



# 31<sup>st</sup> Annual Report

## 2015 - 2016





To,  
The Members/Shareholders of  
**Sandu Pharmaceuticals Limited.**

As you are aware that the Government of India has already made it compulsory/mandatory for anyone for buying and selling of shares in Demat form only. From our record we find that you continue to hold our Company's shares in your portfolio in physical form, kindly note that the shares held in physical form can be stolen/damaged/or defaced by any person knowingly or unknowingly. In case you intend to sell/transfer/transmit your shares in future it will be very easy and convenient to do that if the said shares are held in Demat form. The procedure for converting shares from physical to Demat form is very simple, convenient and cost effective. In case at some point if you intend to sell your existing shares you will not be permitted, as you will have to undergo the whole process for converting your shares from physical to Demat form. Hence we request and appeal to you to get your shares converted into Demat form. For your convenience Company has appointed RTA whose name, address and details are mentioned below.

Registrar and Share Transfer Agents:  
**M/s Sharex Dynamic (India) Pvt Ltd**  
Unit 1, Luthra Industrial Premises  
Andheri (East), Mumbai-400 072  
Tel: 022-28515606  
E-mail- sharexindia@vsnl.com

We once again request you to get your shares transferred from existing physical form to Demat.

With warm regards

By order of Board of Directors  
for **Sandu Pharmaceuticals Limited**

sd/-  
**Pratika V. Shenvi Dessai**  
Company Secretary

**Corporate Information**

**CIN** : L24233GA1985PLC001587  
**Website** : www.sandu.in  
**Email Id** : corp.sec@sandu.in  
**Contact No** : +91 832 2407474/ 6715000

**Registrar and Share Transfer Agent**

M/s Sharex Dynamic (India) Pvt. Ltd  
 Unit 1, Luthra Industrial Premises  
 Andheri (East), Mumbai-400 072  
 Tel: 022-2851560/ 22641376 /22702485/ 28515644  
 E-mail: sharexindia@vsnl.com

**BOARD OF DIRECTORS**

Bhaskar G. Sandu (DIN: 02816792)  
 Dilip R. Salgaocar (DIN: 00044240)  
 Dr. Krishna B. Deshpande (DIN: 06557518)  
 Dr. Mrs. Shubhada P. Sandu (DIN: 07148834)  
 Dr. Madan L. Kapre (DIN: 03113515)  
 K. Vinay Kumar (DIN: 02322747)  
 Shashank B. Sandu (DIN: 00678098)  
 Umesh B. Sandu (DIN: 01132141)

**ADDRESS**

**Registered Office**

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

**Corporate Office**

Sandu Pharmaceuticals Limited  
 Sandu Nagar,  
 D.K. Sandu Marg, Chembur,  
 Mumbai 400 071

**ISNI**

INE: 751D01014 (DEMAT)

**BOARD COMMITTEES**

**Audit Committee**

K. Vinay Kumar  
 Dilip R Salgaocar  
 Dr Madan L Kapre  
 Umesh B Sandu

**Nomination and Remuneration Committee**

Dr Madan L Kapre  
 Dilip R Salgaocar  
 K. Vinay Kumar  
 Bhaskar G Sandu

**Stakeholders Relationship Committee**

Bhaskar G Sandu  
 Dr Madan L Kapre  
 Umesh B Sandu

**COMPANY SECRETARY**

Pratika V. Shenvi Desai

**CHIEF FINANCIAL OFFICER**

Nikesh Shah

**AUDITORS STATUTORY AUDITOR**

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

**SECRETARIAL AUDITOR**

Bharkumar K Pomai  
 S-6,Jerome's Complex  
 Verla-Canca, Mapusa  
 Bardez,North Goa 403507

**SOLICITORS & ADVOCATES**

M/s Madekar & Co  
 84, Engineer House, 1st Floor,  
 Mumbai Samachar Marg,

**INTERNAL AUDITORS**

M/s N. J. Prabhudesai &  
 Associates-Panaji Goa  
 M/s Lalit Gawde &  
 Associates-Mumbai

**BANKERS**

Dena Bank  
 Chembur Branch, Mani Bhavan, Sion  
 Trombay Road, Chembur, Mumbai 400071

<b>31st ANNUAL GENERAL MEETING</b>	
Date :	Friday, 30th September 2016
Time :	9.00 am
Venue :	Plot No 25, 26, 29 & 30, Pilerne Industrial Estate, Marra Bardez, Goa 403511

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## NOTICE

**NOTICE** is hereby given that the 31st ANNUAL GENERAL MEETING of Sandu Pharmaceuticals Limited (CIN: L24233GA1985PLC001587) will be held on Friday, 30th September, 2016 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 403511 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri. Shashank B. Sandu, (DIN: 00678098) who retires by rotation in compliance with the provisions of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. **Appointment of Statutory Auditors**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force M/s Dileep and Prithvi, Chartered Accountants, Mumbai having ICAI Firm Registration No. 122290W who have offered themselves for Appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby Appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised

to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution”.

### SPECIAL BUSINESS

#### 4. **Approval of material related party transaction:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Ordinary Resolution.

**“RESOLVED THAT** pursuant to the provisions of Regulation 23(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Regulations, 2015] and the relevant provisions of the Companies Act, 2013 read with related rules thereto, subject to the provisions of any other law as may be applicable and other approvals as may be necessary, consent of the company be and is hereby accorded for availing or rendering of any services with Sandu Brothers Private Limited [“a Related Party” in terms of Regulation 2(zb) of SEBI Regulation 2015] as per contracts / arrangements as tabled before the meeting in the ordinary course of business and also at arm’s length basis for a sum not exceeding ₹50 Crores per annum for the period commencing from 01st April 2014 to 01st March 2019, till the termination of the said arrangement or any modification in the terms thereto.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof, and finalizing and executing necessary documents, including contracts, schemes, agreements and such other documents, file applications and make representations in respect thereto and finalizing and executing necessary documents, including contracts, schemes, agreements and such other documents, file applications in respect thereto and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without

being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall deemed to have given their approval thereto expressly by the authority of this resolution.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer, Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution(s).”

**5. Service of Documents on Members**

**To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Ordinary Resolution:-**

“**RESOLVED THAT** pursuant to provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any member by the company by sending it to him by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed, the consent of the company be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the shareholder for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the company at least one week in advance of the dispatch of document by the company and that no such request shall be entertained by the company post the dispatch of such document by the company to the shareholder.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, directors or key managerial personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds matters and things as may be necessary,

proper or desirable or expedient to give effect to the above resolution.

By order of Board of Directors  
for **Sandu Pharmaceuticals Limited**

sd/-  
**Pratika V. Shenvi Dessai**  
Company Secretary

Dated: 30th May 2016  
Place: Mumbai

**Registered Office:**

Sandu Pharmaceuticals Limited  
Plot No.25, 26, 29 & 30  
Pilerne Industrial Estate, Marra  
Bardez, Goa- 403 511  
CIN: L24233GA1985PLC001587  
Tel: +91 832 2407474/ 6715000  
Fax:+ 022-25282403  
Email: corp.sec@sandu.in

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**  
Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time for holding the Meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of

the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

3. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on the date of the AGM.
5. As required under Regulation 36(3) of SEBI(Listing Obligations and Disclosure Requirements)Regulations 2015 of the Stock Exchange the relevant details of Directors seeking Appointment/Re-appointment at the ensuing Annual General Meeting are given in the notice of the Annual General Meeting
6. Shareholders can register their complaints, if any, on an exclusive e-mail id: **corp.sec@sandu.in** which has been designated for the said purpose.
7. The shareholders are expected to send their queries on annual report to the Company Secretary, atleast 7 days before the date of meeting, so that the requisite information/ explanations can be provided in time.
8. The Register of Members and Share Transfer Books will remain closed from **Friday, 23rd September 2016 to Friday, 30th September 2016** (both days inclusive).
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its Registrars and Transfer Agents,  
M/s Sharex Dynamic (India) Pvt Ltd  
Unit 1, Luthra Industrial Premises,  
Andheri (East), Mumbai- 400 072.  
Tel No: 022-2851560/ 22641376 / 22702485/  
28515644  
E-mail:sharexindia@vsnl.com
10. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in Demat form, the nomination form may be filed with the respective DP.
11. The Securities Exchange Board of India (SEBI) vide its earlier circulars have made the Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction. Members are requested to submit the PAN details to their Depository Participant (DP) in case of holding in dematerialized form or the Company's Registrar and Share Transfer Agents in case of holdings in physical form, mentioning the correct folio number.
12. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in Demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.**
13. The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at www.sandu.in and also on website of the respective Stock Exchanges. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company

or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

14. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
15. Members / Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
16. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.
17. Remote Evoting

Voting Options:-

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and read with Regulation 44 of SEBI (LODR) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 31st Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository India Limited (CDSL).

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Tuesday 27th September 2016 and ends on Thursday 29th September 2016 During this period

shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 22nd September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>



Dividend Bk Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>
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- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Sandu Pharmaceuticals Limited (Company Name) on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk. [evoting@cdslindia.com](mailto:evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to helpdesk. [evoting@cdslindia.com](mailto:evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the

Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## II. VOTING THROUGH BALLOT

For the benefit of Members who do not have access to e-voting facility a Ballot form is being sent along with the notice of the AGM, to enable them to send their assent or dissent by post. Members may send the duly completed Ballot Forms so as to reach the Scrutinizers at the Registrar’s Office of the Company not later than 28TH September 2016 at 5.00 p.m. Ballot Forms received after this date will be treated as invalid.

## III. VOTING AT AGM :-

The members who have not casted their votes electronically, can exercise their voting rights at the AGM through Ballot.

### Other Instructions

1. If votes are casting electronically and also by attending Annual General Meeting , then votes casted electronically will prevail.
2. The Company has appointed CS Kritika Saterdekar, Practicing Company Secretary, to act as the Scrutinizer. The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the Meeting unblock the votes in presence of atleast two witnesses (not in the employment of the Company) and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Managing Director.
3. The Results shall be declared after the Annual General Meeting of the Company. The results declared along with the Scrutinizer’s Report shall be placed on the company’s website [www.sandu.in](http://www.sandu.in) and on the website

of CDSL [www.evotingindia.com](http://www.evotingindia.com) within two (2) days of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to BSE Limited and Ahmedabad Stock Exchange where the shares of the Company are listed.

4. Subjected to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of Annual General Meeting i.e 30th September 2016.

**For Sandu Pharmaceuticals Limited  
By order of Board of Directors**

sd/-  
**Pratika V. Shenvi Dessai**  
Company Secretary

Dated: 30th May 2016.  
Place: Mumbai

**Registered Office:**  
Sandu Pharmaceuticals Limited  
Plot No.25, 26, 29 & 30  
Pilerne Industrial Estate, Marra  
Bardez, Goa- 403 511  
CIN: L24233GA1985PLC001587  
Tel: +91 832 2407474/ 6715000  
Fax:+ 022-25282403  
Email: [corp.sec@sandu.in](mailto:corp.sec@sandu.in)

## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

### Resolution No 4:

As per the requirement of the Regulation 23(8) of the SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, All existing material related party contracts or arrangements entered into prior to the date of notification of the regulations and which are to be continued beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of the regulations.

The transactions put for approval are in ordinary course of business and at arm length. Following contracts are material in nature and require the approval of the unrelated shareholders of the company by ordinary resolution.

Sr No	Name of the Related Party	Maximum value of the transactions per annum with effect from 01 <sup>st</sup> April 2016.	Nature and material terms/Particulars of the contract or arrangement
1.	Sandu Brothers Private Limited	50 crores	1. Purchase/sale of Finished Ayurvedic Medicine for marketing 2. Taken premises on Leave and License

The other related information as envisaged under the company's (Meeting of Board and its Power) Rules, 2014 and amendments thereto, and the Company's Related Party Transaction Policy are furnished Hereunder.

<b>Name of the Related Party</b>	<b>Sandu Brothers Private Limited</b>
Name of the Director or Key Managerial Personnel who is related	Shri Bhaskar G Sandu Shri Shashank B Sandu Shri Umesh B Sandu Dr Mrs Shubhada P Sandu
Nature of relationship	Relative of Directors are members
The nature, material terms, monetary value and particulars of the contract or arrangement	The transactions below mentioned are in Ordinary course of business and are at Arms Length 1.Purchase/Sale of finished Ayurvedic medicines 2.Taken premises on Leave and License
Any other information relevant or important for the members to take a decision on the proposed resolutions	Sandu Brothers Pvt Ltd are pioneer in manufacturing of Ayurvedic Medicines and one of the oldest manufacturer this arrangement will help Sandu Pharmaceuticals Ltd to get products exclusively manufactured at the best possible cost.

None of the Directors or any of the Key Managerial Personnel of the Company or their relatives except Shri Bhaskar G Sandu, Shri Shashank B Sandu, Shri Umesh B Sandu, Dr Shubhada P Sandu, to the extent of shares held in M/s Sandu Brothers Private Limited by themselves/relatives in any way, concerned or interested, financially or otherwise, in the ordinary Resolution set out at item No 4 of the Notice.

### Resolution No 5:

As per the provisions of sections 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed. Further, a member may request for delivery of any document through a particular mode, for which he/she shall pay such fees in advance as may be determined by the company in its annual general meeting. Accordingly, the Board of Directors recommends the resolution for your approval by a ordinary resolution. None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company is

concerned or interested, financially or otherwise, in this resolution.

By order of Board of Directors  
for **Sandu Pharmaceuticals Limited**

sd/-  
**Pratika V. Shenvi Dessai**  
**Company Secretary**

Dated: 30th May 2016  
Place: Mumbai

**ANNEXURE TO ITEMS 2 OF THE NOTICE**

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting  
(in pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements)  
Regulations 2015

Name of the Director	Shri. Shashank B. Sandu
Date of Birth	20th January 1964
Nationality	Indian
Date of appointment on the Board	01/06/2011
Qualifications	Mcom, MBA
Expertise in specific functional area	Shri. Shashank B. Sandu (DIN:00678098) possesses a Masters degree in Commerce and Masters degree in Marketing. He has wide experience in areas of Marketing, International Marketing & Finance. He is an international speaker in different countries on Ayurveda & Herbal Sector, Member of AYUSH advisory panel of Pharmexcil, Treasurer of Ayurvedic Drugs Manufacturers Association, Special invitee to the sub-committee on Research and Industry of the steering committee of AYUSH of the 12th five year plan, Planning Commission of Government of India,
Number of shares held in the company	6,57,900
List of the directorship held in other companies	1. Sanbro Marketing Services Pvt Ltd 2. Sanmark Realty and Finance Pvt Ltd 3. Sanbert Packaging Pvt Ltd 4. Akshath Finvest and Properties Pvt Ltd 5. Neelambar Leasing and Finvest Pvt Ltd 6. Sanfar Communication Pvt Ltd 7. Sandu Research Foundation Pvt Ltd 8. Nomura Realty and Constructions Pvt Ltd 9. Phybrichem Engineers Pvt Ltd
Chairman/Member in the Committee of the Boards of Companies in which he is Director	NIL

## DIRECTOR'S REPORT

TO THE MEMBERS,

The Directors have pleasure in presenting before you the **THIRTY FIRST** Annual Report of SANDU PHARMACEUTICALS LIMITED together with Audited Balance Sheet and Statement of Profit & Loss for the financial year ended 31st March, 2016.

