

L24233GA1985PLC001587

Ref No: SPL/SEC/BSE/2017-18/

To,
Department of Corporate Services
Bombay Stock Exchange Limited,
Phirojshah Jeejobhoy tower,
Dalal Street,
Mumbai-400001

Date: 05TH October 2017

Sub: 32nd Annual Report of Sandu Pharmaceuticals Limited pursuant to Regulation 34(1) of SEBI (LODR) Regulation 2015.

Sir,

Please find attached herewith Soft Copy of the 32nd Annual Report as required to be submitted pursuant to regulation 34(1) of the SEBI (LODR) Regulation 2015 .


Further please find enclosed herewith notice of the AGM published in Gomantak Times English and Goa Doot .

You are requested to take the same on record and oblige.

Thanking you,

Yours Faithfully,

FOR SANDU PHARMACEUTICALS LTD.



Company Secretary
Encl: - As Above



32nd Annual Report 2016 - 2017





The Felicitation of the Prime Minister , Sir Anerood Jugnauth in the presence of Union Minister of State,(IC) Ministry of AYUSH, Government of India and Director Shri Umesh B Sandu when they had visited the Company premises on 16th November 2016.



Photos of Annual Thyroid Surgical Camp held at Chikhaldhara Sponsored by Sandu Pharmaceuticals Limited.

To,
The Members/Shareholders of
Sandu Pharmaceuticals Limited.

As you are aware that the Government of India has already made it compulsory/mandatory to buy and sell shares in Demat form. From our records it has come to our knowledge that you still continue to hold our Company's shares 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 want /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. Incase 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 of 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 purpose Company has appointed RTA whose name, address and company details are below mentioned.

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 form.

With warm regards.

By order of Board of Directors
for Sandu Pharmaceuticals Limited

Sd/-
Pratika Mhambray
Company Secretary
M No: A36512

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

Corporate Office Sandu Pharmaceuticals Ltd
Sandu Nagar, D.K. Sandu Marg
Chembur, Mumbai 400 071

ISNI INE: 751D01014 (DEMAT)

BOARD COMMITTEES

| <u>Audit Committee</u> | <u>Nomination and Remuneration</u> | <u>Stakeholders Relationship</u> |
|------------------------|------------------------------------|----------------------------------|
| K. Vinay Kumar | Dr Madan L Kapre | Bhaskar G Sandu |
| Dilip R Salgaocar | Dilip R Salgaocar | Dr Madan L Kapre |
| Dr Madan L Kapre | K. Vinay Kumar | Umesh B Sandu |
| Umesh B Sandu | Bhaskar G Sandu | |

COMPANY SECRETARY Pratika Mhambray
CHIEF FINANCIAL OFFICER Nimesh Shah Till 31st December 2016
Rakesh Parekh from 08th May 2017

AUDITORS

| <u>STATUTORY AUDITOR</u> | <u>SECRETARIAL AUDITOR</u> |
|--|--|
| M/s Dileep and Prithvi Dahanukar Bldg, 3 rd Floor 480, Kalbadevi Road, Mumbai 400 002 | Swapnil Dixit 57/B, Venkatesh Prasad Building, above Corporation Bank, Bordem, Bicholim Goa 403504 |

| <u>SOLICITORS & ADVOCATES</u> | <u>INTERNAL AUDITORS</u> |
|--|--|
| M/s Madekars & Co Advocates & Solicitors Engineer House, First Floor, 86, Mumbai Samachar Marg, Fort, Mumbai 400 023 Tel (022) 2267 7217 Telefax (022) 2265 7712 | 1. M/s N. J. Prabhudesai & Associates-Panaji Goa 2. M/s Lalit Gawde & Associates-Mumbai |

BANKERS

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

| 32nd ANNUAL GENERAL MEETING | |
|------------------------------------|--|
| Date : | Friday, 29 th September 2017 |
| Time : | 9.30 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 32nd ANNUAL GENERAL MEETING of Sandu Pharmaceuticals Limited (CIN: L24233GA1985PLC001587) will be held on Friday, 29th September, 2017 at 9:30 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, 2017 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. Mrs. Shubhada Sandu (DIN: 07148834) who retires by rotation in compliance with the provisions of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself 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.”

By the order of the Board of Directors
for **Sandu Pharmaceuticals Limited**
Sd/-

Pratika Mhambray
Company Secretary
M No: A36512

Place: Mumbai
Dated: 30th May 2017

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 Bombay 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, 22nd September 2017 to Friday 29th September 2017** (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 at the below mentioned address.
- 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 Bombay Stock Exchange. 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 E-voting

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 to the members facility to exercise their right to vote on resolutions proposed to be considered at the 32nd 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, 26th September 2017 and ends on Thursday 28th September 2017 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 22nd September 2017 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
- 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 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:

| | |
|---|---|
| | For Members holding shares in Demat Form and Physical Form |
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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. 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. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>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.</p> <p>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).</p> |

- 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. 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 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.
- 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 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

I. VOTING THROUGH BALLOT

The Chairman shall, at the Meeting, at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot for all those members who are present at the meeting but have not cast their votes by availing the remote evoting.

II. 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 Swapnil Dixit, 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 and on the website of CDSL 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 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 29th September 2017.

For **Sandu Pharmaceuticals Limited**

By order of Board of Directors

Sd/-

Pratika Mhambray

Company Secretary

M No: A36512

Place: Mumbai

Dated: 30th May 2017

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

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 | Dr. Mrs. Shubhada P Sandu |
| Date of Birth | 21 st September 1945 |
| Nationality | Indian |
| Date of appointment on the Board | 01 st April 2015 |
| Qualifications | B.A.M.S |
| Expertise in specific functional area | Dr. Mrs. Shubhada P Sandu (DIN: 07148834), is a Practising Ayurvedic Doctor and has obtained B.A.M.S degree from the University of Mumbai. She has vast and rich experience in Ayurvedic Practice, Ayurvedic Formulation and Manufacturing. |
| Number of shares held in the company | 10,000 |
| List of the directorship held in other companies | NIL |
| 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 SECOND** Annual Report of SANDU PHARMACEUTICALS LIMITED together with Audited Balance Sheet and Statement of Profit & Loss for the financial year ended 31st March, 2017.

1. FINANCIAL RESULTS:-

The Company's financial performance, for the year ended March 31, 2017 is summarized below:

(in ₹)

| Particulars | 2016-17 | 2015-16 |
|--|---------------|---------------|
| Revenue from Operation (Gross) | 51,40,21,618 | 46,78,38,570 |
| Less Excise Duty | (84,58,647) | (73,03,840) |
| Less Trade Discount | (5,73,81,995) | (5,00,12,086) |
| Add Insurance claim received | 0 | 2,61,650 |
| Revenue from operations (net) | 44,81,80,976 | 41,07,84,293 |
| Other Income | 39,17,148 | 14,52,085 |
| Total revenue | 45,20,98,124 | 41,22,36,378 |
| Total Expenses | 44,38,12,502 | 40,51,77,489 |
| Profit before exceptional and extraordinary items and tax | 82,85,622 | 70,58,889 |
| Exceptional /Prior period items | (9,27,933) | 2,64,480 |
| Profit Before Tax | 92,13,555 | 67,94,409 |
| Tax Expenses | | |
| Less: Current Tax | 28,46,989 | 21,50,000 |
| Deferred Tax | (16,24,270) | (7,34,540) |
| Tax adjustment of earlier year | 37,52,959 | - |
| Total Tax | 49,75,677 | 14,15,460 |
| Profit after Tax | 42,37,878 | 53,78,949 |
| Earnings per share (of ₹ 10/- each) | | |
| Basic | | |
| Continuing operations | 0.60 | 0.76 |
| Total operations | 0.60 | 0.76 |

• REVIEW OF OPERATIONS

In the financial year 2016-17, the company achieved an Income from operations of ₹51,40,21,618 as compared to ₹46,78,38,570 in the previous year.

Profit before tax was ₹92,13,555 for the year ending 31st March, 2017 as compared to Profit of ₹67,94,409 in the previous year.

Profit after tax was ₹42,37,878 for the year ended 31st March, 2017 as compared to a Profit of ₹53,78,949 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:

In order to ensure the continued growth of the Company the Management recommends that funds should be reinvested in the Company.

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

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 which can be accessed in our website http://www.sandu.in/vigil_mechanism_policy.pdf

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:-

Dr. Mrs. Shubhada Sandu holding DIN:07148834 (Non Executive Director) retires by rotation and, being eligible, offer herself 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 is also available on http://www.sandu.in/Familiarisation_Programme_of_the_Independent_Directors.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.

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 7 (Seven) Board Meetings and 5 (Five) 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.

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. The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

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.

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 | http://www.sandu.in/Whistle_Blower__Policy_new.pdf |
| 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. | http://www.sandu.in/Nomination_and_Remuneration_Policy_new.pdf |
| Related Party Transaction Policy | The policy regulates all transactions between the company and its related parties | http://www.sandu.in/Related_Party_Transaction_Policy-new.pdf |
| Insider Trading Policy | The Policy provides framework in dealing with securities of the Company | http://www.sandu.in/Insider_Trading_Policy_new.pdf |
| 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). | http://www.sandu.in/Insider_Trading_Policy_new.pdf |
| Archival Policy | The Policy deals archival of corporate records of Sandu Pharmaceuticals Limited | http://www.sandu.in/Archival__Policy.pdf |
| Board Diversity Policy | This policy aims to set out the approach to achieve diversity on the Board of Directors ("Board") of Sandu Pharmaceuticals Limited | http://www.sandu.in/Policy_on_Board_Diversity_new.pdf |
| Risk Management Policy | The Risk management policy of Sandu Pharmaceuticals Limited will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. | http://www.sandu.in/Risk_Management_Policy_new.pdf |

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, 2017, 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, 2017 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. To keep the spirit of CSR alive, The Company has continued its CSR initiative for the Financial Year. 2016-2017.

1. Average Net Profit of the Company for the last three financial years
Net Profit of ₹1,44,77,458 during the last three years.

2. Prescribed CSR Expenditure (two per cent of the amount as in item 1 above)

Not applicable as its not exceeding the prescribed limit

3. Details of CSR Spend during the Financial year

The prescribed CSR Expenditure required to be spent for the FY 2016-2017 as per the Companies Act, 2013 ("The Act") is Nil, in view of Turnover/net profits of the Company not exceeding the limit prescribed under Section 135 of the Companies Act 2013 . However , to keep the spirit of CSR Alive, the Company has continued its CSR Activities for the FY 2016-2017 as detailed below.

- a. Total amount spent during the Financial Year: Rs 1,11,000 (Rupees One lakh Eleven Thousand)
- b. Amount unspent, if any: Not Applicable
- c. Manner in which the amount is spent: The amount was spend for the purpose of Annual Thyroid Surgical Camp Chikhaldara.

4. Reasons for falling short of the required spend

Not applicable

9. THE AMOUNT IF ANY WHICH IT PROPOSES TO CARRY TO ANY RESERVE

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

10. RELATED PARTY TRANSACTIONS:

The related party contracts entered into by your Company with Sandu Brothers Private Limited do not fall under the ambit of Section 188(1) of the Act.

All the related party transactions entered during the financial year were at arm's length and in the ordinary course of business. In compliance with the provisions of the Companies Act 2013 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.

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 Dileep and Prithvi, Statutory Auditor of the Company retires at the conclusion of the ensuing Annual General Meeting and has offered themselves 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. Swapnil Dixit, Company Secretary in practice to undertake the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit report for the financial year 2016-17 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 Managing Director 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 31.03.2017 | For the year ended 31.03.2016 |
|---------------------------------|-------------------------------|-------------------------------|
| 1. ELECTRICITY | | |
| • Purchased (units) | 258,652 Units | 234,722 Units |
| • Total Amount ₹ | ₹1,741,199/- | ₹1,533,339/- |
| • Rate/Units in ₹ | ₹6.73 / unit | ₹6.53 / Unit |
| 2. FUEL CONSUMED | | |
| • Quantity - Furnace Oil | 65970 Ltrs | 56830 Ltrs |
| Diesel | 5773 Ltrs | 5449.66 Ltrs |
| • Total amount - Furnace Oil | ₹1,939,234/- | ₹1482641/- |
| Diesel | ₹326,300/- | ₹310,800/- |
| • Rate per Ltr - Furnace Oil | ₹29.40/- | ₹26.09 Ltrs |
| Diesel | ₹56.52/- | ₹57.03L Ltrs |

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 2016-17.

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 are 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 as 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. The Code of Conduct for Directors has been posted on 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_Managment-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

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 Secretarial Auditor's Report does not contain any qualification, reservation or adverse remarks. Whereas the Auditors report was subjected to one qualification

"The Company did not have arrears of undisputed statutory dues which had remained outstanding as at 31st March 2017, for a period of more than six months from the date they became payable, except dues of Tax Deducted at source aggregating to ₹6,32,126/- on account of defaults pertains to prior years.

25. EXPLANATION TO AUDITORS REMARK AS PER ANNEXURE A (Vii)(a) OF INDEPENDENT AUDIT REPORT

According to the Management, out of the reported amount tax liability a major portion will not be due and payable as the rectification of the same is in process.

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 and on behalf of Board of Directors
Of Sandu Pharmaceuticals Limited
Sd/-

Bhaskar G Sandu
(Chairman)
(DIN: 02816792)

Place: Mumbai
Dated: 30/05/2017

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

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 Industry Trade Shows. 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, 2017

[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 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, 2017 (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, 2017 according to the applicable provisions of:

- (i) 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.,

- Drugs and Cosmetics Act, 1940
- Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
- The Medicinal and Toilet preparations (Excise Duties) Act, 1955
- Biological diversity Act, 2002
- The Indian Copyright Act, 1957
- The Environment (Protection) Act, 1986;
- The Water (Prevention and Control of Pollution) Act, 1974;
- The Air (Prevention and Control of Pollution) Act, 1981;
- The Electricity Act, 2003; and
- The Legal Metrology Act, 2009 and Rules made thereunder;
- Indian Boilers Act 1923
- Sexual Harassment of Women (Prevention, Prohibition and Redressal) Act 2013
- Employees Pension Provident Fund and Miscellaneous Provisions Act 1952
- Employees State Insurance Act 1948
- Factories Act 1948
- Sales of Goods Act, 1930
- Labour Relations Act 2002
- Indian Income Tax Act 1961
- Central Excise Act 1944
- Central Sales Tax Act 1956
- Maternity Benefits Act 1961
- The Apprentices Act 1961

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

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) The Company has a full time Company secretary duly appointed as required under the Act.
- b) *During the Audit period, Mr. Nikesh Shah resigned from the position of Chief Financial Officer of the Company, w.e.f. 31st December 2016. According to the representations and explanations received from the management, the Company has already appointed a new CFO wef from 08th May 2017 whose appointment will be approved by the Board of Director from the date of joining at the next Board Meeting to be held on 30th May 2017.*

The Nomination and Remuneration committee is duly constituted to comply with the provisions of Section 178(1) of the Companies Act, 2013 with effect from 30th May, 2015.

