



An ISO 9001:2000 Certified Group

25th Annual Report

2009-2010





**We offer effective
Ayurvedic medicines
adhering to time-tested
Shastrokta principles,
blended with
Modern Scientific Technology,
serving through unique
innovations backed by focused
Research & Development to
spread health & happiness**



SANDU PHARMACEUTICALS LIMITED

DIRECTORS :

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

AUDITORS :

M/s. Joshi Joshi & Co.
Chartered Accountants
Fort, Mumbai - 400 023.

BANKERS :

Axis Bank Ltd.
Vardhaman Chambers
Premises Co-op. Society Ltd,
Plot No. 84, Sector-17, Vashi,
Navi Mumbai - 400 705.

REGISTERED OFFICE :

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

REGISTRAR & SHARE TRANSFER AGENTS :

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

ADVOCATES & SOLICITORS :

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

CORPORATE OFFICE :

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

25th ANNUAL GENERAL MEETING

DATE : Wednesday, 29th Sept., 2010
TIME : 9.00 a.m.
VENUE : Plot No. 25, 26, 29 & 30,
Pilerne Indl. Estate, Marra,
Bardez, Goa - 403 511.

ISIN NUMBER : INE 751D01014 (DEMAT)

CONTENTS

	Page No.
Notice	2-3
Directors' Report	4-5
Corporate Governance Report	6-10
Auditors' Report	10-11
Balance Sheet	12-12
Profit & Loss Account	13-13
Cashflow Statement	14-14
Schedules	15-21
Information as per part IV of Schedule VI	22-22

NOTICE

The TWENTY-FIFTH Annual General Meeting of **SANDU PHARMACEUTICALS LIMITED** will be held at Plot No. 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa – 403 511 on Wednesday, 29th September, 2010 at 9.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Director's Report, Auditors Report, Audited Profit & Loss Account for the year ended 31st March, 2010 and Balance Sheet as at that date.
2. To appoint a director in place of Shri. B. G. Sandu who being longest in office retires by rotation in accordance with Article 129 of the Articles of Association of the Company and being eligible offers himself for reappointment.
3. To reappoint the Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modification, the following resolution as Ordinary Resolution.
RESOLVED THAT Shri K. Vinaykumar's appointment be confirmed as a Director of the Company, who holds office upto the date of this Annual General Meeting in accordance with Section 260 of the Companies Act, 1956.
5. To consider and if thought fit to pass with or without modification, the following Resolution as Special Resolution:
"RESOLVED THAT pursuant to the provisions of section 17 and other applicable provision, if any of the Companies act, 1956 the consent of the company be and hereby accorded to Clause III to add the following to the main object in Clause III Part (A) of the Memorandum of Association of the Company :
"To carry on the business of managing, administering, owning, acquiring or otherwise, running hospitals, dispensaries, maternity homes, health centres colleges for imparting medical education in all family planning centres, diagnostic centres, spa, wellness centre, Therapy Centre, Medical Tourism, Medicinal and Horticultural plantation, trading of Herbs and other Commodities required in the Ayurvedic and Pharmaceuticals Industries, Warehousing, Cold Storage, or any other specialized storage/warehousing for storage of Agricultural produce, herbs, spices etc required in the Ayurvedic and Pharmaceutical Industry.
6. To consider and if thought fit to pass with or without modification, the following resolution as Special Resolution:
"RESOLVED THAT pursuant to the provisions of section 149(2A) and other applicable provision, if any of the Companies act, 1956 the consent of the company be and hereby accorded to commencement of the Business of

'Spa and Wellness Centre 'which is basically a Ayurvedic Health Centre"

7. To consider and if thought fit to pass with or without modification, the following resolution as Special Resolution :
"RESOLVED THAT the Company is hereby authorised to give/pay only the salary of Rs.1,00,000/- p.m. - 1,25,000/- p.m. - 1,50,000/- p.m. - 1,75,000/- p.m. - 2,05,000/- p.m. subject to the limits specified under schedule XIII to the Companies Act 1956 and other applicable provisions to the Managing Director Shri Umesh Sandu and no perquisites are payable by the Company for the entire period of contract and the earlier contract stands modified to that extent".

By Order of the Board of Directors

Sd/-

VIKRAM LABHANE

Compliance Officer – Legal, Secretarial
& Investor Grievances

Place : Mumbai

Date : 17th July, 2010

NOTES :

- a) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. A proxy form is attached herewith.
- b) The proxy form duly signed and completed in all respect should be lodged with the Company atleast 48 Hours before the Annual General Meeting.
- c) The Member / Proxies should bring their attendance slip duly completed for attending the meeting.
- d) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday 14th September, 2010 to Wednesday, 29th September, 2010 (both days inclusive).
- e) All the Members are requested to bring their copies of the Annual Reports to the Annual General Meeting as no separate copies will be distributed at the Annual General Meeting as a measure of Economy.
- f) All the Members desiring any information as regards the Accounts are requested to send their queries only at the **Registered Office** of the Company so as to reach the Registered Office at least 7 days in advance before the actual date of Annual General Meeting so as to enable the Company to keep the information ready.
- g) Equity Shares of the Company have been activated by dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN number allotted by both the depositories is INE 751D01014.
- h) The Equity Shares of the Company are presently listed at the Bombay Stock Exchange Limited.



Sandu Pharmaceuticals Limited

ANNEXURE TO THE NOTICE :

Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956:-

ITEM No. 4

The Company has appointed Shri. K. Vinaykumar as an Additional and Independent Director as per provisions of section 260 of the Companies Act 1956, at its Board of Directors Meeting held on 17th July, 2010. Shri K. Vinaykumar is a MBA graduate from IIM (Ahmedabad) & Mechanical Engineer from NIT (Rourkela) and currently pursuing Fellowship Program in Management with Thesis in the field of Marketing. He is also the Member of American Marketing Association, Market Research Society of India, Federation of AP Chambers of Commerce and Industry and National HRD Network. He has attended various training programs in India and in other Countries.

He has worked in Merchant Banking Division in the field of Finance, as a Manager with Ernst & Young, Consulting practices for Aviation Industry, as a Consultant for Apollo Hospitals and also as a CEO of a medical transcription company before starting his own enterprise which specialize in data analysis which is required by practically all types of Industries and has got wide applications world over.

The Company will be emensly benefited by the experience and expertise of Shri K. Vinaykumar in the field of Finance, Marketing and General Management.

None of the director except Shri K. Vinaykumar is interested in the above resolution.

ITEM No. 5

The company had already informed to all its members that the company had successfully launched/ commenced Sandu Spa and wellness Center in the Annul Report for the year 2008-09.

The Spa provides day treatments for patients suffering from insomniac, restlessness, arthritis, gouts, stomach disorder etc. through Ayurvedic Abhyanga, shirodhara and other such time tested treatments.

The popularity for such treatments is increasing not only in India but the world over.

The company's objects incidental or ancillary to the attainment of the main object already has a clause which reads as "To carry on business of managing, administering, owning, acquiring or otherwise, running hospitals, dispensaries, maternity homes, health centers, colleges for imparting medical education in all its branches, child welfare etc."

The company feels that this would be a Business which

would give it the thrust in the present day business and hence propose that it be included in the main object of the company.

You are requested to consider the same for the approval as it is in interest of the company.

None of the directors are interested in the above resolution.

ITEM No. 6

The company had already informed to all its members that the company had successfully launched/ commenced Sandu Spa and wellness Center in the Annual Report for the year 2008-09.

However it was started on the trial basis at an excellent location near Calangute Beach. Within a very short time span it has become popular. With reference to its growing demand the company has decided to develop and regularize the same.

Therefore, the company be confirmed and approved the commencement of the 'Ayurvedic Spa and Wellness Center'

You are requested to consider the same for the approval as it is in interest of the company.

None of the directors are interested in the above resolution.