### 1. FINANCIAL RESULTS:-

The Company's financial performance, for the year ended March 31, 2016 is summarized below:

(in Rs)		
Particulars	2015-16	2014-15
<b>Revenue from Operation (Gross)</b>	467,838,570	447,343,026
Less Excise Duty	7,303,840	5,127,185
Less Trade Discount	50,012,086	48,013,846
Add Insurance claim received	261,650	1,814,304
<b>Revenue from operations (net)</b>	410,784,293	396,016,299
<b>Other Income</b>	1,452,085	1,368,833
<b>Total revenue</b>	412,236,378	397,385,132
<b>Total Expenses</b>	405,441,969	391,097,712
<b>Profit Before Tax</b>	6,794,431	62,87,420
Less: Current Tax	2,150,000	1,250,000
Deferred Tax	(734,540)	900,793
<b>Profit after Tax</b>	5,378,971	41,36,627
Earnings per share (of ₹10/- each)		
(a) Basic		
(i) Continuing operations	0.76	0.58
(ii) Total operations	0.76	0.58

### • REVIEW OF OPERATIONS

In the financial year 2015-16, the company achieved an Income from operations of ₹467,838,570 as compared to ₹447,343,026 in

the previous year.

Profit before tax was ₹6,794,431 for the year ending 31st March, 2016 as compared to Profit of ₹62,87,420 in the previous year.

Profit after tax was ₹5,378,971 for the year ended 31st March, 2016 as compared to a Profit of ₹41,36,627 in the previous year.

There were no material changes and commitments affecting the financial position of the Company from the end of the financial year till the date of the Directors' Report.

### 2. DIVIDEND:

Due to insufficient funds, your directors do not recommend any dividend.

### 3. RISK MANAGEMENT:

The Board has laid down a clear Risk Management Policy to identify potential business risks and install effective mitigation processes to protect Company's assets and business Risks. Risk assessment and minimization plan are reviewed by the Board on a periodic basis. Risk Management Policy and the details of this policy are available on the website of the Company under the web link [http://www.sandu.in/Risk\\_Management\\_Policy.pdf](http://www.sandu.in/Risk_Management_Policy.pdf)

### 4. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has adequate Internal Financial Control Systems, commensurate with the size, scale and complexity of its operations. The Management evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company on an ongoing basis.

### 5. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Policy on Whistle Blower. This Policy inter-

*alia* provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director/employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. Whistleblower Policy approved and adopted by the Board of Directors can be accessed in our website [http://www.sandu.in/vigil\\_mechanism\\_policy.pdf](http://www.sandu.in/vigil_mechanism_policy.pdf)

## **6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:-**

Shri. Shashank B Sandu holding DIN: 00678098 (Non Executive Director) retires by rotation and, being eligible, offer himself for re appointment.

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015.

### **6.1. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the Board has carried out an annual evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out has been given in the Corporate Governance Report. The Weblink of familiarization Programme undertaken for Independent Director will be available on [http://www.sandu.in/Familiarisation\\_Programme\\_for\\_Independent\\_Director-new.pdf](http://www.sandu.in/Familiarisation_Programme_for_Independent_Director-new.pdf).

The Nomination and Remuneration Committee has defined the evaluation criteria and procedure for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include inter alia, Board

structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Criteria for evaluation of individual Directors include aspects such as attendance and contribution at Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director/Executive Director.

Criteria for evaluation of the Committees of the Board include degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

### **6.2 NOMINATION AND REMUNERATION POLICY**

The policy of the Company on Directors Appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matter, as required under sub section (3) of section 178 of the Companies Act, 2013 is available on our website [http://www.sandu.in/Nomination\\_and\\_Remuneration\\_Policy\\_new.pdf](http://www.sandu.in/Nomination_and_Remuneration_Policy_new.pdf). There has been no change in the policy since the last fiscal year. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the company.

### **6.3 MEETINGS**

During the year Five Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### 6.4 AUDIT COMMITTEE

The details of the composition of the Audit Committee are given in the corporate Governance Report. During the year all the recommendations of the Audit Committee were accepted by the Board.

#### 6.5 POLICIES

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value

system. The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website [www.sandu.in](http://www.sandu.in). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

In addition to its Code of Conduct and Ethics, key policies that have been adopted by the Company are as follows:

Name of the Policy	Brief Description	Web link
Whistleblower Policy	The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected frauds, or violation of the Company's code of conduct and ethics. There has been no change to the Whistleblower Policy adopted by the Company during the fiscal 2016	<a href="http://www.sandu.in/Whistle_Blower_Policy_new.pdf">http://www.sandu.in/Whistle_Blower_Policy_new.pdf</a>
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/non executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.	<a href="http://www.sandu.in/Nomination_and_Remuneration_Policy_new.pdf">http://www.sandu.in/Nomination_and_Remuneration_Policy_new.pdf</a>
Related Party Transaction Policy	The policy regulates all transactions between the company and its related parties	<a href="http://www.sandu.in/Related_Party_Transaction_Policy-new.pdf">http://www.sandu.in/Related_Party_Transaction_Policy-new.pdf</a>
Insider Trading Policy	The Policy provides framework in dealing with securities of the Company	<a href="http://www.sandu.in/Insider_Trading_Policy_new.pdf">http://www.sandu.in/Insider_Trading_Policy_new.pdf</a>
Policy for determining Materiality of event or Information	This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the management of Sandu Pharmaceuticals Limited, to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s) (as hereinafter defined).	<a href="http://www.sandu.in/Policy_on_Determining_Materiality_of_Events.pdf">http://www.sandu.in/Policy_on_Determining_Materiality_of_Events.pdf</a>
Archival Policy	The Policy deals archival of corporate records of Sandu Pharmaceuticals Limited	<a href="http://www.sandu.in/Archival_Policy.pdf">http://www.sandu.in/Archival_Policy.pdf</a>
Board Diversity Policy	This policy aims to set out the approach to achieve diversity on the Board of Directors ("Board") of Sandu Pharmaceuticals Limited	<a href="http://www.sandu.in/Policy_on_Board_Diversity_new.pdf">http://www.sandu.in/Policy_on_Board_Diversity_new.pdf</a>

**7. DIRECTORS RESPONSIBILITY STATEMENT:-**

In accordance with the provisions of section 134(3) (c) read with section 134(5) of the Companies Act 2013, your Directors confirm that:

- (a) In the preparation of annual accounts, for the year ended 31st March, 2016, the applicable accounting standards read with the requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (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, 2016 and of the profit of the Company for the year ended on that date;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act 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'.
- (e) Internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and are operating effectively; and
- (f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**8. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

**9. THE AMOUNT IF ANY WHICH IT PROPOSES TO CARRY TO ANY RESERVES**

The Company has not transferred amount to any reserves and hence it is NIL

**10. RELATED PARTY TRANSACTIONS:**

The related party contracts entered into by the Company with Sandu Brothers Private Limited do not fall under the ambit of Section 188(1) of the Act and all related party transactions during the financial year were at arm's length and in the ordinary course of business. In compliance with the provisions of the Act and Regulation 23(2) of the SEBI Regulation 2015, all related party transactions had been placed before the Audit Committee for prior approval. Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 information pertaining to related parties are given in Form AOC-2 as Annexure I of this Report.

Further, pursuant to regulation 23 read with sub regulation 8 of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 All existing material related party contracts or arrangements entered into prior to the date of notification of these regulations shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of these regulations. Hence in order to comply with Regulation 23(8) of SEBI Regulation 2015 the Board of Directors recommends shareholders approval for the above prospective material transaction in the ensuing Annual General Meeting of the Company.

**11. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There were no significant material orders passed by the Regulators/Courts which could impact the going concern status of the Company and its future operations.

**12. AUDITORS**

**12.1. STATUTORY AUDITORS**

M/s Joshi Joshi & Co, Statutory Auditor of the Company retires at the conclusion of the ensuing Annual General Meeting.



M/s Dileep and Prithvi, Chartered Accountants, has been proposed to be appointed as Statutory Auditor of the Company as recommended by Members of Audit Committee and Board of Directors. They have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for appointment

## 12.2 SECRETARIAL AUDITOR:

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr Bharatkumar Pomai, Company Secretary in practice to undertake the Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit report is annexed herewith as “ANNEXURE B”.

## 13. INTERNAL COMPLAINTS COMMITTEE

As per provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has constituted an Internal Complaints Committee for Redressal of complaints against sexual harassment and there were no complaints received during the financial year.

## 14. DISCLOSURE REQUIREMENTS

Your Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

- Management Discussion and Analysis is annexed as “ANNEXURE A” to the report
- Secretarial Audit Report as “ANNEXURE B”.
- As per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with the Stock Exchanges, a separate section on the corporate governance is annexed as “Annexure - C”

- Auditors Certificate on Corporate Governance “Annexure –D”
- Certificate from Chief Financial Officer under Reg 17(8) of SEBI (LODR) Regulation “Annexure –E”,

## 15. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

### (A) CONSERVATION OF ENERGY:

- Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- No specific investment has been made in reduction in energy consumption.
- As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.
- The required data with regard to conservation of energy as applicable to our company is furnished below:

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>1. <u>ELECTRICITY</u></b>		
• Purchased (units)	234,722 Units	257,556 Units
• Total Amount Rs	₹1,533,339/-	₹13,77,274/-
• Rate/Units in Rs	₹6.53 / Unit	₹5.34/ Unit
<b>2. <u>FUEL CONSUMED</u></b>		
• Quantity	5449.66 Ltrs	9410.63 Ltrs
• Total Amount	₹310,800/-	₹544,150/-
• Rate per litre	₹57.03 / Ltr	₹57.825/ Ltr

### B) TECHNOLOGY ABSORPTION:

Company’s products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for

maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

**C) FOREIGN EXCHANGE EARNINGS AND OUT-GO :**

During the period under review there was no foreign exchange earnings or out flow.

**16. EXTRACT OF ANNUAL RETURN**

As provided under section 92 (3) of the Act, the extract of the Annual Return in form MGT- 9 is annexed herewith as “Annexure G” which forms part of this report.

**17. STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL**

The information required under section 197 of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is annexed as “Annexure – H” to this report.

**18. FIXED DEPOSITS:-**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014 during the financial year 2015-16.

**19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:-**

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the Investments made by the Company is given in the notes to the financial statements.

**20. PARTICULARS OF CONTRACT OR ARRANGMENTS WITH RELATED PARTY**

During the year under review, the Company had not entered into any contract / arrangement / transaction with the related parties which could be considered material as per SEBI (LODR) Regulations 2015.

**21. CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. [www.sandu.in](http://www.sandu.in). The Code of Conduct for Directors has been posted on [http://www.sandu.in/Code\\_of\\_Conduct\\_for\\_Directors-new.pdf](http://www.sandu.in/Code_of_Conduct_for_Directors-new.pdf) and for Senior Management Personnel [http://www.sandu.in/Code\\_of\\_Conduct\\_for\\_Senior\\_Management-new.pdf](http://www.sandu.in/Code_of_Conduct_for_Senior_Management-new.pdf)

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the designated employees and personnel have confirmed compliance with the Code. The Declaration signed by the Managing Director pursuant to Regulation 26(3) read with Schedule V (Part D) of the SEBI (LODR) Regulation 2015 is published in this report.

**22. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prohibition of Insider Trading with a view to regulate trading in securities by the Directors and Designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board of Directors and the designated employees have confirmed compliance with the Code. Code of Conduct for Prohibition of Insider Trading is available on website of the Company under the web link [www.sandu.in](http://www.sandu.in)

**23. PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 read with rule 5 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

**24. AUDITORS REPORT AND SECRETARIAL AUDIT REPORT**

The Auditor's Report and Secretarial Auditor's Report does not contain any qualification, reservation or adverse remarks.

**25. CLOSURE OF SANDU AYURVEDIC PANCHAKARMA CENTER UNIT OF SANDU PHARMACEUTICALS LIMITED.**

The Company by passing circular resolution dated 30<sup>th</sup> January 2016 have closed its unit named Sandu Ayurvedic Panchakarma Center due to inadequate profits from running the unit as compared to the investments made in the unit and also non renewal of Leave and License agreement by the lessor.

**26. ACKNOWLEDGEMENTS:**

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

**For Sandu Pharmaceuticals Limited  
By order of Board of Directors**

Sd/-  
**Bhaskar G Sandu**  
(Chairman)  
(DIN: 02816792)

Dated: 30/05/2016  
Place: Mumbai

**ANNEXURE-A  
MANAGEMENT DISCUSSION  
AND ANALYSYS:-**

Pursuant to Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements ) Regulations 2015, your Directors wish to report as follows:-

(i) Industry Structure & Development :

The Ayurvedic medicines industry has remained a highly fragmented industry with many cottage industry players. A large part of the medicine manufacture process has been passed on through traditions. The propagation of the industry has been without any significant governmental support for a long time.

The economic policies of the Government and political situation in the country are quite favorable to the present business of your Company. The launch of the National Ayush Mission has in the current year can be expected to boost awareness and usage of Ayurvedic medicines in the country.

As one of the first companies to have instituted scientific methods to establish large scale manufacturing practices, Sandu Pharmaceuticals is well poised to take advantage of these developments.

There is also a gradual shift towards Ayurveda and more and more people are opting for Ayurvedic medicines. This is expected to benefit your Company in the long run.

(ii) Opportunities and Threats :

There are opportunities in the Ayurvedic Industry to develop new products through proper research and development and there is no doubt that the industry will thrive. At Sandu Pharmaceuticals, we have been at the forefront of establishing scientific product development, resulting in superior product quality and efficacy.

Your Company also has good opportunities in the export markets. Your Company has been making concerted efforts to reach out to the export markets through active participation in Expos. The results of these efforts are now beginning to bear fruit, and we expect more success in the coming years.

The industry continues to be plagued by low quality, unorganised players who continue to sell their medicines without quality standards. The lack of minimum quality standards has affected the perception of Ayurveda as a viable healthcare product.

Another challenge is the continuous increase in the raw material input costs which increases the pressure on the profitability of your Company. As a result, we are forced to increase price of our products although the price increases are not as high as the cost increases, resulting in greater pressures for process efficiency on your Company.

(iii) Segment wise performance :

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

(iv) 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.

(v) Risk and concerns :

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

(vi) Internal Control Systems and their adequacy :

Your Company has put effective internal control systems into operation and is having adequate 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. Continuous improvements as suggested by our Internal Auditors are being implemented.

(vii) 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. Your Company was successful in maintaining the profit level only because of the higher volumes and higher sales realization in spite of increased raw material prices.

(viii) 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 continued to maintain good relationship with all employees at all the levels which also resulted to achieve higher production and sales.

(ix) 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 your Company. The promoters and the Directors are not dealing in the shares of your Company.

**ANNEXURE – B****Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST  
MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Sandu Pharmaceuticals Limited,  
Pilerne industrial Estate, Marra,  
Bardez, Goa – 403511.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sandu Pharmaceuticals Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Sandu Pharmaceuticals Limited (the Company's) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 (hereinafter referred as to the "Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Sandu Pharmaceuticals Limited (the Company) for the financial year ended on 31st March, 2016 according to the applicable provisions of:

- (i) The Companies Act, 1956 and the Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, (provisions of Overseas Direct Investment and External Commercial Borrowings not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Employee Stock option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 (Not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

- (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).
- (vi) The following Laws and Regulations applicable specifically to the Company (as per the representations made by the Company) Viz.,
- i. Drugs and Cosmetics Act, 1940
  - ii. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
  - iii. The Medicinal and Toilet preparations (Excise Duties) Act, 1955
  - iv. Biological diversity Act, 2002
  - v. The Indian Copyright Act, 1957
  - vi. The Environment (Protection) Act, 1986;
  - vii. The Water (Prevention and Control of Pollution) Act, 1974;
  - viii. The Air (Prevention and Control of Pollution) Act, 1981;
  - ix. The Electricity Act, 2003; and
  - x. The Legal Metrology Act, 2009 and Rules

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and Ahmedabad Stock Exchange.