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 audit period 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/-
CS SWAPNIL JAYANT DIXIT
PRACTICING COMPANY SECRETARY
M. NO. ACS 34739 C. P. NO. 12942

Place: Bicholim - Goa
Date: 30th day of May, 2017

*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-forming part of Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST
MARCH, 2017

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. Wherever 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/-
CS SWAPNIL JAYANT DIXIT
PRACTICING COMPANY SECRETARY
M. NO. ACS 34739 C. P. NO. 12942

Place: Bicholim - Goa
Date: 30th day of May, 2017

**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 till 12th January 2017) 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 are given below.

| Name of the Director | Category |
|-----------------------------|---|
| Shri. Bhaskar G. Sandu | Chairman and Non Executive Director |
| 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 and Women Director |
| Shri. Umesh B. Sandu | Executive Director |

B. Board Training and Induction

At the time of appointment of an Independent Directors, a formal letter of appointment are given to them, which inter alia explains the role, function, duties and responsibilities expected of them as a Director of the Company. The Directors are also explained in detail the compliances required from them under the Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 and their 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 are 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 also 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 atleast 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, 2017, the Board of Directors had 7 (seven) meetings. These were held on 30/05/2016, 13/08/2016, 30/09/2016, 14/11/2016, 28/01/2017, 14/02/2017, 04/03/2017. The last Annual General Meeting (AGM) was held on 30/09/2016. The attendance record of the Directors at the Board Meetings during the year ended on 31/03/2017, 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 2017):

| Name of the Director | Attendance at the meetings during 2016-17 | | Shareholding of Directors in the Company | No. of other Directorship as on 31-03-2017 | No. of Membership(s)/ Chairmanship(s) of Board Committees in other Companies as on 31-03-2017. |
|--------------------------|---|-----|--|--|--|
| | Board | AGM | | | |
| Shri. Bhaskar G. Sandu | 7 | 1 | 7,37,000 | Nil | NIL |
| Shri. Dilip R. Salgaocar | 2 | 1 | NIL | 2 | NIL |
| Dr. Krishna B. Deshpande | 2 | 0 | NIL | Nil | NIL |
| Dr. Madan L. Kapre | 7 | 1 | NIL | 1 | NIL |
| Shri. K. Vinay Kumar | 7 | 1 | NIL | 3 | NIL |
| Shri. Shashank B. Sandu | 7 | 1 | 6,57,900 | 9 | NIL |
| Shri. Umesh B. Sandu | 7 | 1 | 6,77,100 | 9 | NIL |
| Dr Mrs Shubhada Sandu | 6 | 0 | 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.

(d) Number of Board Meeting held with dates

Seven 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 |
|------------|----------------|--------------------------|
| 30/05/2016 | 8 | 6 |
| 13/08/2016 | 8 | 6 |
| 30/09/2016 | 8 | 6 |
| 14/11/2016 | 8 | 6 |
| 28/01/2017 | 8 | 7 |
| 14/02/2017 | 8 | 8 |
| 04/03/2017 | 8 | 6 |

INDEPENDENT DIRECTORS

I. Independent directors meeting:

During the Financial year under review, the Independent Directors met only once in the financial year i.e 14th February 2017 inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- 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 directors 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 2016-17.

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 the 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.

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 reviewed 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

| Board Committees | Audit Committee | Nomination and Remuneration Committee | Stakeholders Relationship Committee |
|---------------------------|-----------------|---------------------------------------|-------------------------------------|
| Meeting held | | | |
| Directors attendance | | | |
| Shri Bhaskar G Sandu | 0 | 2 | 4 |
| Shri Dilip R Salgaocar | 1 | 1 | 0 |
| Shri Madan L Kapre | 5 | 2 | 4 |
| Shri K Vinay Kumar | 5 | 2 | 0 |
| Shri. Krishna B Deshpande | 0 | 0 | 0 |
| Shri Shashank B Sandu | 0 | 0 | 0 |
| Shri Umesh B Sandu* | 5 | 0 | 4 |

NA-Not Member of the Committee

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.

d) Terms of reference as per the Companies Act 2013

1. The recommendation for appointment, remuneration and terms of the appointment of auditors of the company.
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
3. Examination of the 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
- (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 24 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 and 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

Two meetings of the Nomination and Remuneration Committee were held during the year. The Details of meeting and attendance are given on page no 24 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 24 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, 2015, 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 Mhambray 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) or Gomantak times(English) and Goadoot (Regional Newspaper) and are displayed on company's 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, 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 | Tuesday, 30th Sept 2014 | 9.00 a.m. |
| | Wednesday, 30th September 2015 | 9.00 a.m. |
| | Friday, 30 th September 2016 | 9.00 a.m. |

(b) Special Resolution passed

| | |
|--|-----|
| Whether Special Resolution passed at the last Annual General Meeting held on 30th September 2016 | No |
| Whether Special Resolution passed at the last Annual General Meeting held on 30th 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 30th September 2014 Re-appointment of Shri Umesh 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, 2017 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/Requests | Number of Complaints/Requests |
|-----------------------------|-------------------------------|
| Opening Balance | 0 |
| Received during the year | 7 |
| Resolved during the Year | 7 |
| Closing Balance | 0 |

* No Complaints were received during the year

J. Means of Communication

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

K. General Shareholders Information.**(1) Annual General Meeting**

| | |
|-------|--|
| Date | 29th September 2017 |
| Time | 9.30 am |
| 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, 2017 – Second week of September, 2017

September 30, 2017 - Second week of November, 2017

December 31, 2017 - Second week of February, 2018

March 31, 2018 – Second week of May, 2018

(3) Date of Book closure

Friday, 22nd September 2017 to Friday, 29th September 2017 (both days inclusive)

(4) Listing on Stock Exchange (Equity Shares)

Bombay Stock Exchange

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai 400 001

Scrip Code: 524703

a) Payment of Listing Fees

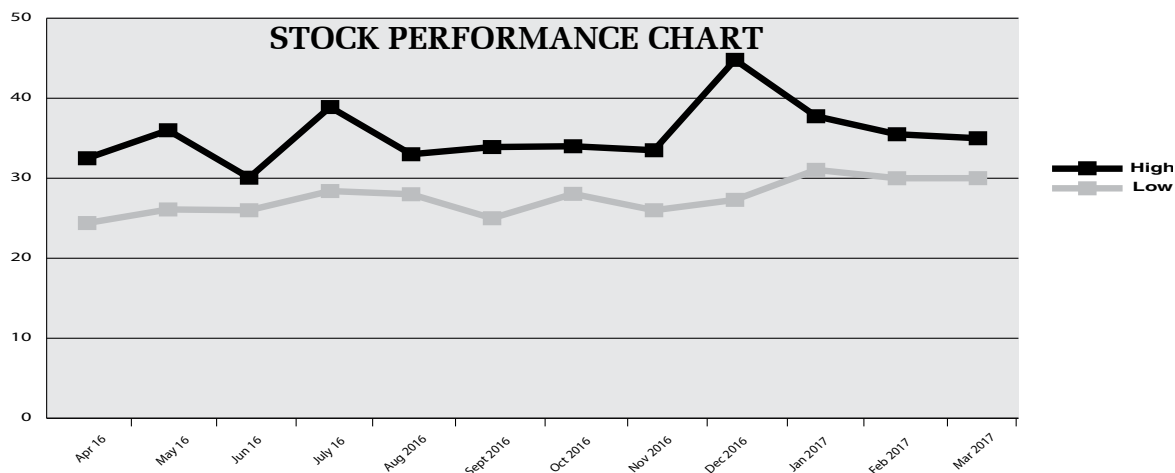
Annual listing fee for the year 2017-18 has been paid by the Company to BSE

b) Payment of Depository Fees

Annual Custody/Issuer fee for the year 2017-18 has been paid to NSDL and CDSL.

(5) Stock Market Price Data

| Month | Bombay Stock Exchange | | |
|----------------|-----------------------|-------|--------|
| | | | |
| April 2016 | 32.5 | 24.4 | 78589 |
| May 2016 | 36 | 26.1 | 59896 |
| June 2016 | 30.07 | 26 | 39142 |
| July 2016 | 38.9 | 28.4 | 95007 |
| August 2016 | 33 | 28 | 47498 |
| September 2016 | 33.9 | 25 | 120812 |
| October 2016 | 34 | 28.05 | 129056 |
| November 2016 | 33.5 | 26 | 75106 |
| December 2016 | 44.8 | 27.3 | 286693 |
| January 2017 | 37.75 | 31.05 | 64429 |
| February 2017 | 35.5 | 30 | 72648 |
| March 2017 | 35 | 30.01 | 94087 |



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

(6) Distributing of Shareholding as on 31st March 2017.

| Size of Holdings | No. of Shareholders | Percentage % | No. of Shares | Percentage % |
|------------------|---------------------|--------------|---------------|--------------|
| Upto to 5000 | 9563 | 90.30 | 13256490 | 18.72 |
| 5001 to 10000 | 493 | 4.66 | 4200100 | 5.93 |
| 10001 to 20000 | 222 | 2.10 | 3405920 | 4.81 |
| 20001 to 30000 | 184 | 1.74 | 4659650 | 6.58 |
| 30001 to 40000 | 27 | 0.25 | 962480 | 1.36 |
| 40001 to 50000 | 28 | 0.26 | 1335540 | 1.89 |
| 50001 to 100000 | 39 | 0.37 | 2794400 | 3.95 |
| 100001 to above | 34 | 0.32 | 40195420 | 56.77 |
| | | | | 100 |

(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 Mhambray is the Company Secretary and Compliance Officer of the Company.

(9) Shares held in physical and dematerialized form:

60,54,250 of shares amounting to 85.5 % of the total paid up capital are held in dematerialized form and 10,26,750 of shares amounting to 14.50% in physical form as on March 31, 2017.

(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, 2017

| Category code | Category of Shareholder | Number of Shareholders | Total number of Shares | As a percentage of (A+B+C) |
|---------------|--|------------------------|------------------------|----------------------------|
| (A) | Shareholding of Promoter and Promoter Group | | | |
| (1) | Indian | 10 | 3185690 | 44.99 |
| (2) | Foreign | 0 | 0 | 0 |
| | Total Shareholding of Promoter and Promoters Group | 10 | 3185690 | 44.989 |
| (B) | Public Shareholding | | | |
| (1) | Institution | 1 | 500 | 0.01 |
| (2) | Non Institution | 10579 | 3894810 | 55.00 |
| | Total Public Shareholding | 10580 | 3895310 | 55.01 |
| (C) | Shares held by Custodian and against which Depository Receipt have been issued | 0 | 0 | 0 |
| (1) | Promoter and Promoters Group | 0 | 0 | 0 |
| (2) | Public | 0 | 0 | 0 |
| | Total(A)+(B)+(C) | 10590 | 7081000 | 100 |

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, 2017 is 60,54,250, representing 85.5% 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 2017.

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 |
|--|---|

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, which is disclosed on 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 | 19,59,72,574 60,000 |

(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
Of Sandu Pharmaceuticals Limited

Sd/-
Bhaskar Sandu
Chairman
DIN: 02816792

Place: Mumbai
Dated: 30/05/2017

ANNEXURE – D
AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Sandu Pharmaceuticals Limited

We have examined the records concerning compliance of conditions of Corporate Governance by SANDU PHARMACEUTICALS LIMITED ("the Company") for the year ended 31st March , 2017 as stipulated in Securities and Exchange Board of India(Listing Obligation and Disclosure Requirements) Regulation , 2015 (Listing Regulation).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our Examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of condition of the Corporate Governance. It is neither an audit nor an expression of opinion of the financial statement of the Company.

In our opinion and to the best of our knowledge 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 as applicable.

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 and on behalf of **Dileep and Prithvi**
Chartered Accountants
Firm Registration No> 122290W

Sd/-
Pankaj Jain
(Partner)
M.No 139559

Place: Mumbai
Date: 30th May 2017

ANNEXURE - E

CERTIFICATION BY THE MANAGING DIRECTOR 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 2017 and that to the best of my knowledge and belief:

These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

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.

Significant changes in internal control over financial reporting during the year;

Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

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.

For **Sandu Pharmaceuticals Limited**

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

Place: Mumbai
Date: 31/03/2017

ANNEXURE - F
DECLARATION OF MANAGING DIRECTOR

As provided under Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. I, Shri 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 Financial year ended 31st March 2017.