ITEM No. 7

In the last Annual General Meeting it was proposed and approved that the Managing Director, Shri Umesh B. Sandu will be entitled to other benefits and perquisites are restricted to Rs. 8.75 lacs p.a. However the same was not paid by the Company during the financial year 09-10, due to inadequate profits. Further the Managing Director has forgone the said amount. It is now decided that the said other benefits and perquisites of Rs.8.75 lacs will not be paid for the rest of contract period also. The Managing Director will therefore be entitled to Rs.1,00,000/- p.m. - 1,25,000/- p.m. - 1,50,000/- p.m. - 1,75,000/- p.m. - 2,05,000/- p.m. subject to the limits specified under schedule XIII of the Companies Act 1956 and other applicable provisions. The earlier contract stands modified to that extent".

By Order of the Board of Directors
Sd/-

VIKRAM LABHANE

Compliance Officer – Legal, Secretarial
& Investor Grievances

Place : Mumbai

Date : 17th July, 2010

Twenty-Fifth Annual Report 2009-2010

DIRECTORS REPORT

Your Directors have pleasure to present TWENTY - FIFTH Annual Report on the business and operation of the Company along with the Audited Accounts for the financial year ended 31st March, 2010.

FINANCIAL RESULTS :-

PARTICULARS	2009-10 (Rs.in Lacs)	2008-2009 (Rs.in Lacs)
Sales & Other Income	1560.41	1426.61
Total Expenditure	1473.37	1336.12
Net Profit/Loss before Tax	87.04	90.49
Provision for Taxation	20.34	4.20
Profit / Loss after Tax	66.70	86.29
Balance brought forward	759.30	673.01
Profit / Loss	826.00	759.30
APPROPRIATION		
Prior year Adjustment	3.39	-
Profit carried to Balance Sheet	829.39	759.30

Ayurvedic Therapy Centre:

The Company has been successful running the Sandu Ayurvedic Spa & Wellness Centre at Sangolda. During this period lot of customer preference, tastes and other related issues have been noticed by the Company. It is pertinent to note that all this information will be useful to the Company to position it for the right customers as it is evident that due to the varied likes and dislikes of customers/patients, it is therefore decided that the Company will tabulate all this information to be able to evaluate it in a much better manner and hence has kept on hold the plans of starting/commencing 25 new centres as this study itself is very important to the Company as it would not like to get into a big investment without evaluating it in its right perspective. In India as the average Indian first tries alternate remedies before turning to the modern day medicines, as patients have experienced lots of side effects of modern medicines whereas Ayurvedic Medicines are totally safe and can be purchased over the counter (OTC) unlike most of the modern day medicines, keeping this in mind the profile of the patient has changed over a period of time, the company feels that there is huge potential, but would like to tread very cautiously before committing to any further investment in the venture.

OPERATIONAL / FINANCIAL RESULTS:

The performance of your Company for the year under review has been satisfactory. During the year Company has achieved a turnover of Rs.1558.27 lacs as against Rs.1425.82 lacs showing growth of Rs.132.45 lacs which is around 9.28% more than the previous year. The profit before tax has gone down by Rs. 3.45 lacs, from Rs. 90.49 lacs to Rs. 87.04 lacs which is around 3.81% less than that of the previous year. The Net Profit after tax has also gone down by Rs.19.59 lacs from Rs.86.29 lacs to Rs.66.70 lacs which is around 22.70% less than that of the previous year, due to increase in the cost of raw materials namely Jaggery, Sugar and the other main ingredients, also cost of most of the Raw Materials also was high and it is expected that in the current year the performance would be much better. Due to good monsoon and also the inflationary trend seems to be coming down.

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

MANAGEMENT DISCUSSION AND ANALYSYS :-

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

(a) Industry Structure & Development :

Company is mainly engaged in the manufacture of Ayurvedic Medicines and comes under the broader spectrum of Pharmaceutical Industry. However Pharmaceutical Industry in India is progressing at a moderate rate of 15% year on year, we are however optimistic towards stabilisation in the Ayurvedic industry in the near future as people are turning into Ayurveda in a very big way and also the Government is seriously pursuing the GMP policies which is forcing smaller companies to shut down which in turn is giving major opportunities to the organized player in this sector.

(b) Opportunities and Threats :

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

(c) 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.

(d) Outlook :

The outlook for the industry and consequently for your company during the current financial year is reasonably good subject however the cost of Raw Material will be very important as it will decide the profitability and growth of the Company.

(e) Risk and concerns :

Domestic and international market conditions would be the only risk which may be faced by the Company. Other risks and concerns related to finance, production, stocks, insurance etc. are being managed adequately and efficiently by your Company.

(f) Internal Control Systems and their adequacy :

Your Company has put effective Internal Control systems into operation and is having regular 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 directors. These systems have improved substantially and resulted into better management and effective controls. Continuous improvements are implemented in this regard. As the Internal Controls become more effective it is bound to result into better performance of the Company.

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

The overall financial performance of the Company was reasonably good more so in the light of high inflationary trends where the cost of Raw Materials/ inputs has increased considerably thereby putting the margins under severe pressure, it was only due to proper planning and effective buying of the Raw Material that the Company could maintain its position whereby there was a slight drop in Profit after Tax by about 22.70%.

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

Your Company is constantly endeavoring to introduce Human



Sandu Pharmaceuticals Limited

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

(i) Material Financial and Commercial Transaction :

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

DIVIDEND :-

Your Company has huge potential in the export market, as well as the largely untapped local market. Your Company wishes to grab the opportunity, available in the export market but for which there has to be research and development in the product. So your Company is expecting huge expenditure on research and development activities which is much essential in this competitive era. So Directors have decided to plough back the entire profits in order to achieve the better results in future and do not recommend any dividend during the year under review.

DEMATERILISATION OF SHARES :-

The Company has entered into an agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for Dematerisation of shares. With this, the Members have the option to hold their shares in the Company through Demat Mode and the script is under the compulsory demat. The Company had dematerialised 45.69% of its entire shares and hence members are requested to dematerialise their shares at the earliest.

CORPORATE GOVERNANCE:-

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

INSURANCE:-

Your Company has taken adequate insurance cover for all its assets including stocks as well as the land, Building, plant and machinery.

PARTICULARS OF EMPLOYEES:-

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

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

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT ETC :-

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

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

DIRECTORS:-

Shri. B. G. Sandu, Director who retires by rotation and being offer himself for re-appointment. As required, brief resume of Director is given under separate section of Corporate Governance. You are requested to consider his reappointment.

DIRECTORS RESPONSIBILITY STATEMENT:-

The Directors confirm that:-

- (a) in the preparation of annual accounts, the applicable accounting standards have been followed;
- (b) appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2010 and of the profit of the Company for the year ended 31st March, 2010;
- (c) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The annual accounts have been prepared on a going concern basis.

AUDITORS:-

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

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

You are requested to consider their appointment.

ACKNOWLEDGEMENT:-

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

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

ON BEHALF THE BOARD OF DIRECTORS

B.G. SANDU

Place : Mumbai

Date : 17th July, 2010

Chairman

ANNEXURE TO DIRECTORS REPORT

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

CONSERVATION OF ENERGY:-

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

		For the Year ended 31.03.2010	For the year ended 31.3.2009
1. ELECTRICITY			
(a) Purchased (units)		207718	186474
Total Amount Rs.		928052	972141
Rate/Units in Rs.		4.47	5.21
1. FUEL CONSUMED			
Quantity		61430	51215
Total Amount		1902723	1579071
Rate per litre		30.97	30.83

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:-

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

BOARD OF DIRECTORS

Composition:

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

Category	Name of the Directors
Promoter / Executive Director	Shri. Umesh B. Sandu
Promoter / Non Executive Directors	Shri. B. G. Sandu (Chairman) Shri. Shashank B. Sandu
Independent Directors	Shri. Dilip Salgaonkar Dr. Madan L. Kapre Shri. K. Vinaykumar (Additional Director)

As per clause 49 of the Listing agreement, if the Chairman is Promoter and non-executive Director, at least half of the board should consist of non executive independent directors. This provision is adequately complied by your Company and achieved desired level of independence of Board. All non executive directors are persons of eminence, and bring a wide range of expertise and experience to the Board.