During the period under review and as per the explanations and clarifications given to me and the representations made by the Management, the Company generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and during the audit period the following events have been taken place:

- Compliance under Section 203 of the Act:
  - a) Company secretary has been appointed with effect from 1st April, 2015
- The Nomination and Remuneration committee was reconstituted to comply

with the new provisions of Section 178(1) of the Companies Act, 2013 with effect from 30th May, 2015.

- The Company has adopted a new set of Articles of Association to be in consonance with the provisions of the Companies Act, 2013 and Rules made thereunder.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and/or recorded as part of the minutes during the audit period.

I further report that as per the explanations given to me and the representations made by the Management and relied upon by me there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-  
**BHARATKUMAR K. POMAI**  
**PRACTICING COMPANY SECRETARY**  
**M. NO. ACS 33397 C. P. NO. 12488**

Place: Mapusa, Goa  
Date: 30th May, 2016

*This Report is to be read with my letter of even date which is annexed as **Annexure-I** and forms an integral part of this report.*

**Annexure -I**

To,  
The Members,  
Sandu Pharmaceuticals Limited,  
Pilerne industrial Estate, Marra,  
Bardez, Goa – 403511.

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

sd/-

**BHARATKUMAR K. POMAI**  
PRACTICING COMPANY SECRETARY  
M.NO ACS33397 CP NO 12488

Date: 30th May, 2016  
Place: Mapusa, Goa

## ANNEXURE-C

### CORPORATE GOVERNANCE REPORT

In accordance with Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with BSE Limited (BSE) and Ahmedabad Stock Exchange Limited (ASEL) the report containing the details of Corporate Governance systems and processes at Sandu Pharmaceuticals Limited is as follows:

#### 1. Company's Philosophy on Corporate 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 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.

#### 2. Board of Directors

##### A. Composition and Category of Directors

The present Board comprises of 8 Members consisting of 1 Executive Director and 7 Non Executive Directors out of which 4 are Independent Directors. The name and category of each Director is given below.

Name of the Director	Category
Shri. Bhaskar G. Sandu	Non Executive Director and Chairman
Shri. Dilip R. Salgaocar	Independent Director
Dr. Krishna B. Deshpande	Independent Director
Dr. Madan L. Kapre	Independent Director
Shri. K. Vinay Kumar	Independent Director
Shri. Shashank B. Sandu	Non Executive Director
Dr. Mrs. Shubhada P. Sandu	Non Executive Director
Shri. Umesh B. Sandu	Executive Director

##### B. Board Training and Induction

At the time of appointment of an Independent Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, 2013, SEBI(Listing Obligation and Disclosure Requirement) Regulations 2015 and his affirmation taken with respect to the same as per the relevant Act/ Regulation.

##### C. BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURE

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning .The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholder's long term interest are being served.

The Board has Constituted three Committees, namely Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee.



**(a) Board Agenda**

The Board meetings are scheduled well in advance and the Board members are given a notice of at least 7 days prior to the meeting date. All major items are backed by in-depth background information and analysis, wherever possible, to enable the Board members to take informed decisions.

**(b) Scheduling and selection of agenda items for Board Meeting**

Minimum four Board Meetings are held annually. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs.

The meetings are usually held at Company's Corporate office at Sandu Nagar, D.K. Marg, Chembur, Mumbai -400 071

During the year ended on 31st March, 2016, the Board of Directors had 5 meetings. These were held on 30th May, 2015, 13th August, 2015, 30th September 2015, 14th November, 2015, 13th February, 2016. The last Annual General Meeting (AGM) was held on 30th September, 2015. The attendance record of the Directors at the Board Meetings during the year ended on 31st March, 2016, and at the last AGM is as under:-

**Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and Number of other Directorship and Chairmanships/Memberships of Committees of each Director in various Companies (upto 31st March 2016):**

Name of the Director	Attendance at the meetings during 2015-16		Shareholding of Directors in the Company	No. of other Directorship as on 31-03-2016	No. of Membership(s)/ Chairmanship(s) of Board Committees in other Companies as on 31-03-2016.
	Board	AGM			
Shri. Bhaskar G. Sandu	5	Yes	7,37,000	Nil	NIL
Shri. Dilip R. Salgaocar	2	Yes	NIL	2	NIL
Dr. Krishna B. Deshpande	2	No	NIL	Nil	NIL
Dr. Madan L. Kapre	5	Yes	NIL	1	NIL
Shri. K. Vinay Kumar	5	Yes	NIL	3	NIL
Shri. Shashank B. Sandu	5	Yes	6,57,900	9	NIL
Shri. Umesh B. Sandu	5	Yes	6,77,100	9	NIL
Dr Mrs Shubhada Sandu	5	Yes	10,000	NIL	NIL

- The Directorship held by Directors as mentioned above, do not include directorships in foreign Companies.
- None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees [as prescribed in SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015] across all the companies in which he/she is a Director.
- None of the Directors held directorship in more than 10 public limited companies.
- All Independent Directors of the Company have been appointed as per the provisions of the Companies, Act 2013 (the Act). Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website: [www.sandu.in](http://www.sandu.in).

**(d) Number of Board Meeting held with dates**

Five Board Meetings were held during the year, as against the minimum requirement of four meetings.

The details of Board meetings are given below:

Date	Board Strength	No. of Directors Present
30/05/2015	8	7
13/08/2015	8	6
30/09/2015	8	7
14/11/2015	8	7
13/02/2016	8	7

**Independent Directors**

**(i) INDEPENDENT DIRECTORS MEETING:**

During the Financial year under review, the Independent Directors met on twice in the Financial year i.e 30th May 2015 and 13th February 2016, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole.
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

**(ii) BOARD AND DIRECTOR EVALUATION AND CRITERIA FOR EVALUATION**

The Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees for the FY 2015-16.

The Nomination and Remuneration Committee has defined the evaluation criteria and procedure for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include inter alia, Board structure and composition, effectiveness of Board processes, information and functioning.

Criteria for evaluation of individual Directors include aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings, Qualification, positive attributes and Independence of a Director. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director.

Criteria for evaluation of the Committees of the Board include degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

**(iii) Selection of Independent Director**

Considering the requirement of skill sets on the Board, eminent people having independent standing in their respective field/profession, and who can effectively contribute to the company's business and policy decisions are considered by Nomination and Remuneration Committee for appointment, as Independent Directors on the Board. The Committee, inter alia, consider

qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for selection of Directors and determining Directors Independence. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he participates as Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under the law.

**(iv) Independent Directors' Familiarization Programme**

The Company has familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programme's. The Company has adopted the familiarization programme for Independent Directors and the details of which are uploaded on the website of the company [http://www.sandu.in/Familiarisation\\_Programme\\_for\\_Independent\\_Director-new.pdf](http://www.sandu.in/Familiarisation_Programme_for_Independent_Director-new.pdf).

**Information provided to the Board**

The Board has complete access to all information with the Company. The information is provided to the Board on regular basis and the agenda papers for the meetings are circulated in advance of each meetings. The information supplied to the Board as per Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 includes

- Annual Operating Plans and Budgets.
- Quarterly ,half yearly and yearly results of the Company.
- Minutes of the Meeting of the Board, Audit Committee and other Committee of the Board
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Show cause , demand, prosecution notices and penalty notices which are materially important.
- Any issue which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed stricture on the conduct of the listed entity or taken adverse view regarding another enterprises that may have negative implications on the listed entity.
- Statement on compliance with code of conduct.
- Quarterly Corporate Governance Report
- Details of transactions with Related Party
- Details of inter corporate Loans, Investments and Guarantees made/given by the Company
- Non Compliance of any regulatory,statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board has periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.

**(E) BOARD COMMITTEES**

Details of Board Committees and other related information are provided hereunder

- (a) Composition of Board Committee

### Composition of Board Committees

#### **Audit Committee**

1. Shri K Vinay Kumar - Chairman
2. Dr. Madan L Kapre - Member
3. Shri Dilip R Salgaocar - Member
4. Shri Umesh B. Sandu - Member

#### **Stakeholders Relationship Committee**

1. Shri Bhaskar G Sandu - Chairman
2. Dr. Madan L Kapre - Member
3. Shri Umesh B. Sandu - Member

#### **Nomination and Remuneration Committee**

1. Dr Madan L Kapre - Chairman
2. Shri Dilip R. Salgaocar - Member
3. Shri K Vinay Kumar - Member
4. Shri Bhaskar G Sandu - Member

(b) Meetings of Board Committees held during the year and Directors attendance

<b>Board Committees</b>	<b>Audit Committee</b>	<b>Nomination and Remuneration Committee</b>	<b>Stakeholders Relationship Committee</b>
Meeting held	4	4	4
<b>Directors attendance</b>			
Shri Bhaskar G Sandu	NA	4	4
Shri Dilip R Salgaocar	1	1	NA
Shri Madan L Kapre	4	3	4
Shri K Vinay Kumar	4	4	NA
Shri. Krishna B Deshpande	NA	NA	NA
Shri Shashank B Sandu	NA	NA	NA
Shri Umesh B Sandu*	4	1	4

NA-Not Member of the Committee

\* Umesh B Sandu was Member of Nomination and Remuneration Committee upto 30th May 2015.

(c) **Terms of Reference and other details of Board Committees**

**1. Audit Committee**

Composition of the Committee

1. Shri K. Vinay Kumar-Chairman, Independent Director
2. Dr. Madan L. Kapre -Independent Director
3. Shri Dilip R. Salgaocar-Independent Director
4. Shri. Umesh B. Sandu-Managing Director

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and are in line with those prescribed by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise/ exposure.

**Terms of reference as per the companies Act 2013**

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the company.
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
3. Examination of financial statement and auditor's report thereon.
4. Approval or any subsequent modification of transactions of the company with related parties.
5. Scrutiny of inter-corporate loans and investments.
6. Valuation of undertakings or assets of the company, wherever it is necessary.
7. Evaluation of internal financial controls and risk management systems.
8. Monitoring the end use of funds raised through public offers and related matters.

Terms of reference as per Regulation 18(3) of SEBI (listing Obligation and Disclosure Requirements) Regulations, 2015:

**(a) Powers of the Audit Committee**

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

**(b) Role of the Audit Committee, *inter alia*, includes the following:**

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;

- (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
  - (9) Scrutiny of inter-corporate loans and investments;
  - (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - (11) Evaluation of internal financial controls and risk management systems;
  - (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - (14) Discussion with internal auditors of any significant findings and follow up there on;
  - (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (18) To review the functioning of the whistle blower mechanism;
  - (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  - (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

**(c) Review of information by Audit Committee**

The Audit Committee shall mandatory review the following information

- (1) Management discussion and analysis of financial condition and results of operations.

- (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management.
- (3) Management letters / letters of internal control weaknesses issued by the statutory auditors.
- (4) Internal audit reports relating to internal control weaknesses and
- (5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) Statement of deviations.
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

### Meeting Details

Four Meetings of the Audit Committee were held during the year. The details of meetings and attendance are given on page no. 27 of this Report.

#### 2. Nomination and Remuneration Committee

Composition of the Committee

1. Dr Madan L. Kapre - Chairman Independent Director
2. Shri Dilip R. Salgaocar - Independent Director
3. Shri Bhaskar G. Sandu - Non Executive Director
4. Shri K Vinay Kumar - Independent Director

#### 1. Terms of Reference

The Nomination and Remuneration Committee was formed with the responsibility for determining the remuneration for all executive directors and KMP's, including any compensation payments, such as retirement benefits or stock options and also to determine principles, criteria and the basis of remuneration policy of the company and shall also recommend and monitor the level and structure of pay for senior management i.e one level below the Board.

#### 2. Nomination and Remuneration Committee shall perform the following role

- (a) Formulation of the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, Key managerial personnel other employees.
- (b) Formulation of criteria for evaluation of independent Directors and the Board.
- (c) Devising a policy on Board Diversity
- (d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- (e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

### Meeting details

Three meetings of the Nomination and Remuneration Committee were held during the year. The Details of meeting and attendance are given on page no. 27 of this Report.

The details relating to remuneration of Directors have been given under a separate section viz “Directors Remuneration in this report.”

#### **Nomination and Remuneration Policy**

- (a) The Company has formulated the Nomination and Remuneration Policy to lay down criteria & terms & conditions with regards to identifying persons who are qualified to become Directors and persons who are qualified to be appointed in Senior Management & Key Managerial Positions & to determine their remuneration.
- (b) To carry out evaluation of the performance of Director as well as Key Managerial & Senior Managerial Personnel

### **3. Stakeholders Relationship Committee**

#### **Composition of the Committee**

1. Shri Bhaskar G. Sandu
2. Dr. Madan L Kapre
3. Shri Umesh B. Sandu

The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the company’s transfer of securities and redressal of shareholders/Investors/security holders’ complaints. The Committee also monitors the implementation and compliance with company’s Code of Conduct for prohibition of insider trading.

The number of Directorships, Committee Membership(s)/Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations) and Provisions of the Companies Act 2013.

#### **Terms of Reference of the Committee, *inter alia*, includes the following:**

- Oversee and review all matters connected with the transfer of the Company’s securities
- Approve issue of the Company’s duplicate share / debenture certificates
- Consider, resolve and monitor redressal of investors’ / shareholders’ / security holders’ grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend etc.
- Oversee the performance of the Company’s Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to investors
- Monitor implementation and compliance with the Company’s Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable
- Perform such other functions as may be necessary or appropriate for the performance of its duties

#### **Meeting Details**

Four meetings of the Committee were held during the year. The details of meetings and attendance are given on page no. 27 of this Report.



## F. Code of Conduct

The Company has adopted a 'Code of Conduct' for the Directors and Senior Management of the Company as per Regulation 17(5) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Regulation 17(5)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires that the duties of Independent Directors as laid down in the Companies Act, 2013 should be included in the Code of Conduct to Directors. Hence duties of Independent Directors were included in Sandu Pharmaceuticals Code of Conduct. The Code of Conduct has been uploaded on the website of the Company. The code promotes conducting business in an ethical efficient and transparent manner so as to meet its obligations to its shareholders and all other stakeholders.

## G. Prevention of Insider Trading Code:

As per SEBI (Prevention of Insider Trading) Regulation, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Ms Pratika Shenvi Dessai as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

## H. Means of Communication

**Quarterly results:** The Company's quarterly results are published in Times of India (English) and Goadoot (Regional Newspaper) and are displayed on its website www.sandu.in.

**Website:** The Company's website www.sandu.in contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

**Annual Report:** The Annual Report containing, *inter alia*, Audited Financial Statement, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website www.sandu.in.