For **Sandu Pharmaceuticals Limited**

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

Place: Mumbai
Date: 30/05/2017

**ANNEXURE - G
FORM NO. MGT-9**

Extract of Annual Return

As on the financial year ended on 31st March, 2017

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

| | | |
|------------|---|---|
| I | REGISTRATION AND OTHER DETAILS | |
| 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 |
| II | PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY | |
| | All the business activities contributing 10% or more of the total turnover of the Company | As per Attachment A |
| III | PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES | As per Attachment B |
| IV | SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY) | |
| | 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 |
| V | INDEBTEDNESS | |
| | Indebtedness of the Company including interest outstanding/accrued but not due for payment | As per Attachment H |
| VI | REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL | |
| | A) Remuneration to Director, WTD, and /or Manager | 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 |
| VII | PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES | 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

| Sr. No | Name and Description of main product/ services | NIC Code of the Product | % to total turnover of the company |
|--------|---|----------------------------|---------------------------------------|
| 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**

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

ATTACHMENT C

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)
Category –wise share holding**

| Category of Shareholders | No. of shares at the beginning of the year 01/04/2016 | | | | No of Shares held at the end of the year 30/03/2017 | | | | % Change during the year |
|---|---|------------|----------------|-------------------|---|------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total shares | |
| A. PROMOTER'S | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (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 |
| Sub-Total (A) (1) | 3185690 | 0 | 3185690 | 44.989 | 3185690 | 0 | 3185690 | 44.989 | 0 |
| 2. FOREIGN | | | | | | | | | |
| (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 |
| Sub Total-A(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Share Holder of Promoters (A)=(A)(1)+(A) (2) | 3185690 | 0 | 3185690 | 44.989 | 3185690 | 0 | 3185690 | 44.989 | 0 |
| (B)(1) Public Shareholding | | | | | | | | | |
| 1. Institution | | | | | | 0 | | | |
| (a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 500 | 0 | 0 | 0 |
| (b) Bank/FI | 0 | 500 | 500 | 0.007 | 0 | 0 | 500 | 0.007 | 0 |
| (c) Cent.Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) State Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (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) FIs | 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 |
| Sub Total (B) (1) | 0 | 500 | 500 | 0.007 | 0 | 500 | 500 | 0.007 | 0 |
| 2. Non Institution | | | | | | | | | |
| (a) Body Corporate | | | | | | | | | |
| (i) Indian | 163546 | 9000 | 172546 | 2.437 | 185046 | 9000 | 194046 | 2.74 | 0.303 |
| (ii) Overseas | | | | | | | | | |
| (b) Individual | | | | | | | | | |
| (i) Individual Shareholders holding nominal share capital upto Rs 1 lakh | 1791961 | 1050850 | 2842811 | 40.147 | 1894196 | 1026350 | 2920546 | 41.245 | 1.098 |
| (ii) Individual Shareholders holding nominal share capital in excess of Rs 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 |
| Sub total (B)(2) | 2834960 | 1059850 | 3894810 | 55.004 | 2859460 | 1035350 | 3894810 | 55.003 | -0.001 |
| Total (B)=(B)(1)+(B)(2) | 2834960 | 1060350 | 3895310 | 55.011 | 2859460 | 1035850 | 3895310 | 55.010 | -0.001 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A)+(B)+(C) | 6020650 | 1060350 | 7081000 | 100.00 | 6045150 | 1035850 | 7081000 | 100.00 | 0 |

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)

Shareholding Promoters:

| Sr. No | Shareholder's name | Shareholding at the beginning of the financial year 01/04/2016 | | | Shareholding at the end of financial year 30/03/2017 | | | % 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)

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

| SR No. | Shareholder's Name | Shareholding at the beginning of the year 01/04/2016 | | | Share holding at the end of the Year 30/03/2017 | | | % of total Shares of the company |
|-------------------------------------|--------------------|---|----------------------------------|------|---|--------|---------------|----------------------------------|
| | | No. of Shares at the beginning (01-04-2016 / end of the year (31-03-2017) | % 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)
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 (01-04-2016) / end of the year (31-03-2017) | % of total Shares of the company | Date | Increasing / Decreasing in shareholding | Reason | No. of Shares | % of total Shares of the company |
|--------|--------------------------|--|----------------------------------|------------|---|-----------|---------------|----------------------------------|
| 1. | Mukesh Raojibhai Patel | 329304 | 4.651 | 01/04/2016 | | | | |
| | | | | 30/09/2016 | -8662 | Sold | 320642 | 4.528 |
| | | | | 07/10/2016 | -1355 | Sold | 319287 | 4.509 |
| | | | | 14/10/2016 | -11852 | Sold | 307435 | 4.342 |
| | | | | 21/10/2016 | -900 | Sold | 306535 | 4.329 |
| | | | | 28/10/2016 | -21700 | Sold | 284835 | 4.023 |
| | | | | 04/11/2016 | -1552 | Sold | 283283 | 4.001 |
| | | | | 09/12/2016 | -7550 | Sold | 275733 | 3.894 |
| | | | | 16/12/2016 | -12500 | Sold | 263233 | 3.717 |
| | | | | 13/01/2017 | -1193 | Sold | 262040 | 3.701 |
| | | | | 27/01/2017 | -2100 | Sold | 259940 | 3.671 |
| | | | | 24/02/2017 | -18114 | Sold | 241826 | 3.415 |
| | | | | 10/03/2017 | -22650 | Sold | 219176 | 3.095 |
| | -Closing Balance | | | 31/03/2017 | | | 219176 | 3.095 |
| 2. | Hitesh Kuvelkar | 90546 | 1.279 | 01/04/2016 | | | | |
| | | | | 06/05/2016 | 90 | Buy | 90636 | 1.28 |
| | | | | 13/05/2016 | 5820 | Buy | 96456 | 1.362 |
| | | | | 20/05/2016 | 2516 | Buy | 98972 | 1.398 |
| | | | | 27/05/2016 | 1517 | Buy | 100489 | 1.419 |
| | | | | 03/06/2016 | 1164 | Buy | 101653 | 1.436 |
| | | | | 10/06/2016 | 300 | Buy | 101953 | 1.44 |
| | | | | 17/06/2016 | 825 | Buy | 102778 | 1.451 |
| | | | | 24/06/2016 | 300 | Buy | 103078 | 1.456 |
| | | | | 30/06/2016 | 800 | Buy | 103878 | 1.467 |
| | | | | 24/02/2017 | 390 | Buy | 104268 | 1.473 |
| | | | | 10/03/2017 | 750 | Buy | 105018 | 1.483 |
| | | | | 24/03/2017 | 450 | Buy | 105468 | 1.489 |
| | -Closing Balance | | | 31/03/2017 | 360 | Buy | 105828 | 1.495 |
| 3. | Amit Dattatray Khandekar | 67318 | 0.951 | 01/04/2016 | | | | |
| | | | | 31/03/2017 | | No Change | 67318 | 0.951 |
| 4. | Bhavna Beemal Patel | 69200 | 0.977 | 01/04/2016 | | | | |
| | | | | 06/05/2016 | 2334 | Buy | 71534 | 1.01 |
| | | | | 27/05/2016 | -260 | Sold | 71274 | 1.007 |
| | | | | 10/06/2016 | -125 | Sold | 71149 | 1.005 |
| | | | | 15/07/2016 | -75 | Sold | 71074 | 1.004 |
| | | | | 22/07/2016 | -768 | Sold | 70306 | 0.993 |
| | | | | 26/08/2016 | 1500 | Buy | 71806 | 1.014 |
| | | | | 09/12/2016 | -3000 | Sold | 68806 | 0.972 |
| | | | | 16/12/2016 | 881 | Buy | 69687 | 0.984 |
| | | | | 23/12/2016 | 1700 | Buy | 71387 | 1.008 |
| | | | | 30/12/2016 | -5800 | Sold | 65587 | 0.926 |

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| | | | | | | | | |
|-----|-----------------------------------|-------|-------|------------|-------|-----------|-------|-------|
| | | | | 10/02/2017 | -7200 | Sold | 58387 | 0.825 |
| | | | | 24/02/2017 | 200 | Buy | 58387 | 0.827 |
| | -Closing Balance | | | 31/03/2017 | | | 58587 | 0.827 |
| 5. | Rakeshkumar Kiritkumar Vaidya | 19005 | 0.268 | 01/04/2016 | | | | |
| | | | | 30/12/2016 | 6000 | Buy | 25005 | 0.353 |
| | | | | 20/01/2017 | 595 | Buy | 25600 | 0.362 |
| | | | | 10/02/2017 | 7000 | Buy | 32600 | 0.46 |
| | | | | 31/03/2017 | | | 32600 | 0.46 |
| 6. | Jainam Share Consultants Pvt. Ltd | 27316 | 0.386 | 01/04/2016 | | | | |
| | | | | 08/04/2016 | -500 | Sold | 26816 | 0.379 |
| | | | | 06/05/2016 | -200 | Sold | 26616 | 0.376 |
| | | | | 13/05/2016 | 50 | Buy | 26666 | 0.377 |
| | | | | 27/05/2016 | -200 | Sold | 26466 | 0.374 |
| | | | | 03/06/2016 | -125 | Sold | 26341 | 0.372 |
| | | | | 15/07/2016 | 40 | Buy | 26381 | 0.373 |
| | | | | 22/07/2016 | 460 | Buy | 26841 | 0.379 |
| | | | | 29/07/2016 | -525 | Sold | 26316 | 0.372 |
| | | | | 05/08/2016 | -25 | Sold | 26291 | 0.371 |
| | | | | 30/09/2016 | 100 | Buy | 26391 | 0.373 |
| | | | | 28/10/2016 | 5000 | Buy | 31391 | 0.443 |
| | | | | 11/11/2016 | 400 | Buy | 31791 | 0.449 |
| | | | | 18/11/2016 | -400 | Sold | 31391 | 0.443 |
| | | | | 25/11/2016 | -50 | Sold | 31341 | 0.443 |
| | | | | 09/12/2016 | 100 | Buy | 31441 | 0.444 |
| | | | | 16/12/2016 | 475 | Buy | 31916 | 0.451 |
| | | | | 23/12/2016 | -25 | Sold | 31891 | 0.45 |
| | | | | 30/12/2016 | -50 | Sold | 31841 | 0.45 |
| | | | | 27/01/2017 | 50 | Buy | 31891 | 0.45 |
| | | | | 17/03/2017 | -100 | Sold | 31791 | 0.449 |
| | | | | 24/03/2017 | -600 | Sold | 31191 | 0.44 |
| | -Closing Balance | | | 31/03/2017 | | | 31191 | 0.44 |
| 7. | Mahan Industries Ltd | 28698 | 0.405 | 01/04/2016 | | | | |
| | -Closing Balance | | | 31/03/2017 | | No Change | 28698 | 0.405 |
| 8. | Ravindra Vinayak Bhatavadekar HUF | 27734 | 0.392 | 01/04/2016 | | | | |
| | -Closing Balance | | | 31/03/2017 | | No Change | 27734 | 0.392 |
| 9. | Jignesh Madhukant Mehta | 871 | 0.012 | 08/07/2016 | | | | |
| | | | | 10/03/2017 | 24129 | Buy | 25000 | 0.353 |
| | -Closing Balance | | | 31/03/2017 | | | 25000 | 0.353 |
| 10. | Yatin Yaykrishna Desai | 24000 | 0.339 | 01/04/2016 | | | | |
| | -Closing Balance | | | 31/03/2017 | | No Change | 24000 | 0.339 |
| 11. | Ratankumar Prabhudayal Gupta | 17046 | 0.241 | 01/04/2016 | | | | |
| | -Closing Balance | | | 31/03/2017 | | No Change | 17046 | 0.241 |

ATTACHMENT G

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

Shareholding of Directors and Key Managerial Personnel:

| Sr No | Particulars | Shareholding at the Beginning of the year 01/04/2016 | | Cumulative Shareholding during the year 31/03/2017 | |
|-------|-----------------------------------|--|----------------------------------|--|----------------------------------|
| | | 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) till 31.12.2017 | NIL | NIL | NIL | NIL |
| 6. | Pratika Mhambray (KMP) | NIL | NIL | NIL | NIL |

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 |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year 01.04.2016 | | | | |
| 1. Principal Amount | 7782021 | NIL | NIL | 7782021 |
| 2. Interest due but not paid | NIL | NIL | NIL | NIL |
| 3. Interest accrued but not due | NIL | NIL | NIL | NIL |
| Total of (1+2+3) | 7782021 | NIL | NIL | 7782021 |
| Change in indebtedness during the financial year | | | | |
| +Addition | NIL | NIL | NIL | NIL |
| -Reduction | 6888571 | NIL | NIL | 6888571 |
| Net Change | 6888571 | NIL | NIL | 6888571 |
| Indebtedness at the end of the financial year 31.03.2017 | | | | |
| 1. Principal Amount | 893450 | NIL | NIL | 893450 |
| 2. Interest due but not paid | NIL | NIL | NIL | NIL |
| 3. Interest accrued but not due | NIL | NIL | NIL | NIL |
| Total of (1+2+3) | 893450 | NIL | NIL | 893450 |

ATTACHMENT I

X. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

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 | | |
| | Salary as per provisions in section 17(1) of the income tax act | 24,93,600 | 24,93,600 |
| | (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 | 2,01,600 | 2,01,600 |
| | Total (A) | 26,95,200 | 26,95,200 |
| | 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 ₹) |
|--|-----------------------|-------------------------|-------------------|-------------------|------------------------|
| | Dilip R. Salgaocar | Krishna B. Deshpande | Madan L. Kapre | K. Vinay Kumar | |
| Fees for attending Board /Committee Meetings | NIL | NIL | NIL | NIL | NIL |
| Commission | NIL | NIL | NIL | NIL | NIL |
| Others | NIL | NIL | NIL | NIL | NIL |
| Total | NIL | NIL | NIL | NIL | NIL |

Other Non-Executive Directors:-

| Other Non Executive Director | Bhaskar G Sandu | Shashank B Sandu | Shubhada P Sandu | Total Amount (In ₹) |
|--|--------------------|---------------------|---------------------|------------------------|
| Fees for attending Board / Committee Meetings | NIL | NIL | NIL | NIL |
| Commission | NIL | NIL | NIL | NIL |
| Others | NIL | NIL | NIL | NIL |
| Total | NIL | NIL | NIL | NIL |

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 | 6,03,071 | 4,28,400 | 10,31,471 |
| | (b) Value of perquisites u/s 17(2) Income Tax Act | 0 | 0 | 0 |
| | (c) Profit in lieu of salary under section 17(3) Income Tax Act | 0 | 0 | 0 |
| 2. | Stock option | 0 | 0 | 0 |
| 3. | Sweat Equity Shares | 0 | 0 | 0 |
| 4. | Commission - As % of profit - others, specify | 0 | 0 | 0 |
| 5. | Others, please specify contribution to PF | 21732 | 21600 | 43,332 |
| 6 | Performance Bonus | 0 | 0 | 0 |
| | Total | 6,24,803 | 4,50,000 | 10,74,803 |

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) |
|---------------------------------------|------------------------------|-------------------|--|----------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B Directors | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C Any other officer in default | | | | | |

NIL

The Company has filed application for Compounding of Offence U/s 621A of the Companies Act 1956 read with Section 441 of the Companies Act 2013 with National Company Law Tribunal(NCLT) and awaiting for the final Order.