Board Procedure :-

During the financial year 2009-10 the Board met 4 times on the following dates, namely 30.04.2009, 31.07.2009, 31.10.2009 and 31.01.2010. The maximum time gap between any two meetings was not more than three calendar months as compared to the mandated requirement of not more than four months in clause 49.

Attendance record of Directors :-

The details of attendance of Directors out of a total of 4 Board meetings held during the financial year 2009-10 and at the last Annual General Meeting held on 30th September, 2009, also the number of other directorship and Chairmanship / Membership of Committees of each Director in various Companies are depicted hereunder :-

Name of Director	Attendance Particulars		No. of Directorship/ Chairmanship/ Committee Chairmanship		
	Board Meetings	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Shri. Bhaskar G. Sandu	4	Yes	NIL	2	2
Dr. Madan L. Kapre	3	Yes	NIL	1	NIL
Shri. Dilip Salgaonkar	2	Yes	2	2	NIL
Shri. Shashank B. Sandu	4	Yes	8	1	NIL
Shri. Umesh B. Sandu	4	Yes	9	3	NIL

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

AUDIT COMMITTEE:-

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

The audit committee is reconstituted and present audit committee comprises of three independent directors namely, Shri. Dilip Salgaonkar, Shri. Madan L. Kapre, Shri. K. Vinaykumar (chairman) and Shri. Umesh B. Sandu who is managing director.

Sandu Pharmaceuticals Limited



During the year under review 3 meetings were held, one of which was before finalisation of accounts. The meetings were held on 30.04.2009, 31.07.2009 and 31.01.2010.

Name of Directors	No. of Meetings attended
Shri. Bhaskar G. Sandu	2
Shri. Dilip R. Salgaonkar	2
Shri. Shashank B. Sandu	2
Shri. Umesh B. Sandu	3

REMUNERATION COMMITTEE :-

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

SHAREHOLDERS' AND INVESTORS' GRIEVANCE COMMITTEE :-

The Shareholders' and Investors Grievance committee was constituted comprising of Shri. Bhaskar G. Sandu, Dr. Madan L. Kapre and Shri. Umesh B. Sandu to specifically look into the redressing of shareholder and investors complaints on matters relating to transfer of shares, non receipt of annual report, non receipt of declared dividends etc. The committee has delegated authority to Shri Vikram Labhane to carry out day to day operations related to shareholders / investors grievances and interaction with our R & T Agent. During the year under review, 10 complaints were received from shareholders / investors, which were replied / resolved to the satisfaction of the shareholders / investors. All physical transfers as well as requests for dematerialisation / rematerialisation are processed in fortnightly cycles. The work relating to dematerialisation and / or rematerialisation is handled under the arrangements made with the connectivity by Sharex (India) Limited with the National Securities Depository Limited and Central Depository Services (India) Limited. The committee meets regularly.

MANAGEMENT DISCUSSION AND ANALYSIS :-

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

GENERAL BODY MEETINGS: -

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

YEAR	DAY, DATE AND TIME	VENUE
2006-2007	22 nd AGM held on 29 th September, 2007 at 9.00 a.m.	At the Registered Office of the Company at Plot No.25, 26, 29 & 30, Pilerne Indl. Estate, Marra, Bardez, Goa 403 511
2007-2008	23 rd AGM held on 30 th September, 2008 at 9.00 a.m.	At the Registered Office of the Company at Plot No. 25,26,29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa – 403 511
2008-2009	24 th AGM held on 30 th September, 2009 at 9.00 a.m.	At the Registered Office of the Company at Plot No. 25,26,29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa – 403 511

- In addition to Annual General Meeting Company holds Extra Ordinary General Meetings of the shareholders as and when need arises.
- In ensuing 25th Annual General Meeting, no resolutions are proposed to be passed by postal Ballots.

DISCLOSURES:-

- There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with the Company's interest, except the sale transaction with Sandu Brothers Pvt. Ltd.
- There are no pecuniary relationship or transactions of non-executive director's vis-à-vis the Company.
- No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets.

MEANS OF COMMUNICATION:-

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

Twenty-Fifth Annual Report 2009-2010

GENERAL SHAREHOLDER INFORMATION :-

Registered Office & Address for correspondence by Shareholders : SANDU PHARMACEUTICALS LTD, Plot No.25,26,29 & 30, Pilerne Indl., Estate, Marra, Bardez, Goa-403511.

Corporate Office : SANDU PHARMACEUTICALS LTD, P. B. No. 17201., Sandu Nagar, D.K.Sandu Marg, Chembur, Mumbai – 400 071. INDIA

Work Location : SANDU PHARMACEUTICALS LTD, Plot No.25,26,29 & 30, Pilerne Indl. Estate, Marra, Bardez, Goa- 403 511.

Share Transfer Agent : Sharex (India), Private Limited, Unit 1, Luthra Industrial Premises, Andheri Kurla Road, Safeed Pool, Andheri (East), Mumbai – 400 072.

Compliance Officer- LEGAL, SECRETARIAL & INVESTOR GRIEVANCES : VIKRAM LABHANE,

Annual General Meeting (Day, Date, Time & Venue) : SANDU PHARMACEUTICALS LTD, Wednesday, 29th September, 2010 at 9.00 a.m. at Plot No. 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa – 403 511.

Book Closure : Tuesday 14th September, 2010 to Wednesday, 29th September, 2010.

Dividend Payment Date : Not Applicable.

Listing on Stock Exchanges : The Company's Equity Shares are listed on :-

Name of the Stock Exchange	Stock Code
The Bombay Stock Exchange Ltd., Mumbai	SAND 524703

Listing Fees : Company has paid Listing Fees for the financial year 2009- 2010 to Mumbai Stock Exchange and has also paid the listing fees for the year 2010-2011.

Market Price Data :-

MONTH	MONTH'S HIGH PRICE (Rs.)	MONTH'S LOW PRICE (Rs.)	MONTH	MONTH'S HIGH PRICE (Rs.)	MONTH'S LOW PRICE (Rs.)
April, 2009	9.90	7.05	Oct. 2009	14.50	11.35
May, 2009	13.11	8.00	Nov. 2009	13.49	10.92
June, 2009	13.80	10.22	Dec. 2009	19.47	11.20
July, 2009	11.50	8.80	Jan. 2010	18.20	12.60
Aug, 2009	12.00	9.68	Feb. 2010	17.70	12.77
Sept. 2009	16.90	10.11	Mar. 2010	15.55	12.50

Distribution of Shareholding as on 30th June, 2010 :-

Distribution	No. of Shareholders	% of Shareholders	Total Shares	% to Total
1-500	10869	90.25	1545324	21.83
501-1000	575	4.77	493557	6.97
1001-5000	524	4.35	1212627	17.13
5001-10000	41	0.34	301448	4.26
10001-100000	28	0.23	751871	10.62
100001 & Above	6	0.05	2776173	39.21
Total	12043	100	7081000	100



Sandu Pharmaceuticals Limited

Shareholding Pattern :-

	CATEGORY	SHARES	PERCENTAGE OF SHAREHOLDING
1	Promoters		
	A) Indian		
	1) Individual	314,100	4.436
	2) Bodies Corporate	900,860	12.722
	B) Foreign		
	1) Indv NRI/For Ind	2,00,000	2.824
	2) Bodies Corporate	1,714,000	24.206
2.	Institutional Investors	500	0.007
3	Public & Others	3,951,540	55.805
		7081000	100.00

Dematerialisation Shares :-

Nearly 45.69 % of total Equity Share Capital is held in dematerialised form with NSDL/CDSL.