## I. General Shareholders Information.

(a) Location and time, where last three AGM were held:

Location	Date	Time
Plot Nos. 25, 26, 29 & 30, Pilerne Indl Estate, Marra, Bardez, Goa 403511	Monday, 30th Sept 2013	9.00 a.m.
	Tuesday, 30th Sept 2014	9.00 a.m.
	Wednesday, 30th Sept 2015	9.00 a.m.

### (b) Special Resolution passed

Whether Special Resolution passed at the last Annual General Meeting held on 30 <sup>th</sup> September 2015 Approval for Related Party Transaction with Sandu Brothers Private Limited	Yes
Whether Special Resolution passed at the last Annual General Meeting held on 30 <sup>th</sup> September 2014	No
Whether Special Resolution passed at the last Annual General Meeting held on 30 <sup>th</sup> September 2013 Re-appointment of Shri Umesh B. Sandu as Managing Director for the term of 5 Years within the limit prescribed under schedule XIII of the Companies Act 1956	Yes

**(c) Postal Ballot:**

For the year ended March 31, 2016 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

**(d) Investor Grievance Redressal**

The number of complaints/Requests received and resolved to the satisfaction of investors during the year under review and their break-up are as under from company and RTA:

Type of Complaints	Number of Complaints
Opening Balance	0
Received during the year	11
Resolved during the Year	11
Closing Balance	0

**J. Means of Communication**

Quarterly results	<b>Published in Newspaper</b>
Newspaper in which normally published	<b>Times of India (English) &amp; Goa Doot (Marathi)</b>
Any website ,where displayed	<b>www.sandu.in</b>
Whether it also displays official news releases	<b>Yes</b>
The presentations made to institution investors or to the analysts	<b>N.A</b>

**K. General Shareholders Information.**

**(1) Annual General Meeting**

Date	30th September 2016
Time	9.00 a.m.
Venue	Plot No 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Bardez Goa-403511

**(2) Financial Calendar (tentative) Results for the quarter ending**

**June 30, 2016** – Second week of August, 2016

**September 30, 2016** - Second week of November, 2016

**December 31, 2016** - Second week of February, 2017

**March 31, 2017** – Second week of May, 2017

**(3) Date of Book closure**

Friday, 23rd September 2016 to Friday, 30th September 2016 (both days inclusive)

**(4) Listing on Stock Exchange (Equity Shares)**

Bombay Stock Exchange  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001  
Scrip Code: 524703

Ahmedabad Stock Exchange  
Kamdhenu Complex,  
Opp Sahajanand College,  
Panjara Pole, Ambawadi,  
Ahmedabad- 380 015

**(a) Payment of Listing Fees**

Annual listing fee for the year 2016-17 has been paid by the Company to BSE and ASEL

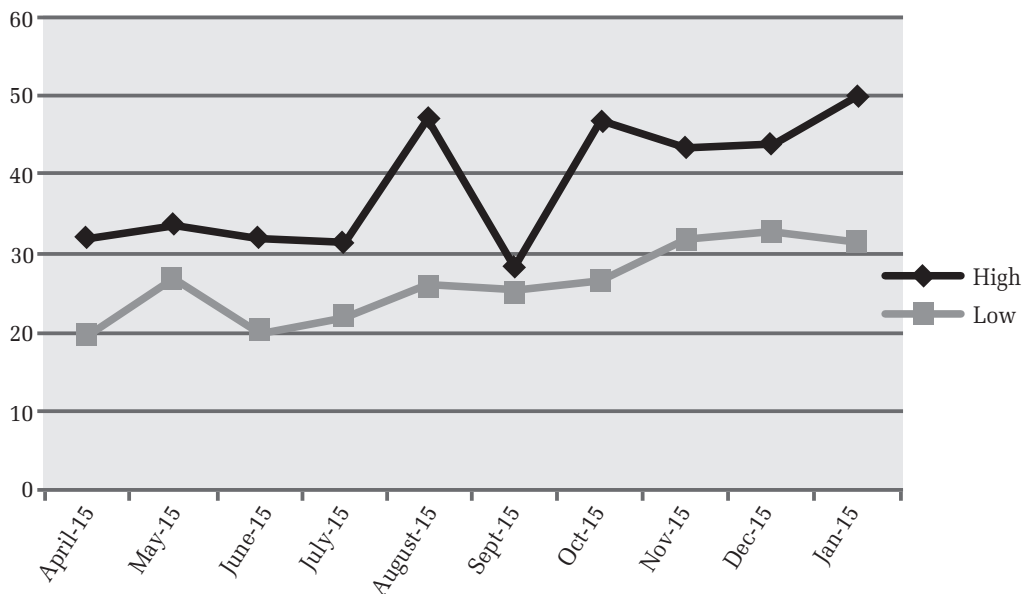
**(b) Payment of Depository Fees**

Annual Custody/Issuer fee for the year 2016-17 has been paid to NSDL and CDSL.

**(5) Stock Market Price Data**

Month	Bombay Stock Exchange		
	High	Low	Volume
April 2015	32.05	19.8	381379
May 2015	33.7	27.1	169515
June 2015	32	20.05	123959
July 2015	31.5	22	149256
August 2015	47.1	25.75	460050
September 2015	28.5	25.3	31451
October 2015	46.75	26.5	440909
November 2015	43.5	31.75	111463
December 2015	44	33	146068
January 2016	50	31.6	345387
February 2016	38.95	23.3	75703
March 2016	29	22	173398

[Source: This information is compiled from the data available from the websites of BSE]

**STOCK PERFORMANCE CHART**

**(6) Distributing of Shareholding as on 31st March 2016.**

Size of Holdings	No. of Shareholders	Percentage %	No. of Shares	Percentage %
Up to To ₹100	7758	71.99	735844	10.39
101 To 200	922	8.56	177914	2.51
201 To 500	1069	9.92	434829	6.14
501 To 1000	502	4.66	426094	6.02
1001 To 5000	461	4.28	1035088	14.62
5001 To 10000	36	0.33	256288	3.62
10001 To 100000	22	0.20	694736	9.81
100001 To Above	7	0.06	3320207	46.89
***Total***	<b>10777</b>	<b>100.00</b>	<b>7081000</b>	<b>100.00</b>

**(7) Registrars and Transfer Agents**

M/s. Sharex Dynamic (India) Private Limited  
 Unit 1, Luthra Industrial Premises,  
 Andheri (East), Mumbai-400 072  
 Email- sharexindia@vsnl.com

**(8) Compliance Officer**

Pratika Shenvi Dessai is the Company Secretary and Compliance Officer of the Company.

**(9) Shares held in physical and dematerialized form:**

60,45,150 of shares amounting to 85.37 % of the total paid up capital are held in dematerialized form and the rest in physical form as on March 31, 2016 .

**(10) Share Transfer System**

Share transfers are processed and share certificates duly endorsed are delivered within a period of fifteen days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Managing Director/authorized Representative. A summary of transfer/transmission of securities of the Company so approved by the Managing Director/Company Secretary is placed at every Board meeting.

**(11) SEBI Complaints Redressal System (SCORES)**

The investor complaints are processed in a centralised web-based complaints redressal system. The salient features of this system are: centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**(12) General Shareholder Information****Distribution of Shareholding as on March 31, 2016**

Category code	Category of Shareholder	Number of Shareholders	Total number of Shares	As a percentage of (A+B+C)
<b>(A)</b>	Shareholding of Promoter and Promoter Group			
(1)	Indian	10	3185690	44.99
(2)	Foreign	0	0	0
	<b>Total Shareholding of Promoter and Promoters Group</b>	<b>10</b>	<b>3185690</b>	<b>44.99</b>
<b>(B)</b>	Public Shareholding			
(1)	Institution	1	500	0.01
(2)	Non Institution	10766	3894810	55.00
	<b>Total Public Shareholding</b>	<b>10767</b>	<b>3895310</b>	<b>55.01</b>
<b>(C)</b>	Shares held by Custodian and against which Depository Receipt have been issued			
(1)	Promoter and Promoters Group	-	-	-
(2)	Public	-	-	-
	<b>Total(A)+(B)+(C)</b>	<b>10777</b>	<b>7081000</b>	<b>100</b>

- 13) Global depository receipts (GDR) or any Convertible instruments, conversion dates and likely impact on Equity**  
N.A

**14) Dematerialization of Shares and Liquidity**

The total number of shares in dematerialized form as on 31st March, 2016 is 6,045,150 representing 85.37 % of the total number of shares of the Company. The equity shares of the Company are actively traded on BSE and not traded on ASEL.

**15) Reconciliation of Share Capital**

As stipulated by SEBI, a Qualified Practising Company Secretary carried out Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the stock exchange where the company's shares are listed. The audit confirms that the total Listed and paid up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

**16) Unclaimed /Undelivered Share Certificates**

Pursuant to Regulation 39(4) read with Schedule VI of the SEBI (LODR) Regulations, 2015 the Company is required to send at least three reminders at the last available address as per the records to the shareholders whose certificates were undelivered and returned to the Company.

Thereafter, in case of non receipt of response to the reminder, unclaimed physical shares will be dematerialized and will be held in "Unclaimed Suspense Account", with details of shareholding of each individual allottee whose shares are credited to such unclaimed suspense account. All corporate benefits shall also be credited to such suspense account for a period of 7 years and thereafter shall be transferred to IEPF. There were no unclaimed / undelivered Share Certificate during the financial year ended 31st March 2016.

**17) Plant Location**

Plot No 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa 403511.

**18) Address for correspondence**

The Company Secretary Plot No 25,26,29 & 30 Pilerne Indl. Estate, Marra, Bardez, Goa 403511 Email:-corp.sec@sandu.in Contact no:08326715017	M/s Sharex Dynamic (India) Pvt Ltd Unit 1,Luthra Industrial Premises, Andheri (East), Mumbai- 400 072 Tel No 022- 28515606 Email:sharexindia@vsnl.com
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**DISCLOSURES**

(a) Related Party Transactions

The Company has adopted a policy on Related Party Transactions as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is disclosed on [http://www.sandu.in/Related\\_Party\\_Transaction\\_Policy-new.pdf](http://www.sandu.in/Related_Party_Transaction_Policy-new.pdf).

The related party contracts entered into by the Company with Sandu Brothers Private Limited do not fall under the ambit of Section 188(1) of the Act and all related party transactions during the financial year were at arm’s length and in the ordinary course of business. In compliance with the provisions of the Act and Regulation 23(2) of the SEBI Regulation 2015, all related party transactions had been placed before the Audit Committee for prior approval. Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 information pertaining to related parties are given in Form AOC-2 as Annexure - I of this Report.

Accordance with Regulation 27(2)(b) of SEBI (Regulation) 2015 all material transactions with related parties have been disclosed quarterly along with Compliance report on Corporate Governance.

Sr No	Name of the Company	Relationship	Nature of Transaction	Amount
1.	Sandu Brothers Private Limited	Relative of Directors are members	1.Purchase/sale of finished Ayurvedic medicines 2.Taken premises on Leave and License	22,64,37,695

(b) Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

(c) The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the chairman of the Audit Committee.

**For and on behalf of Board of Directors**

Dated: 30/05/2016  
Place: Mumbai

Sd/-  
**Bhaskar Sandu**  
Chairman  
DIN: 02816792

**ANNEXURE – D**  
**AUDITORS’ CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members,  
**Sandu Pharmaceuticals Limited**

We have examined the compliance of conditions of corporate governance by Sandu Pharmaceuticals Limited (‘the Company’) for the year ended 31 March, 2016, as stipulated in regulations 17,18,19,20,23,25,26,27, clauses (a) ,(b) , (c) , (d), (e), (g) ,(i), (j), (k), (l), (m) ,(q) of sub-regulation (2) of regulation 46 and paragraph A, B , C, D, E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company’s management. Our 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 statements of the Company.

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

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

**For Joshi Joshi & Co**  
Chartered Accountant  
FRN: 104393W

Dated: 30/05/2016  
Place: Mumbai

Sd/-  
**M. M. Joshi**  
Proprietor  
M.No. 42466 of 89

**ANNEXURE - E**  
**CERTIFICATION BY THE CHIEF FINANCIAL OFFICER (CFO) UNDER**  
**REGULATION 17(8) READ WITH PART B OF SCHEDULE II OF SEBI (LISTING**  
**OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

To,  
The Board of Directors of  
Sandu Pharmaceuticals Limited

A. I have reviewed financial statements and the cash flow statement for the year ended 31st March 2016 and that to the best of my knowledge and belief:

- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- C. I accept the responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls if any, of which they are aware and the steps have taken or propose to take to rectify the deficiencies if any.
- D. I have indicated to the auditors and the Audit committee
- (1) Significant changes in internal control over financial reporting during the year;
  - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which i have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 31/03/2016

Place: Mumbai

Sd/-  
**Nikesh Shah**  
Chief Financial Officer

### ANNEXURE - F DECLARATION OF MANAGING DIRECTOR

As provided under Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. I, Umesh B Sandu, Managing Director (DIN: 01132141) affirm that the Board Members and the Senior Management Personnel have confirmed compliance with the Codes of Conduct, as applicable to them, for the year ended 31st March 2016.

Place: Mumbai  
Date: 30/05/2016

Sd/-  
**Umesh B. Sandu**  
Managing Director  
DIN: 01132141



**ANNEXURE - G**  
**FORM NO. MGT-9 Extract of Annual Return**

As on the financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

<b>I. REGISTRATION AND OTHER DETAILS</b>		
1.	CIN	L24233GA1985PLC001587
2.	Registration Date	15/11/1985
3.	Name of the Company	Sandu Pharmaceuticals Limited
4.	Category/Sub category of the Company	Public Company Limited by shares
5.	Whether listed Company(Yes/No)	Yes
6.	Address of the Registered office and contact details	Plot No 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Bardez Goa-403511
7.	Name Address and Contact details of Registrar and Transfer Agent	M/s Sharex Dynamic (India) Private Limited Unit 1, Luthra Industrial Premises, Andheri (East),Mumbai-400 072 Tel: 022-28515606 E-mail: sharexindia@vsnl.com
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>		
	All the business activities contributing 10% or more of the total turnover of the Company	As per Attachment A
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>		
		As per Attachment B
<b>IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)</b>		
	i) Category – wise Share Holding	As per Attachment C
	ii) Shareholding of Promoter	As per Attachment D
	iii) Change in promoter's Shareholding	As per attachment E
	iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment F
	v) Shareholding of Directors and Key Managerial Personnel	As per Attachment G
<b>V. INDEBTEDNESS</b>		
	Indebtedness of the Company including interest outstanding/ accrued but not due for payment	As per Attachment H
<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>		
	A) Remuneration to Director ,WTD, and /or Manger	As per Attachment I
	B) Remuneration to other Directors	As per Attachment J
	C) Remuneration to Key Managerial Personnel other than MD/ Managers/WTD	As per Attachment K
<b>VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES</b>		
		As per Attachment L

**ATTACHMENT A**

**PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

**All the business activities contributing 10% or more of the turnover of the Company shall be stated**

<b>Sr. No</b>	<b>Name and Description of main product/services</b>	<b>NIC Code of the Product</b>	<b>% to total turnover of the company</b>
1.	Manufacture of Ayurvedic Medicine	3043	100%

\*As per National Industrial Classification-Ministry of Statistics and Programme implementation

**ATTACHMENT B**

**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE**

<b>Sr. No</b>	<b>Name and Address of the Company</b>	<b>CIN/GIN</b>	<b>Holding/Subsidiary of the Company</b>	<b>% of shares held</b>	<b>Applicable Section</b>
	N.A	N.A	N.A	N.A	N.A

