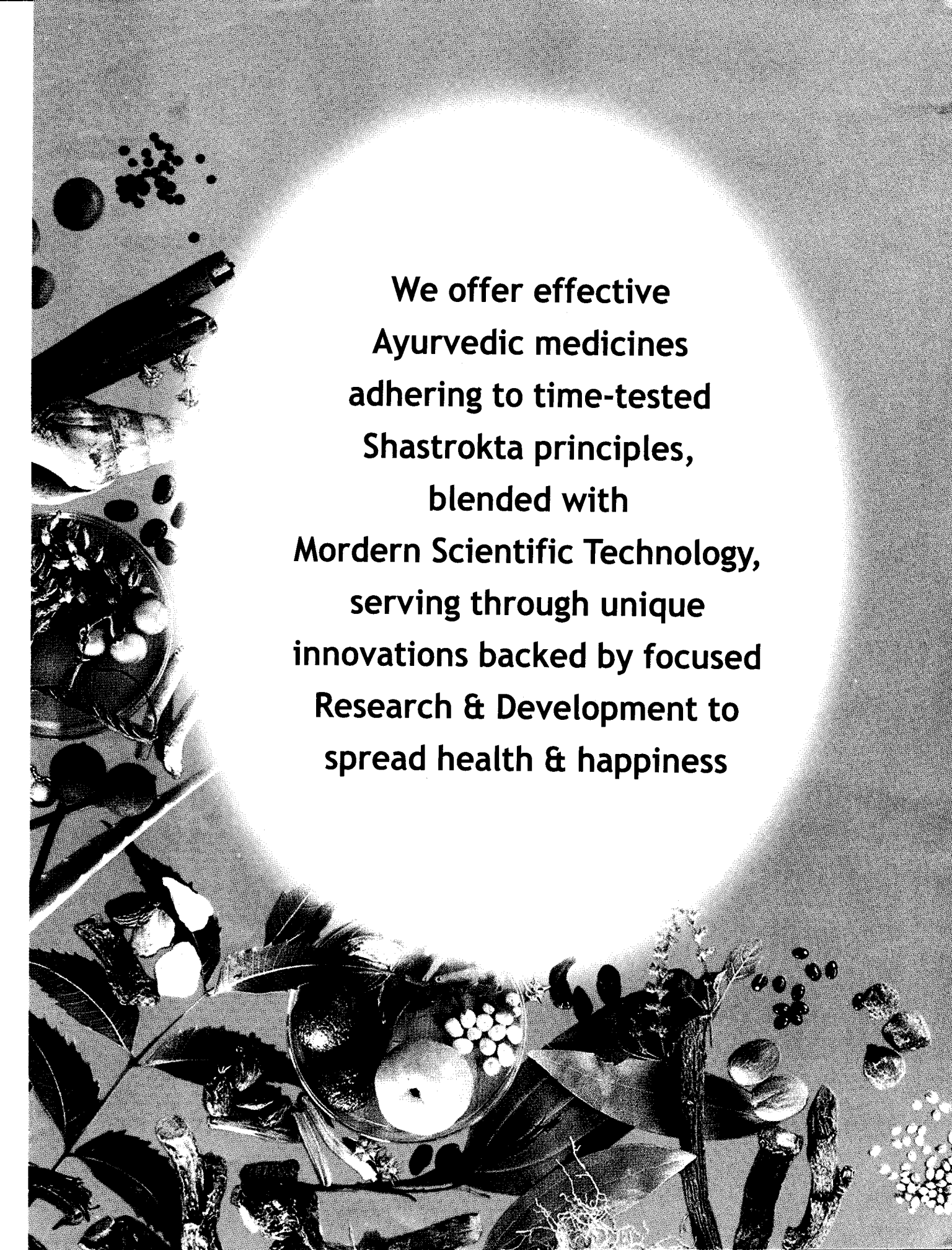


24th Annual Report

2008-2009





**We offer effective
Ayurvedic medicines
adhering to time-tested
Shastrokta principles,
blended with
Mordern 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 Shashank B. Sandu : Director
Shri Umesh B. Sandu : Managing Director &
Company Secretary

AUDITORS :

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

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

BANKERS :

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

ADVOCATES & SOLICITORS :

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

REGISTERED OFFICE :

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

CORPORATE OFFICE :

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

24th ANNUAL GENERAL MEETING

DATE : Wednesday, 30th Sept., 2009
TIME : 9.00 a.m.
VENUE : Plot No. 25, 26, 29 & 30,
Pilerne Indl. Estate, Marra,
Bardez, Goa - 403 511.