Demat ISIN numbers in NSDL & CDSL for Equity Shares :

ISIN No. : INE 751D01014

Share Transfer System :-

Shares sent for transfer in physical form are registered and returned by our Registrar and Share Transfer Agent in appx. 20-25 days of receipt of the documents, provided documents received are found in order. Shares under objections are returned within 15-20 days. The board of directors has authorised the Compliance Officer to attend to the routine transfers and hence the Compliance Officer is approving transfers/ transmission in the physical form on a weekly basis.

Financial Calendar :-(tentative)

Results for quarter ending 30th June, 2010	Last week of July, 2010
Results for quarter ending 30th September, 2010	Last week of October, 2010
Results for quarter ending 31st December, 2010	Last week of January, 2011
Results for quarter ending 31st March, 2011	Last week of April, 2011

DECLARATION

I hereby declare that all the directors and Senior Management personnel have as on 31st March, 2010 affirmed compliance of their respective Codes of Conduct adopted by the Company and confirmation to that effect has been given by each of them.

Place: Mumbai

Date: 17th July, 2010

B. G. Sandu

Chairman

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

To the Board of Directors of
Sandu Pharmaceuticals Limited

Dear Sirs,

- I have reviewed the financial statements and cash flow of Sandu Pharmaceuticals Limited for the year ended 31st March, 2010. And to the best of my knowledge and belief: (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- I accept responsibility for establishing and maintaining internal controls and I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, the steps they have taken to rectify these deficiencies.
- I have indicated to the auditors and the Audit committee
 - There are no significant changes in internal control during the year,
 - There are no significant changes in accounting policies during the year and;
 - There are no instances of significant fraud of which I have become aware and the involvement therein, of the management or an employee having a significant role in the company's internal control system.

Shahbaz Haider
Chief Financial Officer

Twenty-Fifth Annual Report 2009-2010

CERTIFICATE

To,

The Members of

SANDU PHARMACEUTICALS LIMITED

I have examined the compliance of conditions of Corporate Governance by Sandu Pharmaceuticals Limited, for the year ended on 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

The constitution of Audit Committee and the frequency of its meetings are not in conformity with clause 49 of listing agreement.

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

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

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

For **JOSHI JOSHI & CO.**
Chartered Accountants

M. M. JOSHI

Proprietor

M. No. 42466 of 89

Place : Mumbai

Date : 21st July, 2010

AUDITORS REPORT

TO

THE MEMBER OF

SANDU PHARMACEUTICALS LIMITED

I have audited the attached Balance Sheet of Sandu Pharmaceuticals Limited as at 31st March 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, Annexed thereto:-

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

- a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my Audit.

- b) In my opinion proper books of account as required by law have been kept by the Company so far, as appears from my examination of the books.
- c) **Valuation of closing stock is not in conformity with AS2 issued by the Institute of Chartered Accountants of India**, Subject to this the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by the report is in agreement with the Books of Accounts and comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- d) On the basis of the representations received from the Directors and the Company I report that none of the Directors are disqualified as on 31-3-2010 from being appointed as a Director of the Company as per section 274 (1) (g) of the Companies Act, 1956.
- e) In my opinion and to the best of my information and according to the explanations given to me the said account give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (I) In the case of the Balance sheet of the State of affairs of the company as at 31st March, 2010 ;
 - (II) In the case of Profit and Loss Account of the Profit for the year ended on that date ; and
 - (III) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

JOSHI JOSHI & CO.
Chartered Accountants

By the hands of

M.M.JOSHI

Proprietor

M.No.42466 of 89

PLACE : MUMBAI

DATE : 21st July, 2010



Sandu Pharmaceuticals Limited

ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBER OF SANDU PHARMACEUTICALS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010.

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

1. a) Records of Fixed Assets giving full particulars including quantitative details & situation thereof are maintained by the Company.
- b) I have been informed that the Management has carried out physical verification of its fixed assets during the year and no discrepancies were noticed.
- c) Disposal of the Fixed Assets not being substantial part, hence not affected the going concern.
2. a) I have been informed that Management has carried out physical verification of stock of Finished Goods, stores, Spares and Raw Material at various intervals during the year. In my opinion, the frequency of verification is reasonable.
- b) In my opinion the procedures for physical verification of stock of materials followed by the Management are reasonable and adequate in relation to the size of the company and the nature of business.
- c) According to the information and explanations given to me, no material discrepancies have been noticed on physical verification of a stocks as compared to book records.
3. a) The Company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Advances received/paid and temporary debit/credit balances with related parties are not considered to be borrowing/lending.
- b) As mentioned above, since the Company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. the question of the rate of Interest & other terms & condition being prima facie prejudicial to the interest of the company doesn't arise.
- c & d) Since Company has neither borrowed nor lent any amount to parties covered u/s 301 of the Companies Act, 1956, the question of regular payment/repayment or taking reasonable steps of recovery does not arise.
4. In my opinion, there are adequate internal control procedure which commensurate with the size of the company and its business for the purchase of raw materials, plant and machinery, equipment and other assets and with regard to the sale of goods.
5. a)&b) In my opinion and according to the information and explanations given to me, the transactions of purchases/sale of goods/services in pursuance of contracts or arrangement required to be entered in the Register maintained under Section 301 and aggregating during the year to Rs. 500000/-or more have been so entered and are made at prices having regard to prevailing market prices for such goods.
6. During the year under review the company has not accepted

any deposit from the public attracting the provisions of Section 58A of the companies Act, 1956.

7. In my opinion, the company has a internal audit system, Commensurate with the size of the Company and the nature of its business.
8. I have been informed that since the turnover is below the prescribed limit, maintenance of cost records is not compulsory.
9. In my opinion the Company is regular in depositing undisputed statutory dues including Employees Provident Fund, Investor Education & Protection Fund, Employees State Insurance dues, Income Tax, Sales Tax and Excise Duty with the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they become payable.
10. The Company has no accumulated losses. The Company has not incurred cash losses in the financial year under report and in the financial year immediately preceding such financial year.
11. According to the information and explanation given to me the company has not defaulted in repayment of dues to Financial Institutions & Banks.
12. The Company has not granted Loans & Advances on the basis of security by way of pledge of shares/debentures or other securities and as such question of adequacy of documentation and record maintenance does not arise.
13. The Company is not a chit fund, nidhi or mutual benefit society, hence the requirement of item XIII of para 4 of the order is not applicable to the Company.
14. The Company does not deal in trade securities, debentures or other investments, hence the requirements of item no. XIV of the para 4 of the order is not applicable.
15. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. There were no term loan outstanding at the end of the year.
17. As per information and explanation given to me the funds raised on short term basis have not been used for long term investment or vice - versa.
18. During the year the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of The Companies Act, 1956 .
19. The Company has not issued any debenture, hence the requirement of item no. XIX of para 4 of the order is not applicable.
20. The year under review money was not raised by public issue, hence the requirement of item no. XX of para 4 of the order is not applicable.
21. According to the information and explanation given to me fraud on/or by the Company has not been noticed or reported during the year.