### ATTACHMENT C

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)

##### i. Category – wise share holding

Category of Shareholders	No. of shares at the beginning of the year 01/04/2015				No of Shares held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. PROMOTER'S</b>									
<b>(1) Indian</b>									
(a) Individual/Huf	2228100	0	2228100	31.466	2228100	0	2228100	31.466	0
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	957590	0	957590	13.523	957590	0	957590	13.523	0
(e) Bank/FI	0	0	0	0	0	0	0	0	0
(f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (1)</b>	<b>3185690</b>	<b>0</b>	<b>3185690</b>	<b>44.989</b>	<b>3185690</b>	<b>0</b>	<b>3185690</b>	<b>44.989</b>	<b>0</b>
<b>2 FOREIGN</b>									
(a) NRI Individual	0	0	0	0	0	0	0	0	0
(b) Other Individual	0	0	0	0	0	0	0	0	0
(c) Body Corporate	0	0	0	0	0	0	0	0	0
(d) Bank/FI	0	0	0	0	0	0	0	0	0
(e) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f) Any others specify	0	0	0	0	0	0	0	0	0
<b>Sub Total-A(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Share Holder of Promoters (A)=(A) (1)+(A) (2)	<b>3185690</b>	<b>0</b>	<b>3185690</b>	<b>44.989</b>	<b>3185690</b>	<b>0</b>	<b>3185690</b>	<b>44.989</b>	<b>0</b>
<b>(B) (1) Public Shareholding</b>									
<b>1. Institution</b>									
(a) Mutual Funds	0		0						
(b) Bank/FI	0		500	500	0.007	0	500	500	0.007
(c) Cent.Govt	0		0	0	0	0	0	0	0
(d) State Govt	0		0	0	0	0	0	0	0

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(e) Venture Capital	0	0	0	0	0	0	0	0	0
(f) Insurance Co	0	0	0	0	0	0	0	0	0
(g) FIIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital	0	0	0	0	0	0	0	0	0
(i) others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub Total (B) (1)</b>	<b>0</b>	<b>500</b>	<b>500</b>	<b>0.007</b>	<b>0</b>	<b>500</b>	<b>500</b>	<b>0.007</b>	<b>0</b>
2. Non Institution									
<b>(a) Body Corporate</b>									
(i) Indian	163546	9000	172546	2.437	185046	9000	194046	2.74	0.303
(ii) Overseas									
<b>(b) Individual</b>									
(i) Individual Shareholders holding nominal share capital upto ₹1 lakh	1791961	1050850	2842811	40.147	1894196	1026350	2920546	41.245	1.098
(ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	848819	0	848819	11.987	753770	0	753770	10.645	-1.342
(c) other(specify)									
Non Resident Indians	7785	0	7785	0.11	9655	0	9655	0.136	0.026
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign National	0	0	0	0	0	0	0	0	0
Clearing Members	22849	0	22849	0.323	16793	0	16793	0.237	-0.086
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies- DR	0	0	0	0	0	0	0	0	0
<b>Sub total (B)(2)</b>	<b>2834960</b>	<b>1059850</b>	<b>3894810</b>	<b>55.004</b>	<b>2859460</b>	<b>1035350</b>	<b>3894810</b>	<b>55.003</b>	<b>-0.001</b>
Total (B)=(B)(1)+(B)(2)	<b>2834960</b>	<b>1060350</b>	<b>3895310</b>	<b>55.011</b>	<b>2859460</b>	<b>1035850</b>	<b>3895310</b>	<b>55.010</b>	<b>-0.001</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A)+(B)+(C)</b>	<b>6020650</b>	<b>1060350</b>	<b>7081000</b>	<b>100.00</b>	<b>6045150</b>	<b>1035850</b>	<b>7081000</b>	<b>100.00</b>	<b>0</b>

Note: There is no change in the number of shares held by the promoter companies.

### ATTACHMENT D

#### V. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)

i. Shareholding Promoters:

Sr.No	Shareholder's name	Shareholding at the beginning of the financial year 01/04/2015			Shareholding at the end of financial year 31/03/2016			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledge/ encumbered to total shares	No of shares	% of total shares of the company	% of shares pledge/ encumbered to total shares	
1.	Noumura Realty and Construction Private Limited	219010	3.093	-	219010	3.093	-	-
2.	Phybrichem Engineers Private Limited	155963	2.203	-	155963	2.203	-	-
3.	Akshath Finvest and Properties Private Limited	38687	0.546	-	38687	0.546	-	-
4.	Sanmark Realty and Finance Private Limited	543930	7.682	-	543930	7.682	-	-
5.	Shubhada Prabhakar Sandu	10000	0.141	-	10000	0.141	-	-
6.	Umesh B Sandu	677100	9.562	-	677100	9.562	-	-
7.	Shashank Bhaskar Sandu	657900	9.291	-	657900	9.291	-	-
8.	Bhaskar Govind Sandu	737000	10.408	-	737000	10.408	-	-
9.	Minal Shashank Sandu	61100	0.863	-	61100	0.863	-	-
10.	Geeta U Sandu	85000	1.2	-	85000	1.2	-	-

### ATTACHMENT E

#### VI. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)

iii) Change in Promoter's Shareholdings (please specify if there is no change)

SR No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of the Year 31/03/2016			% of total Shares of the company
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	
NO CHANGE DURING THE FINANCIAL YEAR								

**ATTACHMENT F****VII. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)**

iv). Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs)

Sr. No	Name	No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	Jainam Share Consultants Pvt. Ltd.	29712	0.42	01/04/2015				
				10/04/2015	5	Transfer	29717	0.42
				17/04/2015	2970	Transfer	32687	0.462
				24/04/2015	-4587	Transfer	28100	0.397
				01/05/2015	1293	Transfer	29393	0.415
				08/05/2015	1049	Transfer	30442	0.43
				15/05/2015	-1150	Transfer	29292	0.414
				22/05/2015	-42	Transfer	29250	0.413
				29/05/2015	-100	Transfer	29150	0.412
				05/06/2015	-51	Transfer	29099	0.411
				12/06/2015	855	Transfer	29954	0.423
				19/06/2015	-954	Transfer	29000	0.41
				26/06/2015	-44	Transfer	28956	0.409
				30/06/2015	339	Transfer	29295	0.414
				03/07/2015	-74	Transfer	29221	0.413
				10/07/2015	-566	Transfer	28655	0.405
				17/07/2015	150	Transfer	28805	0.407
				24/07/2015	-101	Transfer	28704	0.405
				31/07/2015	-254	Transfer	28450	0.402
				07/08/2015	855	Transfer	29305	0.414
				14/08/2015	-885	Transfer	28420	0.401
				21/08/2015	-528	Transfer	27892	0.394
				28/08/2015	-612	Transfer	27280	0.385
				04/09/2015	-600	Transfer	26680	0.377
				11/09/2015	-610	Transfer	26070	0.368

				18/09/2015	-147	Transfer	25923	0.366
				23/09/2015	-23	Transfer	25900	0.366
				25/09/2015	70	Transfer	25970	0.367
				30/09/2015	360	Transfer	26330	0.372
				09/10/2015	-436	Transfer	25894	0.366
				16/10/2015	23	Transfer	25917	0.366
				23/10/2015	50	Transfer	25967	0.367
				30/10/2015	2305	Transfer	28272	0.399
				06/11/2015	-910	Transfer	27362	0.386
				18/12/2015	600	Transfer	27962	0.395
				25/12/2015	-1010	Transfer	26952	0.381
				31/12/2015	139	Transfer	27091	0.383
				08/01/2016	-125	Transfer	26966	0.381
				15/01/2016	850	Transfer	27816	0.393
				22/01/2016	-1300	Transfer	26516	0.374
				05/02/2016	-200	Transfer	26316	0.372
				12/02/2016	200	Transfer	26516	0.374
				04/03/2016	1000	Transfer	27516	0.389
				11/03/2016	-750	Transfer	26766	0.378
				18/03/2016	500	Transfer	27266	0.385
	- Closing balance			31/03/2016	50	Transfer	27316	0.386
2.	Mahan Industries Ltd	28698	0.405	01/04/2015				
	- closing balance			31/03/2016			28698	0.405
3	Ravindra Vinayak Bhatavadekar	27734	0.392	01/04/2015				
	- Closing balance			31/03/2016			27734	0.392
4.	Mukesh Raajibhai Patel	329304	4.651	01/04/2015				
	- Closing balance			31/03/2016			329304	4.651
5.	Vanechand Panechand Jain	24900	0.352	01/04/2015				
				09/10/2015	-6590	Transfer	18310	0.259
				16/10/2015	-2628	Transfer	15682	0.221
				23/10/2015	-1785	Transfer	13897	0.196

				30/10/2015	-200	Transfer	13697	0.193
	- Closing balance			31/03/2016			13697	0.193
6.	Rakeshkumar Kiritkumar Vaidya (HUF)	1000	0.014	01/05/2015				
				08/05/2015	-200	Transfer	800	0.011
				15/05/2015	188	Transfer	988	0.014
				22/05/2015	1	Transfer	989	0.014
				05/06/2015	211	Transfer	1200	0.017
				10/07/2015	500	Transfer	1700	0.024
				14/08/2015	1469	Transfer	3169	0.045
				21/08/2015	3801	Transfer	6970	0.098
				11/09/2015	2265	Transfer	9235	0.13
				23/09/2015	74	Transfer	9309	0.131
				09/10/2015	214	Transfer	9523	0.134
				16/10/2015	3749	Transfer	13272	0.187
				23/10/2015	130	Transfer	13402	0.189
				20/11/2015	64	Transfer	13466	0.19
				11/12/2015	840	Transfer	14306	0.202
				05/02/2016	478	Transfer	14784	0.209
				12/02/2016	4221	Transfer	19005	0.268
	- Closing balance			31/03/2016			19005	0.268
7.	Dilip Tukaram Bhaskarwar	24656	0.348	01/04/2015				
	- Closing balance			30/10/2015	-24656	Transfer	0	0
8.	Ratankumar Prabhudayal Gupta	17046	0.241	01/04/2015				
	- Closing balance			31/03/2016			17046	0.241
9.	Yatin Jaykrishna Desai	37040	0.523	01/04/2015				
				24/04/2015	-10040	Transfer	27000	0.381
				07/08/2015	-3000	Transfer	24000	0.339
	- Closing balance			31/03/2016			24000	0.339



10.	Mita Dipak Shah	82000	1.158	01/04/2015				
				05/06/2015	-2000	Transfer	80000	1.13
				12/02/2016	-8000	Transfer	72000	1.017
	-Closing balance			04/03/2016	-22000	Transfer	50000	0.706
11.	Amit Dattatray Khandekar	67318	0.951	01/04/2015				
	- Closing balance			31/03/2016			67318	0.951
12.	Hitesh Kuvelkar	102149	1.443	01/04/2015				
				22/05/2015	-749	Transfer	101400	1.432
				07/08/2015	-1050	Transfer	100350	1.417
				30/10/2015	-5250	Transfer	95100	1.343
				06/11/2015	600	Transfer	95700	1.352
				04/12/2015	-1500	Transfer	94200	1.33
				25/12/2015	-450	Transfer	93750	1.324
				08/01/2016	-750	Transfer	93000	1.313
				15/01/2016	-2454	Transfer	90546	1.279
	- Closing balance			31/03/2016			90546	1.279
13.	Bhavana Beemal Patel	2000	0.028	17/07/2015				
				24/07/2015	2614	Transfer	4614	0.065
				31/07/2015	1681	Transfer	6295	0.089
				07/08/2015	1443	Transfer	7738	0.109
				14/08/2015	-422	Transfer	7316	0.103
				28/08/2015	-147	Transfer	7169	0.101
				16/10/2015	811	Transfer	7980	0.113
				23/10/2015	3084	Transfer	11064	0.156
				30/10/2015	10000	Transfer	21064	0.297
				06/11/2015	40000	Transfer	61064	0.862
				13/11/2015	7965	Transfer	69029	0.975
				11/12/2015	171	Transfer	69200	0.977
				05/02/2016	95	Transfer	69295	0.979
				25/03/2016	-95	Transfer	69200	0.977
	- Closing balance			31/03/2016			69200	0.977

**ATTACHMENT G****VIII. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)*****V. Shareholding of Directors and Key Managerial Personnel:***

Sr No	Particulars	Shareholding at the Beginning of the year 01/04/2015		Cumulative Shareholding during the year 31/03/2016	
		No of Shares	% of total Shares of the Company	No of Shares	% of total shares of the company
1.	Bhaskar G Sandu	737000	10.408	737000	10.408
2.	Shashank B Sandu	657900	9.291	657900	9.291
3.	Umesh B Sandu	677100	9.562	677100	9.562
4.	Shubhada P Sandu	10000	0.141	10000	0.141
5.	Nikesh Shah (KMP)	-	-	-	-
6.	Pratika Shenvi Desai (KMP)	-	-	-	-

**ATTACHMENT H****IX. INDEBTEDNESS**

Indebtedness of the company including interest outstanding / accrued but not due for payment.

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 01.04.2015</b>				
1. Principal Amount	11945936	-	-	11945936
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>11945936</b>	<b>-</b>	<b>-</b>	<b>11945936</b>
<b>Change in indebtedness during the financial year</b>				
+ Addition	-	-	-	-
- Reduction	(4163915)	-	-	(4163915)
<b>Net Change</b>	<b>(4163915)</b>	<b>-</b>	<b>-</b>	<b>(4163915)</b>
<b>Indebtedness at the end of the financial year 31.03.2016</b>				
1. Principal Amount	7782021	-	-	7782021
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>7782021</b>	<b>-</b>	<b>-</b>	<b>7782021</b>

**ATTACHMENT I****X. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole Time Director and/or Manager**

(In ₹)

Sr. No	Particulars of Remuneration	Shri. Umesh Sandu Managing Director	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions in section 17(1) of the income tax act	<b>24,09,600</b>	<b>24,09,600</b>
	(b) Value of perquisites u/s 17(2) income tax, 1961	Nil	Nil
	© Profit in lieu of salary under section 17(3) income tax act, 1961	Nil	Nil
2.	Stock option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission -As % of profit -Others, specify	Nil	Nil
5.	Others, please specify Provident Fund & other fund	Nil	Nil
	Total (A)	<b>24,09,600</b>	<b>24,09,600</b>
	Ceiling as per the Act	30,00,000	30,00,000

**ATTACHMENT J****XI. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL**

Remuneration of other directors:

Independent Directors:-

Particulars of Remuneration	Name of Directors				Total Amount (In Rs)
	Dilip R. Salgaocar	Krishna B. Deshpande	Madan L. Kapre	K. Vinay Kumar	
Fees for attending Board / Committee Meetings	17,500	12,500	53,000	47,000	1,30,000
Commission	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL	NIL
Total	17,500	12,500	53,000	47,000	1,30,000

Other Non-Executive Directors:-

Other Non Executive Director	Bhaskar G Sandu	Shashank B Sandu	Shubhada P Sandu	Total Amount (In Rs)
Fees for attending Board /Committee Meetings	42,000	25,000	25,000	92,000
Commission	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL
Total	42,000	25,000	25,000	92,000

**ATTACHMENT K**

**XII. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL**

Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(In ₹)

Sr No	Particulars of Remuneration	Key Managerial Personnel		Total
		Chief Financial Officer	Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	5,95,794	4,61,375	10,57,169
	(b) Value of perquisites u/s 17(2) Income Tax Act	10,000	14,875	24,875
	(c) Profit in lieu of salary under section 17(3) Income Tax Act	-	-	
2.	Stock option	-	-	
3.	Sweat Equity Shares	-	-	
4.	Commission - As % of profit - others, specify	-	-	
5.	Others, please specify contribution to PF	-	-	
6.	Performance Bonus	-	-	
	<b>Total</b>	6,05,794	4,76,250	10,82,044

**ATTACHMENT L**

**XIII. Penalties /Punishment/Compounding of offences (under the companies act)**

Type	Section Of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C Any other officer in default</b>					

*NIL*

## ANNEXURE - H

### STATEMENT OF PARTICULARS REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF A MANAGERIAL PERSONNEL) RULES, 2014.

