DIRECTORS REPORT

Your Directors have pleasure to present the **TWENTY - SEVENTH** Annual Report on the business and operation of the Company along with the Audited Accounts for the financial year ended 31st March, 2012.

• FINANCIAL RESULTS:-

PARTICULARS	2011-12 (₹in Lacs)	2010-11 (₹in Lacs)
Sales & Other Income	3148.78	2185.57
Total Expenditure	3036.85	2079.62
Net Profit/Loss before Tax	111.93	105.95
Provision for Taxation	63.56	24.40
Profit / Loss after Tax	48.37	81.55
Balance brought forward	910.94	829.39
Profit / Loss	959.31	910.94
APPROPRIATION		
Prior year Adjustment	-	-
Profit carried to Balance Sheet	959.31	910.94

• OPERATIONAL / FINANCIAL RESULTS:-

The performance of your Company for the year under review has been satisfactory. During the year Company has achieved a turnover of ₹3156.22 lacs as against ₹2167.52 lacs showing growth of ₹ 988.70 lacs. The profit before tax has gone up, from ₹105.94 lacs to ₹111.93 lacs. However the Net Profit after tax has gone down from ₹81.55 lacs to ₹48.37 lacs, due to increase in the cost of raw materials, labour, cost of power & fuel, travel and cost of conveyance for sales personnel and other manufacturing cost have gone up. During the year as the prices of all the major Raw materials like Sugar, Jaggery has increased which has severely affected the Company's profitability.

Your Company is mainly engaged in the manufacture of Ayurvedic Medicines and requires lot of efforts in the research and development of the new products. Your Company has taken effective steps in the research and development of the new products and new modern technology.

• MANAGEMENT DISCUSSION AND ANALYSIS:-

Pursuant to clause 49 (v) (A) & (B) of the Listing Agreement, your Directors wish to report as follows:-

(a) Industry Structure & Development :

Company is mainly engaged in the manufacture of Ayurvedic Medicines and comes under the Pharmaceutical Industry. However Pharmaceutical Industry in India is progressing slowly which affect the Industry as such, we are however optimistic towards stabilisation in the industry in the near future.

(b) Opportunities and Threats :

The opportunities are existing in the Ayurvedic Industry and can be achieved through proper research and developments and there is no doubt that the industry will thrive. The Company has good opportunities in the export market and it will also increase in near future. The industry needs to create general appreciation in the minds of the customer regarding Ayurveda which will help to increase the demands for Ayurvedic Products. There is increase in demand for Ayurvedic Products from all the section of the Society. The industry will have to face the acute competition in the regime of WTO and globalisation and liberalisation policies adopted by the government. Also the economic policies of the Government and political situation in the country will also affect the present business of the Company as the commodity prices are increasing on a regular basis, which is severely affected the company's profitability.

(c) Segment wise performance :

Segment wise analysis of performance is not applicable to your Company under Accounting Standard 17 because there is only one segment i.e. Pharmaceutical.

(d) Outlook :

The outlook for the industry and consequently for your company during the current financial year is reasonably good subject however to the effects of government policies, inflationary pressure and general global slowdown which is bound to affect your company.

(e) Risk and concerns :

Domestic and international market conditions would be the only risk which may be faced by the Company apart from input costs which are causing havoc with the company's profitability. Other risks and concerns related to finance, production, stocks, insurance etc. are being managed adequately and efficiently by your Company.

(f) Internal Control Systems and their adequacy :

Your Company has put a effective Internal Control Systems into operation and is having robust Internal Audit mechanism to monitor and review the same under the overall control and supervision of the Internal Auditor and the Audit Committee of the Independent Directors. Manufacturing & Operations, Human Resource, Purchase and Indirect Taxes are independently verified by one of our Internal Auditors M/s. N. J. Prabhudesai, Chartered Accountants, Panaji, Goa whereas Sales & Distribution, Marketing and Finance are checked by M/s. Lalit R. Gawade & Co., Chartered Accountants, Mumbai your Company's other Internal Auditor. These systems have improved substantially and resulted into better management and effective controls. Continuous improvements are implemented in this regard.

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(g) Discussion of Financial performance with respect to operational Performance :

The financial performance with respect to the operational performance during the year under review was satisfactory. The company was successful in maintaining the profit level only because of the higher volumes and better margins.

(h) Material Development in Human Resource / Industrial Relations :

Your Company is constantly endeavoring to introduce Human Resource Development activities for overall improvement of its team and induction of professional manpower. Your Company has good industrial relations. Your Company has substantially improved the relationship with all the employees at all the levels which also resulted to achieve higher production and inturn increase the profitability.

(i) Material Financial and Commercial Transaction :

There are no material significant financial and commercial transactions with related parties viz. Promoters, Directors or the Management, their companies / firms or relatives conflicting with the interest of the Company. The promoters and the Directors are not dealing in the shares of the Company.

• DIVIDEND:-

Due to inadequate profits and in order to conserve funds the company does not recommend any dividend.

• DEMATERILISATION OF SHARES :-

The Company has entered into an agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for Dematerialisation of shares. With this, the Members have the option to hold their shares in the Company through Demat Mode and the script is under the compulsory demat. The Company had dematerialised 84% of its entire shares and hence members are requested to dematerialise their shares at the earliest.

• CORPORATE GOVERNANCE:-

Your Company has taken all the mandatory steps as required in clause 49 of the listing agreement. A detail report on Corporate Governance alongwith a certificate from the auditors certifying the compliance is annexed hereto and forms part of the Directors Report.

• INSURANCE:-

Your Company has taken adequate insurance cover of all its assets which includes Building, Plant and Machinery, Inventory against Fire, Earthquake and SSRCC as such all the Finished Stock at branches, C&F are fully and adequately insured. Your company also follows prudent business norms whereby all

finished goods are dispatched under a valid Marine Insurance to any of the Company branches or C & F anywhere across the country.

• PARTICULARS OF EMPLOYEES:-

The Company has maintained cordial relationship with its employees during the year under review.

For the year under review there are no employees falling under the purview of the section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended up to date.

• CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT ETC:-

The particulars as required under the provisions of section 217(2A) of the Companies Act, 1956, and companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are annexed hereto.

Also as there were no transactions in connection with the import or export of any raw materials or products, hence no inflow or outflow of Foreign Exchange, thereby resulting in the inapplicability of Clause 217 (1) (e) of the Companies Act, 1956.

• DIRECTORS:-

Shri. Dilip R. Salagoncar, Director who retires by rotation and being offers himself for re-appointment. As required, brief resume of Director is given under separate section of Corporate Governance. You are requested to favourably consider his reappointment.

• DIRECTORS RESPONSIBILITY STATEMENT:-

The Directors confirm that:-

- (a) in the preparation of annual accounts, the applicable accounting standards have been followed;
- (b) appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2012 and of the profit of the Company for the year ended 31st March, 2012;
- (c) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The annual accounts have been prepared on a going concern basis.

• AUDITORS:-

The notes to the accounts are referred to in the Auditors report are self-explanatory and therefore do not call for any further comments.