ISIN NUMBER : INE 751D01014 (DEMAT)

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TWENTY-FOURTH ANNUAL REPORT 2008-2009

NOTICE

The **TWENTY-FOURTH** 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, 30th September, 2009 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, 2009 and Balance Sheet as at that date.
2. To appoint a director in place of Shri. Dilip Salgaonkar 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 Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311, 314 and other applicable provision, if any of the Companies Act, 1956 the consent of the Company be and is hereby accorded to Shri. Umesh B. Sandu, the Managing Director of the Company, being reappointed for a period of five years from 1st April, 2009 on the remuneration and upon the terms and conditions as detailed in the explanatory statement attached hereto subject to the overall ceiling of the total managerial remuneration for each year as provided under Section 309 of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to enter into an agreement with the Managing Director.

RESOLVED FURTHER THAT Shri. Umesh B. Sandu shall not be liable to retire by rotation."

By Order of the Board of Directors

Sd/-

AMIT PATTEKAR

Officer - Legal & Secretarial Compliance

Place : Mumbai

Date : 31st July, 2009

NOTES:

- a) A Member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and a proxy need not be a member of the Company. A proxy form is attached herewith.
- b) The proxy form duly signed and completed in all respect should be lodged with the Company at its Registered Office at least 48 hrs. before the commencement of the Annual General Meeting.
- c) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday 15th September, 2009 to Wednesday, 30th September, 2009 (both days inclusive.)

- d) The Member / Proxies should bring their attendance slip duly completed for attending the meeting.
- e) The Members are requested to bring their copies of the Annual Reports to the Annual General Meeting as no separate copies will be distributed at the Annual General Meeting as a measure of Economy.
- f) The Members desiring any information as regards the Accounts are requested to send their queries only at the Registered Office of the Company so as to reach the Registered Office at least 7 days in advance of the date of Annual General Meeting so as to enable the Company to keep the information ready.
- g) Equity Shares of the Company have been activated by dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN number allotted by both the depositories is INE 751D01014.
- h) The Equity Shares of the Company are presently listed at the Bombay Stock Exchange Limited.

ANNEXURE TO THE NOTICE :-

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

Item No. 4

Shri. Umesh B. Sandu was appointed as the Managing Director of the Company as per the provisions of Section 198,269,309,311,314 and other applicable provisions, if any, of the Companies Act, 1956. The Board of Directors have at their meeting held on 31st January, 2009 reappointed Shri. Umesh B. Sandu as Managing Director of the Company at the remuneration & the terms and conditions which are as under :-

- a) Salary :- Rs. 1,00,000/- - 1,25,000/- - 1,50,000/- - 1,75,000/- - 2,05,000/- p.m.
- b) Other Benefits :- other benefits and perquisites are restricted to Rs. 8.75 lacs p.a. for the year 2009-10, Rs. 11 lacs p.a. for the year 2010-2011, Rs. 13.15 lacs p.a. for the year 2011-2012, Rs. 15.50 lacs p.a. for the year 2012-2013 and Rs. 18 lacs p.a. for the year 2013-2014 and not more than the above perquisites at any point of time and subject to minor modification if any to comply with the existing Tax Laws.
- c) In addition to the above Shri. Umesh B. Sandu will be entitled to membership of two clubs not being life membership.
- d) The above remuneration shall be payable as minimum remuneration, Shri. Umesh B. Sandu will not be liable to retire by rotation and will not be eligible for sitting fees.

The explanatory note together with the Notice should be treated as an abstract under Section 302 of the Companies Act, 1956.

Shri. Umesh B. Sandu, is interested in this resolution. Shri B. G. Sandu and Shri S. B. Sandu are also interested in this resolution. The Board of Directors recommend the passing of the proposed resolution.

By Order of the Board of Directors

Sd/-

AMIT PATTEKAR

Officer - Legal & Secretarial Compliance

Place : Mumbai

Date : 31st July, 2009



DIRECTORS REPORT

Your Directors have pleasure to present **TWENTY - FOURTH** Annual Report on the business and operation of the Company along with the Audited Accounts for the financial year ended 31st March, 2009.