ANNEXURE - H

STATEMENT OF PARTICULARS REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF 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 | 21.03:1 |

The Median remuneration of all employees of the company for the Financial year 2016-17 was Rs 1,29,600.

- (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 | 11.85% |
| 9. | Nikesh Shah Chief Financial Officer | - |
| 10. | Pratika Mhambray Company Secretary | 11.55% |

* Nikesh Shah Resigned from the position of CFO w.e.f from 31.12.2016 so no comparison can be made.

- (iii) The percentage increase in the median remuneration of employees in the Financial Year: 3.67%

- (iv) The Number of permanent employees on roll of the Company: 289

- (v) The explanation on the relationship between average increase in remuneration and company Performance Average Increase in remuneration of all employees was 18.66%.
- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.

| | |
|--|-----------|
| Aggregate of remuneration paid to Key Managerial Personnel (KMP) | 3770003 |
| Total Revenue | 452098124 |
| Remuneration of KMP's as a % of total revenue | 0.83% |
| Profit Before Tax (PBT) | 9213556 |
| Remuneration of KMP's as a % PBT | 40.92% |

- (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 31.03.2017 | As on 31.03.2016 | % Increase |
|------------------------------|------------------|------------------|------------|
| Share Price | | | |
| BSE | 31.75 | 24.65 | 28.80% |
| Market Capitalization | | | |
| BSE | 22,48,21,750 | 17,45,46,650 | 28.80% |
| Price Earning Ratio | 52.92 | 32.43 | 63% |
| Net worth | 19,10,74,439 | 18,14,57,587 | 5.30% |

*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 7.29%

Average Salary increase of Managerial employees is 40.80%

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 2016-17 | Total Revenue | Remuneration a % of Revenue | Profit Before Tax(PBT) | Remuneration Of KMPs as a % of PBT |
|--|----------------------------|---------------|-----------------------------|------------------------|------------------------------------|
| Umesh B. Sandu Managing Director | 26,95,200 | 45,20,98,124 | 0.60% | 92,13,553 | 29.25% |
| Nikesh Shah Chief Financial Officer | 6,24,803 | | 0.14% | | 6.78% |
| Pratika Mhambray Company Secretary | 4,50,000 | | 0.100% | | 4.89% |

- 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 31.03.2017 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.

I. Details of contracts or arrangements or transactions not at Arm's length basis.- N. A

| SL. No. | Particulars | Details |
|---------|---|---------|
| 1. | Name (s) of the related party & nature of relationship | NIL |
| 2. | Nature of contracts/arrangements/transaction | |
| 3. | Duration of the contracts/arrangements/transaction | |
| 4. | Salient terms of the contracts or arrangements or transaction including the value, if any | |
| 5. | Justification for entering into such contracts or arrangements or transactions' | |
| 6. | Date of approval by the Board | |
| 7. | Amount paid as advances, if any | |
| 8. | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | |

I. Details of contracts or arrangements or transactions at Arm's length basis.

| SL No. | Particulars | Details |
|--------|---|---|
| 1. | Name (s) of the related party & nature of relationship | Sandu Brothers Private Limited Relatives of Directors are members |
| 2. | Nature of contracts/arrangements/transaction | 1. Purchase/sale of finished Ayurvedic Medicine for marketing 2. Taken premises on leave and License |
| 3. | Duration of the contracts/arrangements/transaction | 01 st April 2014 to 31 st March 2019 |
| 4. | Salient terms of the contracts or arrangements or transaction including the value, if any | Refer No 1 |
| 5. | Date of approval by the Board | 30 th May 2014 |
| 6. | Amount paid as advances, if any | 8,13,35158 |

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

Sd/-

Bhaskar G Sandu

Chairman

DIN: 02816792

Place: Mumbai

Dated: 30th May 2017

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Members of,
SANDU PHARMACEUTICALS LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Sandu Pharmaceuticals Limited** ("the Company") which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 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

3. Our responsibility is to express an opinion on these 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.
4. 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, but not for the purpose of expressing an opinion on, whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. 1) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Government of India -Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the "**Annexure-A**", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
- 2) 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 purposes 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) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure-B**"; and
 - (g) 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) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us:
 - i. The Company does not have any pending litigation which would impact its financial position.
 - ii. The Company does not have any long-term contracts having material foreseeable losses. The Company does not have any derivatives contracts.
 - iii. The Company is not liable to make any payments towards Investor Education and Protection Fund.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note [16 of Financial Statements]

For Dileep & Prithvi
Chartered Accountants
Firm Reg. No. 122290W

Sd/-
Pankaj Jain
(Partner)
M. No. 139559

Place: Mumbai
Date: 30th May, 2017

Annexure -A to the Auditor's Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2017, of **Sandu Pharmaceuticals Limited**.

- (i) (a) The Company has maintained records of fixed assets showing full particulars including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, 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. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed by the management on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. In case of leasehold land, that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreement is in the name of the company, where the company is the lessee in the agreement.
- (ii) According to the information and explanations given to us, the inventory has been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has not granted unsecured loans to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) to (c) of the order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 185 & 186 of the Companies Act, 2013 in respect of loans, investments, guarantees or securities, as applicable.
- (v) 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 section 73 to 76 of the Act. Therefore, the provisions of the clause (v) of paragraph 3 of the Order are not applicable to the company.
- (vi) We have been informed that the Company is not required to maintain cost records under subsection (1) of section 148 of the Companies Act, 2013, which has been relied upon.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Wealth tax, Income-tax, Service tax, Sales Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at 31st March 2017, for a period of more than six months from the date they became payable, *except dues of Tax Deducted at source aggregating to Rs. 6,32,126/- on account of defaults pertains to prior years.*

(b) According to the information and explanations given to us and records of the Company, no dues of Income-tax (*Previous Year Rs. 283 Lakh which has been deleted on the basis of favorable decision of Mumbai ITAT*) and Service Tax are outstanding in the books of the Company on account of any dispute.

- (viii) According to the information and explanations given to us, the company has not defaulted in repayment of dues to banks. The Company has not taken any loan either from financial institution or from the Government and has not issued any debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and in our opinion the term loans have been applied for the purpose for which they were raised.
- (x) According to the information and explanations furnished by the management, which has been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations give to us and based on our examination of the records. In our opinion, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the Applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations give to us and based on our examination of the records, the company has not entered into any non-cash transactions with directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Dileep & Prithvi
Chartered Accountants
Firm Reg. No. 122290W

Sd/-
Pankaj Jain
(Partner)
M. No. 139559

Place: Mumbai
Date: 30th May, 2017

Annexure-B to Auditors report

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

1. We have audited the internal financial controls of **Sandu Pharmaceuticals Limited** (“the Company”) as of 31 March 2017 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

2. 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 (‘ICAI’). 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

3. Our responsibility is to express an opinion on the Company’s internal financial controls & 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.”) issued by ICAI and the Standards on Auditing, 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 issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note required 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.
4. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion on the Company’s internal financial control system over financial reporting.

Meaning of internal financial controls over Financial Reporting

6. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control Over Financial Reporting

7. 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

8. 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 31 March 2017, based on the internal control over financial reporting criteria established.
9. 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.

For Dileep & Prithvi
Chartered Accountants
Firm Reg. No. 122290W

Sd/-

Pankaj Jain
(Partner)
M. No. 139559

Place: Mumbai
Date: 30th May, 2017

Balance Sheet as at 31st March, 2017

| PARTICULARS | | Note No. | As at 31st March, 2017 Amount (₹) | As at 31st March, 2016 Amount (₹) |
|-------------|------------------------------------|----------|---|---|
| A | EQUITY AND LIABILITIES: | | | |
| 1 | Shareholders' funds: | | | |
| | (a) Share capital | 3 | 7,08,10,000 | 7,08,10,000 |
| | (b) Reserves and surplus | 4 | 12,02,64,439 | 11,60,26,560 |
| 2 | Non-current liabilities: | | | |
| | (a) Long-term borrowings | 5 | 8,93,450 | 77,82,021 |
| | (b) Deferred tax liabilities (net) | 6 | 76,57,428 | 92,81,698 |
| | (c) Long Term Provisions | 7 | - | - |
| 3 | Current liabilities: | | | |
| | (a) Short-term borrowings | 8 | 9,92,78,165 | 10,05,22,081 |
| | (b) Trade payables | 9 | 6,65,28,252 | 5,87,63,668 |
| | (c) Other current liabilities | 10 | 1,47,91,765 | 1,90,15,241 |
| | (d) Short-term provisions | 11 | 2,64,30,666 | 3,18,57,316 |
| | TOTAL | | 40,66,54,165 | 41,40,58,585 |
| B | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Fixed assets | 12 | | |
| | Tangible assets | | 7,65,59,612 | 7,74,01,507 |
| | Intangible assets | | 17,10,785 | 7,46,981 |
| | (b) Non-current investments | 13 | 77,31,879 | 73,38,316 |
| 2 | Current assets | | | |
| | (a) Inventories | 14 | 12,22,56,971 | 12,03,72,821 |
| | (b) Trade receivables | 15 | 6,34,68,919 | 7,14,73,384 |
| | (c) Cash & Cash equivalents | 16 | 2,68,69,862 | 69,42,975 |
| | (d) Short-term loans and advances | 17 | 10,76,76,197 | 12,92,53,621 |
| | (e) Other Current Assets | 18 | 3,79,938 | 5,28,980 |
| | TOTAL | | 40,66,54,165 | 41,40,58,585 |
| | Significant Accounting policies | 2 | | |

The accompanying Notes from 27 to 29 are an integral part of Financial Statements.

As per our report of even date attached.

For **Dileep & Prithvi**
Chartered Accountants
Firm Reg No 122290W
By the hand of

Sd/-
Pankaj Jain
Partner
M. No: 139559

Sd/-
Bhaskar G. Sandu
Chairman
DIN:02816792

Sd/-
Rakesh Parekh
Chief Financial Officer

For and on behalf of the Board of Directors
Sandu Pharmaceuticals Limited
CIN : L24233GA1985PLC001587

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

Sd/-
Pratika Mhambray
Company Secretary
M No: A36512

Sd/-
Shashank B. Sandu
Director
DIN:00678098

Place: Mumbai
Dated: 30th May, 2017

Place: Mumbai
Dated: 30th May, 2017

Statement of Profit and Loss for the ended 31st March, 2017

| PARTICULARS | | Note No. | Year ended 31st March, 2017 Amount (₹) | Year ended 31st March, 2016 Amount (₹) |
|-------------|---|----------|--|--|
| A | CONTINUING OPERATIONS | | | |
| 1 | Revenue from operations (gross) | 19 | 51,40,21,618 | 46,78,38,570 |
| | Less: Excise duty | | (84,58,647) | (73,03,840) |
| | Less: Trade Discount | | (5,73,81,995) | (5,00,12,086) |
| | Sub Total | | 44,81,80,976 | 41,05,22,644 |
| | Add: Insurance Claim Received | | - | 2,61,650 |
| 2 | Other income | 20 | 39,17,148 | 14,52,085 |
| 3 | Total revenue (1+2) | | 45,20,98,124 | 41,22,36,378 |
| 4 | Expenses | | | |
| | (a) Cost of materials consumed | 21.a | 7,23,20,788 | 8,41,79,586 |
| | (b) Purchase of Stock-in-trade | 21.b | 17,36,36,439 | 13,44,63,267 |
| | (c) Changes in inventories of finished goods, work-in-progress & Stock-in-trade | 21.c | 15,12,843 | (57,74,572) |
| | (d) Employee benefits expenses | 22 | 5,35,68,118 | 4,51,11,494 |
| | (e) Finance costs | 23 | 1,49,40,646 | 1,64,34,143 |
| | (f) Depreciation and amortisation expenses | 12 | 72,16,606 | 69,30,806 |
| | (g) Other expenses | 24 | 12,06,17,062 | 12,38,32,766 |
| | Total expenses | | 44,38,12,502 | 40,51,77,489 |
| 5 | Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4) | | 82,85,623 | 70,58,889 |
| 6 | Exceptional / Prior Period items | 25 | (9,27,933) | 2,64,480 |
| 7 | Profit / (Loss) before tax (5 + 6) | | 92,13,556 | 67,94,409 |
| 8 | Tax expense: | | | |
| | (a) Current tax expense for current year | | 28,46,989 | 21,50,000 |
| | (b) Deferred tax | | (16,24,270) | (7,34,540) |
| | (c) Tax adjustment of earlier years | | 37,52,959 | - |
| | Total Tax Expense | | 49,75,677 | 14,15,460 |
| 9 | Profit / (Loss) for the year (7 + 8) | | 42,37,878 | 53,78,949 |
| 10 | Earnings per share (of 10/- each): | 26 | | |
| | (a) Basic | | 0.60 | 0.76 |
| | (b) Diluted | | 0.60 | 0.76 |
| | Significant Accounting policies | 2 | | |

The accompanying Notes from 27 to 29 are an integral part of Financial Statements.

As per our report of even date attached.