Sandu Pharmaceuticals Limited

M/s Joshi Joshi & Company, Chartered Accountants, Mumbai hold office until the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The certificate from the auditor has been received to the effect that the reappointment if made would be within the prescribed limits under Section 224 (1B) of The Companies Act, 1956. You are requested to consider their appointment.

- **Cost Auditors:-**

Joshi Apte and Associates, Cost Accountants, Mumbai were re-appointed as Cost Auditors for the financial year 2012-13 to conduct Cost Audit of the accounts of the company as prescribed under Cost Audit Rules, 2011.

- **Inspection under section 209A of the companies Act, 1956:-**

During the financial year 2010-2011, Inspection of the company's records, registers, books of accounts & minute book was conducted as per section 209A of the Companies Act, 1956 at the Company's registered office. The inspection was held for the financial years 2006-07, 2007-08, and 2008-09. With reference to the same, Registrar of Companies had raised certain technical issues for which the company has initiated necessary steps in rectifying the same.

- **ACKNOWLEDGEMENT:-**

The Board of Directors places on record its sincere appreciation for the wholehearted and continued devotion and a sense of commitment extended by the employees at all levels which has been a source of strength and inspiration to the Company and acknowledge their contribution towards

sustained progress and performance of your Company.

The Board also wishes to place on record their gratitude to its shareholders and Bankers – Dena Bank, Stock Exchanges, NSDL, and CDSL for their continued support to the Company and the trust and confidence placed by them.

ON BEHALF THE BOARD OF DIRECTORS

Place: Mumbai
Date: 01st August, 2012

B.G. SANDU
Chairman

ANNEXURE TO DIRECTORS REPORT

STATEMENT CONTAINING PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTOR'S REPORT.

- **CONSERVATION OF ENERGY:-**

The required data with regard to conservation of energy as applicable to our industry is furnished below.

	For the Year ended 31.03.2012	For the year ended 31.3.2011
1. ELECTRICITY		
(a) Purchased (units)	224947	216621
Total Amount ₹	889871	939607
Rate/Units in ₹	3.96	4.34
1. FUEL CONSUMED		
Quantity	63494	60379
Total Amount	2894397	2132743
Rate per litre	45.58	35.32

CORPORATE GOVERNANCE REPORT

COMPANY 'S PHILOSOPHY ON CODE OF GOVERNANCE:-

Your Company believes in adopting best Corporate Governance practices and envisages the attainment of the highest levels of transparency, accountability and ethics, in all facets of its operations. Company recognizes the rights and interests of its stakeholders and is committed to protect the same. Company considers that all its operations and actions must serve the underlying goal of increasing employee and customer satisfaction and enhancing overall shareholder value together with fair treatment to its stakeholders.

BOARD OF DIRECTORS

Composition:

The Board of Directors consists of 6 Directors. The composition and category of Directors is as follows:

Category	Name of the Directors
Promoter & Executive Director	Shri. Umesh B. Sandu
Promoter & Non Executive Directors	Shri. B. G. Sandu Shri. Shashank B. Sandu
Independent Directors	Shri. Dilip Salgaoncar Dr. Madan L. Kapre Shri. K Vinaykumar

Clause 49 of the Listing agreement is adequately complied by your Company and achieved desired level of independence of Board. All non executive directors are persons of eminence, and bring a wide range of expertise and experience to the Board.

Board Procedure:-

During the financial year 2011-12 the Board met 9 times on the following dates, namely 18.04.2011, 30.04.2011, 01.06.2011, 29.07.2011, 29.09.2011, 06.11.2011, 29.12.2011, 14.02.2012 and 05.03.2012. The maximum time gap between any two meetings was not more than three calendar months as compared to the mandated requirement of not more than four months in clause 49.

Brief Profile of the Director Seeking Appointment at the Ensuing Annual General Meeting as Required to be Furnished pursuant to Clause 49 of the Listing Agreement :

Shri. Dilip R. Salgaoncar is a Qualified Engineer B.E. (Chem.) and is the Managing Director with Geno Pharmaceuticals Ltd. thus he has a wide experience in Accounting, finance , trading and is involved in pharmaceutical industry. The company is being benefited by the experience and expertise of Shri. Dilip R. Salgaoncar. You are requested to consider his appointment favourably.

Attendance record of Directors:-

The details of attendance of Directors out of a total of 9 Board meetings held during the financial year 2011-12 and at the last Annual General Meeting held on 29th September, 2011, also the number of other directorship and Chairmanship / Membership of Committees of each Director in various Companies are depicted hereunder :-

Name of Director	Attendance Particulars		No. of Directorship/ Chairmanship/ Committee Chairmanship		
	Board Meetings	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Shri. Bhaskar G. Sandu	9	Yes	NIL	2	2
Dr. Madan L. Kapre	5	Yes	NIL	1	NIL
Shri. Dilip Salgaoncar	5	Yes	2	2	NIL
Shri. K Vinaykumar	9	Yes	2	3	1
Shri. Shashank B. Sandu	9	Yes	8	1	NIL
Shri. Umesh B. Sandu	9	Yes	9	3	NIL

None of the Director is a member of more than 10 committees or act as a Chairman of more than 5 committees as required under clause 49 of the Listing Agreement.

AUDIT COMMITTEE:-

The Audit Committee is constituted according to Section 292A of the Companies Act, 1956 and clause 49 of the listing agreement. The scope and term of reference of the audit committee is reviewed and presently are in conformity with clause 49 of the listing agreement and section 292A of the Companies Act, 1956. The scope includes review of quarterly, half-yearly and annual financial results of the Company and submitting the observations thereon to the Board of Directors, review of annual budgets, interaction with Statutory auditors on the annual accounts and other accounting matters, major accounting policies and practices, compliance with accounting standards, review of adequacy and efficacy of internal control system, cost control measures, statutory compliance in various functional areas.

The present audit committee comprises of three independent directors namely, Shri. Dilip Salgaonkar, Shri. Madan L. Kapre, Shri. K. Vinaykumar (Chairman) and Shri. Umesh B. Sandu who is the Managing Director.

During the year under review 5 meetings were held as against minimum requirement of 3 meetings one of which was before finalisation of accounts. The meetings were held on 30.04.2011, 01.06.2011, 29.07.2011, 06.11.2011 and 14.02.2012.

Name of Directors	No.of Meetings attended
Dr. Madan L. Kapre	3
Shri. Dilip R. Salgaonkar	3
Shri. K. Vinaykumar	4
Shri. Umesh B. Sandu	4

REMUNERATION COMMITTEE:-

The Remuneration Committee consists of Shri. Bhaskar G. Sandu, Shri. Dilip R. Salgaonkar and Shri. Umesh B. Sandu. The remuneration committee is responsible for determining the compensation payable to the Managing director based on industry practice and performance of the individuals. The remuneration committee meets whenever its needed and makes regular appraisal of their performance. The Company does not have any stock options.