FINANCIAL RESULTS:

PARTICULARS	2008-09 (Rs. in Lacs)	2007-2008 (Rs. in Lacs)
Sales & Other Income	1426.61	1348.42
Total Expenditure	1336.12	1268.51
Net Profit/Loss before Tax	90.49	79.91
Provision for Taxation	4.20	5.06
Profit/Loss after Tax	86.29	74.85
Balance brought forward	673.01	601.06
Profit/Loss	759.30	675.91
APPROPRIATION		
Prior year Adjustment	-	2.90
Profit carried to Balance Sheet	759.30	673.01

The Company has commenced its "SANDU AYURVEDIC THERAPY CENTRE"

This centre is at an excellent location near **calangute beach**. Within a very short span it has become quite popular & is a sought after centre amongst Foreign & Indian tourist.

As informed earlier the company foresees a great potential in this therapy centre business & has already started work & would be shortly establishing 25 new centres over a period of 3 years which will give the company lot of visibility plus as a brand it will be quite well known, the company hopes to increase its bottom line substantially with this increased activity. The Company proposes to have business model whereby Franchisee will operate within India as well as abroad, in addition to Company owned centres.

BIO TECHNOLOGY:

As reported in last year Annual Report, the Company has got encouraging results for the residual, waste products generated after extraction out of the green herbs, root etc. company has already sent its first consignment in this year & hopes to do good business on that count.

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. 1425.82 Lacs as against Rs. 1346.98 Lacs showing growth of Rs. 78.84 lacs which is around 5.85 % more than the previous year. The profit before tax has gone up by Rs. 10.58 lacs, from 79.91 lacs to Rs. 90.49 lacs which is around 13.24% more than that of the previous year. However the Net Profit after tax has gone up by Rs. 11.44 lacs from Rs. 74.85 lacs to Rs. 86.29 Lacs which is around 15.28% more than that of the previous year.

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 Pharmaceutical Industry. However Pharmaceutical Industry in India is progressing very

slowly which affect the Industry as such, we are however optimistic towards stabilisation in the industry in the near future.

(b) Opportunities and Threats:

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

(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 to the effects of government policies.

(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.

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

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

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

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

(i) Material Financial and Commercial Transaction :

There are nq material significant financial and commercial transactions with related parties viz. Promoters, Directors or the Management, their companies / firms or relatives conflicting

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with the interest of the Company. The Promoters and the Directors are dealing in the shares of the Company as when required as per their investment plan.

DIVIDEND :-

Your Directors have decided to plough back the entire profits in order to achieve better results in future and do not recommend any dividend during the year under review.

DEMATERIALIZATION OF SHARES:

The Company has entered into an agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for Dematerialisation of shares. With this, the Members have the option to hold their shares in the Company through Demat Mode and the script is under the compulsory demat. The Company had dematerialised 45.329 % of its entire shares and hence members are requested to dematerialise their shares at the earliest.

CORPORATE GOVERNANCE

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

INSURANCE

Your Company has taken adequate insurance cover of all its assets.

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. Dilip R. Salgaonkar, Director who retires by rotation and being offers himself for re-appointment. As required, brief resume of Director is given under separate section of Corporate Governance. You are requested to 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, 2009 and of the profit of the Company for the year ended 31st March, 2009;

- (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 Ltd., Bombay Stock Exchange Limited, NSDL, CDSL for their continued support to the Company and the trust and confidence placed by them.

ON BEHALF THE BOARD OF DIRECTORS

Place : Mumbai

Dated : 31st July, 2009

B. G. SANDU

Chairman

ANNEXURE TO DIRECTORS REPORT

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

CONSERVATION OF ENERGY :-

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

	For the Year ended 31.03.2009	For the Year ended 31.3.2008
1. ELECTRICITY		
Purchased (units)	186474	148399
Total Amount Rs.	972141	794633
Rate/Units in Rs.	5.21	5.35
2. FUEL CONSUMED		
Quantity	51215	66596
Total Amount	1579071	1827369
Rate per litre	30.83	27.44



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 5 Directors. The composition and category of Directors is as follows:

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

As per clause 49 of the Listing agreement, if the Chairman is executive, 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 2008-09 the Board met 4 times on the following dates, namely 30.04.2008, 31.07.2008, 31.10.2008 and 31.01.2009. 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 2008-09 and at the last Annual General Meeting held on 30th September, 2008, 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	NIL	NIL
Dr. Madan L. Kapre	2	Yes	NIL	NIL	NIL
Shri. Dilip Salgaoncar	2	Yes	2	NIL	NIL
Shri. Shashank B. Sandu	4	Yes	8	NIL	NIL
Shri. Umesh B. Sandu	4	Yes	9	NIL	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.