JOSHI JOSHI & CO.
Chartered Accountants
By the hand of

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

PLACE: MUMBAI
DATE: 21st July, 2010

Twenty-Fifth Annual Report 2009-2010

BALANCE SHEET AS AT 31 ST MARCH, 2010

	SCHEDULE	AS AT 31st March, 2010 RUPEES	AS AT 31st March, 2009 RUPEES
A SOURCES OF FUNDS:			
1) SHARE HOLDERS' FUNDS			
a) Share Capital	A	70,810,000	70,810,000
c) Reserves & surplus	B	85,539,221	78,530,693
2) LOAN FUNDS			
a) Secured loans	C	30,249,510	25,255,751
3) DEFERRED TAX LIABILITIES (NET)		4,955,053	4,830,982
TOTAL		191,553,784	179,427,426
B APPLICATION OF FUNDS:			
1) FIXED ASSETS	D		
a) Gross block		97,124,513	84,552,343
b) Less Depreciation		32,044,781	28,431,549
c) Net block		65,079,732	56,120,794
d) Capital work-in-Progress		0	9,801,256
2) INVESTMENTS (At Cost)	E	4,033,956	3,639,071
3) CURRENT ASSETS, LOANS & ADVANCES			
a) Inventory	F	28,680,948	26,494,994
b) Sundry Debtors	G	79,955,595	85,667,483
c) Cash & Bank Balances	H	13,920,210	1,344,384
d) Loan & Advances	I	12,076,992	13,490,471
		134,633,745	126,997,332
LESS:CURRENT LIABILITIES			
a) Current Liabilities	J	8,344,752	12,798,884
b) Provisions	K	3,848,897	4,662,275
		12,193,649	17,461,159
NET CURRENT ASSETS		122,440,096	109,536,173
4) Miscellaneous Expenditure (to the extent not w/off)	L	0	330,132
TOTAL		191,553,784	179,427,426
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	T		

As per my report attached to the Balance Sheet
JOSHI JOSHI & CO
 Chartered Accountants
 By the hands of

For and on behalf of the board

M. M. JOSHI
 Proprietor
 M.No.:42466 of 89
 MUMBAI, 21st July, 2010

B. G. SANDU
 Chairman

DILIP R. SALGAOCAR
 Director

UMESH B. SANDU
 Managing Director & Company Secretary
 MUMBAI, 17th July, 2010



Sandu Pharmaceuticals Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH 2010.

	SCHEDULE	AS AT 31st March, 2010 RUPEES	AS AT 31st March, 2009 RUPEES
INCOME:			
Sales		155,827,501	142,582,407
Other Income	M	214,176	78,800
Increase/Decrease in Stock	N	2,499,740	4,259,484
TOTAL INCOME		158,541,417	146,920,691
EXPENDITURE:			
Cost of Good Sold	O	40,517,083	35,805,315
Personnel Expenses	P	4,432,208	4,632,903
Operational & Manufacturing Expenses	Q	8,359,012	8,132,509
Administrative & Other Expenses	R	8,360,247	7,735,963
Selling & Distribution Expenses	S	81,087,540	74,565,039
Interest & Other Financial Expenses		3,467,729	3,802,197
Depreciation		3,613,232	3,197,557
TOTAL		149,837,051	137,871,483
PROFIT BEFORE TAX		8,704,366	9,049,208
Provision for Taxation			
Current Tax		1,910,000	685,000
Deferred Tax		124,071	(264,784)
PROFIT AFTER TAX		6,670,295	8,628,992
Other Excess Provisions w/back		948,378	0
Other Extra Ordinary Items		46,557	0
Excess/Short Provisions for Taxation of earlier years		656702	0
Add : Balance brought forward		75,930,693	67,301,701
Balance carried to balance sheet		82,939,221	75,930,693
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS T			

As per my report attached to the Balance Sheet
JOSHI JOSHI & CO
Chartered Accountants
By the hands of

M. M. JOSHI
Proprietor
M.No.:42466 of 89
MUMBAI, 21st July, 2010

For and on behalf of the board

B. G. SANDU
Chairman

DILIP R. SALGAOCAR
Director

UMESH B. SANDU
Managing Director & Company Secretary
MUMBAI, 17th July, 2010

Twenty-Fifth Annual Report 2009-2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Rs.in lacs 2009-2010		Rs.in lacs 2008-2009	
CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax and Extraordinary Items	87.04		90.49	
Adjustments for :				
Depreciation	36.14		31.97	
Interest Income	(0.46)		(0.09)	
Loss on Sale of Investments	0.11		0.07	
Preliminary and deferred revenue expenditure	3.30		3.30	
Interest Expenditure	34.68		38.02	
Dividend	(1.61)		(0.59)	
Operating Profit before Working Capital changes	159.20		163.17	
Adjustments for :				
Trade and other receivables	71.25		(134.12)	
Inventories	(21.86)		(48.82)	
Trade Payables	(52.68)		75.29	
Cash Generated from operations	155.91		55.52	
Interest Paid	(34.68)		(38.02)	
Direct Taxes Paid	(19.10)		(6.85)	
Cash Flow before Extraordinary Items	102.13		10.65	
Extraordinary Items	3.39		0.00	
Net Cash from Operating Activities	105.52	105.52	10.65	10.65
CASH FLOW FROM INVESTING ACTIVITIES				
Increase in Fixed Assets/Capital Expenditure	(27.71)		(7.79)	
Sale of Fixed Assets	0.00		0.00	
Acquisition of Companies	0.00		0.00	
Preliminary and public Issue expenditure	0.00		0.00	
Purchase of Investments	(3.95)		(12.52)	
Loss on Sale of Investments	(0.11)		(0.07)	
Interest Received	0.46		0.09	
Dividend Received	1.61		0.59	
Net Cash used in Investing Activities	(29.70)	(29.70)	(19.70)	(19.70)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital	0.00		0.00	
Proceeds from Long Term Borrowing	0.00		0.00	
Proceeds from Short Term Borrowing	49.94		11.50	
Investment Subsidy from State Government	0.00		0.00	
Repayment of Finance Lease Liabilities	0.00		0.00	
Dividend Paid	0.00		0.00	
Net Cash used in Financing Activities	49.94	49.94	11.50	11.50
Net Increase/(Decrease) in Cash and Cash Equivalents	125.76		2.45	
Cash and Cash Equivalents(Opening Balance)	13.44		10.99	
Cash and Cash Equivalents(Closing Balance)	139.20		13.44	
	125.76		2.45	

NOTE : 1. Figures in brackets represent cash outflows.

For and on behalf of the Board

B. G. SANDU
Chairman

DILIP R. SALGAOCAR
Director

UMESH B. SANDU
Managing Director & Company Secretary

MUMBAI, 17th July, 2010.

AUDITOR'S CERTIFICATE

I have examined the attached Cash Flow Statement of Sandu Pharmaceuticals Limited for the year ended 31st March, 2010. The statement has been prepared by the Company in accordance with the requirements of the listing agreements of the various stock exchanges and is based on and is in agreement with the corresponding Profit and Loss Account and the Balance Sheet of the Company covered by my report of even date to the Members of the Company.

JOSHI JOSHI & CO.
Chartered Accountants
By the hand of

M M JOSHI
Proprietor

MUMBAI, 21st July, 2010.

M.No.:42466 of 89



Sandu Pharmaceuticals Limited

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	AS AT 31st March, 2010 RUPEES	AS AT 31st March, 2009 RUPEES
SCHEDULE "A"		
AUTHORISED CAPITAL		
8,000,000 Equity shares of 10/- each	80,000,000	80,000,000
TOTAL	<u>80,000,000</u>	<u>80,000,000</u>
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
7,081,000 Equity shares of Rs. 10/- each fully paid-up.	70,810,000	70,810,000
TOTAL	<u>70,810,000</u>	<u>70,810,000</u>
SCHEDULE "B"		
RESERVE & SURPLUS		
Capital Reserve (Investment Subsidy from State Government of Goa)	2,600,000	2,600,000
Surplus i.e., balance in Profit and Loss Account:		
As per last Balance Sheet	75,930,693	
Add: Transferred from Profit and Loss Account	7,008,528	
	<u>82,939,221</u>	<u>75,930,693</u>
TOTAL	<u>85,539,221</u>	<u>78,530,693</u>
SCHEDULE "C"		
SECURED LOANS		
Bank Overdraft from Axis Bank Ltd	29,976,500	25,000,000
Add : Interest accrued & due	273,010	255,751
[Secured by hypothecation of Stocks, Debtors & personal guarantee of Directors]		
	<u>30,249,510</u>	<u>25,255,751</u>
TOTAL	<u>30,249,510</u>	<u>25,255,751</u>