The details of remuneration paid to Shri. Umesh B. Sandu the Managing Director of the Company during the year ended on 31st March, 2012
 Remuneration: 12, 00,000/- p.a.
 Directors Sitting Fees: ₹ 80,000/-

SHAREHOLDERS' AND INVESTORS' GRIEVANCE COMMITTEE:-

The Shareholders' and Investors Grievance committee was constituted comprising of Shri. Bhaskar G. Sandu, Dr. Madan L. Kapre and Shri. Umesh B. Sandu to specifically look into the redressing of shareholder and investors complaints on matters relating to transfer of shares, non receipt of annual report etc. The Committee has delegated authority to Miss Archana Bhangle to carry out day to day operations related to shareholders/ Investors Grievance and interaction with our R&T Agent. During the year under review, 2 complaints were received from Shareholders / investors, out of which one was from Dr. Y.S. Muralidhara for non receipt of Annual Report and other was from Mr. S.J. Joshi for non declaration of dividend, which were replied / resolved to the satisfaction of the shareholders / investors. Your company is registered under SEBI SCORES (SEBI Complaints Redress System), wherein centralized database has been provided for complaints and redressal is faster. Further there are no complaints pending with SEBI, BSE and R&T Agent. All physical transfers as well as requests for dematerialisation/ rematerialisation are processed in fortnightly cycles. The work relating to dematerialisation and / or rematerialisation is handled under the arrangements made with the connectivity by Sharex (India) Limited with the National Securities Depository Limited and Central Depository Services (India) Limited. The Committee meets regularly.

MANAGEMENT DISCUSSION AND ANALYSIS:-

Management discussion and analysis report as required under the Listing Agreement with the Bombay Stock Exchange is forming part of the directors Report.

GENERAL BODY MEETINGS: -

The Company convenes Annual General Meetings generally within 6 months of close of the Financial Year. The details of the Annual General Meeting held in last three years are as under: -

YEAR	DAY, DATE AND TIME	VENUE
2008-2009	24 th AGM held on 30 th September, 2009 at 9.00 a.m.	At the Registered Office of the Company at Plot No. 25,26,29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa – 403 511
2009-2010	25 th AGM held on 29 th September, 2010 at 9.00 a.m.	At the Registered Office of the Company at Plot No. 25,26,29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa – 403 511
2010-2011	26 th AGM held on 29 th September, 2011 at 9.00 a.m.	At the Registered Office of the Company at Plot No. 25,26,29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa – 403 511

(a) In addition to Annual General Meeting Company holds Extra Ordinary General Meetings of the shareholders as and when need arises.

(b) In ensuing 27th Annual General Meeting, no resolutions are proposed to be passed by postal Ballots.

DISCLOSURES:-

- (i) There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with the Company's interest.
- (ii) There are no pecuniary relationship or transactions of non-executive director's vis-à-vis the Company.
- (iii) Company had filed application for consent to SEBI for late filing Disclosures under Regulation 8(3) by the company. SEBI constituted committee which discussed the application on 29th February, 2012 and revised consent terms are filed with SEBI.

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MEANS OF COMMUNICATION:-

The quarterly, half yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board and these are published in newspapers namely Goadoot and Times Of India which is having wide coverage as required in the Listing Agreement.

GENERAL SHAREHOLDER INFORMATION:-

- **Registered Office :** **SANDU PHARMACEUTICALS LIMITED**
Plot No.25,26,29 &30, Pilerne Indl.Estate, Marra,
Bardez, Goa-403511.
- **Corporate Office :** **SANDU PHARMACEUTICALS LIMITED**
Sandu Nagar, D.K.Sandu Marg,
Chembur, Mumbai – 400 071.
- **Work Location :** **SANDU PHARMACEUTICALS LIMITED**
Plot No.25,26,29 &30, Pilerne Indl.
Estate, Marra, Bardez, Goa-403 511.
- **Share Transfer Agent :** Sharex (India) Private Limited,
Unit 1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,Andheri (East), Mumbai – 400 072.
Phone: (022)28515644/606 / Fax No. (022)285112885
E mail ID: sharexindia@vsnl.com

Compliance Officer-LEGAL, SECRETARIAL & INVESTOR GRIEVANCES : Miss Archana Bhangle

- **Annual General Meeting (Day, Date, Time & Venue):** Saturday, 29th September, 2012 at
9.00 a.m. at Plot No. 25, 26, 29 & 30, Pilerne Industrial
Estate, Marra, Bardez, Goa – 403 511.
- **Book Closure :** Friday, 14th September, 2012 to Saturday, 29th September, 2012.
- **Dividend Payment Date :** Not Applicable.
- **Listing on Stock Exchanges :** The Company's Equity Shares are listed on :-
- **Name of the Stock Exchange** **Stock Code**
Bombay Stock Exchange SAND - 524703
- **Listing Fees:** Company has paid Listing Fees for the financial year 2011- 2012
to Bombay Stock Exchange and has also paid the listing fees for theyear 2012-2013.
- **Market Price Data :-**

MONTH	MONTH'S HIGH PRICE (₹)	MONTH'S LOW PRICE (₹)
April, 2011	14.6	12.5
May, 2011	14.8	12.5
June, 2011	16.3	12.45
July, 2011	17.85	12.51
Aug, 2011	15.5	12
Sept. 2011	15.1	12.26
Oct. 2011	14.84	12.31
Nov. 2011	15.9	12.05
Dec. 2011	15.7	12.3
Jan. 2012	15.65	12
Feb. 2012	15.75	14.5
Mar. 2012	15.94	14.05

- **Distribution of Shareholding as on 30th June, 2012 :-**

Distribution	No. of Shareholders	% of Shareholders	Total Shares	% to Total
1-500	10184	90.58	1420909	20.07
501-1000	505	4.49	433054	6.12
1001-5000	487	4.33	1100469	15.54
5001-10000	35	0.31	252848	3.57
10001-100000	26	0.23	727905	10.28
100001 & Above	7	0.06	3145815	44.43
Total	11244	100	7081000	100

Sandu Pharmaceuticals Limited

- Shareholding Pattern:-**

CATEGORY		SHARES	PERCENTAGE OF SHAREHOLDING
1.	Promoters		
A)	Indian		
1)	Individual	2,228,100	31.466
2)	Bodies Corporate	957,590	13.523
B)	Foreign	-	-
2.	Institutional Investors	500	0.007
3.	Public & Others	3,894,810	55.004
		7081000	100.00

- Dematerialisation Shares:-**

Nearly 84% of total Equity Share Capital is held in dematerialised form with NSDL/CDSL.

- Demat ISIN numbers in NSDL & CDSL for Equity Shares :**

ISIN No. : INE 751D01014

- Share Transfer System:-**

Shares sent for transfer in physical form are registered and returned by our Registrar and Share Transfer Agent in appx. 20-25 days of receipt of the documents, provided documents received are found in order. Shares under objections are returned within 15-20 days. The Share Transfer Committee meets generally on fortnightly basis to consider the transfer proposals.

- Financial Calendar :- (tentative)**

Results for quarter ending 30 th June, 2012	14 th August, 2012
Results for quarter ending 30 th Sept, 2012	9 th November, 2012
Results for quarter ending 31 st Dec, 2013	14 th January, 2013
Results for quarter ending 31 st Mar, 2013	14 th April, 2013

DECLARATION

I hereby declare that all the directors and Senior Management personnel have as on 31st March, 2012 affirmed compliance of their respective Codes of Conduct adopted by the Company and confirmation to that effect has been given by each of them.