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year

Sr No	Directors	Ratio to Median Remuneration
1.	Bhaskar G Sandu- Chairman and Non Executive Director	-
2.	Dilip R Salgaocar-Non Executive Independent Director	-
3.	Krishna B Deshpande Non Executive Independent Director	-
4.	Dr Madan L Kapre Non Executive Independent Director	-
5.	K Vinay Kumar Non Executive Independent Director	-
6.	Shashank B Sandu- Non Executive	-
7.	Shubhada P Sandu Non Executive	-
8.	Umesh B Sandu Managing Director	<b>19.50:1</b>

The Median remuneration of all employees of the company for the Financial year 2015-16 was ₹1,23,600

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the Financial Year.

Sr No	Director, Chief Financial Officer, Company Secretary	% increase /(decrease) of remuneration in the financial year
1.	Bhaskar G Sandu- Chairman and Non Executive Director	-
2.	Dilip R Salgaocar-Non Executive Independent Director	-
3.	Krishna B Deshpande Non Executive Independent Director	-
4.	Dr Madan L Kapre Non Executive Independent Director	-
5.	K Vinay Kumar Non Executive Independent Director	-
6.	Shashank B Sandu- Non Executive	-
7.	Shubhada P Sandu Non Executive	-
8.	Umesh B Sandu Managing Director	<b>42%</b>
9.	Nikesh Shah Chief Financial Officer	<b>44.56%</b>
10.	Pratika Shenvi Dessai Company Secretary	<b>NIL</b>

\* Pratika Shenvi Dessai was appointed as Company Secretary and Compliance Officer with effect from 01st April 2015 so no comparison was possible.

- (iii) The percentage increase in the median remuneration of employees in the Financial Year :17.04%
- (iv) The Number of permanent employees on roll of the Company : 267
- (v) The explanation on the relationship between average increase in remuneration and company performance Average Increase in remuneration of all employees was 37.79%
- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

1. Aggregate of remuneration paid to Key Managerial Personnel (KMP)	37,13,600
2. Total Revenue	41,22,36,378
3. Remuneration of KMP's as a % of total revenue	0.90
4. Profit Before Tax (PBT)	67,94,431
5. Remuneration of KMP's as a % PBT	54.66

- (vii) Variations in the market capitalization of the company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer , the variation in the net worth of the company as at the close of the current financial year and previous financial year

Particulars	As on 31.03.2016	As on 31.03.2015	% Increase
<b>Share Price</b>			
BSE	24.65	22	12.04
<b>Market Capitalisation</b>			
BSE	174546650	155782000	12.05
<b>Price Earning Ratio</b>	32.43	37.93	(14.50)
<b>Net worth</b>	18,68,36,560	18,14,57,587	2.96

\* share price at BSE is considered for calculation of Price Earnings Ratio

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereto and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average salary increase of Non Managerial Employees is 17.09%

Average Salary increase of managerial employees is 103.69%

There is no exceptional circumstances in increase in managerial remuneration.

- (ix) Comparison of each remuneration of the key managerial personnel (KMPs) against the performance of the Company.

KMPs	Remuneration in FY 2015-16	Total Revenue	Remuneration a % of Revenue	Profit Before Tax (PBT)	Remuneration of KMPs as a % of PBT
Umesh B Sandu Managing Director	24,09,600	41,22,36,378	0.58	67,94,431	35.46
Nikesh Shah Chief Financial Officer	6,05,794		0.15		8.92
Pratika Shenvi Dessai Company Secretary	4,80,000		0.12		7.06

- x) The Key parameter for any variable component of remuneration availed by the Director  
There are no variable payment made to the Whole Time Director based on the performance during the year
- xi) The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the Year  
Managing Director is highest paid Director. No employee received remuneration higher than the Managing Director.
- xii) Affirmation that the remuneration is as per the remuneration policy of the Company Remuneration paid during the year ended 31.03.2016 is as per remuneration policy of the Company.

**ANNEXURE -I**  
**FORM NO. AOC- 2**

**Pursuant to clause (h) of sub-section (3) of section 134 of the Act and  
Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

**(b) Details of contracts or arrangements or transactions not at Arm's length basis.- N. A**

SL. No.	Particulars	Details
ii.	Name (s) of the related party & nature of relationship	
iii.	Nature of contracts/arrangements/transaction	
iv.	Duration of the contracts/arrangements/transaction	
v.	Salient terms of the contracts or arrangements or transaction including the value, if any	
vi.	Justification for entering into such contracts or arrangements or transactions'	N .A
vii.	Date of approval by the Board	
viii.	Amount paid as advances, if any	
ix.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

**(b) Details of contracts or arrangements or transactions at Arm's length basis.**

SL. No.	Particulars	Details
C.	Name (s) of the related party & nature of relationship	Sandu Brothers Private Limited Relative of Directors are members
D.	Nature of contracts/arrangements/transaction	1. Purchase/sale of Finished Ayurvedic Medicine for marketing 2. Taken premises on Leave and License
E.	Duration of the contracts/arrangements/transaction	1st April 2014 to 01st March 2019
F.	Salient terms of the contracts or arrangements or transaction including the value, if any	Refer Note No 01
G.	Date of approval by the Board	30th May 2014
H.	Amount paid as advances, if any	8, 13, 35, 158

**Note 1:**

M/s Sandu Brothers Private Limited manufacture's and process and pack the Ayurvedic Drugs and Formulation in accordance with specifications provided to it by M/s Sandu Pharmaceuticals Limited and pack them in bulk or in such other packs in the manner as may be stipulated or specified by M/s Sandu Pharmaceuticals Limited to enable to market the same by buying the said products on its account.

The other related information as envisaged under the company's (Meeting of Board and its Power) Rules, 2014 and amendments thereto, and the Company's Related Party Transaction Policy are furnished Hereunder.

**For and on behalf of Board of Directors**

Dated: 30th May 2016  
Place: Mumbai

Sd/-  
**Bhaskar Sandu**  
Chairman  
DIN: 02816792



## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of *Sandu pharmaceuticals limited* Report on the Financial Statements**

We have audited the accompanying Standalone financial statements of ***Sandu Pharmaceuticals Limited*** which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Profit and its Cash Flow for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. There are no observations or comments on the financial transactions, which may have an adverse effect on the functioning of the company.
- f. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, under Clause (1) of Sub-section 3 of section 143 of the companies Act, 2013 ("the Act"), refer to our separate Report in "**Annexure B**".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of  
**Joshi Joshi & Co**  
Chartered Accountants  
Firm's registration number: 104393w

Sd/-  
**(M. M. Joshi)**  
Proprietor  
Membership number: 042466

Place: Mumbai  
Date: 30/05/2016

## “Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - (c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
  - (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- 6) It has been explained to us that the maintenance of cost records has not been prescribed under section 148(1) of the Act.
- 7) a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
  - b) According to the information and explanations given to us, undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and Cess that were in arrears, as at 31-Mar-2016 for a period of more than six months from the date they became payable are given below

Name of the statute	Nature of the dues	Amount (₹ in Lacs)	Financial Year to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income-tax including applicable interest and penalty	283	2010-11	CIT Appeals

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of  
**Joshi Joshi & Co**  
Chartered Accountants  
Firm's registration number: 104393w

Sd/-  
**(M. M. Joshi)**  
Proprietor  
Membership number: 042466

Place: Mumbai  
Date:30/05/2016

**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Sandu Pharmaceuticals Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Sandu Pharmaceuticals Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance

regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

For and on behalf of  
**Joshi Joshi & Co**  
Chartered Accountants  
Firm's registration number: 104393w

Sd/-  
**(M. M. Joshi)**  
Proprietor  
Membership number: 042466

Place: Mumbai  
Date:30/05/2016

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Balance Sheet as at 31st March, 2016

Particulars		Note No.	As at 31 March, 2016 Amount (₹)	As at 31 March, 2015 Amount (₹)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	7,08,10,000	7,08,10,000
	(b) Reserves and surplus	4	11,60,26,560	11,06,47,587
			18,68,36,560	18,14,57,587
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	77,82,021	1,19,45,936
	(b) Deferred tax liabilities (net)	6	92,81,698	1,00,16,238
			1,70,63,720	2,19,62,174
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	7	10,05,22,081	10,68,18,410
	(b) Trade payables	8	5,87,63,668	6,24,33,358
	(c) Other current liabilities	9	2,78,80,098	2,15,50,792
	(d) Short-term provisions	10	2,29,92,459	2,09,16,386
			21,01,58,306	21,17,18,946
	<b>TOTAL</b>		<b>41,40,58,585</b>	<b>41,51,38,707</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	11	7,81,48,488	8,35,71,018
			7,81,48,488	8,35,71,018
	(b) Non-current investments	12	73,38,316	69,73,698
			8,55,69,304	9,05,44,716
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	13	12,03,72,821	12,67,80,280
	(b) Trade receivables	14	7,14,73,384	6,55,90,915
	(c) Cash & Cash equivalents	15	70,02,563	4,13,32,455
	(d) Short-term loans and advances	16	12,97,23,011	9,08,90,341
			32,84,89,281	32,45,93,991
			<b>41,40,58,585</b>	<b>41,51,38,707</b>
	See accompanying notes forming part of the financial statements	1 & 2		

In Terms of Our Report attached

For **JOSHI JOSHI & CO**

Chartered Accountants

Firm Reg. No 104393W

Sd-

**M M JOSHI**

Proprietor

M.No: 42466 of 89

Sd-

**BHASKAR G SANDU**

Chairman

DIN:02816792

Sd-

**NIKESH SHAH**

CFO

For and on behalf of the Board of Directors

Sd-

**UMESH B SANDU**

Managing Director

DIN:01132141

Sd-

**PRATIKA SHENVI DESSAI**

COMPANY SECRETARY

Sd-

**SHASHANK B SANDU**

Director

DIN:00678098

Place: Mumbai

Dated: 30/05/2016



## Statement of Profit and Loss for the Period ended 31 March 2016

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2016	31 March, 2015
		Amount (₹)	Amount (₹)
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)	17	46,78,38,570	44,73,43,026
Less: Excise duty	17	73,03,840	5,127,185
Less: Trade Discount	17	5,00,12,086	4,80,13,846
Add: Insurance Claim Received	17	2,61,650	18,14,304
Revenue from operations (net)		41,07,84,293	39,60,16,299
2 Other income	18	14,52,085	13,68,833
<b>3 Total revenue (1+2)</b>		<b>41,22,36,378</b>	<b>39,73,85,132</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	19.a	8,41,79,586	6,76,18,878
(b) Purchase of Stock-in-trade	19.b	13,44,63,267	13,82,38,168
(c) Changes in inventories of finished goods, work-in-progress & Stock-in-trade	19.c	(57,74,572)	1,43,86,275
(d) Employee benefits expenses	20	4,51,11,494	3,68,98,828
(e) Finance costs	21	1,64,34,143	1,37,02,573
(f) Depreciation and amortisation expenses	11	69,30,806	57,45,361
(g) Other expenses	22	12,40,97,246	11,45,07,629
<b>Total expenses</b>		<b>40,54,41,969</b>	<b>39,10,97,712</b>
<b>5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		67,94,431	62,87,420
6 Exceptional items		-	-
<b>7 Profit / (Loss) before extraordinary items and tax (3 + 4)</b>		67,94,431	62,87,420
<b>8 Tax expense:</b>			
(a) Current tax expense for current year		21,50,000	12,50,000
(b) (Less): MAT credit (where applicable)			
(c) Current tax expense relating to prior years			
(b) Net current tax expense		21,50,000	12,50,000
(c) Deferred tax		(7,34,540)	9,00,793
		14,15,460	21,50,793
<b>9 Profit / (Loss) for the year (5 + 6-8)</b>		53,78,971	41,36,627
<b>10 Earnings per share (of 10/- each):</b>			
(a) Basic			
(i) Continuing operations	25	0.76	0.58
(ii) Total operations	25	0.76	0.58
See accompanying notes forming part of the financial statements	1 & 2		

In Terms of Our Report attached

For **JOSHI JOSHI & CO**

Chartered Accountants

Firm Reg. No 104393W

Sd-

**M M JOSHI**

Proprietor

M.No: 42466 of 89

Sd-

**BHASKAR G SANDU**

Chairman

DIN:02816792

Sd-

**NIKESH SHAH**

CFO

For and on behalf of the Board of Directors

Sd-

**UMESH B SANDU**

Managing Director

DIN:01132141

Sd-

**PRATIKA SHENVI DESSAI**

COMPANY SECRETARY

Sd-

**SHASHANK B SANDU**

Director

DIN:00678098

Place: Mumbai

Dated: 30/05/2016

**Cash Flow Statement for the year ended 31 March, 2016**

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		67.94		62.87
<i>Adjustments for:</i>				
Depreciation and amortisation	69.31		105.24	
Finance costs	164.34		137.02	
Interest income	(3.49)		(7.92)	
Dividend income	(9.13)		(4.13)	
Other non operating Income	(1.90)		(1.63)	
Prior period Income	0.00		0.00	
Net (gain) / loss on sale of investments	0.00		0.00	
		219.13		228.57
Operating profit / (loss) before working capital changes		287.07		291.44
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	64.06		89.53	
Trade receivables	(58.82)		(65.97)	
Short-term loans and advances	(376.60)		(329.03)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(36.70)		178.08	
Other current liabilities	63.29		15.95	
Short-term provisions	(62.96)		307.82	
		(407.72)		196.38
Cash generated from operations		(120.65)		487.81
Net income tax (paid) / refunds		(21.50)		(12.50)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(142.15)</b>		<b>475.31</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(15.08)		(31.91)	
Current investments not considered as Cash and cash equivalents				
- Purchased	4.47		0.00	
- Proceeds from sale	0.93		0.00	
Interest received	3.49		7.92	
Dividend received	9.13		4.13	
Other Income	1.90		1.63	
		4.83		(18.23)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>4.83</b>		<b>(18.23)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from long-term borrowings				
Repayment of long-term borrowings	(41.64)		(53.04)	
Finance cost	(164.34)		(137.03)	
		(205.98)		(190.07)
Cash flow from extraordinary items				
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(205.98)</b>		<b>(190.07)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(343.29)</b>		<b>267.01</b>
Cash and cash equivalents at the beginning of the year		413.31		146.30
<b>Cash and cash equivalents at the end of the year</b>		<b>70.02</b>		<b>413.31</b>