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The present audit committee comprises of three non executive member directors (all of whom are independent) namely, Shri. Dilip Salgoncar, Shri. Bhaskar G. Sandu, Shri. Shashank B. Sandu and Shri. Umesh B. Sandu who is executive director.

During the year under review 3 meetings were held as against minimum requirement of 3 meetings one of which was before finalisation of accounts. The meetings were held on 30.04.2008, 31.07.2008 and 31.01.2009.

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

REMUNERATION COMMITTEE:

The Remuneration Committee consist 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 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. During the year under review, 10 compliants 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 met once during the year under review

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.

NOTE ON DIRECTORS RE-APPOINTMENT

Shri. Dilip R. Salgaocar retires by rotation at the ensuing Annual General Meeting. He is eligible for reappointment Shri. Dilip R. Salgaocar is Director of the Company since the year 1996. Shri. Dilip R. Salgaocar is B.E. Chemical Engineer and has expertise production. He is also the Managing Director of Geno Pharmaceuticals Ltd.

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
2005-2006	21 th AGM held on 30 th September, 2006 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
2006-2007	22 st AGM held on 30 th September, 2007 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
2007-2008	23 rd AGM held on 29 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

- (a) In addition to Annual General Meeting Company holds Extra Ordinary General Meetings of the shareholders as and when need arises.
- (b) In ensuing 24th Annual General Meeting, no resolutions are proposed to be passed by postal Ballots.

DISCLOSURES

- (i) There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with the Company's interest.
- (ii) There re no pecuniary relationship or transactions of non-executive director's vis-à-vis the Company.
- (iii) 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 having all India coverage as required in the Listing Agreement.



GENERAL SHAREHOLDER INFORMATION

- **Registered Office** : Plot No.25,26,29 & 30, Pilerne Indl. Estate, Marra, Bardez, Goa 403 511.
- **Corporate Office & Address for correspondence** : Sandu Nagar, D.K. Sandu Marg, Chembur, Mumbai - 400 071.
- **Work Location** : Plot No. 25, 26, 29 & 30, Pilerne Indl. Estate, Marra, Bardez, Goa - 403 511.
- **Share Transfer Agent** : Sharex Dynamic (India) Private Limited, Unit 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072.
- **Annual General Meeting (Day, Date, Time & Venue)**: Tuesday, 30th September, 2009 at 9.00 a.m. at Plot No. 25, 26, 29 & 30, Pilerne Indl. Estate, Marra, Bardez, Goa - 403 511.
- **Book Closure** : Monday, 15th September, 2009 to Thursday 30th September, 2009.
- **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 Stock Exchange, Mumbai
SAND
524703
SANDUPHA
- **Listing Fees** : Company has paid Listing Fees for the financial year 2009-2010 to The Bombay Stock Exchange Ltd.

● **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, 2008	14.00	11.30	October, 2008	11.50	07.00
May, 2008	13.50	11.00	November, 2008	09.92	06.14
June, 2008	12.54	10.36	December, 2008	10.15	07.00
July, 2008	14.45	11.00	January, 2009	09.48	07.50
August, 2008	13.69	11.75	February, 2009	09.58	07.25
September, 2008	13.35	09.76	March, 2009	08.54	06.90

● **Distribution of Shareholding as on 30th June, 2009**

Distribution	No. of Shareholders	% of Shareholders	Total Shares	% to Total
1-500	11,202	90.64	1,605,206	22.67
501-1000	583	4.72	504,412	7.12
1001-5000	500	4.05	1,150,607	16.25
5001-10000	37	0.30	261,803	3.70
10001-100000	31	0.25	782,799	11.05
100001 & Above	6	0.05	2,776,173	39.21
TOTAL	12,359	100	7,081,000	100

● **Shareholding pattern :-**

Category	Shares	Percentage of Shareholding
1. Promoters		
A) Indian		
1) Individual	315,700	4.459
2) Bodies Corporate	900,860	12.722
B) Foreign	1,914,000	27.030
2. Institutional Investors	500	0.007
3. Public & Others	3,949,940	55.782
TOTAL	7,081,000	100.00

● **Dematerialisation of Shares:**

Nearly 45.329% of total Equity Share Capital is held in dematerialised form with NSDL/CDSL.