For **Dileep & Prithvi**

Chartered Accountants

Firm Reg No 122290W

By the hand of

Sd/-

Pankaj Jain

Partner

M. No: 139559

Sd/-

Bhaskar G. Sandu

Chairman

DIN:02816792

Sd/-

Rakesh Parekh

Chief Financial Officer

Sd/-

Umesh B. Sandu

Managing Director

DIN:01132141

Sd/-

Pratika Mhambray

Company Secretary

M No: A36512

Sd/-

Shashank B. Sandu

Director

DIN:00678098

Place: Mumbai

Dated: 30th May, 2017

Place: Mumbai

Dated: 30th May, 2017

| Cash Flow Statement for the year ended 31st March, 2017 | | | | (in lakhs) |
|---|--------------------------------|----------------|--------------------------------|-----------------|
| Particulars | Year ended 31st March, 2017 | | Year ended 31st March, 2016 | |
| | Amount | Amount | Amount | Amount |
| A. Cash flow from operating activities | | | | |
| Net Profit / (Loss) before extraordinary items and tax | | 82.86 | | 70.59 |
| <i>Adjustments for:</i> | | | | |
| Depreciation and amortisation | 72.17 | | 69.31 | |
| Finance costs | 149.41 | | 164.34 | |
| Interest income | (1.33) | | (3.49) | |
| Dividend income | (25.00) | | (9.13) | |
| Other non operating Income | - | | (1.90) | |
| Gain on Sale of Investments | (3.93) | | - | |
| Provision for doubtful trade and other receivables, loans and advances | 1.98 | | - | |
| Prior period Income | (3.25) | | (2.64) | |
| | | 214.78 | | 216.48 |
| Operating profit / (loss) before working capital changes | | 297.64 | | 287.07 |
| <i>Changes in working capital:</i> | | | | |
| <i>Adjustments for (increase) / decrease in operating assets:</i> | | | | |
| Inventories | (18.84) | | 64.07 | |
| Trade receivables | 78.06 | | (58.82) | |
| Short-term loans and advances | (79.59) | | (380.79) | |
| Other current assets | 14.40 | | 3.58 | |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> | | | | |
| Trade payables | 77.65 | | (36.67) | |
| Other current liabilities | (40.00) | | 63.29 | |
| Short-term provisions | 45.40 | 62.82 | (62.96) | (408.33) |
| Cash generated from operations | | 360.46 | | (121.25) |
| Net income tax refunds | | 154.25 | | - |
| Net income tax paid | | (24.55) | | (21.50) |
| Net cash flow from / (used in) operating activities (A) | | 490.15 | | (142.75) |
| B. Cash flow from investing activities | | | | |
| Purchases of Fixed Assets | (60.85) | | (15.08) | |
| Gain on Sale of Investments | 3.94 | | - | |
| Purchase of Non Current investments | (58.71) | | 4.47 | |
| Proceed from Non Current investments | 54.77 | | 93.00 | |
| Proceed from Current Investments | 1.35 | | - | |
| Interest received | 1.33 | | 3.49 | |
| Dividend received | 24.89 | | 9.13 | |
| Other non- operating Income | - | | 1.90 | |
| Net cash flow from / (used in) investing activities (B) | | (57.92) | | 4.84 |

| Cash Flow Statement for the year ended 31st March, 2017 | | | (in lakhs) | |
|---|--------------------------------|-----------------|--------------------------------|-----------------|
| Particulars | Year ended 31st March, 2017 | | Year ended 31st March, 2016 | |
| | Amount | Amount | Amount | Amount |
| C. Cash flow from financing activities | | | | |
| Proceeds from long-term borrowings | - | | - | |
| Repayment of long-term borrowings | (83.55) | | (41.64) | |
| Finance cost | (149.41) | | (164.34) | |
| Net cash flow from / (used in) financing activities (C) | | (232.96) | | (205.98) |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | | 199.27 | | (343.89) |
| Cash and cash equivalents at the beginning of the year | | 69.43 | | 413.32 |
| Cash and cash equivalents at the end of the year | | 268.70 | | 69.43 |

Notes:

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

Significant Accounting policies

2

The accompanying Notes from 27 to 29 are an integral part of Financial Statements.

As per our report of even date attached.

For **Dileep & Prithvi**
Chartered Accountants
Firm Reg No 122290W
By the hand of

For and on behalf of the Board of Directors
Sandu Pharamaceuticals Limited
CIN : L24233GA1985PLC001587

Sd/-
Pankaj Jain
Partner
M. No: 139559

Sd/-
Bhaskar G. Sandu
Chairman
DIN:02816792

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

Sd/-
Shashank B. Sandu
Director
DIN:00678098

Sd/-
Rakesh Parekh
Chief Financial Officer

Sd/-
Pratika Mhambrey
Company Secretary
M.No. A36512

Place: Mumbai
Dated: 30th May, 2017

Place: Mumbai
Dated: 30th May, 2017

NOTES FORMING INTEGRAL PART OF FINANCIAL STATEMENTS OF SANDU PHARMACEUTICALS LIMITED FOR THE YEAR ENDED MARCH 31, 2017

NOTE 1. Corporate Information

The Company was incorporated in India on November 15, 1985 under the name of **Sandu Pharmaceuticals Limited** having its Registered Office at Plot No 25,26,29 and 30, Pilerne Industrial Estate, Marra Bardez Goa 403511 and is Listed on Bombay Stock Exchange (BSE) and is mainly engaged in the business of manufacturing and trading of Ayurvedic Property Medicines under the brand name **SANDU**.

NOTE 2. Significant Accounting Policies

a. Basis of Accounting and preparation of financial statements:

- The accounts are prepared under historical cost convention on Accrual basis of accounting and as a going concern and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, ("the Act") read with Rule 7 of the companies (Accounts) Rules, 2014 and the relevant provisions of the Act to the extent applicable and the prevalent accounting practices in India.
- Accounting Policies, not specifically referred to, otherwise are consistent with generally accepted accounting policies. In applying the accounting policies, considerations have been given to prudence, substance over form and materiality. The accounting policies adopted in the presentation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy on revaluation of certain fixed assets as described in note no. 4.

b. Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known or materialized

c. Current and Non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of its activities and the time between the acquisition of assets for processing and their realization in cash on cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

d) Property, Plant and Equipment:

Fixed Assets are stated at cost of acquisition as reduced by accumulated depreciation and impairment losses, if any. Cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure result in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Intangible Assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation. All cost and expenses incidental to acquisition and installation attributable to the intangible assets are capitalized.

Revenue expenditure on research and development is expensed as incurred. Capital expenditure on research and development is capitalised and depreciated with the depreciation policy of the Company.

Depreciation

Depreciation on tangible fixed assets is provided using Straight Line Method based on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II to the Companies Act, 2013. The estimate of useful life of the assets has been taken as per Part C of Schedule II to the Companies Act, 2013 and has also been assessed by the management which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support etc.

The estimated useful life of Tangible Fixed Assets is mentioned below:

| Type of Asset | Period (Years) |
|-----------------------------|----------------|
| a. Buildings & Sheds | 60 |
| b. Plant & Machinery | 20 |
| c. Furniture & Fixtures | 10 |
| d. Electrical Installations | 10 |
| e. Computer System | 3 |
| f. Motor Vehicles | 8 |
| g. Office Equipments | 5 |

d. Inventories:

In valuation of Inventories, Raw Materials, Intermediate goods and Finished goods valued at cost or net realizable value whichever is lower. Cost is determined using the First-in-First-out Method.

The net realizable value of the work-in-progress is determined with reference to the selling price of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

e. Assets held for sale

Such assets are generally measured at lower of their carrying amount and fair value less costs to sell. Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortized or depreciated.

f. Revenue Recognition:

- Revenue from sale of goods in the course of ordinary activities is recognized when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.
- Sales and Purchases are accounted at net of taxes, returns, breakages, shortages, Trade Discount etc. and the same are determined up to the date of preparation of accounts.
- In respect of Interest Income, it is recognised on a time proportion basis.

g. Foreign Currency Transactions:

• Initial recognition

Foreign currency transactions, if any, are recorded in the reporting currency, by applying to

the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

- **Conversion**

Foreign currency monetary items, if any, are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

- **Exchange differences**

Exchange differences, if any, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of fixed assets they are adjusted to Profit and Loss Account as per AS-11 (revised).

Exchange differenced arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

h. Employee Benefits:

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

- **Defined contribution plan**

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 contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

- **Defined benefit plan**

For defined benefit plan in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses, if any, are covered in provision made in the Statement of Profit and Loss in the period in which they occur. The company is contributing to the plan taken from LIC of India to mitigate its liability towards payment of Gratuity to the eligible employees. The liability for Gratuity payments has been set off with the fair value of plan assets (i.e. fund balance) and the net value has been recognized in the Balance Sheet accordingly.

- **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur.

Provision for Bonus & Ex-Gratia is made on accrual basis. Expenditure on leave travel concession to employees is recognized in the year of availment due to uncertainties of accruals. Leave encashment is provided on actual basis.

i. Taxation:

Tax expense is the aggregate of current tax and deferred tax charged or credited, as the case may be to the statement of Profit and Loss for the year in accordance with the Accounting Standard-22 "Accounting for Taxes on Income" and measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

• **CURRENT TAX:**

The provision for taxation is made based on an estimate of assessable income determined by the Company under the Income Tax Act, 1961. Short/Excess provision for tax being result of change in estimates of prior period or any subsequent payment of tax.

• **DEFERRED TAX :**

Deferred taxes are recognized for the future tax consequences attributable to timing differences between the financial statements and determination of income for their recognition for tax purposes. The Company uses the asset and liability method of accounting for deferred income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities, as measured by the enacted/substantially enacted tax rates which will be in effect when those temporary differences are expected to be recovered or settled. Deferred tax expense/income is the result of changes in the net deferred tax assets and liabilities. Deferred tax assets are recognized and carried forward only if in opinion of the management there is reasonable/virtual certainty of its realization.

The carrying amount of Deferred Tax Assets are reviewed at each balance sheet date and written down or written up, to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized.

j. Impairment of Assets :

The company at each balance sheet date evaluates that whether there is any indication that an asset may be impaired. If any such indication exists, then an impairment loss is recognized. It is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

k. Borrowing Costs:

Borrowing costs directly attributable to development of qualifying asset are capitalized till the date qualifying asset is ready for put to use for its intended purpose as part of cost of that asset. All other Borrowing costs are reduced from coresponding income or recognized as expense in the period in which they are incurred.

l. Leases:

Lease arrangements, where the risk and rewards incidental to the ownership of asset substantially vests with the lessor are recognized as operating lease. Lease payments under operating leases are recognized as an expense in the Statement of Profit and Loss.

A lease is classified at the inception date as a financial lease and an operating lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property

or, if lower, at the present value of the minimum lease payment. A leased asset is depreciated over the useful life of the asset.

Operating lease payments are recognized as an expenses in the statement of profit and loss on a straight-line basis over the lease term, unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

m. Earnings Per share

Basic and diluted earnings per share are computed by the net profit after tax attributable to equity shareholders for the year, with the weighted number of equity shares outstanding during the year.

n. Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

o. Provisions, Contingent Liabilities and Contingent Assets

The company creates a provision when there is a present obligation because of past event that will probably result in the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of such obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities, if any, are not recognised but disclosed in the notes. Contingent Assets neither recognised nor disclosed in the financial statements.

p. Investments

Investments intended to be held for more than a year are classified as long term Investments. Long term Investments are valued at cost less permanent diminution in value, if such a decline is other than temporary in the opinion of the management. The current investments are valued at lower of cost or market value.

q. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

r. Cash flow statement

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

s. Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

Note 3 Share Capital

a. **The Authorised, Issued, Subscribed and fully paid up share capital are as follows:**

(Figures in ₹)

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|------------------------|------------------------|
| Authorised Share Capital | | |
| 1,00,00,000 Equity Shares of ₹10/- Each (P.Y. 1,00,00,000) | 100,000,000 | 100,000,000 |
| | 100,000,000 | 100,000,000 |
| Issued, Subscribed & Paid up Share Capital 70,81,000 Equity Shares of ₹10/- Each (P.Y. 70,81,000) | 70,810,000 | 70,810,000 |
| Total | 70,810,000 | 70,810,000 |

b. **Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

| Particulars | As at 31st March, 2017 | | As at 31st March, 2016 | |
|---|------------------------|-------------------|------------------------|-------------------|
| | Number | ₹ | Number | ₹ |
| Shares outstanding at the beginning of the year | 7,081,000 | 70,810,000 | 7,081,000 | 70,810,000 |
| Add: Shares Issued during the year | - | - | - | - |
| Less: Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 7,081,000 | 70,810,000 | 7,081,000 | 70,810,000 |

c. **Terms / Rights attached to equity shares**

The company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

During the year ended March 31, 2017 the company had not declared any dividend (Previous Year Nil)

d. During the year no share was reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

e. Details of shareholders holding more than 5 percent shares in the company:

| Particulars | As at 31st March, 2017 | | As at 31st March, 2016 | |
|---|------------------------|--------------|------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Equity Shares of ₹10/- each fully paid | | | | |
| Bhaskar Govind Sandu | 737,000 | 10.41 | 737,000 | 10.41 |
| Shashank Bhaskar Sandu | 657,900 | 9.29 | 657,900 | 9.29 |
| Umesh Bhaskar Sandu | 677,100 | 9.56 | 677,100 | 9.56 |
| Sanmark Realty And Finance Private Ltd. | 543,930 | 7.68 | 543,930 | 7.68 |

f. The company had not issued any bonus share for consideration other than cash and no share had bought back during the period of five years immediately preceding the reporting date.