In Terms of Our Report attached

**For JOSHI JOSHI & CO**

Chartered Accountant

Firm Reg. No 104393W

Sd-

**M M JOSHI**

Proprietor

M.No: 42466 of 89

Sd-

**BHASKAR G SANDU**

Chairman

DIN:02816792

For and on behalf of the Board of Directors

Sd-

**UMESH B SANDU**

Managing Director

DIN:01132141

Sd-

**SHASHANK B SANDU**

Director

DIN:00678098

Sd-

**NIKESH SHAH**

CFO

Sd-

**PRATIKA SHENVI DESSAI**

COMPANY SECRETARY

Place: Mumbai

Dated: 30th May 2016

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Note 3 Share capital

Particulars	As at 31 Mar 2016		As at 31 March, 2015	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
(a) Authorised				
Equity shares of ₹10/- each with voting rights	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
(b) ISSUED, SUBSCRIBED & PAID-UP CAPITAL				
7081000 (PY: 7081000) Equity shares of ₹10/- each fully paid-up.	70,81,000	7,08,10,000	70,81,000	7,08,10,000
<b>Total</b>	<b>70,81,000</b>	<b>7,08,10,000</b>	<b>70,81,000</b>	<b>7,08,10,000</b>

## Note 3 (a) Share capital

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

Equity shares with voting rights				
Balance as at the beginning and end of the year	<b>70,81,000</b>	<b>7,08,10,000</b>	<b>70,81,000</b>	<b>7,08,10,000</b>

## Note 3 (b) Share capital

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

Class of shares / Name of shareholder	As at 31 March, 2016		As at 31 March, 2015	
	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				
BHASKAR GOVIND SANDU	737000	10.408%	737000	10.408%
SHASHANK BHASKAR SANDU	657900	9.291%	657900	9.291%
UMESH BHASKAR SANDU	677100	9.562%	677100	9.562%
SANMARK REALTY AND FINANCE PRIVATE LTD.	543930	7.682%	543930	7.682%

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 4 Reserves and surplus**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Amount (₹)	Amount (₹)
(a) Capital reserve		
Opening balance	26,00,000	26,00,000
Closing balance	26,00,000	26,00,000
(b) General reserve		
Opening balance	9,24,28,369	9,72,07,750
Less: Write off of Assets due to expiry of Assets Life	-	47,79,381
Closing balance	9,24,28,369	9,24,28,369
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	15,619,220	1,14,82,593
Add: Profit / (Loss) for the year	53,78,971	41,36,627
Less: Transferred to:	-	-
General reserve	-	-
Closing balance	2,09,98,191	<b>1,56,19,220</b>
<b>Total</b>	<b>11,60,26,560</b>	<b>11,06,47,588</b>

**Note 5 Long-term borrowings**

(a) Term loans		
<u>Secured</u>		
From banks		
Dena Bank	77,82,021	1,19,45,936
[Secured by hypothecation of Plant & Machinery, Civil work to be payable in 72 monthly installments]		
<u>Un-secured</u>	-	-
	77,82,021	1,19,45,936
<b>Total</b>	<b>77,82,021</b>	<b>1,19,45,936</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Note 6 Disclosures under Accounting Standards

Note	Particulars	As at 31 March, 2016	As at 31 March, 2015
		Amount (₹)	Amount (₹)
	<b>Deferred tax (liability) / asset</b>		
	<b>Opening Balance</b>	1,00,16,238	91,15,445
	Tax effect of items constituting deferred tax assets		
	On difference between book balance and tax balance of fixed assets	(7,34,540)	9,00,793
	<b>Net deferred tax (liability) / asset</b>	<b>92,81,698</b>	<b>1,00,16,238</b>

## Note 7 Short-term borrowings

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Amount (₹)	Amount (₹)
Loans repayable on demand		
From banks		
Secured against hypothecation of stocks & Book Debts	10,05,22,081	10,68,18,410
<b>Total</b>	<b>10,05,22,081</b>	<b>10,68,18,410</b>

## Note 8 Trade payables

Trade payables	58,763,668	62,433,358
(The Company has not received confirmation from any party regarding their status under MSMED, Act 2006)		
<b>Total</b>	<b>58,763,668</b>	<b>62,433,358</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 9 Other current liabilities**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Amount (₹)	Amount (₹)
Advance Received from Customers	44,28,032	13,76,742
Other payables		
(i) Statutory Dues	29,45,424	28,66,650
(ii) Trade / security deposits received	33,39,951	24,45,001
(iii) Current Maturities of Long Term Borrowings	55,83,360	57,77,244
(iv) Current Maturities of Vehicle Loan	-	1,68,010
(v) Provision for expenses	40,37,168	37,34,735
(vi) Outstanding Liabilities	66,65,010	42,80,923
(vii) Retention	8,81,153	9,01,487
<b>Total</b>	<b>2,78,80,098</b>	<b>2,15,50,792</b>

**Note 10 Short-term provisions**

(a) Provision for employee benefits:		
(i) Provision for salaries	36,52,534	38,31,161
(ii) Provision for Gratuity	9,44,925	8,40,225
	45,97,459	46,71,386
(b) Provision - Others:		
(iii) Provision for tax	1,83,95,000	1,62,45,000
	1,83,95,000	1,62,45,000
<b>Total</b>	<b>2,29,92,459</b>	<b>2,09,16,386</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Note 11 Fixed assets

	Gross block				Accumulated depreciation and impairment					Net block	
	Balance as at 1 April, 2015	Additions	Disposals	Balance as at 31 March, 2016	Balance as at 1 April, 2015	Revision in ACC dep as per Sch II	Depreciation / amortisation expense for the period	Eliminated on disposal of assets	Balance as at 31 Mar, 2016	Balance as at 31 March, 2015	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	
<b>Tangible Assets</b>											
(a) Land Leasehold	56,19,529	-	-	56,19,529	-	-	-	-	56,19,529	56,19,529	
(b) Buildings	7,97,88,250			7,97,88,250	2,42,93,809	-	10,98,353		5,43,96,088	5,54,94,441	
(c) Plant and Equipment	3,58,45,773	6,56,429	-	36,50,202	23,525,862	-	17,96,279		1,11,80,061	1,23,19,911	
(d) Furniture and Fixtures	<b>47,61,904</b>	2,47,210		50,09,114	16,28,842	-	4,43,291		29,36,981	31,33,062	
(e) Vehicles	14,53,475			14,53,475	10,61,011	-	3,92,465		-	3,92,465	
(f) Office equipment	1,13,25,990	5,72,611		1,18,98,601	67,30,425	-	29,36,640		22,31,536	45,95,565	
(h) Electrical Installation	44,95,775	32,025		45,27,800	25,35,226	-	2,48,512		17,44,062	19,60,549	
(i) Tools and Dyes	2,49,707			2,49,707	1,94,210	-	15,266		40,231	55,497	
<b>Total Tangible Assets</b>	<b>14,35,40,403</b>	<b>15,08,275</b>	<b>-</b>	<b>14,50,48,678</b>	<b>5,99,69,385</b>	<b>-</b>	<b>69,30,806</b>	<b>-</b>	<b>7,81,48,488</b>	<b>8,35,71,018</b>	
<b>Intangible assets</b>											
Software	54,000	-	54,000	-	54,000	-	-	54,000	-	-	
<b>Total Intangible Assets</b>	<b>54,000</b>	<b>-</b>	<b>54,000</b>	<b>-</b>	<b>54,000</b>	<b>-</b>	<b>-</b>	<b>54,000</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>14,35,94,403</b>	<b>15,08,275</b>	<b>54,000</b>	<b>14,50,48,678</b>	<b>6,00,23,384</b>	<b>-</b>	<b>69,30,806</b>	<b>54,000</b>	<b>7,81,48,488</b>	<b>8,35,71,019</b>	
<b>Previous year</b>	<b>14,04,03,204</b>	<b>31,91,199</b>	<b>-</b>	<b>14,35,94,403</b>	<b>4,94,99,648</b>	<b>47,79,381</b>	<b>57,44,354</b>	<b>-</b>	<b>8,35,71,018</b>	<b>9,09,03,556</b>	

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 12 Non-current investments**

Particulars	As at 31 Mar, 2016			As at 31 March, 2015		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<u>Other investments</u>						
(a) Investment in equity instruments	14,75,798	10,000	14,85,798	14,75,797	20,000	14,95,797
(b) Investment in mutual funds	58,52,518	-	58,52,518	54,77,901	-	54,77,901
<b>Total - Other investments</b>	<b>73,28,316</b>	<b>10,000</b>	<b>73,38,316</b>	<b>69,53,698</b>	<b>20,000</b>	<b>69,73,698</b>
<b>Total</b>			<b>73,38,316</b>			<b>69,73,698</b>

**Note 12A Investments**

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

Purchase and sale/redemption of investments during the year:

Description	Market Value as on 31.03.2016	Face Value	Opening Balance as on 01.04.2015		Acquisition		Disposals		Closing Balance as on 31.03.16		Closing Balance as on 31.03.15
	Amount (₹)	Amount (₹)	Nos.	Amount (₹)	Nos.	Amount (₹)	Nos.	Amount (₹)	Nos.	Amount (₹)	Amount (₹)
<b>Equity Shares: (Quoted)</b>											
Kerala Ayurveda Ltd.	16335	10	300	20,930	0	-	0	0	300	20,930	20,930
Powergrid Corporation of India Ltd.	238556	10	1,715	1,67,814	0	-	0	0	1715	1,67,814	1,67,814
Tata Chemicals Ltd.	186850	10	500	1,62,189	0	-	0	0	500	1,62,189	1,62,189
The Indian Hotels Company Ltd.	538584	1	3,943	3,24,276			0	0	3943	3,24,276	4,06,776
The Indian Hotels Company Ltd.(Right Issued)			1,500	82,500					1500	82,500	82,500
NTPC Ltd.	38655	10	300	52,737	0	-	0	0	300	52,737	52,737
NTPC Ltd. ( Bonus Issued)	3750	10	-	-	300				300	-	-
PTC India Ltd.	32000	10	500	40,805	0	-	0	0	500	40,805	40,805
Indraprastha Medical Corporation Ltd.	259250	10	5,000	2,41,013	0	-	0	0	5000	2,41,013	2,41,013
Kamat Hotels (India) Ltd.	55379	10	1,580	1,91,954	0	-	0	0	1580	1,91,954	1,91,954
NHPC Ltd.	120750	10	5,000	1,78,424	0	-	0	0	5000	1,78,424	1,78,424
Nagarjuna Fertilizers and Chemicals Ltd.	550	10	550	13,155	0	-	0	0	550	13,155	13,155



Nagarjuna Oil Refinery*	1875	1	500		-		0		-		0
							0	0			
<b>Total Investment in Equity Instruments</b>	<b>1492534</b>		<b>21,388</b>	<b>14,75,797</b>	<b>300</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>21688</b>	<b>14,75,798</b>	<b>15,58,297</b>
Equity Shares: (Unquoted)							0	0			
The Shamrao Vithal Co-op.Bank Ltd.	10		400	10,000	0	-	0	0	400	10,000	10,000
Unived Corporate Research Pvt.Ltd.	10		1,000	10,000	0	-	1000	10000	-	-	10,000
<b>Total Unquoted Equity Shares</b>			<b>1,400</b>	<b>20,000</b>	<b>0</b>	<b>-</b>	<b>1000</b>	<b>10000</b>	<b>400</b>	<b>10,000</b>	<b>20,000</b>
<b>TOTAL Investment in Equity Investments</b>			<b>22,788</b>	<b>14,95,797</b>	<b>300</b>	<b>-</b>	<b>1,000</b>	<b>10,000</b>	<b>22,088</b>	<b>14,85,798</b>	
Units of Schemes of Various Funds: (Quoted)							0	0			
HDFC Top 200 Fund - Dividend, Option ; Reinvest	10,05,149		20,074	8,95,468	3826	1,77,244	0	0	23,900	10,72,712	8,95,468
Reliance Vision Fund -Retail Plan -Dividend Plan	6,15,963		15,716	6,75,000			0	0	15,716	6,75,000	6,75,000
Reliance Regular Savings Fund -Equity Plan-Dividend Plan	5,97,862		30,552	7,00,000			0	0	30,552	7,00,000	7,00,000
Sundaram Select Midcap - Dividend	10,97,653		36,556	6,50,208			0	0	36,556	6,50,208	6,50,208
<b>DSP Black Rock India T.I.G.E.R.Fund-Regular Dividend Plan</b>	<b>5,23,568</b>	<b>1643.333333</b>	<b>34,870</b>	<b>6,74,298</b>			<b>0</b>	<b>0</b>	<b>34,870</b>	<b>6,74,298</b>	<b>6,74,298</b>
<b>IDFC Premier Equity Fund-Dividend Plan</b>	<b>4,27,285</b>		<b>14,837</b>	<b>3,75,000</b>			<b>0</b>	<b>0</b>	<b>14,837</b>	<b>3,75,000</b>	<b>3,75,000</b>
Kotak Opportunities - Dividend	4,17,714		19,278	2,75,000			0	0	19,278	2,75,000	2,75,000
Kotak Opportunities - Growth	6,37,229		8,165	3,75,000			0	0	8,165	3,75,000	3,75,000
<b>HDFC Equity Fund - Dividend , Option : Reinvest</b>	<b>9,91,469</b>		<b>18,878</b>	<b>8,57,926</b>	<b>4173</b>	<b>1,97,372</b>	<b>0</b>	<b>0</b>	<b>23,051</b>	<b>10,55,298</b>	<b>8,57,926</b>
<b>Total of Investment in Mutual Funds</b>	<b>63,13,892</b>	<b>1643.333333</b>	<b>1,98,926</b>	<b>54,77,901</b>	<b>0</b>	<b>3,74,616</b>	<b>0</b>	<b>0</b>	<b>2,06,925</b>	<b>58,52,518</b>	<b>54,77,901</b>
<b>Total Investments</b>			<b>2,21,714</b>	<b>69,73,698</b>	<b>300</b>	<b>3,74,616</b>	<b>1000</b>	<b>10000</b>	<b>2,29,013</b>	<b>73,38,316</b>	<b>70,56,198</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 13 Inventories**

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Amount (₹)	Amount (₹)
(a) Raw materials	99,31,439	2,21,13,471
(b) Work-in-progress	2,51,21,786	3,03,99,955
(c) Finished goods	3,76,17,580	2,99,26,014
(d) Stock in Trade	4,77,02,016	4,43,40,841
<b>Total</b>	<b>12,03,72,821</b>	<b>12,67,80,280</b>

**Note 14 Trade receivables**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Amount (₹)	Amount (₹)
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	1,18,21,604	54,91,269
Other Trade receivables	5,96,51,779	5,94,88,554
Secured, considered good		
considered Doubtful	-	6,11,092
<b>Total</b>	<b>7,14,73,383</b>	<b>6,55,90,915</b>

**Note 15 Cash and Bank Balances**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Amount (₹)	Amount (₹)
(a) Cash on hand	23,15,852	9,85,250
(b) Balances with banks		
(i) In current accounts	35,14,172	3,14,24,074
(ii) In deposit accounts	11,72,539	89,23,131
<b>Total</b>	<b>70,02,563</b>	<b>4,13,32,455</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 16 Short-term loans and advances**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Amount (₹)	Amount (₹)
(a) Security deposits		
Unsecured, considered good	4,61,860	4,64,860
(b) Loans and advances to employees		
Unsecured, considered good	97,446	1,17,111
(c) Prepaid expenses - Unsecured, considered good	2,37,003	3,74,170
(d) Balances with government authorities	3,66,69,889	3,60,42,051
(e) Advances paid to Suppliers	9,20,24,426	5,33,19,850
(f) Other Loans and Advances	2,32,387	5,72,299
<b>Total</b>	<b>12,97,23,011</b>	<b>9,08,90,341</b>