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

ISIN No. : INE 751D01014

● **Share Transfer System:**

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

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● **Financial Calendar: (tentative)**

Results for quarter ending 30 th June, 2009	Last week of July, 2009
Results for quarter ending 30 th September, 2009	Last week of October, 2009
Results for quarter ending 31 st December, 2009	Last week of January, 2010
Results for quarter ending 31 st March, 2010	Last week of April, 2010

DECLARATION

I hereby declare that all the Directors and Senior Management personnel have as on 31st March, 2009 affirmed compliance of their respective Codes on Conduct adopted by the company and confirmation to that effect has been given by each of them.

Place : Mumbai
Dated : 31st July, 2009

B. G. Sandu
Chairman

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, 2009, 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 the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In 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 a 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

Place : Mumbai
Date : 31st July, 2009

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



Sandu Pharmaceuticals Limited

AUDITORS REPORT

To
The Member of
SANDU PHARMACEUTICALS LIMITED

I have audited the attached Balance Sheet of Sandu Pharmaceuticals Limited as at 31st March 2009, 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) 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 31-3-2008 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, 2009;
 - (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 : 31st July, 2009

ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBER OF SANDU PHARMACEUTICALS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009.

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.
- 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. I have been informed that the term loans has been applied for the purpose for which they were obtained
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

Place: Mumbai
Date : 31st July, 2009

By the hands of
M. M. JOSHI
Proprietor
M. No. 42466 of 89

TWENTY-FOURTH ANNUAL REPORT 2008-2009

BALANCE SHEET AS AT 31ST MARCH, 2009

	SCHEDULE	AS AT 31 ST MARCH, 2009 RUPEES	AS AT 31 ST MARCH, 2008 RUPEES
A. SOURCES OF FUNDS:			
1) SHARE HOLDERS' FUNDS			
a) Share Capital	A	70,810,000	70,810,000
c) Reserves & surplus	B	78,530,693	69,901,701
2) LOAN FUNDS			
a) Secured loans	C	25,255,751	24,105,781
3) DEFERRED TAX LIABILITIES (NET)			
		4,830,982	5,095,766
TOTAL		179,427,426	169,913,248
B. APPLICATION OF FUNDS:			
1) FIXED ASSETS			
a) Gross block	D	84,552,343	83,773,298
b) <i>Less:</i> Depreciation		28,431,549	25,233,991
c) Net block		56,120,794	58,539,307
d) Capital work-in-Progress		9,801,256	9,801,256
2) INVESTMENTS (At Cost)			
	E	3,639,071	2,387,013
3) CURRENT ASSETS, LOANS & ADVANCES			
a) Inventory	F	26,494,994	21,612,906
b) Sundry Debtors	G	85,667,483	74,492,375
c) Cash & Bank Balances	H	1,344,384	1,099,131
d) Loan & Advances	I	13,490,471	11,253,550
		126,997,332	108,457,962
LESS: CURRENT LIABILITIES			
a) Current Liabilities	J	12,798,884	6,543,338
b) Provisions	K	4,662,275	3,389,218
		17,461,159	9,932,556
NET CURRENT ASSETS		109,536,173	98,525,406
4) MISCELLANEOUS EXPENDITURE			
(to the extent not w/off)	L	330,132	660,266
TOTAL		179,427,426	169,913,248

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS T

As per my report attached to the Balance Sheet

On Behalf of the Board

JOSHI JOSHI & CO
Chartered Accountants
By the hands of

B. G. SANDU
Chairman

DILIP R. SALGAOCAR
Director

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

UMESH B. SANDU
Managing Director & Company Secretary

MUMBAI, 31ST July, 2009

MUMBAI, 31ST July, 2009


PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULE	AS AT 31 ST MARCH, 2009 RUPEES	AS AT 31 ST MARCH, 2008 RUPEES
INCOME:			
Sales		142,582,407	134,697,579
Other Income	M	78,800	144,433
Increase/Decrease in Stock	N	4,259,484	(413,777)
TOTAL INCOME		146,920,691	134,428,235
EXPENDITURE:			
Cost of Goods Sold	O	35,805,315	29,499,656
Personnel Expenses	P	4,565,387	3,966,125
Operational & Manufacturing Expenses	Q	8,132,509	7,002,540
Administrative & Other Expenses	R	7,803,479	7,214,995
Selling & Distribution Expenses	S	74,565,039	72,309,458
Interest & Other Financial Expenses		3,802,197	3,339,880
Depreciation	D	3,197,557	3,104,217
TOTAL		137,871,483	126,436,871
PROFIT BEFORE TAX		9,049,208	7,991,364
Provision for Taxation			
Current Tax		685,000	650,000
Deferred Tax		(264,784)	(144,372)
PROFIT AFTER TAX		8,628,992	7,485,736
Excess/Short Provision for Taxation of earlier years		0	289,703
Add: Balance brought forward		67,301,701	60,105,668
Balance carried to balance sheet		75,930,693	67,301,701