Place: Mumbai

Bhaskar G. Sandu

Date: 1st August, 2012

Chairman

Certification by the Chief Financial Officer under clause 49 of the Listing Agreement

To the Board of Directors of
Sandu Pharmaceuticals Limited

Dear Sirs,

- I have reviewed the financial statements and cash flow of Sandu Pharmaceuticals Limited for the year ended 31st March, 2012. And 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.
- 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.
- I accept responsibility for establishing and maintaining internal controls and I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, the steps they have taken to rectify these deficiencies.
- I have indicated to the auditors and the Audit committee
 - There are no significant changes in internal control during the year,
 - There are no significant changes in accounting policies during the year; and
 - There are no instances of significant fraud of which I have become aware and the involvement therein, of the management or an employee having a significant role in the company's internal control system.

Anil Govilkar
Chief Financial Officer

CERTIFICATE

To,
The Members of
SANDU PHARMACEUTICALS LIMITED

I have examined the compliance of conditions of Corporate Governance by Sandu Pharmaceuticals Limited, for the year ended on 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In my opinion and to the best of our information and according to the explanation given to us, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that no investor grievance is pending for the period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **JOSHI JOSHI & CO.**
Chartered Accountants
Firm Reg. No. 104393W

Place : Mumbai
Date : 16th August, 2012

M. M. JOSHI
Proprietor
M. No. 42466 of 89

AUDITORS REPORT

TO
THE MEMBER OF
SANDU PHARMACEUTICALS LIMITED

I have audited the attached Balance Sheet of Sandu Pharmaceuticals Limited as at 31st March 2012, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, Annexed thereto:-

1. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statements (b) assessing the accounting principles used in the preparation of financial statements (c) assessing significant estimates made by the management in the preparation of financial statements and (d) Evaluating overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, I give in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to my comments in the Annexure referred to in paragraph 3 above, I report that:
 - a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my Audit.
 - b) In my opinion proper books of account as required by law

have been kept by the Company so far, as appears from my examination of the books.

- c) Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by the report is in agreement with the Books of Accounts and comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- d) On the basis of the representations received from the Directors and the Company I report that none of the Directors are disqualified as on 31-3-2012 from being appointed as a Director of the Company as per section 274 (1) (g) of the Companies Act, 1956.
- e) In my opinion and to the best of my information and according to the explanations given to me the said account give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (I) In the case of the Balance sheet of the State of affairs of the company as at 31st March, 2012;
 - (II) In the case of Profit and Loss Account of the Profit for the year ended On that date; and
 - (III) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **JOSHI JOSHI & CO.**
Chartered Accountants
Firm Reg. No. 104393W

Place : Mumbai
Date : 16th August, 2012

M. M. JOSHI
Proprietor
M. No. 42466 of 89

ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBER OF SANDU PHARMACEUTICALS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4 -A) of the Companies Act 1956, I enclose in the Annexure a statement of the matters specified in paragraphs 4 and 5 of the said order to the extent applicable and based on such checks as I considered appropriate.

- | | |
|--|---|
| <p>1. a) Records of Fixed Assets giving full particulars including quantitative details & situation thereof are maintained by the Company.</p> <p>b) I have been informed that the Management has carried out physical verification of its fixed assets during the year and no discrepancies were noticed.</p> <p>c) Disposal of the Fixed Assets not being substantial part, hence not affected the going concern.</p> <p>2. a) I have been informed that Management has carried out physical verification of stock of Finished Goods, Traded Goods, stores, Spares and Raw Material at various intervals during the year. In my opinion, the frequency of verification is reasonable.</p> <p>b) In my opinion the procedures for physical verification of stock of materials followed by the Management are reasonable and adequate in relation to the size of the company and the nature of business.</p> <p>c) According to the information and explanations given to me, no material discrepancies have been noticed on physical verification of a stocks as compared to book records. There is a change in the business model of the company. It has opened several branches & stated selling goods directly to distributors & stockiest. It has also started trading activity. I have been informed that this has resulted in high stock levels.</p> <p>3. a) The Company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Advances received/paid and temporary debit/credit balances with related parties are not considered to be borrowing/lending.</p> <p>b) As mentioned above, since the Company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. The question of the rate of Interest & other terms & condition being prima facie prejudicial to the interest of the company doesn't arise.</p> <p>c & d) Since Company has neither borrowed nor lent any amount to parties covered U/s 301 of the Companies Act, 1956, the question of regular payment / repayment or taking reasonable steps of recovery does not arise.</p> <p>4. In my opinion, there are adequate internal control procedure which commensurate with the size of the company and its business for the purchase of raw materials, plant and machinery, equipment and other assets and with regard to the sale of goods.</p> <p>5.a)&b) In my opinion and according to the information and explanations given to me, the transactions of purchases/sale of goods/ services in pursuance of contracts or arrangement required to be entered in the Register maintained under Section 301 and aggregating during the year to ₹ 500000/- or more have been so entered and are made at prices having regard to prevailing market prices for such goods and industry norms.</p> <p>6. During the year under review the company has not accepted any deposit from the public attracting the provisions of Section 58A of the companies Act, 1956.</p> | <p>7. In my opinion, the company has a internal audit system, Commensurate with the size of the Company and the nature of its business.</p> <p>8. I have been informed that the Company is maintaining cost records as prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956.</p> <p>9. In my opinion the Company is regular in depositing undisputed statutory dues including Employees Provident Fund, Employees State Insurance dues, Income Tax, Sales Tax and Excise Duty with the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they become payable.</p> <p>10. The Company has no accumulated losses. The Company has not incurred cash losses in the financial year under report and in the financial year immediately preceding such financial year.</p> <p>11. According to the information and explanation given to me the company has not defaulted in repayment of dues to Financial Institutions & Banks.</p> <p>12. The Company has not granted Loans & Advances on the basis of security by way of pledge of shares/debentures or other securities and as such question of adequacy of documentation and record maintenance does not arise.</p> <p>13. The Company is not a chit fund, nidhi or mutual benefit society, hence the requirement of item XIII of para 4 of the order is not applicable to the Company.</p> <p>14. In my opinion the Company maintains proper records of dealing in shares & Securities. The company also maintains proper records of contracts, timely entries have been made therein and the investments have been held by the company in its own name.</p> <p>15. The Company has not given any guarantee for loans taken by others from bank or financial institutions.</p> <p>16. In my opinion and according to the information and explanations given to me, the term loan was applied for the purpose for which it was obtained.</p> <p>17. As per information and explanation given to me the funds raised on short term basis have not been used for long term investment or vice - versa.</p> <p>18. During the year the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of The Companies Act, 1956 .</p> <p>19. The Company has not issued any debenture, hence the requirement of item no.XIX of para 4 of the order is not applicable.</p> <p>20. The year under review money was not raised by public issue, hence the requirement of item no.XX of para 4 of the order is not applicable.</p> <p>21. According to the information and explanation given to me fraud on/or by the Company has not been noticed or reported during the year.</p> |
|--|---|