SCHEDULE "D" FIXED ASSETS POSITION AS ON 31ST MARCH, 2010

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AT COST 01.04.2009 AS ON RUPEES	ADDITION DURING THE YEAR RUPEES	DELETION DURING THE YEAR RUPEES	TOTAL AS ON 31.03.2010 RUPEES	UPTO 01.04.2009 RUPEES	FOR THE YEAR RUPEES	DELETION /ADJUST RUPEES	TOTAL UP TO 31.03.2010 RUPEES	AS AT 31.03.2010 RUPEES	AS AT 31.03.2009 RUPEES
LAND(lease hold)	1,495,978	0	0	1,495,978	0	0	0	0	1,495,978	1,495,978
SITE DEVELOPMENT	4,123,551	0	0	4,123,551	0	0	0	0	4,123,551	4,123,551
BUILDINGS	37,626,443	0	0	37,626,443	12,239,842	1,256,723	0	13,496,565	24,129,878	25,386,601
PLANT & MACHINERY	26,577,761	0	0	26,577,761	10,191,580	1,262,444	0	11,454,024	15,123,737	16,386,181
ELECTRICAL INSTALLATION	2,216,143	0	0	2,216,143	1,045,742	105,267	0	1,151,009	1,065,134	1,170,401
TOOLS AND DYES	249,707	0	0	249,707	119,639	11,861	0	131,500	118,207	130,068
FURNITURE & FIXTURES	1,076,358	0	0	1,076,358	609,107	68,133	0	677,240	399,118	467,251
OFFICE EQUIPMENTS	1,121,260	0	0	1,121,260	460,792	53,260	0	514,052	607,208	660,468
COMPUTERS	1,197,292	0	0	1,197,292	978,229	62,565	0	1,040,794	156,498	219,063
VEHICLES	895,551	0	0	895,551	535,989	85,077	0	621,066	274,485	359,562
MANUFACTURING EQUIPMENT	46,809	0	0	46,809	22,424	2,223	0	24,647	22,162	24,385
TOTAL	76,626,853	0	0	76,626,853	26,203,344	2,907,553	0	29,110,897	47,515,956	50,423,509
FIXED ASSETS FOR UNIT NO.II										
BUILDING	5,159,070	12,544,170	0	17,703,240	1,196,295	580,957	0	1,777,252	15,925,988	3,962,775
PLANT & MACHINERY	2,598,520	0	0	2,598,520	864,010	123,430	0	987,440	1,611,080	1,734,510
COMPUTERS	167,900	28,000	0	195,900	167,900	1,292	0	169,192	26,708	0
TOTAL	7,925,490	12,572,170	0	20,497,660	2,228,205	705,679	0	2,933,884	17,563,776	5,697,285
GRAND TOTAL	84,552,343	12,572,170	0	97,124,513	28,431,549	3,613,232	0	32,044,781	65,079,732	56,120,794
PREVIOUS YEAR	83,773,298	1,639,333	860,288	84,552,343	25,233,992	3,216,844	19,287	28,431,549	56,120,794	58,539,306
CAPITAL W.I.P (including unsecured Capital Advances)									0	9,801,256

Twenty-Fifth Annual Report 2009-2010

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	AS AT 31st March, 2010 RUPEES	AS AT 31st March, 2009 RUPEES
SCHEDULE "E"		
INVESTMENTS		
Quoted, At Cost (Market Value Rs. 37,55,714/-)	4,013,456	3,618,571
Unquoted, Non-Trade, At Cost	20,500	20,500
TOTAL	<u>4,033,956</u>	<u>3,639,071</u>
SCHEDULE "F"		
INVENTORY		
Raw & Packing material	8,209,581	8,523,367
Work in Process	10,565,335	6,562,985
Finished Goods	9,624,483	11,338,817
Others	281,549	69,825
TOTAL	<u>28,680,948</u>	<u>26,494,994</u>
SCHEDULE "G"		
SUNDRY DEBTORS		
[Due from M/s. Sandu Brothers Pvt. Ltd. a Company in which Directors are interested]		
a) Due over six months	33,123,210	16,843,736
b) Others	46,832,385	68,823,747
TOTAL	<u>79,955,595</u>	<u>85,667,483</u>
SCHEDULE "H"		
CASH & BANK BALANCES		
Cash on hand	930,824	1,192,506
Balances with scheduled Banks		
a) On current Accounts	2,083,121	11,878
b) On deposit Account	10,906,265	140,000
TOTAL	<u>13,920,210</u>	<u>1,344,384</u>
SCHEDULE "I"		
LOANS & ADVANCES		
(UNSECURED CONSIDERED GOOD)		
Security Deposit	282,314	278,779
Advance income tax	4,388,408	4,382,207
Other Advances	5,020,270	6,451,620
Prepaid Expenses	58,686	50,551
Loans to companies	2,327,314	2,327,314
TOTAL	<u>12,076,992</u>	<u>13,490,471</u>



Sandu Pharmaceuticals Limited

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	AS AT 31st March, 2010 RUPEES	AS AT 31st March, 2009 RUPEES
SCHEDULE "J"		
CURRENT LIABILITIES		
Sundry creditors	7,389,163	8,622,387
<u>Other Liabilities :</u>		
Bank Balances Over Drawn	0	3,080,077
Statutory Dues Outstanding	91,672	237,250
Other Outstanding Expenses	863,917	859,170
TOTAL	<u>8,344,752</u>	<u>12,798,884</u>
SCHEDULE "K"		
PROVISIONS		
Provision for income Tax (A.Y. 2006-07)	0	825,000
Provision for income Tax (A.Y. 2007-08)	0	950,000
Provision for income Tax (A.Y. 2008-09)	650,000	650,000
Provision for income Tax (A.Y. 2009-10)	685,000	685,000
Provision for income Tax (A.Y. 2010-11)	1,910,000	0
Gratuity	603,897	1,552,275
TOTAL	<u>3,848,897</u>	<u>4,662,275</u>
SCHEDULE "L"		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Public issue Expenses	0	330,132
TOTAL	<u>0</u>	<u>330,132</u>
SCHEDULE "M"		
OTHER INCOME		
Interest on Bank Fixed Deposit (T.D.S. Rs.3400/-) (P.Y. Rs.NIL)	46,122	8,547
Dividend Income	160,588	58,603
Miscellaneous Income	7,466	11,650
TOTAL	<u>214,176</u>	<u>78,800</u>
SCHEDULE "N"		
INCREASE/(DECREASE)IN STOCK		
Closing stock - work in process	10,565,335	6,562,985
Closing stock - finished Goods	9,624,483	11,338,817
Closing stock - Others	281,549	69,825
	<u>20,471,367</u>	<u>17,971,627</u>
Less: Opening stock - work in process	6,562,985	4,243,689
Less: Opening stock - finished Goods	11,338,817	9,188,274
Less: Opening stock - Others	69,825	280,180
Increase in Stock	<u>2,499,740</u>	<u>4,259,484</u>
SCHEDULE "O"		
COST OF GOODS SOLD		
Opening stock	8,523,367	7,900,763
Add: Purchases	40,203,297	36,427,919
	<u>48,726,664</u>	<u>44,328,682</u>
Less: Closing Stock	8,209,581	8,523,367
TOTAL	<u>40,517,083</u>	<u>35,805,315</u>