Note 4 Reserves and surplus

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---------------------------|---------------------------|
| | 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 | 9,24,28,369 |
| Closing balance | 9,24,28,369 | 9,24,28,369 |
| (c) Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening balance | 2,09,98,191 | 1,56,19,220 |
| Add: Profit / (Loss) for the year | 42,37,878 | 53,78,971 |
| Closing balance | 2,52,36,069 | 2,09,98,191 |
| Total [a+b+c] | 12,02,64,439 | 11,60,26,560 |

Note 5 Long-term borrowings

| | | |
|--|-----------------|------------------|
| Term loans | | |
| Secured: | | |
| From Dena Bank | 62,54,138 | 1,33,65,381 |
| Less: Current Maturity | 53,60,688 | 55,83,360 |
| Balance | 8,93,450 | 77,82,021 |
| (Secured by Hypothecation of Plant and Machinery, Civil work and Personal Guarantee some of the Directors to be payable in 72 monthly installments) Balance Installment 14 | | |

Note 6 Deferred tax Liabilities (net)

| | | |
|--|------------------|------------------|
| Deferred tax (liability) / asset | | |
| Opening Balance | 92,81,698 | 1,00,16,238 |
| Add/(less):- Adjustment for the current year | (16,24,270) | (7,34,540) |
| Total | 76,57,428 | 92,81,698 |

Note 7 Long-term provision

| | | |
|--|-------------|-------------|
| Provision for Gratuity: | | |
| Non-Current Liability of Gratuity (As Per Actuarial's Certificate) | 18,64,310 | 14,15,360 |
| Less: Present Value of Fund with LIC | (18,64,310) | (14,15,360) |
| Total | - | - |

Note 8 Short-term borrowings

| Particulars | As at | As at |
|--|--------------------|---------------------|
| | 31st March, 2017 | 31st March, 2016 |
| | Amount (₹) | Amount (₹) |
| Loans repayable on demand | | |
| From banks : (Secured against Hypothication of stock and book debts and personal guarantee of some of the Directors) | | |
| | 9,92,78,165 | 10,05,22,081 |
| Total | 9,92,78,165 | 10,05,22,081 |

Note 9 Trade payables

| | | |
|---|--------------------|--------------------|
| Trade payables (The Company has not received confirmation from any party regarding their status under MSMED, Act 2006) | 6,65,28,252 | 5,87,63,668 |
| Total | 6,65,28,252 | 5,87,63,668 |

Note 10 Other current liabilities

| | | |
|---|-------------------|-------------------|
| (i) Advance Received from Customers | 705,990 | 4,428,032 |
| (ii) Statutory Dues | 2,223,751 | 2,945,424 |
| (iii) Trade / security deposits received | 4,163,118 | 3,339,951 |
| (iv) Current Maturities of Long Term Borrowings | 5,360,688 | 5,583,360 |
| (v) Retention Money of Assets Vendors | 922,329 | 881,153 |
| (vi) Gratuity Payable | 136,273 | 66,451 |
| (vii) Outstanding Liabilities | 1,279,616 | 1,770,870 |
| Total | 14,791,765 | 19,015,241 |

Note 11 Short-term provisions

| | | |
|---|-------------------|-------------------|
| (a) Provision for employee benefits: | | |
| (i) Provision for salaries | 3,751,945 | 3,652,534 |
| (ii) Provision for Gratuity (As per Actuarial Report) | 242,566 | 878,474 |
| (b) Provision - Others: | | |
| (i) Provision for tax | 8,428,402 | 18,395,000 |
| (ii) Provision for Expenses | 14,007,754 | 8,931,308 |
| Total | 26,430,666 | 31,857,316 |

Note 12 Fixed assets

| Particulars | Gross block | | | Accumulated depreciation and impairment | | | | | Net block | |
|--------------------------------|-------------------------------|---------------------------------|------------------|---|-------------------------------|--|-------------------------------|--------------------------------|--------------------------------|--------------------|
| | Balance as at 1st April, 2016 | Additions / Disposals of assets | Adjustments | Balance as at 31st March, 2017 | Balance as at 1st April, 2016 | Depreciation/amortisation expense for the period | Adjustment/disposal of assets | Balance as at 31st March, 2017 | Balance as at 31st March, 2016 | |
| | Amount (₹) | Amount (₹) | Amount (₹) | Amount (₹) | Amount (₹) | Amount (₹) | Amount (₹) | Amount (₹) | Amount (₹) | Amount (₹) |
| 1 Tangible Assets | | | | | | | | | | |
| (a) Leasehold Land | 56,19,529 | - | | 56,19,529 | - | - | | - | 56,19,529 | 56,19,529 |
| (b) Buildings | 7,97,88,250 | 11,72,520 | | 8,09,60,770 | 2,53,92,162 | 10,98,298 | | 2,64,90,460 | 5,44,70,310 | 5,43,96,088 |
| (c) Plant and Equipment | 3,65,02,202 | 15,76,863 | | 3,80,79,065 | 2,53,22,141 | 42,28,107 | | 2,95,50,248 | 85,28,817 | 1,11,80,061 |
| (d) Furniture and Fixtures | 50,09,114 | - | | 50,09,114 | 20,72,133 | 4,51,851 | | 25,23,984 | 24,85,130 | 29,36,981 |
| (e) Vehicles | 14,53,475 | | | 14,53,475 | 14,53,475 | - | | 14,53,475 | - | - |
| (f) Office equipment | 1,09,45,576 | 24,97,728 | | 1,34,43,304 | 94,61,021 | 8,46,748 | | 1,03,07,769 | 31,35,535 | 14,84,555 |
| (g) Electrical Installation | 45,27,800 | 8,15,200 | | 53,43,000 | 27,83,738 | 2,63,936 | | 30,47,674 | 22,95,326 | 17,44,062 |
| (h) Tools and Dyes | 2,49,707 | | | 2,49,707 | 2,09,476 | 15,266 | | 2,24,742 | 24,965 | 40,231 |
| Total Tangible Assets | 14,40,95,653 | 60,62,311 | - | 15,01,57,964 | 6,66,94,146 | 69,04,206 | - | 7,35,96,352 | 7,65,59,612 | 7,74,01,507 |
| 2 Intangible assets | | | | | | | | | | |
| Software | 9,53,025 | 22,900 | 20,88,840 | 30,64,765 | 2,06,044 | 3,12,400 | 8,35,536 | 13,53,980 | 17,10,785 | 7,46,981 |
| Total Intangible Assets | 9,53,025 | 22,900 | 20,88,840 | 30,64,765 | 2,06,044 | 3,12,400 | 8,35,536 | 13,53,980 | 17,10,785 | 7,46,981 |
| Total | 14,50,48,678 | 60,85,211 | 20,88,840 | 15,32,22,729 | 6,69,00,189 | 72,16,606 | 8,35,536 | 7,41,16,795 | 7,82,70,397 | 7,81,48,488 |
| Previous Year | 14,35,94,403 | 15,08,275 | -54,000 | 14,50,48,678 | 6,00,23,384 | 69,30,806 | -54,000 | 6,69,00,190 | 7,81,48,488 | 8,35,71,019 |

Note 13 Non-current investments

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---------------------------------------|---------------------------|---------------------------|
| | Amount (₹) | Amount (₹) |
| Trade Investments | | |
| (a) Investment in equity instruments: | | |
| Quoted | 1,475,798 | 1,475,797 |
| Unquoted | 10,000 | 10,000 |
| (b) Investment in mutual funds | 6,246,079 | 5,852,517 |
| Total | 7,731,879 | 7,338,314 |

Note 13 A. 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 31st March, 2017 | Face Value | Balance as on 1st April, 2016 | | Acquisition | | Disposals | | Balance as on 31st March, 2017 | | Balance as on 31st March, 2016 |
|---|-------------------------------------|------------|-------------------------------|------------|-------------|------------|-----------|------------|--------------------------------|------------|--------------------------------|
| | Amount (₹) | Amount (₹) | Nos. | Amount (₹) | Nos. | Amount (₹) | Nos. | Amount (₹) | Nos. | Amount (₹) | Amount (₹) |
| <u>Equity Shares:</u> | | | | | | | | | | | |
| <u>(Quoted)</u> | | | | | | | | | | | |
| Kerala Ayurveda Ltd. | 27,900 | 10 | 300 | 20,930 | 0 | 0 | 0 | 0 | 300 | 20,930 | 20,930 |
| Powergrid Corporation of India Ltd. | 3,38,370 | 10 | 1,715 | 1,67,814 | 0 | 0 | 0 | 0 | 1,715 | 1,67,814 | 1,67,814 |
| Tata Chemicals Ltd. | 2,99,375 | 10 | 500 | 1,62,189 | 0 | 0 | 0 | 0 | 500 | 1,62,189 | 1,62,189 |
| The Indian Hotels Company Ltd. | 5,03,367 | 1 | 3,943 | 3,24,276 | 0 | 0 | 0 | 0 | 3,943 | 3,24,276 | 3,24,276 |
| The Indian Hotels Company Ltd. (Right Issued) | 1,90,350 | 12.5 | 1,500 | 82,500 | | | | | 1,500 | 82,500 | 82,500 |
| NTPC Ltd. | 49,800 | 10 | 300 | 52,737 | 0 | 0 | 0 | 0 | 300 | 52,737 | 52,737 |
| NTPC Ltd. (Bonus Issued) | 49,800 | 10 | 300 | - | 0 | 0 | 0 | 0 | 300 | - | - |
| PTC India Ltd. | 46,700 | 10 | 500 | 40,805 | 0 | 0 | 0 | 0 | 500 | 40,805 | 40,805 |
| Indraprastha Medical Corporation Ltd. | 2,65,750 | 10 | 5,000 | 2,41,013 | 0 | 0 | 0 | 0 | 5,000 | 2,41,013 | 2,41,013 |
| Kamat Hotels (India) Ltd. | 52,930 | 10 | 1,580 | 1,91,954 | 0 | 0 | 0 | 0 | 1,580 | 1,91,954 | 1,91,954 |
| NHPC Ltd. | 1,61,000 | 10 | 5,000 | 1,78,424 | 0 | 0 | 0 | 0 | 5,000 | 1,78,424 | 1,78,424 |
| Nagarjuna Fertilizers and Chemicals Ltd. | 10,670 | 10 | 550 | 13,155 | 0 | 0 | 0 | 0 | 550 | 13,155 | 13,155 |

Thirty Second Annual Report 2016-17

| | | | | | | | | | | | |
|---|------------------|----|---------------|---------------------|----------|------------|----------|------------|---------------|------------------|------------------|
| Nagarjuna Oil Refinery* | 2,300 | 1 | 500 | - | 0 | 0 | 0 | 0 | 500 | - | - |
| <u>Equity Shares:</u> <u>(Unquoted)</u> | | | | | | | | | | | |
| The Shamrao Vithal Co-op. Bank Ltd. | | 10 | 400 | 10,000 | 0 | 0 | 0 | 0 | 400 | 10,000 | 10,000 |
| Total Investment in Equity Instruments | 19,98,312 | | 21,688 | 14,85,798.00 | - | - | 0 | 0 | 21,688 | 14,85,798 | 14,85,797 |
| Units of Schemes of Various Funds: (Quoted) | | | | | | | 0 | 0 | | | |
| HDFC Top 200 Fund - Dividend, Option ; Reinvest | - | | 23899.58 | 1072712.00 | | | 23899.58 | 1072712.00 | 0.00 | 0.00 | 10,72,712 |
| HDFC Top 200 Fund – Growth | 13,06,763 | | | | 3251.77 | 1037259.67 | | | 3251.77 | 1037259.67 | |
| Reliance Vision Fund -Retail Plan -Growth Plan | 7,34,009 | | | | 1491.75 | 628343.34 | | | 1491.75 | 628343.34 | |
| Reliance Vision Fund -Retail Plan -Dividend Plan | - | | 15716.48 | 675000.00 | | | 15716.48 | 675000.00 | 0.00 | 0.00 | 6,75,000 |
| Reliance Regular Savings Fund -Equity Plan-Growth Plan | 7,60,769 | | | | 12346.34 | 623312.38 | | | 12346.34 | 623312.38 | |
| Reliance Regular Savings Fund -Equity Plan-Dividend Plan | - | | 30552.29 | 700000.00 | | | 30552.29 | 700000.00 | 0.00 | 0.00 | 7,00,000 |
| Sundaram Select Midcap – Growth | 12,34,787 | | | | 3348.09 | 1142978.35 | | | 3348.09 | 1142978.35 | |
| Sundaram Select Midcap - Dividend | - | | 36555.90 | 650208.00 | | | 36555.90 | 650208.00 | 0.00 | 0.00 | 6,50,208 |
| DSP Black Rock India T.I.G.E.R.Fund-Regular Dividend Plan | - | | 34869.71 | 674297.80 | | | 34869.71 | 674298.00 | 0.00 | -0.20 | 6,74,298 |
| DSP Black Rock India T.I.G.E.R.Fund-Regular Growth Plan | 6,88,979 | | | | 8189.07 | 532420.25 | | | 8189.07 | 532420.25 | |
| IDFC Premier Equity Fund-Growth Plan | 5,13,537 | | | | 6268.94 | 445157.57 | | | 6268.94 | 445157.57 | |

| | | | | | | | | | | | |
|--|---------------------|----------|-----------------|------------------|---------------|------------------|-------------------|------------------|---------------|------------------|------------------|
| IDFC Premier Equity Fund-Dividend Plan | - | | 14837.45 | 375000.00 | | | 14837.45 | 375000.00 | 0.00 | 0.00 | 3,75,000 |
| Kotak Opportunities - Dividend | - | | 19278.00 | 275000.00 | | | 19278.00 | 275000.00 | 0.00 | 0.00 | 2,75,000 |
| Kotak Opportunities - Growth | 13,77,973 | | | | 5352.44 | 432091.70 | | | | 5352.44 | 432091.70 |
| Kotak Opportunities - Growth | | | 8165.32 | 375000.00 | | 0.00 | 0.00 | 8165.32 | 375000.00 | | 3,75,000 |
| HDFC Equity Fund - Growth | 12,93,803.72 | | | | 2379.33 | 1029515.33 | | | 2379.33 | 1029515.33 | |
| HDFC Equity Fund - Dividend, Option : Reinvest | - | | 23050.61 | 1055298.38 | | | 23050.61 | 1055298.00 | 0.00 | 0.38 | 10,55,298 |
| Total of Investment in Mutual Funds | 79,10,620.72 | 0 | 2,06,925 | 58,52,516 | 42628 | 5871079 | 198760.018 | 5477516 | 50793 | 62,46,079 | 58,52,516 |
| Total Investments | | | 2,28,613 | 73,28,314 | 42,628 | 58,71,079 | 1,98,760 | 54,77,516 | 72,881 | 77,31,877 | 73,38,313 |

Note 14 Inventories

| Particulars | As at | As at |
|-------------------------------|---------------------|---------------------|
| | 31st March, 2017 | 31st March, 2016 |
| | Amount (₹) | Amount (₹) |
| Closing Stock of Inventories: | | |
| (a) Raw materials | 1,33,28,433 | 99,31,439 |
| (b) Work-in-progress | 47,48,428 | 2,51,21,786 |
| (c) Finished goods | 6,38,23,799 | 3,76,17,580 |
| (d) Stock in Trade | 4,03,56,311 | 4,77,02,016 |
| Total | 12,22,56,971 | 12,03,72,821 |

Note 15 Trade receivables

| | | |
|---|--------------------|--------------------|
| (a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Secured, considered good | - | |
| Unsecured, considered good | 50,27,176 | 1,18,21,604 |
| Doubtful | 1,98,280 | - |
| Less: Provision for doubtful trade receivables | -1,98,280 | - |
| (b) Other Trade receivables | | |
| Secured, considered good | 25,73,355 | 20,88,917 |
| Unsecured, considered good | 5,58,68,388 | 5,75,62,862 |
| Less: Provision for doubtful trade receivables | - | - |
| Total | 6,34,68,919 | 7,14,73,384 |