For **JOSHI JOSHI & CO.**
Chartered Accountants
Firm Reg. No. 104393W

Place : Mumbai
Date : 16th August, 2012

M. M. JOSHI
Proprietor
M. No. 42466 of 89

BALANCE SHEET AS AT 31 ST MARCH, 2012

	Note	AS AT 31st March, 2012 ₹	AS AT 31st March, 2011 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	70,810,000	70,810,000
(b) Reserves and surplus	4	98,531,906	93,694,602
		<u>169,341,906</u>	<u>164,504,602</u>
3 Non-current liabilities			
(a) Long-term borrowings	5	3,581,648	1,110,917
(b) Deferred tax liabilities (net)	6	8,500,818	4,894,623
		<u>12,082,466</u>	<u>6,005,540</u>
4 Current liabilities			
(a) Short-term borrowings	7	34,600,609	26,171,702
(b) Trade payables	8	18,053,773	8,882,645
(c) Other current liabilities	9	4,393,170	7,647,866
(d) Short-term provisions	10	17,487,150	7,312,084
		<u>74,534,702</u>	<u>50,014,297</u>
TOTAL		<u><u>255,959,074</u></u>	<u><u>220,524,439</u></u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	64,631,421	64,796,895
(ii) Capital work-in-progress		2,682,491	-
		<u>67,313,912</u>	<u>64,796,895</u>
(b) Non-current investments	12	6,762,202	6,112,202
		<u>74,076,114</u>	<u>70,909,097</u>
2 Current assets			
(a) Inventories	13	107,243,763	27,652,731
(b) Trade receivables	14	48,268,215	97,395,688
(c) Cash and cash equivalents	15	9,729,312	14,385,966
(d) Short-term loans and advances	16	16,641,670	10,180,958
		<u>181,882,960</u>	<u>149,615,343</u>
TOTAL		<u><u>255,959,074</u></u>	<u><u>220,524,439</u></u>

See accompanying notes forming part of the financial statements

As per my report attached to the Balance Sheet
JOSHI JOSHI & CO
 Chartered Accountants
 Firm Reg. No. 104393W

For and on behalf of the Board of Directors

M. M. JOSHI
 Proprietor
 M.No.:42466 of 89
 MUMBAI, 16th August, 2012

B. G. SANDU
 Chairman

S.B.SANDU
 Director

UMESH B. SANDU
 Managing Director & Company Secretary
 MUMBAI, 1st August, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

	Note No.	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
CONTINUING OPERATIONS			
1			
Revenue from operations (gross)	17	315,622,239	216,752,289
Less: Excise duty	17	3,177,085	883,782
Revenue from operations (net)		<u>312,445,154</u>	<u>215,868,507</u>
2			
Other income	18	2,433,768	1,804,709
3			
Total revenue (1+2)		<u>314,878,922</u>	<u>217,673,216</u>
4			
Expenses			
(a) Cost of materials consumed	19.a	45,002,181	53,330,313
(b) Cost of sales of traded goods	19.b	121,538,295	0
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19.c	(8,876,499)	5,832,049
(d) Employee benefits expense	20	23,944,084	5,437,906
(e) Finance costs	21	5,247,196	3,889,758
(f) Depreciation and amortisation expense	11	4,344,471	3,741,753
(g) Other expenses	22	112,485,695	134,846,486
Total expenses		<u>303,685,423</u>	<u>207,078,265</u>
5			
Profit / (Loss) before extraordinary items and tax (3 + 4)		<u>11,193,499</u>	<u>10,594,951</u>
6			
Tax expense:			
(a) Current tax expense for current year		2,750,000	2,500,000
(b) Net current tax expense		2,750,000	2,500,000
(c) Deferred tax		3,606,195	(60,430)
		<u>6,356,195</u>	<u>2,439,570</u>
7			
Profit / (Loss) for the year (5 + 6)		<u>4,837,304</u>	<u>8,155,381</u>
8			
Earnings per share (of 10/- each):			
(a) Basic			
(i) Continuing operations	26	0.68	1.15
(ii) Total operations	26	0.68	1.15

See accompanying notes forming part of the financial statements

As per my report attached to the Balance Sheet
JOSHI JOSHI & CO
Chartered Accountants
Firm Reg. No. 104393W

For and on behalf of the Board of Directors

B. G. SANDU
Chairman

S.B.SANDU
Director

M. M. JOSHI
Proprietor
M.No.:42466 of 89
MUMBAI, 16th August, 2012

UMESH B. SANDU
Managing Director & Company Secretary
MUMBAI, 1st August, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ in lacs 2011-2012	₹ in lacs 2010-2011
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	111.93	105.95
<i>Adjustments for:</i>		
Depreciation and amortisation	43.44	37.42
Finance costs	52.47	38.90
Interest income	(12.21)	(8.91)
Dividend income	(2.73)	(2.97)
Other non operating Income	(9.40)	0.00
Net (gain) / loss on sale of investments	<u>0.00</u>	<u>2.87</u>
	71.58	67.30
Operating profit / (loss) before working capital changes	183.51	173.25
<i>Changes in working capital:</i>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(795.91)	10.28
Trade receivables	491.27	(155.44)
Short-term loans and advances	(64.61)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	91.71	116.49
Other current liabilities	51.74	0.00
Short-term provisions	<u>101.75</u>	<u>0.00</u>
	(124.04)	(28.67)
Cash generated from operations	59.48	144.58
Interest Paid	0.00	0.00
Net income tax (paid) / refunds	<u>(27.50)</u>	<u>(25.00)</u>
Net cash flow from / (used in) operating activities (A)	31.98	119.58
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(68.62)	(34.59)
Current investments not considered as Cash and cash equivalents		
- Purchased	(6.50)	(20.78)
- Proceeds from sale	0.00	(2.87)
Interest received	12.21	8.91
Dividend received	2.73	2.97
Rental income from investment properties	<u>9.40</u>	<u>0.00</u>
	(50.78)	(46.36)
Net cash flow from / (used in) investing activities (B)	(50.78)	(46.36)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	24.71	0.00
Repayment of long-term borrowings	0.00	(29.67)
Finance cost	<u>(52.47)</u>	<u>(38.90)</u>
	(27.76)	(68.57)
Cash flow from extraordinary items		
Net cash flow from / (used in) financing activities (C)	(27.76)	(68.57)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(46.57)	4.65
Cash and cash equivalents at the beginning of the year	143.85	139.20
Cash and cash equivalents at the end of the year	97.28	143.85

As per my report attached to the Balance Sheet

JOSHI JOSHI & CO

Chartered Accountants

Firm Reg. No. 104393W

M. M. JOSHI

Proprietor

M.No.:42466 of 89

MUMBAI, 16th August, 2012

For and on behalf of the Board of Directors

B. G. SANDU

Chairman

S.B.SANDU

Director

UMESH B. SANDU

Managing Director & Company Secretary

MUMBAI, 1st August, 2012

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note Particulars

1 Corporate information

Sandu Pharmaceuticals is an ISO 9001:2000 Certified Company. It was established in the year 1997. The company specializing in manufacture and marketing of Ayurvedic medicines. It has acquired a unique position and reputation as a leading enterprise in the field of Ayurved. The company manufactures quality Ayurvedic products and has acquired a unique position and reputation as a leading enterprise in the field of Ayurved. During the year it has opened several sales outlets & started selling goods directly to distributors & stockiest.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

The Stock of packing material, raw material and finished goods have been valued at cost or net realisable value whichever is lower. The method adopted for valuation of finished goods is retail method of valuation envisaged in AS 2 issued by the ICAI. Under this method cost of the inventory is determined by reducing from the sales value of the inventory the appropriate percentage gross margin. The Company has valued finished goods at percentage of sale price. In view of non availability of the realisable value Stock of work-in-progress is valued at cost. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and where applicable, excise duty.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

Leasehold land is stated at cost

Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalisation

2.7 Revenue recognition

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.9 Tangible fixed assets

Fixed assets, except Leasehold Land are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.11 Employee benefits

Employee benefits include provident fund, gratuity fund, compensated absences.