Twenty-Fifth Annual Report 2009-2010

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	AS AT 31st March, 2010 RUPEES	AS AT 31st March, 2009 RUPEES
SCHEDULE "P"		
PERSONNEL EXPENSES		
Salaries & Wages	1,994,248	2,710,087
Contribution to PF, ESIC	307,827	298,641
Salaries & allowances to Directors	1,221,080	739,925
Staff Welfare Expenses	909,053	884,250
TOTAL	4,432,208	4,632,903
SCHEDULE "Q"		
OPERATIONAL & MANUFACTURING EXPENSES		
Freight Charges	1,877,913	1,493,509
Excise Duty	136,267	179,973
Fuel & Electricity Charges	2,830,775	2,551,212
<u>Repairs & Maintenance :</u>		
Building	806,417	1,711,108
Machinery	1,450,304	1,302,736
Others	334,147	285,844
Manufacturing & General Expenses	923,189	608,127
TOTAL	8,359,012	8,132,509
SCHEDULE "R"		
ADMINISTRATIVE & OTHERS EXPENSES		
Professional Fees	920,694	938,997
Auditor's Remuneration		
a) Audit Fees	32,500	32,500
b) Tax Audit Fees	12,500	12,500
c) Service Tax	5,150	4,635
d) Service in other capacity	5,000	0
Printing & Stationery	251,114	235,643
Rent	815,537	653,593
Rates & Taxes	261,516	317,124
Loss on Sale of Shares	10,854	6,862
Travelling & Conveyance	2,603,577	1,539,092
Miscellaneous Expenses	3,441,805	3,995,017
TOTAL	8,360,247	7,735,963
SCHEDULE "S"		
SELLING & DISTRIBUTION EXPENSES		
Discounts, Commissions & Claims	79,467,481	72,713,406
Advertisement & Publicity	24,720	41,474
Carriage Outwards	1,361,877	1,650,200
Business Promotion expenses	233,462	159,959
TOTAL	81,087,540	74,565,039
SCHEDULE "T"		
NOTES FORMING PART OF THE ACCOUNT		
1. SIGNIFICANT ACCOUNTING POLICIES:		
a) Basis of Accounting:		
The company follows the mercantile system of accounting and recognises income and expenditure on accrual basis. The accompanying financial statements have been prepared under historical cost convention in accordance with generally accepted accounting principles and provisions of the Companies Act, 1956 and the applicable accounting standards issued by The Institute of Chartered Accountants of India.		



Sandu Pharmaceuticals Limited

b) **Revenue Recognition:**

Sales: Sales are accounted on the wholesale price, inclusive of excise and other taxes.

Other Income: Interest income is accounted on accrual basis, dividend income is accounted on actual realisation, other non regular miscellaneous income like sale of scraps etc. are accounted on realisation.

c) **Fixed Assets:**

Fixed Assets other than leasehold land are valued at cost less accumulated depreciation and leasehold land is stated at cost. Capital work in progress is stated at cost.

d) **Depreciation:**

Depreciation on fixed assets has been provided on straight line method at the rates specified in schedule XIV to the companies Act, 1956.

e) **Inventories:**

The Stock of packing material and raw material have been valued at cost.

Stock of finished goods are valued at percentage of sale price.

Stock of work-in-progress is valued at cost.

f) **Gratuity:**

Actuarial certificate has been obtained to determine the gratuity liability and excess provision made in earlier years of Rs. 948,378/- has been w/back and shown as prior period adjustment.

g) **Other Extra Ordinary items:**

Rs. 46,557/- is the amount of gains on account of investments for earlier years reported during the current year.

h) **Investments:**

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

INVESTMENT - QUOTED	2009-2010		2008-2009	
	No. of Shares	Amount	No. of Shares	Amount
IN SHARES				
Kerala Ayurvedic Pharmacy Ltd.	276	2,760	276	2,760
Powergrid	1650	257,636	1650	257,636
Tata Chemicals Ltd.	1400	468,988	1750	587,055
India Hotels Ltd.	3443	428,742	3443	428,742
NTPC	300	69,857	300	64,800
PTC	500	61,500	500	61,500
Chambal Fertilizers	500	34,772	NIL	0
Foods & Inns.	200	63,029	NIL	0
Indra Prastha	1000	45,359	NIL	0
Kamat Hotels	2000	136,311	NIL	0
NHPC Ltd.	5000	178,424	NIL	0
Nagarjuna Fertilizers Ltd.	500	20,100	500	20,100
Goa Carbon Ltd.	4000	545,978	4000	545,978
IN MUTUAL FUNDS				
HDFC Mutual Fund -Equity Fund Dividend Payout	7736	350,000	7736	350,000
UTI Mutual Fund -Infrastructure Fund -Dividend Payout Plan	13638	325,000	13638	325,000
Reliance Vision Fund -Retail Plan -Dividend Plan	6441	350,000	6441	350,000
Reliance Regular Savings Fund -Equity Plan-Growth Plan	6454	125,000	6454	125,000
Magnum Global Fund-SBI-Dividend Plan	2449	62,500	2449	62,500
Sunderam BNP Paribas Select Midcap Appreciation	120	25,000	120	25,000
DSP Black Rock India T.I.G.E.R.Fund-Regular Growth Plan	6509	175,000	4792	125,000
Franklin India High Growth Companies Fund - Growth Plan	11206	125,000	11206	125,000
Franklin India Prima Plus -Dividend Payout	1686	75,000	1686	75,000
IDFC Premier Equity Fund-Growth	2997	50,000	2997	50,000
Kotak Opportunities - Growth	389	12,500	389	12,500
HDFC Mutual Fund - 4008/HDFC Top 200 Fund-Growth	181	25,000	181	25,000
Total		4,013,456		3,618,571
INVESTMENT (UNQUOTED)				
In Shares	1405	20,500	1405	20,500
TOTAL		20,500		20,500

Twenty-Fifth Annual Report 2009-2010

2. Expenses on issue of equity shares amounting to Rs.33,30,133/- have been amortised over a period of ten years, and accordingly the balance one tenth of the same i.e. Rs.3,30,132/- have been charged to profit and loss account during the year and classified under the head Miscellaneous Expenses.
3. Balance of sundry debtors,creditors,loans and advances to the companies are subject to confirmation.
4. As regards to compliance of provision relating to the dues to the Small Scale Industries in terms to the companies(Amendment) Act, 1998, the Company has not received from any parties claim to be Small Scale Industries. Hence, the said information not given.
5. In the opinion of the Board of Directors, the current assets and loans and advances, have value on realisation in the ordinary course of business, atleast equal to the amount at which they are stated unless expressly stated otherwise.
6. The Company is in Pharmaceuticals Business and considering the organisational structure of the company and its internal financial reporting, the company has only one reportable segment i.e. Pharmaceuticals considering the requirements of Accounting Standard on "Accounting Standard on Segment Reporting"(AS-17) issued by The Institute of Chartered Accountants of India. Accordingly the financial details as required under the standard are reflected in respect of the said segment in Profit and Loss Account and Balance Sheet.
7. Further, adjustment for deferred tax liabilities for the year (net), Rs.1,24,071/- has been charged to the Profit & Loss Account. The break up of the year end position is as follows:

	As at 31.03.2010 (Rs. In Lacs)	As at 31.03.2009 (Rs. In Lacs)
Deferred Tax Liabilities		
Opening Balance	48.31	50.96
Depreciation	1.24	(2.65)
Total Deferred Tax Liabilities	49.55	48.31

8. Managerial remuneration :-

- 1) Profit and Loss Account includes remuneration paid to Shri Umesh B. Sandu, Managing Director and Company Secretary of the Company and the detail of the same are as follows:
Remuneration: Rs 11,86,080/- P.A., Directors sitting fees: Rs. 10,000/-
And the same are in accordance with Schedule XIII of the companies Act, 1956.
- 2) Directors sitting fees to other Directors: Rs. 25,000/-

9. Related Parties :-

- a Name of related parties and description of relationship
 - (i) related parties where control exists:-
Sandu Brothers Pvt.Ltd.
Ascent Management Services
 - (ii) Key management personnel:-
Mr.Umesh B.Sandu - Managing Director

b. Transactions with related parties:

Nature of Transaction	Related Parties where control exist	Key Management Personnel	TOTAL
Purchase of goods	2,066,045	-	2,066,045
Sale of goods	155,827,501	-	155,827,501
Receiving of services	360,000	1,221,080	1,581,080

c. Amount outstanding from (to) related parties as at 31st march 2010:

Nature of Transaction	Related Parties where control exist	Key Management Personnel	TOTAL
Receivable	79,955,595	-	79,955,595

10. Contingent Liabilities :-

Apart from gratuity there are no other contingent liability as on Balance Sheet date.
Estimated amount of contracts remaining to be executed on Capital Account and not provided for Net of advances Rs. NIL
(Previous year Rs. NIL)