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS T

As per my report attached to the Balance Sheet

On Behalf of the Board

JOSHI JOSHI & CO
Chartered Accountants
By the hands of

B. G. SANDU
Chairman

DILIP R. SALGAOCAR
Director

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

UMESH B. SANDU
Managing Director & Company Secretary

MUMBAI, 31st July, 2009MUMBAI, 31st July, 2009

TWENTY-FOURTH ANNUAL REPORT 2008-2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	Rs. in lacs 2008-2009		Rs. in lacs 2007-2008	
CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax and Extraordinary Items	90.49		79.91	
Adjustments for:				
Depreciation	31.97		31.04	
Interest Income	(0.09)		(0.58)	
Investments	(12.52)		(23.72)	
Preliminary and deferred revenue expenditure	3.30		3.30	
Interest Expenditure	38.02		33.40	
Dividend	(0.70)		(0.86)	
Operating Profit before Working Capital changes	150.47		122.49	
Adjustments for:				
Trade and other receivables	(134.12)		(84.58)	
Inventories	(48.82)		(17.87)	
Trade Payables	78.69		29.77	
Cash Generated from operations	46.22		49.81	
Interest Paid	(38.02)		(33.40)	
Direct Taxes Paid	(10.25)		(10.00)	
Cash Flow before Extraordinary Items	(2.06)		6.42	
Extraordinary Items	0.00		(2.89)	
Net Cash from Operating Activities	(2.06)	(2.06)	3.53	3.53
CASH FLOW FROM INVESTING ACTIVITIES				
Increase in Fixed Assets/Capital Expenditure	(7.79)		(28.54)	
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	0.00		0.00	
Sale of Investments	0.00		0.00	
Interest Received	0.09		0.58	
Dividend Received	0.70		0.86	
Net Cash used in Investing Activities	(7.00)	(7.00)	(27.10)	(27.10)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital	0.00		0.00	
Proceeds from Long Term Borrowing	0.00		(1.62)	
Proceeds from Short Term Borrowing	11.50		15.42	
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	11.51	11.51	13.80	13.80
Net Increase/(Decrease) in Cash and Cash Equivalents	2.45		(9.77)	
Cash and Cash Equivalents(Opening Balance)	10.99		20.76	
Cash and Cash Equivalents(Closing Balance)	13.44		10.99	
	2.45		(9.77)	

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, 31st July, 2009

AUDITOR'S CERTIFICATE

I have examined the attached Cash Flow Statement of Sandu Pharmaceuticals Limited for the year ended 31st March, 2009. 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 hands of
M. M. JOSHI
Proprietor

MUMBAI, 31st July, 2009

M. No. : 42466 of 89



SCHEDULES TO AND FORMING PART OF THE BALANCE

	AS AT 31 ST MARCH, 2009 RUPEES	AS AT 31 ST MARCH, 2008 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		
7081000 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	67,301,701	
Add: Transferred from Profit and Loss Account	<u>8,628,992</u>	
	<u>75,930,693</u>	67,301,701
TOTAL	<u>78,530,693</u>	<u>69,901,701</u>
SCHEDULE "C"		
SECURED LOANS		
Bank Overdraft From Axis Bank	25,255,751	0
[Secured by hypothecation stocks, Debtors & personal guarantee of Directors]		
Bank Overdraft From Dena Bank	0	24,105,781
[Secured by hypothecation stocks, Debtors & personal guarantee of Directors]		
TOTAL	<u>25,255,751</u>	<u>24,105,781</u>

SCHEDULE "D"