**Note 17 Revenue from operations**

Note	Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
		Amount (₹)	Amount (₹)
(a)	Sale of Ayurvedic Products	46,78,38,570	44,73,43,026
	<u>Less:</u>		
(b)	Excise duty	73,03,840	51,27,185
(c)	Trade Discount	5,00,12,086	4,80,13,846
	Add: Insurance Claims Received	2,61,650	18,14,304
	<b>Total</b>	<b>41,07,84,294</b>	<b>39,60,16,299</b>
(i)	Sale of Ayurvedic Products comprises:		
	Manufactured goods	22,45,62,513	20,08,02,399
	Traded goods	24,32,76,056	24,65,40,627
	<b>Total - Sale of products</b>	<b>467,838,569</b>	<b>447,343,026</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 18 Other income**

Particulars		For the year ended 31 March, 2016	For the year ended 31 March, 2015
		Amount (₹)	Amount (₹)
(a)	Interest income (Refer Note (i) below)	3,48,712	7,92,426
(b)	Dividend income:		
	from Non current investments	9,13,293	4,13,496
(c)	Other non-operating income	1,90,080	1,62,911
	<b>Total</b>	<b>14,52,085</b>	<b>13,68,833</b>

**Note 19.a Cost of materials consumed**

Particulars		For the year ended 31 March, 2016	For the year ended 31 March, 2015
		Amount (₹)	Amount (₹)
	Opening stock	2,21,13,471	1,66,79,711
	Add: Purchases	7,19,97,554	7,30,52,638
		9,41,11,025	8,97,32,349
	Less: Closing stock	99,31,439	2,21,13,471
	<b>Cost of material consumed</b>	<b>8,41,79,586</b>	<b>6,76,18,878</b>

**Note 19.b Cost of traded goods**

Particulars		For the year ended 31 March, 2016	For the year ended 31 March, 2015
		Amount (₹)	Amount (₹)
	Purchases of traded goods	13,44,63,267	13,82,38,168
	<b>Total</b>	<b>13,44,63,267</b>	<b>13,82,38,168</b>

**Note 19.c Changes in inventories of finished goods and work-in-progress**

Particulars		For the year ended 31 March, 2016	For the year ended 31 March, 2015
		Amount (₹)	Amount (₹)
	<u>Inventories at the end of the year:</u>		
	Finished goods	3,76,17,580	2,99,26,014
	Work-in-progress	2,51,21,786	3,03,99,955
	Stock in Trade	4,77,02,016	4,43,40,841
		<b>110,441,382</b>	<b>104,666,809</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Amount (₹)	Amount (₹)
<u>Inventories at the beginning of the year:</u>		
Finished goods	2,99,26,014	2,30,41,358
Work-in-progress	3,03,99,955	1,84,77,633
Stock in Trade	4,43,40,841	7,75,34,093
	10,46,66,809	11,90,53,084
<b>Net (increase) / decrease</b>	<b>-57,74,572</b>	<b>1,43,86,275</b>

## Note 20 Employee benefits expense

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Amount (₹)	Amount (₹)
Salaries and wages	416,98,692	3,38,87,341
Contributions to provident and other funds	28,22,379	22,37,454
Staff welfare expenses	5,90,423	7,74,033
<b>Total</b>	<b>4,51,11,494</b>	<b>3,68,98,828</b>

## Note 21 Finance costs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Amount (₹)	Amount (₹)
(a) Interest expense on:		
- Borrowings	1,57,27,159	1,30,18,522
- Vehicle Loan	5,066	28,216
- Security Deposits	2,56,783	1,74,451
(b) Bank Charges	4,45,135	4,81,384
<b>Total</b>	<b>1,64,34,143</b>	<b>1,37,02,573</b>

## Note 22 Other expenses

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Amount (₹)	Amount (₹)
Power and fuel	40,23,534	50,68,287
R & D Expenses	1,54,710	
Rent	17,64,604	17,85,002
Repairs and maintenance - Buildings	23,18,342	19,71,370

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Amount (₹)	Amount (₹)
Repairs and maintenance - Machinery	28,95,859	29,85,499
Repairs and maintenance - Others	9,71,053	7,18,996
Rates and taxes	18,06,199	10,38,927
Travelling and conveyance	2,80,45,450	2,60,61,922
Printing and stationery	13,82,282	26,54,843
Freight and forwarding	2,77,86,865	2,66,97,951
Sales discount	2,21,72,563	1,43,66,731
Business promotion	1,35,25,264	1,77,51,303
Legal and professional	43,41,427	23,89,871
Payments to auditors	-	1,23,596
Prior period items (net)	2,64,480	-12,642
Miscellaneous expenses	1,26,44,614	1,09,05,972
<b>Total</b>	<b>12,40,97,246</b>	<b>11,45,07,629</b>

**Note 23 Disclosures under Accounting Standards (contd.)**

Particulars		
<b>Employee benefit plans</b>		
<u>Defined contribution plans</u>		
<p>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 ₹11,46,488 (Year ended 31 March, 2015 ₹) 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.</p>		
<u>Defined benefit plans</u>		
<p>The Company offers the following employee benefit schemes to its employees:</p>		
<p>i. Gratuity: On the basis of actuarial valuation the Company has recognised Gratuity Liability of ₹15,504/- (P.Y.) and paid ₹ /- (C.Y.)</p>		
Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Amount (₹)	Amount (₹)
Present Value of Past Service Benefit	2,293,834	1,339,352
Current Service Cost	330,057	129,308
Fair Value of balance in fund	1,415,360	645,544

**Note 24 Disclosures under Accounting Standards**

<b>Particulars</b>	
<b>Related party transactions</b>	
<b>Details of related parties:</b>	
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, Dr Mrs Shubhada P Sandu
Companies in which KMP / Relatives of KMP can exercise significant influence	AKSHATH FINVEST & PROPERTIES PVT.LTD. 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 PRIVATE LIMITED SANDU RESEARCH FOUNDATION PVT.LTD SANFAR COMMUNICATION PVT.LTD SANMARK REALTY AND FINANCE PVT.LTD

Note: Related parties have been identified by the Management.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Details of related party transactions during the year ended 31st Mar 2016**

	KMP	Entities in which KMP / relatives of KMP have significant influence	Total
- Umesh B. Sandu Remuneration Paid to Directors	24,09,600 (17,00,000)	- -	24,09,600 (17,00,000)
-Sandu Brothers Pvt Ltd Purchase & Sales of goods		22,52,51,797	22,52,51,797
-Sandu Brothers Pvt Ltd Other Services (Rent Paid)		60,000	

Note: Figures in bracket relates to the previous year

**Note 25 Disclosures under Accounting Standards (contd.)**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Amount (₹)	Amount (₹)
<b>Earnings per share</b>		
<u>Basic</u>		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	53,78,971	41,36,627
Less: Preference dividend and tax thereon		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	53,78,971	41,36,627
Weighted average number of equity shares	70,81,000	70,81,000
Par value per share	10	10
Earnings per share from continuing operations - Basic	0.76	0.58
<u>Total operations</u>		
Net profit / (loss) for the year	53,78,971	41,36,627
Less: Preference dividend and tax thereon		
Net profit / (loss) for the year attributable to the equity shareholders	53,78,971	41,36,627
Weighted average number of equity shares	70,81,000	70,81,000
Par value per share	10	10
Earnings per share - Basic	0.76	0.58

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 26 Previous year's figures**

Note	Particulars
26	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.



### Sandu Pharmaceuticals Limited

CIN: L24233GA1985PLC001587

Registered Office : Plot Nos. 25, 26, 29 &amp; 30,

Pilerne Industrial Estate, Marra, Saligao, Bardez Goa – 403511

### Ballot Form (In Lieu of e-voting)

1. Name and Registered Address of the sole/first :  
Named shareholder
2. Name(s) of the Joint Shareholder(s) if any :
3. Registered Folio No/DPID No/Client ID No :
4. No of Equity Shares held :

I/We hereby exercise my/vote in respect of the resolution(s) to be passed for the business stated in the Notice of Annual General Meeting of the Company to be held on September 30th, 2016 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick mark at the appropriate box below:

Sr No	Resolution	No of Equity Shares	I/we assent to the resolution(for)	I/ We dissent to the resolution (Against)
1.	Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors			
2.	Re-appointment of Shashank Bhaskar Sandu (DIN:00678098) who retires by rotation and being eligible seeks reappointment			
3.	Appointment of Dileep and Prithvi, chartered Accountants, Mumbai as Statutory Auditor of the Company.			
4.	Approval of material related party transaction.			
5.	Service of Documents on Members			

Place:

Date:

\_\_\_\_\_  
Signature of the Shareholder

### ELECTRONIC VOTING PARTICULARS

Electronic Voting Event No	Voter ID	Password

Note: Please read the instructions given under Note 17(II) to the Notice of the 31st Annual General Meeting before filling the form. Valid Ballot forms received by the Scrutinizer by 5.00 P M on September 28th, 2016 shall not be considered.

The Voting periods starts on Tuesday, 27th September 2016 at 10:00 am (IST) and ends on Thursday 29th September 2016 AT 5:00 pm (IST).

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**FORM MGT-11  
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**Sandu Pharmaceuticals Limited  
CIN: L24233GA1985PLC001587**

Registered Office : Plot Nos. 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Saligao, Bardez Goa – 403511

Name of the member(s) : \_\_\_\_\_ e-mail Id \_\_\_\_\_  
 Registered address : \_\_\_\_\_ Folio No. /\*Client Id : \_\_\_\_\_  
 \*DP id : \_\_\_\_\_

I/ We being the member(s) of \_\_\_\_\_ shares of Sandu Pharmaceuticals Limited, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

\* Applicable for investors holding shares in electronic form.

and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the **31ST Annual General Meeting** of the Company, to be held on Friday, 30th September, 2016 at 9:00 a.m. at the Registered Office Plot Nos. 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Saligao, Bardez, Goa – 403511 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	For	Against
	<b>ORDINARY BUSINESS</b>		
1	Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors.		
2	Re-appointment of Shashank Bhaskar Sandu (DIN:00678098) who retires by rotation and being eligible seeks reappointment.		
3.	Appointment of Dileep and Prithvi, chartered Accountants, Mumbai as Statutory Auditor of the Company.		
	<b>SPECIAL BUSINESS</b>		
4.	Approval of material related party transaction.		
5.	Service of Documents on Members		

Signed this.....day of.....2016

Affix a  
15 paise  
Revenue  
Stamp

\_\_\_\_\_  
Signature of the Shareholder

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**Notes:**

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 2) A proxy need not be a member of the Company.
- 3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\*4) This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- 6) In the case of joint holder, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

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**SANDU PHARMACEUTICALS LIMITED**

CIN: L24233GA1985PLC001587

Registered Office: Plot No. 25, 26, 29 &amp; 30,

Pilerne Industrial Estate, Marra, Bardez, Goa - 403511

Tel: +91 832 2407474 / 6715000, Fax: +022-25282403, E-mail: corp.sec@sandu.in

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholder may obtain additional Slip at the venue of the meeting.

**ATTENDANCE SLIP****31st Annual General Meeting**

Sr. No.:

DP ID/Client ID/Folio No.	
Name & Address of sole Member	
Name of Joint Holder(s), if any	
No. of Shares held	

I certify that I am a Member/ Proxy for the Member of the Company.

I hereby record my presence at the 31st Annual General Meeting of the Company held on Friday, 30th September, 2016 at 9.00 a.m. at the Registered Office Plot No. 25, 26, 29 &amp; 30, Pilerne Industrial Estate, Marra, Bardez, Goa – 403511.

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 Member's / Proxy's Signature

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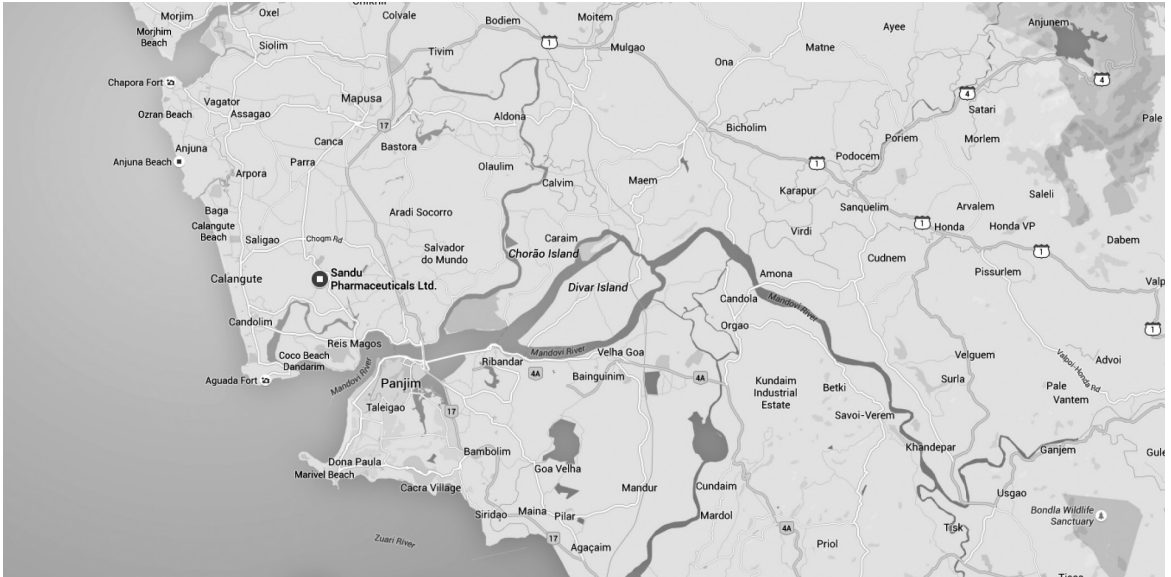
\*Applicable for investors holding shares in electronic form.

EVS (Electronic Voting Sequence Number)	User ID	PAN No. / Sequence Number
160823001		

Note: Please read the complete instructions given under the note (Instructions for shareholders voting electronically) to the Notice of the 31st Annual General Meeting. The Voting time starts from Tuesday 27th September, 2016 at 10.00 a.m. and ends on Thursday 29th September, 2016 at 5.00 p.m. The voting module shall be disabled by CDSL for voting thereafter.

## ROUTE MAP TO ANNUAL GENERAL MEETING VENUE

Venue: Sandu Pharmaceuticals Limited, Plot No 25,26,29 &30, Pilerne Industrial Estate, Marra, Bardez  
Goa-403511 Website: [www.sandu.in](http://www.sandu.in) Tel: +91 8322407474/6715000 Email: [corp.sec@sandu.in](mailto:corp.sec@sandu.in)





# COURIER



If Undelivered, Please return to  
Registered Office Address:

**Sandu Pharmaceuticals Limited**

CIN: L24233GA1985PLC001587

Plot No 25, 26, 29 &30, Pilerne Industrial Estate  
Marra, Bardez Goa 403511

Website: [www.sandu.in](http://www.sandu.in)

Tel: +91 8322407474/6715000

Email: [corp.sec@sandu.in](mailto:corp.sec@sandu.in)