Note 16 Cash & Cash equivalents

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--------------------------|---------------------------|---------------------------|
| | Amount (₹) | Amount (₹) |
| (a) Cash on hand | 10,11,898 | 23,15,852 |
| (b) Balances with banks: | | |
| (i) In current accounts | 2,24,72,307 | 35,14,172 |
| (ii) In deposit accounts | 33,85,657 | 11,12,950 |
| Total | 2,68,69,862 | 69,42,975 |

Note:

Details of Specified Bank Notes (SBN) held and transacted during the period from 01-08-2016 to 30-12-2016:

| Particulars | SBNs | Other Denomination Notes | Total |
|---------------------------------------|------------|--------------------------------|------------|
| | Amount (₹) | Amount (₹) | Amount (₹) |
| Closing Cash in Hand as on 08-11-2016 | 17,02,500 | 16,36,707 | 33,39,207 |
| (+) Permitted Receipts | - | 16,69,951 | 16,69,951 |
| (-) Permitted Payments | - | 1,05,828 | 1,05,828 |
| (-) Amount Deposited in Banks | 17,02,500 | 15,000 | 17,17,500 |
| Closing Cash in Hand as on 30-12-2016 | - | 11,85,830 | 11,85,830 |

Note 17 Short-term loans and advances

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| | Amount (₹) | Amount (₹) |
| (a) Security deposits | | |
| Unsecured, considered good | 5,53,449 | 4,61,860 |
| (b) Loans and advances to employees | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 6,69,651 | 97,446 |
| (c) Balances with government authorities | 77,67,635 | 3,66,69,889 |
| (d) Advances paid to Suppliers | 9,86,85,463 | 9,20,24,426 |
| Total | 10,76,76,197 | 12,92,53,621 |

Note 18 Other Current Assets

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|------------------------------|---------------------------|---------------------------|
| | Amount (₹) | Amount (₹) |
| Prepaid expenses | 2,22,602 | 2,37,003 |
| Accrued Interest on Bank FDR | 1,57,336 | 2,91,976 |
| Total | 3,79,938 | 5,28,980 |

Note 19 Revenue from operations

| Particulars | Year ended 31st March, 2017 | Year ended 31st March, 2016 |
|---------------------------------|--------------------------------|--------------------------------|
| | Amount (₹) | Amount (₹) |
| Total Sales of Products | 51,40,21,618 | 46,78,38,570 |
| Total - Sale of products | 51,40,21,618 | 46,78,38,570 |

Note 20 Other income

| | | |
|---|------------------|------------------|
| (a) Interest income: | | |
| Deposit with Banks | 1,33,234 | 3,48,712 |
| Income Tax Refund | 33,40,246 | - |
| (b) Dividend income: | | |
| from Non current investments | 24,896 | 9,13,293 |
| (c) Gain on Sale of Investments | 3,93,563 | |
| (d) Other non-operating income (net of expenses directly attributable to such income) | 25,210 | 1,90,080 |
| Total | 39,17,148 | 14,52,085 |

Note 21. a Cost of materials consumed

| | | |
|---------------------------|---------------|-------------|
| Opening stock | 99,31,439 | 2,21,13,471 |
| Add: Purchases | 7,57,17,782 | 7,19,97,554 |
| Less: Closing stock | (1,33,28,433) | (99,31,439) |
| Cost of material consumed | 7,23,20,788 | 8,41,79,586 |

Note 21. b Cost of traded goods

| | | |
|---------------------------|---------------------|---------------------|
| Purchases of traded goods | 17,36,36,439 | 13,44,63,267 |
| Total | 17,36,36,439 | 13,44,63,267 |

Note 21. c Changes in inventories of finished goods and work-in-progress

| Particulars | Year ended 31st March, 2017 | Year ended 31st March, 2016 |
|---|--------------------------------|--------------------------------|
| | Amount (₹) | Amount (₹) |
| <u>Inventories at the end of the year:</u> | | |
| Finished goods | 6,38,23,799 | 3,76,17,580 |
| Work-in-progress | 47,48,428 | 2,51,21,786 |
| Stock in Trade | 4,03,56,311 | 4,77,02,016 |
| | 10,89,28,538 | 11,04,41,381 |
| <u>Inventories at the beginning 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 |
| | 11,04,41,381 | 10,46,66,809 |
| Net (increase) / decrease | 15,12,843 | (57,74,572) |

Note 22 Employee benefits expense

| | | |
|--|--------------------|--------------------|
| Salaries and wages | 5,02,13,992 | 4,16,98,692 |
| Contributions to provident and other funds | 27,69,073 | 28,22,379 |
| Staff welfare expenses | 5,85,053 | 5,90,423 |
| Total | 5,35,68,118 | 4,51,11,494 |

* The Company is recognising and accruing the employee benefit as per Accounting Standard (AS) – 15 on “Employee Benefits” the disclosures of which are as under:

| Acturial Assumptions Mortality Table | Indian Assured Lives Mortality (2006-08) Ult. | Indian Assured Lives Mortality (2006-08) Ult. |
|--|---|---|
| Discount rate | 7.40% | 8.00% |
| Rate of return (expected) on plan assets | 8.15% | 8.75% |
| Rate of increase in compensation | 3.00% | 3.00% |
| Withdrawal Rates (upto Age 44) | 2.00% | 2.00% |
| Withdrawal Rates (Age 45 and above) | 1.00% | 1.00% |
| Changes in present value of obligations | | |
| Obligation at the beginning of the year | 22,93,834 | 16,53,623 |
| Interest Cost | 1,79,432 | 1,25,366 |
| Current Service Cost | 3,36,903 | 3,30,057 |
| Past Service Cost | - | |
| Benefit paid | (1,01,862) | (92,746) |
| Actuarial (gain) / Loss on obligations | (6,01,431) | 2,77,534 |

Employee Benefit expense (Contd..)

| Particulars | Year ended 31st March, 2017 | Year ended 31st March, 2016 |
|--|--------------------------------|--------------------------------|
| | Amount (₹) | Amount (₹) |
| Liability at the end of the year | 21,06,876 | 22,93,834 |
| Changes in fair value of plan assets | | |
| Fair value of plan Assets at the beginning of the year | 14,15,360 | 8,55,729 |
| Contributions | 4,14,706 | 5,51,175 |
| Benefit Paid | (1,01,862) | (92,746) |
| Expected return on plan assets | 1,37,500 | 94,900 |
| Net Actuarial (Gain) or Loss | (1,394) | 6,302 |
| Fair value of plan Assets at the end of the year | 18,64,310 | 14,15,360 |
| Opening net liability | 8,78,474 | 7,97,894 |
| Adjustment to opening balance | - | - |
| Expenses | (2,21,202) | 6,31,755 |
| Contribution paid | (4,14,706) | (5,51,175) |
| Closing net Liability | 2,42,566 | 8,78,474 |

The above informations are certified by the independent actuary and same has been taken into consideration for both the years.

Note 23 Finance costs

| | | |
|--------------------------|--------------------|--------------------|
| (a) Interest expense on: | | |
| - Borrowings | 1,41,51,650 | 1,57,27,159 |
| - Vehicle Loan | - | 5,066 |
| - Security Deposits | 3,05,830 | 2,56,783 |
| (b) Bank Charges | 4,83,166 | 4,45,135 |
| Total | 1,49,40,646 | 1,64,34,143 |

Note 24 Other expenses

| Particulars | Year ended 31st March, 2017 | Year ended 31st March, 2016 |
|---|--------------------------------|--------------------------------|
| | Amount (₹) | Amount (₹) |
| Power and fuel | 46,27,117 | 40,23,534 |
| R & D Expenses | 1,30,324 | 1,54,710 |
| Rent | 14,45,527 | 17,64,604 |
| Repairs and maintenance - Buildings | 8,59,697 | 23,18,342 |
| Repairs and maintenance - Machinery | 27,26,413 | 28,95,859 |
| Repairs and maintenance - Others | 28,59,206 | 43,10,884 |
| Rates and taxes | 20,71,189 | 28,69,368 |
| Travelling and conveyance | 3,13,63,764 | 2,80,45,450 |
| Printing and stationery | 7,66,762 | 13,82,282 |
| Freight and forwarding | 2,49,68,145 | 2,77,86,865 |
| Sales discount | 2,26,94,044 | 2,21,72,563 |
| Business promotion | 1,56,98,491 | 1,35,25,264 |
| Legal and professional | 28,03,570 | 42,04,027 |
| Payments to auditors (including service tax): | | |
| For Statutory Audit | 3,45,000 | 1,09,400 |
| For Tax Audit | 1,72,500 | 28,000 |
| For Other Matters | 57,500 | |
| Telephone / Internet Expenses | 23,13,779 | 22,35,356 |
| Insurance | 7,15,827 | 7,17,284 |
| Security Services | 7,75,430 | 7,69,586 |
| Laboratory Expenses | 1,48,061 | 1,14,131 |
| Provisions for Doubtful Debts | 1,98,280 | - |
| Donations and contributions | 1,32,000 | 15,000 |
| Postage & Telegram | 2,81,752 | 6,48,020 |
| Membership & Subscription | 4,66,062 | 4,49,693 |
| Packing Expenses | 61,076 | 28,098 |
| Office Expenses | 1,58,629 | 29,650 |
| Miscellaneous expenses | 17,76,917 | 32,34,796 |
| Total | 12,06,17,062 | 12,38,32,766 |

Note 25 Prior Period Adjustments

| | | |
|-------------------------------------|-------------------|-----------------|
| Depreciation related to prior years | (12,53,304) | - |
| Other Miscellaneous Item | 3,25,371 | 2,64,480 |
| Total | (9,27,933) | 2,64,480 |

Note 26 Disclosures under Accounting Standards

| Particulars | Year ended 31st March, 2017 | Year ended 31st March, 2016 |
|--|--------------------------------|--------------------------------|
| | Amount (₹) | Amount (₹) |
| Basic Earnings per share | | |
| Profit / (Loss) after tax as per Statement of Profit and Loss | 42,37,878 | 53,78,949 |
| Weighted average number of equity shares | 70,81,000 | 70,81,000 |
| Par value per share | 10 | 10 |
| Basic Earnings per share | 0.60 | 0.76 |
| Diluted Earnings per share | | |
| Profit / (Loss) after tax as per Statement of Profit and Loss | 42,37,878 | 53,78,971 |
| Weighted Average Number of Shares Subscribed (Basic) | - | - |
| Add : Potential Equity Shares on account of conversion of Employee Stock Options | - | - |
| Weighted Average Number of Shares Outstanding | 70,81,000 | 70,81,000 |
| Par value per share | 10 | 10 |
| Diluted Earnings per share | 0.60 | 0.76 |

Note 27 Disclosures under Accounting Standards**Related party transactions****Details of related parties:**

| Description of relationship | Names of related parties |
|--|---|
| Key Management Personnel (KMP) | Mr. Umesh B.Sandu - Managing Director |
| Relatives of KMP | Mr B G. Sandu, Mr Shashank Sandu |
| Companies in which KMP / Relatives of KMP can exercise significant influence | Akshath Finvest & Properties Pvt.Ltd. 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.

| Sr. No. | Nature of transactions | Year | Key Management Personnel | Relatives of Key Management Personnel | Total |
|---------|---|------|--------------------------|---------------------------------------|---------------|
| 1 | Remuneration | C.Y. | 2,493,600 | - | 2,493,600 |
| | | P.Y. | (2,409,600) | - | (2,409,600) |
| 2 | Purchases | C.Y. | - | 190,705,058 | 190,705,058 |
| | | P.Y. | - | (227,386,652) | (227,386,652) |
| 3 | Sales | C.Y. | - | 5,267,516 | 5,267,516 |
| | | P.Y. | - | (2,134,855) | (2,134,855) |
| 4 | Office Rent | C.Y. | - | 60,000 | 60,000 |
| | | P.Y. | - | (60,000) | (60,000) |
| 5 | Outstanding Balance included in current liabilities | C.Y. | - | 26,609,545 | 26,609,545 |
| | | P.Y. | - | (14,876,607) | (14,876,607) |
| 6 | Outstanding Balance included in current assets | C.Y. | - | 97,280,408 | 97,280,408 |
| | | P.Y. | - | (97,829,870) | (97,829,870) |

Note: Figures in bracket relates to the previous year.

Note: 28 Other Notes

Contingent Liability & Commitments (to the extent not provided for

The Management of the Company does not anticipate any contingent liability having material effect on the position state in the Balance Sheet at the year end.

Note: 29 Other Notes

- a Trade receivables, Trade Payables and Loans & advances are subject to confirmation, reconciliation and consequent adjustments, if any.
- b In the opinion of the Directors of the Company, the Current Assets and loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which items are stated in the Balance Sheet.
- c There are no Capital commitments which is outstanding as on Balance Sheet date (P. Y. Nil).

d Events Occurring After the Balance Sheet Date

To the best of knowledge of the management, there are no events occurring after the Balance Sheet date that provide additional information materially affecting the determination of the amounts relating to the conditions existing at the Balance Sheet Date that requires adjustment to the Assets or Liabilities of the Company.

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

f Segment reporting

The Company has only one segment which is Pharmaceuticals and primarily operates in domestic market. The Company's Managing Director, reviews the operating performance of the company as a whole on a periodic basis. Therefore disclosure relating to segments is not applicable and accordingly not made.

g Expenditure on research and development

| Particular | As on 31st March 2017 | As on 31st March 2016 |
|-------------------|------------------------------|------------------------------|
| Capital | - | - |
| Revenue | 1,30,324 | 1,54,710 |
| | 1,30,324 | 1,54,710 |

As per our report of even date attached.

For **Dileep & Prithvi**
Chartered Accountants
Firm Reg No 122290W
By the hand of

For and on behalf of the Board of Directors
Sandu Pharamaceuticals Limited
CIN : L24233GA1985PLC001587

Sd/-
Pankaj Jain
Partner
M. No: 139559

Sd/-
Bhaskar G. Sandu
Chairman
DIN:02816792

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

Sd/-
Shashank B. Sandu
Director
DIN:00678098

Sd/-
Rakesh Parekh
Chief Financial Officer

Sd/-
Pratika Mhambray
Company Secretary
M No: A36512

Place: Mumbai
Dated: 30th May, 2017

Place: Mumbai
Dated: 30th May, 2017

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

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 32nd Annual General Meeting of the Company, to be held on Friday, 29th September 2017 at 9:30 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 |
|---------|---|-----|---------|
| | ORDINARY BUSINESS | | |
| 1 | Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors. | | |
| 2 | Re-appointment of Dr Mrs Shubhada Sandu (DIN: 07148834) who retires by rotation and being eligible seeks reappointment. | | |
| 3. | Appointment of Dileep and Prithvi, chartered Accountants, Mumbai as Statutory Auditor of the Company. | | |

Signed this.....day of.....2017

Signature of 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.