FIXED ASSETS

POSITION AS ON 31ST MARCH, 2009

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	At Cost As On 01.04.2008 Rupees	Addition during the year Rupees	Deletion during the year Rupees	Total As On 31.03.2009 Rupees	Upto 01.04.2008 Rupees	For The Year Rupees	Deletion during the year Rupees	Total upto 31.03.2009 Rupees	As At 31.03.2009 Rupees	As At 31.03.2008 Rupees
	LAND(lease hold)	1,495,978	0	0	1,495,978	0	0	0	0	1,495,978
SITE DEVELOPMENT	4,123,551	0	0	4,123,551	0	0	0	0	4,123,551	4,123,551
BUILDINGS	38,486,731	0	860,288	37,626,443	11,002,406	1,256,723	19,287	12,239,842	25,386,601	27,484,325
PLANT & MACHINERY	25,271,658	1,306,103	0	26,577,761	8,910,267	1,281,313	0	10,191,580	16,386,181	16,361,391
ELECTRICAL INSTALLATION	2,191,239	24,904	0	2,216,143	940,988	104,754	0	1,045,742	1,170,401	1,250,251
TOOLS AND DYES	243,707	0	0	249,707	107,778	11,861	0	119,639	130,068	141,929
FURNITURE & FIXTURES	861,472	214,886	0	1,076,358	546,248	62,859	0	609,107	467,251	315,224
OFFICE EQUIPMENTS	1,081,880	39,380	0	1,121,260	408,576	52,216	0	460,792	660,468	673,304
COMPUTERS	1,143,232	54,060	0	1,197,292	918,754	59,475	0	978,229	219,063	224,478
VEHICLES	895,551	0	0	895,551	450,912	85,077	0	535,989	359,562	444,639
MANUFACTURING EQUIPMENT	46,809	0	0	46,809	20,201	2,223	0	22,424	24,385	26,608
TOTAL	75,847,808	1,639,333	860,288	76,626,853	23,306,130	2,916,501	19,287	26,203,344	50,423,509	52,541,678
FIXED ASSETS FOR UNIT NO. II										
BUILDING	5,159,070	0	0	5,159,070	1,023,982	172,313	0	1,196,295	3,962,775	4,135,088
PLANT & MACHINERY	2,598,520	0	0	2,598,520	740,580	123,430	0	864,010	1,734,510	1,857,940
COMPUTERS	167,900	0	0	167,900	163,300	4,600	0	167,900	0	4,600
TOTAL	7,925,490	0	0	7,925,490	1,927,862	300,343	0	2,228,205	5,697,285	5,997,628
GRAND TOTAL	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
PREVIOUS YEAR	80,919,159	2,854,139	0	83,773,298	22,129,774	3,104,217	0	25,233,991	58,539,306	58,789,385
CAPITAL W.I.P (including unsecured Capital Advances)									9,801,256	9,801,256

TWENTY-FOURTH ANNUAL REPORT 2008-2009

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

	AS AT 31 ST MARCH, 2009 RUPEES	AS AT 31 ST MARCH, 2008 RUPEES
SCHEDULE "E"		
INVESTMENTS		
Quoted At Cost (Market Value Rs. 31,42,138/-)	3,628,571	2,376,513
Unquoted, Non-Trade, At Cost	10,500	10,500
TOTAL	3,639,071	2,387,013
SCHEDULE "F"		
INVENTORY		
Raw & Packing material	8,523,367	7,900,763
Work in Process	6,562,985	4,243,689
Finished Goods	11,338,817	9,188,274
Others	69,825	280,180
TOTAL	26,494,994	21,612,906
SCHEDULE "G"		
SUNDRY DEBTORS		
[Unsecured, considered good in which Directors are interested]		
a) Due over six months	16,843,736	15,796,610
b) Others	68,823,747	58,695,765
TOTAL	85,667,483	74,492,375
SCHEDULE "H"		
CASH & BANK BALANCES		
Cash on hand	1,192,506	874,469
Balances with scheduled Banks on Deposit Accounts	151,878	224,662
TOTAL	1,344,384	1,099,131
SCHEDULE "I"		
LOANS & ADVANCES		
(UNSECURED CONSIDERED GOOD)		
Security Deposit	278,779	249,971
Advance income tax	4,382,207	3,357,207
Other Advances	6,451,620	5,252,085
Prepaid Expenses	50,551	66,973
Loans to companies	2,327,314	2,327,314
TOTAL	13,490,471	11,253,550
SCHEDULE "J"		
CURRENT LIABILITIES		
Sundry creditors	8,622,387	4,439,162
Other Liabilities	4,176,497	2,104,176
TOTAL	12,798,884	6,543,338