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under : (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.12 Loans & Advances:

Loans & Advances include loans to companies amounting to ₹23,27,314/- against which the company has instituted suit for recovery and the management is in confident of recovery.

2.13 Borrowing costs

Borrowing costs include interest, and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.14 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The Company is presently operating in single segment.

2.15 As regards to compliance of provision relating to the dues to the Small Scale Industries in terms to the companies(Amendment) Act, 1998, the Company has not received from any parties claim to be Small Scale Industries. Hence, the said information not given.

2.16 Balance of sundry creditors, loans and advances to the companies are subject to confirmation.

2.17 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, and interest by the weighted average number of equity shares outstanding during the year.

2.18 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

2.19 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

Contingent Liabilities not provided for in respect of:

Claims under adjudication / Litigation not acknowledged as debts:

	2012	2011
Income Tax	200.50 Lacs	-----
Others	0.40 Lacs	-----

2.20 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 Share Capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
(a) Authorised				
Equity shares of ₹10/- each with voting rights	10,000,000	100,000,000	8,000,000	80,000,000
(b) ISSUED, SUBSCRIBED & PAID-UP CAPITAL				
7081000 Equity shares of ₹10/- each fully paid-up.	7,081,000	70,810,000	7,081,000	70,810,000
Total	7,081,000	70,810,000	7,081,000	70,810,000

Notes: (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Closing Balance
Equity shares with voting rights		
Year ended 31 March, 2012		
- Number of shares	7,081,000	7,081,000
- Amount (₹)	70,810,000	70,810,000
Year ended 31 March, 2011		
- Number of shares	7,081,000	7,081,000
- Amount (₹)	70,810,000	70,810,000

Notes: Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
FIELDGATE ENTERPRISES LTD	0	0	1714000	27.21%
JAYSHREE BHASKER SANDU	1975100	27.89%	N.A.	N.A.
SANMARK REALTY AND FINANCE PRIVATE LTD.	543930	7.68%	543930	7.68%

Particulars	As at 31 March, 2012 Amount (₹)	As at 31 March, 2011 Amount (₹)
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Note 4 Reserves and surplus

(a) Capital reserve		
Opening balance	2,600,000	2,600,000
Closing balance	2,600,000	2,600,000
(b) General reserve		
Opening balance	91,094,602	82,939,221
Add: Transferred from surplus in Statement of Profit and Loss	4,837,304	8,155,381
Closing balance	95,931,906	91,094,602
Closing balance	<u>98,531,906</u>	<u>93,694,602</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March, 2012 Amount (₹)	As at 31 March, 2011 Amount (₹)
Note 5 Long-term borrowings		
(b) Term loans		
From banks		
Dena Bank	2,693,691	0
[Secured by hypothecation of stocks, Debtors & personal guarantee of Directors]		
From Financial Institution	887,957	1,110,917
Tata Capital Ltd.		
[Secured by hypothecation of Vehicle]		
	<u>3,581,648</u>	<u>1,110,917</u>
Total	<u><u>3,581,648</u></u>	<u><u>1,110,917</u></u>
Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:		
Note 6 Disclosures under Accounting Standards		
Deferred tax (liability) / asset		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	8,769,306	4,686,651
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	268,488	207,972
Net deferred tax (liability) / asset	<u><u>8,500,818</u></u>	<u><u>4,894,623</u></u>
Note 7 Short-term borrowings		
(a) Loans repayable on demand		
From banks		
Secured	34,600,609	26,171,702
	<u>34,600,609</u>	<u>26,171,702</u>
Total	<u><u>34,600,609</u></u>	<u><u>26,171,702</u></u>
Note 8 Trade payables		
Trade payables:	18,053,773	8,882,645
Total	<u><u>18,053,773</u></u>	<u><u>8,882,645</u></u>
Note 9 Other current liabilities		
Other payables		
(i) Book overdraft	2,747,168	7,489,208
(ii) Statutory remittances	705,001	158,658
(iii) Trade / security deposits received	941,001	-
Total	<u><u>4,393,170</u></u>	<u><u>76,478,66</u></u>
Note 10 Short-term provisions		
(a) Provision for employee benefits:		
(i) Provision for salaries & bonus	8,123,256	894,034
(ii) Provision for gratuity (net)	868,894	673,050
	8,992,150	1,567,084
(b) Provision - Others:		
- Provision for tax	8,495,000	5,745,000
Total	<u><u>17,487,150</u></u>	<u><u>7,312,084</u></u>

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Note 11 Fixed assets

A. Tangible assets	Gross block			Accumulated depreciation and impairment			Net block	
	Balance as at 1 April, 2011	Additions	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation / amortisation expense for the year	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
(a) Land Leasehold	5,619,529		5,619,529	-	-	-	5,619,529	5,619,529
(b) Buildings	56,914,795	1,033,035	57,947,830	17,174,771	1,912,836	19,087,607	38,860,224	39,740,024
(c) Plant and Equipment	29,690,567	613,029	30,303,596	13,860,828	1,451,068	15,311,896	14,991,700	15,829,739
(d) Furniture and Fixtures	1,101,896	189,279	1,291,175	745,918	84,028	829,946	461,229	355,978
(e) Vehicles	2,233,901	-	2,233,901	758,394	106,110	864,504	1,369,397	1,475,507
(f) Office equipment	2,556,890	2,343,653	4,900,543	1,846,985	673,301	2,520,286	2,380,257	709,905
(h) Electrical Installation	2,216,143	-	2,216,143	1,256,276	105,267	1,361,543	854,600	959,867
(i) Tools and Dyes	249,707	-	249,707	143,361	11,861	155,222	94,485	106,346
Total	100,583,428	4,178,996	104,762,424	35,786,533	4,344,471	40,131,004	64,631,421	64,796,895
Previous year	97,124,513	3,458,915	100,583,428	32,044,781	3,741,753	35,786,534	64,796,895	65,079,732