SANDU PHARMACEUTICALS LIMITED

CIN: L24233GA1985PLC001587

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

Pilerne Industrial Estate, Marra, Bardez, Goa - 403511

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

ATTENDANCE SLIP
32nd Annual General Meeting

Sr. No.:

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

I hereby record my presence at the 32nd Annual General Meeting of the Company held on Friday, 29th September, 2017 at 9.30 a.m. at the Registered Office Plot No. 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa – 403511.

Member's / Proxy's Signature

----- Cut Here -----

* Applicable for investors holding shares in electronic form.

| EVSN (Electronic Voting Sequence Number) | User ID | PAN No. / Sequence Number |
|---|----------------|----------------------------------|
| 170811016 | | |

Note: Please read the complete instructions given under the note (Instructions for shareholders voting electronically) to the Notice of the 32nd Annual General Meeting. The Voting time starts from Tuesday, 26th September 2017 at 10.00 a.m. and ends on Thursday, 28th September 2017 at 5.00p.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, Tel: +91 8322407474/6715000, Email: 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

Tel: +91 8322407474/6715000

Email: corp.sec@sandu.in

'JD-U NOT NEGLECTED IN MODI MINISTRY REJIG'



Janata Dal-United (JD-U) President and Bihar Chief Minister Nitish Kumar on Monday refuted claims that his party was neglected in the rejig of the union council of ministers headed by Prime Minister Narendra Modi.

SC STAYS PROCEEDINGS AGAINST JAYPEE

The Supreme Court stayed the insolvency proceedings against real estate firm Jaypee Infratech at the National



Company Law Tribunal and sought the firm's response on a plea seeking protection of the interests of hassled home buyers.

NATION**5****BUSINESS****8****SANDU PHARMACEUTICALS LTD.**

Reg Off: Plot Nos. 25, 26, 29 & 30, IDC Pileme, Marra, Saligao, Bardez, Goa - 403 511

CIN: L24233GA1985PLC001587

NOTICE

Notice is hereby given that the 32nd Annual General Meeting (AGM) of the Sandu Pharmaceuticals Limited is scheduled to be held on Friday, 29th September, 2017 at 9.30 a.m. at the Registered Office of the Company at Plot No 25, 26, 29 & 30, Pileme Industrial Estate, Marra, Bardez Goa to transact the business as set out in the Notice of the said AGM.

Pursuant to Section 101 and 136 of the Companies Act, 2013 ('Act') read with rule 18 of the Companies (Management and Administration) Rules, 2014, the Notice of the AGM along with Annual Reports of the Company for the Financial year 2016-17 have been sent by email to all the members, who have registered their respective email address either with the company or with the Depository Participant on 02/09/2017 and the physical copies of the Notice and Annual Report have been sent to other members in the permitted mode on 02/09/2017.

Pursuant to provisions of Section 108 of the Act read with Rule 20 of the Companies Management and Administration Rules, 2014, as substituted by the Companies Management and Administration Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulation 2015, the Company is pleased to provide remote e-voting facility to members to cast their vote on all resolutions set out in the Notice convening 32nd AGM. The Members may cast their vote electronically through electronic voting system of CDSL from a place other than venue of AGM (remote e-voting). Members can opt for only one mode of voting i.e. e-voting or physical ballot at the AGM. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical ballot shall be treated as invalid.

All members are informed that:

1. The Ordinary business as stated in Notice of 32nd Annual General Meeting may be transacted through voting by electronic means.
2. The remote e-voting shall commence on Tuesday, 26th September 2017 (10.00 a.m. IST) and ends on Thursday, 28th September 2017 (5.00 p.m. IST)
3. The cut off date for determining the eligibility to vote by electronic means is Friday, 22nd September 2017.
4. Any person who acquires shares of the company and become member of the company after dispatch of the notices of AGM and holding shares as on the cut off date i.e. 11th August 2017 may obtain the login ID and password by sending an email request to helpdesk.evoting@cdslindia.com However if person is already registered with CDSL for e-voting then existing user ID and Password can be used for casting vote.
5. The member may note that :-
 - (a) The remote e-voting module shall be disabled by 28th September 2017 after the aforesaid date and time for voting and the remote e-voting shall not be allowed beyond the specified period.
 - (b) Once the vote on resolution is cast by the members, they shall not be allowed to change it subsequently.
 - (c) The members who have cast their vote by remote e-voting may also attend AGM but shall not be entitled to cast their vote again, and
 - (d) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut off date shall be entitled to avail the facility of remote evoting as well as voting at the AGM through physical ballot.

The Annual Report along with the notice of AGM is available on the Company's website www.sandu.in and also on the website of CDSL at www.evotingindia.com. The Shareholders who wish to receive physical copies of the Annual Report may email their request to the company at corp.sec@sandu.in or to Registrar and share transfer agent of the company viz sharexindia@vsnl.com.

Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer books of the Company will remain closed from Friday, 22nd September, 2017 to Friday, 29th September, 2017 (both days inclusive).

The detailed instructions pertaining to e-voting, members may please refer to the section e-voting instruction sent along with the notice of the Annual General Meeting. In case of the queries or grievances pertaining to e-voting procedure, members may refer the frequently asked questions (FAQS) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

For and on behalf of Board of Directors
Sandu Pharmaceuticals Limited

Sd/-

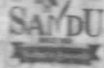
Pratika Mhambray

Dated: 30/05/2017

Place: Pileme, Goa

सांडू

बुधवार, ६ सप्टेंबर २०१७ वर्ष : १३ अंक : १०७ पाने : १४



सांडू फार्मास्युटिकल्स लिमिटेड

नोंदणीकृत कार्यालय : प्लॉट नं. २५, २६, २९ व ३०, आयडीसी पिळ्ण, मार्ग
साळगांव, बार्देस, गोवा-४०३ ५११ सीआयएन : L24233GA1985PLC0015E7

सूचना

अशी सूचना देण्यात येते की सांडू फार्मास्युटिकल्स लिमिटेडची ३२ वी वार्षिकसर्वसाधारण सभा २९ सप्टेंबर, २०१७ रोजी सकाळी ९.३० वाजता कंपनीचे नोंदणीकृत कार्यालय प्लॉट क्र. २५, २६, २९ व ३०, पिळ्ण, मार्ग बार्देस गोवा येथे सुद्धे वार्षिक सर्वसाधारण सभेच्या सूचनेत सुस्पष्ट करण्यात आलेले कामकाज चालविण्यासाठी अत्यावश्यक करण्यात आली आहे.

कंपनी कायदा, २०१३ (कायदा)चे कलम १०१ आणि १३६ आणि कंपनी (व्यवस्थापन आणि प्रशासन) अधिनियम, २०१४ अनुसार एजीएमची सूचना कंपनीच्या वित्तीय वर्ष २०१६-१७ च्या वार्षिक अहवालासह सर्व सदस्यांना ज्यांनी आपले संबंधित ई-मेल पत्ते एकतर कंपनीकडे किंवा डिपोजिटरी भागीदाराकडे ०२.०९.२०१७ रोजी नोंदणीकृत केलेले आहेत, त्यांना ई-मेलद्वारे ०२.०९.२०१७ रोजी पाठविण्यात आले आहेत आणि सूचना आणि वार्षिक अहवालाच्या भौतिक प्रती इतर सदस्यांना योग्य माध्यमांमार्फत पाठविण्यात आल्या आहेत.

सुद्धे कायद्याच्या कलम १०८ आणि कंपनी व्यवस्थापन आणि प्रशासनीय अधिनियम, २०१४ च्या नियम २० मधील तरतुदीनुसार, कंपनी व्यवस्थापन आणि प्रशासन दुरुस्ती अधिनियम, २०१५ आणि सेबी (एलओडीआर) नियम २०१५ च्या अधिनियमन ४४ द्वारे करण्यात आलेल्या पर्यायानुसार सदस्यांना ३२ वी एजीएमच्या आमत्रण सूचनेत सुस्पष्ट करण्यात आलेल्या सर्व प्रस्तावावर आपले मतदान करण्यासाठी रिमोट ई-मतदान सुविधा उपलब्ध करून दिल्याचे कंपनी सर्व्हर जाहीर करित आहे. सदस्य आपले मत इलेक्ट्रॉनिक माध्यमातून सीडीएसएलच्या इलेक्ट्रॉनिक मतदान पध्दतीने (रिमोट ई-मतदान) एजीएमच्या स्थळापासून वेगळ्या ठिकाणावरून करू शकतात. सदस्य एजीएम येथे मतदानाच्या एका प्रयासाची निवड करू शकतात म्हणजे ई-मतदान किंवा भौतिक मतदानपत्रिका. जर सदस्यांनी आपले मतदान दोन्ही पध्दतीने केले, तर ई-मतदान पध्दतीने केलेले मतदान ग्राह्य धरले जाईल आणि भौतिक मतदान पत्रिकेमार्फत केलेले मतदान ग्राह्य मानले जाणार नाही.

सर्व सदस्यांना कळविण्यात येते की :

१. ३२ वा वार्षिक सर्वसाधारण सभेतील सूचनेत स्पष्ट केल्याप्रमाणे सर्वसाधारण 'कामकाज इलेक्ट्रॉनिक पध्दतीमार्फत मतदान करून चालविले जाईल.

२. रिमोट मतदानाला मंगळवार, २६ सप्टेंबर, २०१७ रोजी (भारतीय प्रमाणित वेळ सकाळी १०.०० वाजता) सुरुवात होईल आणि त्याची बुधवार, २८ सप्टेंबर, २०१७ रोजी (भारतीय प्रमाणित वेळ संध्याकाळी ५.०० वाजता) समाप्ती होईल.

३. इलेक्ट्रॉनिक पध्दतीने मतदान करण्याची पात्रता निश्चित करण्याची अंतिम तारीख २२ सप्टेंबर २०१७ अशी आहे.

४. कोणतीही व्यक्ति एजीएमची सूचना पाठविल्यानंतर कंपनीचे सहभाग घेऊन कंपनीची सुद्धे झालेली असेल आणि तिच्या जवळ अंतिम तारीख म्हणजे ११ ऑगस्ट २०१७ चे समभाग असतील तर ती ईमेल द्वारे मदत वाहिनी e-voting@cdsindia.com ला विनंती पाठवून लॉगिन आयडी आणि पासवर्ड उपलब्ध करून घेऊ शकतात. परंतु जर व्यक्ती या पूर्वीच ई-मतदानासाठी सीडीएसएलकडे नोंदणीकृत असेल तर मतदान करण्यासाठी विद्यमान युजर आयडी आणि पासवर्ड वापरला जाऊ शकतो.

५. सदस्यांनी नोंद घ्यावी की :-

(अ) रिमोट ई-मतदान मॉड्यूल २८ सप्टेंबर, २०१७ वाजता वर उल्लेख करण्यात आलेल्या तारखे आणि वेळे नंतर अदृश्य बंद होईल आणि विहित करण्यात आलेल्या कालावधीनंतर रिमोट मतदान करण्यास परवानगी दिली जाणार नाही.

(ब) सदस्यांनी एकदा ठरावावर मतदान केले की त्यांना त्यानंतर त्यात बदल करण्यास परवानगी दिली जाणार नाही.

(क) रिमोट ई-मतदानाद्वारे मतदान केलेले सदस्य देखील वार्षिक सर्वसाधारण सभेला हजरही राहू शकतात परंतु ते पुन्हा मतदान करण्यास पात्र असणार नाहीत.

(ड) सदस्यांच्या नोंदवहीत किंवा डिपोजिटरीने ठेवलेल्या लाभधारक मालकांच्या नोंदवहीत अंतिम तारखेपर्यंत ज्या व्यक्तीचे नांव नोंद करण्यात आले आहे ती व्यक्ती रिमोट मतदान त्याचप्रमाणे एजीएम येथे भौतिक मतदान पत्रिकेमार्फत मतदान करण्याच्या सुविधेचा लाभ घेऊ शकते.

एजीएम सूचनेसह वार्षिक अहवाल कंपनीच्या www.sandu.in या संकेतस्थळावर त्याचप्रमाणे सीडीएसएलच्या www.evotingindia.com या संकेतस्थळावर उपलब्ध आहे. समभागधारक जे वार्षिक अहवालाचा प्रती मिळविण्यास इच्छुक आहेत त्यांनी आपली विनंती कंपनीच्या corp.sec@sandu.in या संकेतस्थळावर किंवा नोंदणीकरण किंवा कंपनीच्या समभाग हस्तांतरण एजंटला sharexindia@vsnl.com येथे ईमेल करावी.

कंपनी कायदा, २०१३चे कलम ९१ मधील तरतुदी नुसार कंपनीची सदस्य नोंदवही आणि समभाग हस्तांतरण वहा शुक्रवार २२ सप्टेंबर २०१७ पासून ते शुक्रवार, २९ सप्टेंबर २०१७ पर्यंत बंद राहतील (दोन्ही दिवसांचा समावेश आहे).

ई-मतदान संदर्भात तपशिलवार सूचनांसाठी सदस्यांनी कृपया वार्षिक सर्वसाधारण सभेच्या सूचनेसोबत पाठविलेल्या ई-मतदान सूचनांचा सदर्थ घ्यावा. ई-मतदान पध्दती विषयी कोणतीही शंका किंवा समस्या असल्यास सदस्य सतत विचारले जाणारे प्रश्न (एफएक्यूएस) आणि मदत विभागाखाली असलेल्या www.evotingindia.com येथे उपलब्ध असलेल्या ई-मतदान मॅन्युएल यांचा देखील सदर्थ घेऊ शकतात किंवा helpdesk.evoting@cdsindia.com ई-मेल पाठवू शकतात.

दिनांकित : ३०.०५.२०१७

स्थळ : पिळ्ण, गोवा

संचालक मंडळासाठी आणि वतीने

सांडू फार्मास्युटिकल्स लिमिटेड

सही/-

प्रतिका म्हांब्रे, कंपनी सचिव