11. Previous years figures are regrouped and re-arranged wherever necessary to conform to this year's classification.
12. Earning per share is calculated as follows:

	2010	2009
a. Net Profit After Tax	7,008,528	8,628,992
b. Number of equity shares	7,081,000	7,081,000
c. Nominal value of equity share (In Rs.)	13	10
d. Basic & Diluted Earning per Share (In Rs.)	0.99	1.22



Sandu Pharmaceuticals Limited

13. The additional information pursuant to para 3(ii) (a), 3(ii) (b) and 4D of part of the schedule VI to the companies Act, 1956 is as below:

A. RAW MATERIALS AND PACKING MATERIALS CONSUMED

Particulars	2009-2010		2008-2009	
	Quantity in Kgs.	Value Rs.	Quantity in Kgs.	Value Rs.
IMPORTED				
INDIGENEOUS	NIL	NIL	NIL	NIL
Crude Drugs	591,830	12,558,624	617,245	11,390,458
Sugar	212,585	7,113,385	184,190	3,335,930
Others	0	20,845,074	0	21,078,927
TOTAL		40,517,083		35,805,315

B. FINISHED GOODS

Particulars	2009-2010		2008-2009	
	DRY MEDICINES IN KGS.	LIQUID MEDICINES IN LTRS	DRY MEDICINES IN KGS.	LIQUID MEDICINES IN LTRS
Opening Stock	3591.56	140681.10	2148.82	28061.45
Add:-Production	189195.00	411556.00	88472.59	578134.00
	<u>192786.56</u>	<u>552237.10</u>	<u>90621.41</u>	<u>606195.45</u>
Less:-Sales	152233.56	376006.10	87029.85	465514.35
Closing Stock	40553.00	176231.00	3591.56	140681.10
Sales Value	<u>27,136,015</u>	<u>128,691,486</u>	<u>16,446,618</u>	<u>126,135,789</u>

OTHER INFORMATION	2009-10	2008-09
a. Expenditure in foreign Currency	NIL	NIL
b. Expenditure in foreign	NIL	NIL
c. F.O.B. Value of Exports	NIL	NIL

As per my report attached to the Balance Sheet

JOSHI JOSHI & CO
Chartered Accountants
By the hands of

For and on behalf of the board

M. M. JOSHI
Proprietor
M.No.:42466 of 89
MUMBAI, 21st July, 2010

B. G. SANDU
Chairman

DILIP R. SALGAOCAR
Director

UMESH B. SANDU
Managing Director & Company Secretary
MUMBAI, 17th July, 2010

Twenty-Fifth Annual Report 2009-2010

INFORMATION AS PER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 FOR THE YEAR ENDED 31st MARCH, 2010

I Registration Details

Registration No.

						1	5	8	7
--	--	--	--	--	--	---	---	---	---

 State Code

2	4
---	---

Balance Sheet

3	1	.	0	3	-	2	0	1	0
---	---	---	---	---	---	---	---	---	---

Date Month Year

II Capital Raised During the year (Amount in Rs.Thousands)

Public Issue

						N	I	L
--	--	--	--	--	--	---	---	---

 Right Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Bonus Issue

						N	I	L
--	--	--	--	--	--	---	---	---

 Private Placement

						N	I	L
--	--	--	--	--	--	---	---	---

III Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities

1	9	1	5	5	3	.	7	8
---	---	---	---	---	---	---	---	---

 Total Assets

1	9	1	5	5	3	.	7	8
---	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

	7	0	8	1	0	.	0	0
--	---	---	---	---	---	---	---	---

 Reserves & Surplus

	8	5	5	3	9	.	2	2
--	---	---	---	---	---	---	---	---

Secured Loans

	3	0	2	4	9	.	5	1
--	---	---	---	---	---	---	---	---

 Unsecured Loans

						N	I	L
--	--	--	--	--	--	---	---	---

Deferred Tax Liability (Net)

		4	9	5	5	.	0	5
--	--	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

	6	5	0	7	9	.	7	3
--	---	---	---	---	---	---	---	---

 Investments

		4	0	3	3	.	9	6
--	--	---	---	---	---	---	---	---

Net Current Assets

	1	2	2	4	4	.	0	9
--	---	---	---	---	---	---	---	---

 Misc. Expenditure

						N	I	L
--	--	--	--	--	--	---	---	---

Accumulated Losses

						N	I	L
--	--	--	--	--	--	---	---	---

IV Performance of Company (Amount in Rs.Thousands)

Turnover

	1	5	6	0	4	1	.	6	8
--	---	---	---	---	---	---	---	---	---

 Total Expenditure

	1	4	7	3	3	7	.	3	1
--	---	---	---	---	---	---	---	---	---

✓

+	-
---	---

 Profit/Loss Before Tax

		8	7	0	4	.	3	7
--	--	---	---	---	---	---	---	---

 ✓

+	-
---	---

 Profit/Loss After Tax

		7	0	0	8	.	5	3
--	--	---	---	---	---	---	---	---

Earning per share in Rs.

					0	.	9	9
--	--	--	--	--	---	---	---	---

 Dividend @%

						-	-
--	--	--	--	--	--	---	---

V Generic Names of Three Principal Products/Services of Company(As per monetary terms).

Item Code No. 1

3	0	0	3	9	0	-	0	1
---	---	---	---	---	---	---	---	---

(ITC Code)

Product Description

A	Y	U	R	V	E	D	I		C	M	E	D	I	C	I	N	E	S
---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---	---	---



SANDU PHARMACEUTICALS LTD.

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

ATTENDANCE SLIP

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

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

I hereby record my presence at the **25th ANNUAL GENERAL MEETING** of the Company held on **Wednesday, 29th September, 2010 at 9.00 a.m.** at Plot No. 25, 26, 29 & 30, Pilerne Indl. Estate, Marra, Bardez, Goa - 403 511.

Full Name of Member (In Block Letters) _____

Full Name of Proxy (In Block Letters) _____

Member's / Proxy's Signature _____

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

- Tear Here -



SANDU PHARMACEUTICALS LTD.

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

PROXY FORM

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

I/We _____

of _____ in the district of _____

_____ being member(s) of the above named Company, hereby appoint

_____ of

_____ in the district of _____

or failing him _____

of _____ in the district of _____

as my / our proxy to vote for me / us on my / our behalf at the **25th ANNUAL GENERAL MEETING** of the Company held on **Wednesday, 29th September, 2010 at 9.00 a.m.** at Plot No. 25, 26, 29 & 30, Pilerne Indl. Estate, Marra, Bardez, Goa - 403 511.

Signed this _____ day of _____ 2010.

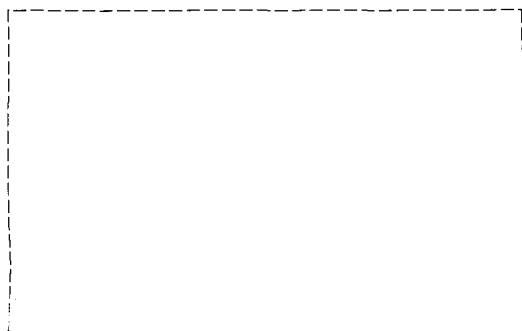
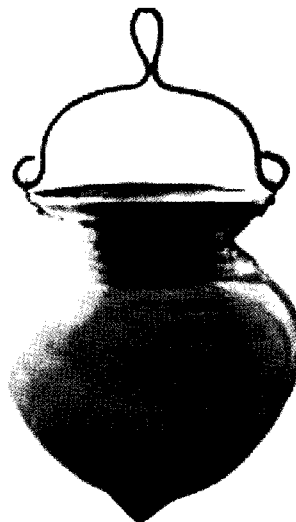
Please affix Revenue Stamp

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



Book-Post

**Sandu Ayurvedic,
and
Wellness Center**



If undelivered please return to :
SANDU PHARMACEUTICALS LTD.

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

www.sandu.in

spa@sandu.in