Note 12 Non-current investments

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted Amount (₹)	Unquoted Amount (₹)	Total Amount (₹)	Quoted Amount (₹)	Unquoted Amount (₹)	Total Amount (₹)
<u>Other investments</u>						
(a) Investment in equity instruments	1,724,677	20,000	1,744,677	1,724,677	20,000	1,744,677
(b) Investment in mutual funds	5,017,525	-	5,017,525	4,367,525	-	4,367,525
Total - Other investments	6,742,202	20,000	6,762,202	6,092,202	20,000	6,112,202
Total			6,762,202			6,112,202

Sandu Pharmaceuticals Limited

Investments:

Investments are valued at cost. The details are as follows:-

Purchase and sale/redemption of investments during the year:

Description	Face Value (₹)	Opening Balance as on 01.04.2011		Acquisition		Closing Balance as on 31.03.2012		Closing Balance as on 31.03.2011
		Nos.	Amount (In ₹)	Nos.	Amount (In ₹)	Nos.	Amount (In ₹)	Amount (In ₹)
Equity Shares: (Quoted)								
Kerala Ayurveda Ltd.	10	300	20,930	-	-	300	20,930	20,930
Powergrid Corporation of India Ltd.	10	1,715	167,814	-	-	1,715	167,814	167,814
Tata Chemicals Ltd.	10	500	162,189	-	-	500	162,189	162,189
The Indian Hotels Company Ltd.	1	3,943	324,276	-	-	3,943	324,276	324,276
NTPC Ltd.	10	300	52,737	-	-	300	52,737	52,737
PTC India Ltd.	10	500	40,805	-	-	500	40,805	40,805
Indraprastha Medical Corporation Ltd.	10	5,000	241,013	-	-	5,000	241,013	241,013
Kamat Hotels (India) Ltd.	10	1,850	224,756	-	-	1,850	224,756	224,756
NHPC Ltd.	10	5,000	178,424	-	-	5,000	178,424	178,424
Nagarjuna Fertilizers and Chemicals Ltd.	10	500	13,155	50	-	550	13,155	13,155
Nagarjuna Oil Refinery	1	-	-	500	-	500	-	-
Goa Carbon Ltd.	10	4,000	298,578	-	-	4,000	298,578	298,578
Total Investment in Equity Instruments			1,724,677				1,724,677	1,724,677
Units of Schemes of Various Funds: (Quoted)								
HDFC Top 200 Fund - Dividend, Option ; Reinvest		13,341	621,892	1,050	50,000	14,391	671,892	621,892
Reliance Vision Fund -Retail Plan -Dividend Plan		13,137	575,000	2,566	100,000	15,703	675,000	575,000
Reliance Regular Savings Fund -Equity Plan-Dividend Plan		24,541	575,000	378	100,000	24,919	675,000	575,000
Reliance Regular Savings Fund -Equity Plan-Growth Plan		-	-	911	25,000	911	25,000	-
Sundaram Select Midcap - Dividend		35,120	575,000	1,436	25,000	36,556	600,000	575,000
DSP Black Rock India T.I.G.E.R.Fund-Regular Dividend Plan		30,442	574,649	4,428	75,000	34,870	649,649	574,649
IDFC Premier Equity Fund-Dividend Plan		10,591	275,000	4,240	100,000	14,831	375,000	275,000
Kotak Opportunities - Dividend		19,278	275,000	-	-	19,278	275,000	275,000
Kotak Opportunities - Growth		5,927	275,000	2,230	100,000	8,157	375,000	275,000
HDFC Equity Fund - Dividend , Option ; Reinvest		13,054	620,984	1,606	75,000	14,660	695,984	620,984
Total of Investment in Mutual Funds			4,367,525		650,000		5,017,525	4,367,525
Equity Shares: (Unquoted)								
The Shamrao Vithal Co-op.Bank Ltd.	10	400	10,000	-	-	400	10,000	10,000
Unived Corporate Research Pvt.Ltd.	10	1,000	10,000	-	-	1,000	10,000	10,000
Total Unquoted Equity Shares			20,000.00				20,000	20,000
Total Investments			6,112,202.00		650,000		6,762,202	6,112,202

* Note: Demerger of "Oil Business Undertaking" of Nagarjuna Fertilizers and Chemicals Ltd.(NFCL) into Nagarjuna Oil Refinery Ltd.(NORL). In consideration of the transfer and vesting of the "Oil Business Undertaking" of NFCL in NORL; NORL had issued and allotted equity shares in ratio of 1 (one) fully paid up equity share of Rs.1/- each of NORL for every 1 (one) fully paid up equity shares of Rs.10/- each held in NFCL.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March, 2012 Amount (₹)	As at 31 March, 2011 Amount (₹)
Note 13 Inventories (At lower of cost and net realisable value)		
(a) Raw materials	19,651,398	13,013,413
(b) Work-in-progress	3,099,422	9,586,339
(c) Finished goods	20,416,395	4,929,350
(d) Stock-in-trade (acquired for trading)	64,076,548	0
(e) Others	0	123,629
Total	107,243,763	27,652,731
Note 14 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	18,276,873	39,807,050
Other Trade receivables		
Secured, considered good	29,991,342	57,588,638
Total	48,268,215	97,395,688
Note 15 Cash and cash equivalents		
(a) Cash on hand	170,982	100,795
(b) Balances with banks		
(i) In current accounts	1,689,364	807,972
(ii) In deposit accounts	7,868,965	13,477,199
Total	9,729,312	14,385,966
Note 16 Short-term loans and advances		
(a) Security deposits		
Secured, considered good	104,864	138,610
Unsecured, considered good	206,321	204,200
(b) Loans and advances to employees		
Secured, considered good	408,643	769,167
(c) Prepaid expenses - Unsecured, considered good	106,939	62,796
(d) Balances with government authorities	13,487,589	6,678,871
(e) Others (Loans to Companies)		
Unsecured, considered good	2,327,314	2,327,314
Total	16,641,670	10,180,958

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31 March, 2012 Amount (₹)	For the year ended 31 March, 2011 Amount (₹)
Note 17 Revenue from operations		
(a) Sale of products	315,622,239	216,752,289
Less:		
(b) Excise duty	3,177,085	883,782
Total	312,445,154	215,868,507
Note :		
Sale of products comprises		
Manufactured goods	125,167,101	215,868,507
Traded goods	187,278,053	-
Total - Sale of products	312,445,154	215,868,507

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31 March, 2012 Amount (₹)	For the year ended 31 March, 2011 Amount (₹)
Note 18 Other income		
(a) Interest income (Refer Note No.(i) below)	1,221,403	891,444
(b) Dividend income:		
from current investments	272,718	297,106
(c) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	939,648	616,159
Total	2,433,768	1,804,709
Note : i		
Interest income comprises:		
Interest from banks on:		
deposits	1,221,403	891,444
Total - Interest income	1,221,403	891,444
Note : ii		
Other non-operating income comprises:		
Treatment Charges	465,000	603,000
Sale Promotion Recovery	209,576	-
VAT Defferment Scheme	233,204	-
Misc Sales	31,895	13,159
Total - Other non-operating income	939,675	616,159
Note 19.a Cost of materials consumed		
Opening stock	13,013,413	8,209,581
Add: Purchases	51,640,166	58,134,145
	64,653,579	66,343,726
Less: Closing stock	19,651,398	13,013,413
Cost of material consumed	45,002,181	53,330,313
Material consumed comprises:		
Crude Drugs	10,998,647	19,938,588
Sugar	7,372,536	6,469,022
Others	26,630,998	26,922,703
Other items	-	123,629
Total	45,002,181	53,453,942
Note 19.b Cost of traded goods		
Opening stock of traded goods	-	-
Add: Purchases of traded goods	185,614,844	-
	185,614,844	-
Less: Closing stock of traded goods	64,076,548	-
Total	121,538,295	-

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31 March, 2012 Amount (₹)	For the year ended 31 March, 2011 Amount (₹)
Note 19.c Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year:		
Finished goods	20,416,395	4,929,350
Work-in-progress	3,099,422	9,586,339
Others	-	123,629
	23,515,817	14,639,318
Inventories at the beginning of the year:		
Finished goods	4,929,350	9,624,483
Work-in-progress	9,586,339	10,565,335
Others	123,629	281,549
	14,639,318	20,471,367
Net (increase) / decrease	(8,876,499)	5,832,049
Note 20 Employee benefits expense		
Salaries and wages	20,871,159	3,934,208
Contributions to provident and other funds	1,446,136	346,254
Staff welfare expenses	1,626,789	1,157,444
Total	23,944,084	5,437,906
Note 21 Finance costs		
(a) Interest expense on:		
- Borrowings	4,736,121	3,395,282
- Vehicle Loan	98,465	34,542
- Security Deposits	46,922	-
(b) Bank Charges	365,688	459,934
Total	5,247,196	3,889,758
Note 22 Other expenses		
Power and fuel	3,812,441	3,072,350
Rent	1,172,157	818,824
Repairs and maintenance - Buildings	939,260	952,619
Repairs and maintenance - Machinery	1,235,076	2,183,155
Repairs and maintenance - Others	205,118	299,422
Rates and taxes	779,901	558,933
Travelling and conveyance	24,038,713	3,733,643
Printing and stationery	608,869	252,845
Freight and forwarding	19,734,091	4,843,216
Sales discount	38,507,980	110,533,754
Business promotion	13,302,251	955,356
Legal and professional	2,523,560	798,109
Payments to auditors (See Note Below)	89,888	77,210
Amortisation of share issue expenses and discount on shares	140,000	-
Loss on fixed assets sold / scrapped / written off	-	286,835
Miscellaneous expenses	5,396,390	5,480,215
Total	112,485,695	134,846,486

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31 March, 2012 Amount (₹)	For the year ended 31 March, 2011 Amount (₹)
NOTE		
Payments to the auditors comprises		
As auditors - statutory audit	50,000	40,000
For taxation matters	15,000	15,000
For other services	15,000	15,000
	80,000	70,000
Service Tax	9,888	7,210
Total	89,888	77,210

Note 23 Disclosures under Accounting Standards (contd.)**Employee benefit plans**Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹7,86,206 (Year ended 31 March, 2011 ₹2,78,880) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

- i. Gratuity: On the basis of actuarial valuation the Company has recognised Gratuity Liability of ₹195,844/-

Note 24 Details of borrowing costs:

Borrowing costs are directly debited to Profit & Loss account

Note 25 Disclosures under Accounting Standards

Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr.Umesh B.Sandu - Managing Director
Relatives of KMP	Mr B G. Sandu, Mr Shashank Sandu
Companies in which KMP / Relatives of KMP can exercise significant influence	AKSHATH FINVEST & PROPERTIES PVT.LTD. ASCENT MANAGEMENT SERVICE NEELAMBER LEASING AND FINVEST PVT.LTD NOUMURA REALTY & CONSTRUCTIONS PVT.LTD PHYBRICHEM ENGINEERS PVT.LTD SANBERT PACKAGING PVT.LTD SANBRO MARKETING SERVICES PVT.LTD SANDU BROTHERS PVT.LTD SANDU RESEARCH FOUNDATION PVT.LTD SANMARK REALTY AND FINANCE PVT.LTD

Note: Related parties have been identified by the Management.

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Details of related party transactions during the year ended 31 March, 2012

	KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Purchase & Sale of goods		167,835,208	167,835,208
- Sandu Brothers Pvt Ltd		(209,304,128)	(209,304,128)
Others (Receiving of Services)		3,200,000	3,200,000
		(1,945,112)	(1,945,112)
Remuneration Paid to Directors			
- Umesh B. Sandu	1,200,000	0	1,200,000
	(1,269,320)	0	(1,269,320)

Note: Figures in bracket relates to the previous year

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31 March, 2012 Amount (₹)	For the year ended 31 March, 2011 Amount (₹)
Note 26 Revenue from operations		
Earnings per share		
Basic		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	4,837,304	8,155,381
Less: Preference dividend and tax thereon		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	4,837,304	8,155,381
Weighted average number of equity shares	7,081,000	7,081,000
Par value per share	10	10
Earnings per share from continuing operations - Basic	0.68	1.15
<u>Total operations</u>		
Net profit / (loss) for the year	4,837,304	8,155,381
Less: Preference dividend and tax thereon		
Net profit / (loss) for the year attributable to the equity shareholders	4,837,304	8,155,381
Weighted average number of equity shares	7,081,000	7,081,000
Par value per share	10	10
Earnings per share - Basic	0.68	1.15

Note 27 Previous year's figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.



SANDU PHARMACEUTICALS LTD.

Registered Office : Plot No. 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa - 403 511.

ATTENDANCE SLIP

(Please present this slip at the entrance of the Meeting Venue)

Regd. Folio No./DPID No./Client ID No. No. of Shares

I hereby record my presence at the 27th ANNUAL GENERAL MEETING of the Company held on **Saturday, 29th September, 2012** at 9.00 a.m. at Plot No. 25, 26, 29 & 30, Pilerne Indl. Estate, Marra, Bardez, Goa - 403 511.

Full Name of Member (In Block Letters)-----

Full Name of Proxy (In Block Letters)-----

Member's / Proxy's Signature -----

Note : To be signed and handed over at the Meeting Venue -----

Tear Here



SANDU PHARMACEUTICALS LTD.

Registered Office : Plot No. 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa - 403 511.

PROXY FORM

Regd. Folio No./DPID No./Client ID No. No. of Shares

I/We of
..... in the district of
..... being member(s) of the above named Company,
hereby appoint
of in the district of or
failing him of
..... in the district of

as my / our proxy to vote for me / us on my / our behalf at the 27th ANNUAL GENERAL MEETING of the Company held on **Saturday, 29th September, 2012 at 9.00 a.m.** at Plot No. 25, 26, 29 & 30, Pilerne Indl. Estate, Marra, Bardez, Goa - 403 511.

Signed this day of 2012.

Please
affix
Revenue
Stamp

Note : The Proxy Form duly completed should be deposited at the Registered Office of the Company mentioned above not later than 48 (Forty Eight) hours before the time fixed for holding the Meeting.

Book-Post



SANDU PHARMACEUTICALS LIMITED

Registered Office:

Plot No.25, 26, 29 & 30, Pilerne Industrial Estate,
Marra, Bardez, Goa - 403 511