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

	AS AT 31 ST MARCH, 2009 RUPEES	AS AT 31 ST MARCH, 2008 RUPEES
SCHEDULE "K"		
PROVISIONS		
Provision for income Tax(A.Y.2006-07)	825,000	825,000
Provision for income Tax(A.Y.2007-08)	950,000	950,000
Provision for income Tax(A.Y.2008-09)	650,000	650,000
Provision for income Tax(A.Y.2009-10)	685,000	0
Provision for Gratuity	1,552,275	964,218
TOTAL	4,662,275	3,389,218
SCHEDULE "L"		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Public issue Expenses	330,132	660,266
TOTAL	330,132	660,266
SCHEDULE "M"		
OTHER INCOME		
Interest on Bank Fixed Deposit (T.D.S. Rs. NIL) (P.Y. Rs. 11,970/-)	8,547	58,133
Miscellaneous Income	70,253	86,300
TOTAL	78,800	144,433
SCHEDULE "N"		
INCREASE/(DECREASE)IN STOCK		
Closing stock - work in process	6,562,985	4,243,689
Closing stock - finished Goods	11,338,817	9,188,274
Closing stock - Others	69,825	280,180
	17,971,627	13,712,143
Less: Opening stock - work in process	4,243,689	2,444,358
Less: Opening stock - finished Goods	9,188,274	11,501,086
Less: Opening stock - Others	280,180	180,476
Increase in Stock	4,259,484	(413,777)
SCHEDULE "O"		
COST OF GOODS SOLD		
Opening stock	7,900,763	5,700,109
Add: Purchases	36,427,919	31,700,310
	44,328,682	37,400,419
Less: Closing Stock	8,523,367	7,900,763
TOTAL	35,805,315	29,499,656
SCHEDULE "P"		
PERSONNEL EXPENSES		
Salaries & allowances to Staff	2,941,212	2,498,177
Salaries & allowances to Directors	739,925	675,777
Staff Welfare Expenses	884,250	792,171
TOTAL	4,565,387	3,966,125

TWENTY-FOURTH ANNUAL REPORT 2008-2009

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

	AS AT 31 ST MARCH, 2009 RUPEES	AS AT 31 ST MARCH, 2008 RUPEES
SCHEDULE "Q"		
OPERATIONAL & MANUFACTURING EXPENSES		
Freight Charges	1,493,509	1,374,650
Excise Duty	179,973	365,984
Fuel & Electricity Charges	2,551,212	2,622,002
Repairs & Maintenance	3,299,688	2,029,040
Manufacturing & General Expenses	608,127	610,864
TOTAL	8,132,509	7,002,540
SCHEDULE "R"		
ADMINISTRATIVE & OTHERS EXPENSES		
Professional Fees	938,997	688,239
Auditor's Remuneration		
a) Audit Fees	32,500	32,500
b) Tax Audit Fees	12,500	12,500
c) Service Tax	4,635	5,562
Printing & stationery	235,643	163,444
Rent, Rates & Taxes	970,717	692,572
Travelling & Conveyance	1,539,092	832,408
Miscellaneous Expenses	4,069,395	4,787,770
TOTAL	7,803,479	7,214,995
SCHEDULE "S"		
SELLING & DISTRIBUTION EXPENSES		
Discounts, Commissions & Claims	72,713,406	70,005,568
Advertisement & Publicity	41,474	45,024
Carriage Outwards	1,650,200	1,868,416
Business Promotion expenses	159,959	390,450
	74,565,039	72,309,458

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.

b) 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.

c) Depreciation:

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

d) Inventories:

The Stock of packing material and raw material have been valued at cost. Stock of finished goods are valued at cost or market price which ever is lower. Stock of work-in-progress is valued at cost.



e) **Investments:**

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

INVESTMENT (QUOTED)	2008 - 2009		2007 - 2008	
	No. of Shares	Amount	No. of Shares	Amount
IN SHARES				
Kerala Ayurveda Ltd.	276	2,760	500	5,000
Powergrid	1650	257,636	3150	432,242
Tata Chemicals Ltd.	1750	587,055	1250	424,863
Indian Hotels Ltd.	3443	428,742	3042	424,328
Gujarat State Fertilizers & Chemicals Ltd.	NIL	NIL	500	118,680
NTPC	300	64,800	300	64,800
PTC	500	61,500	500	61,500
Nagarjuna Fertilizers Ltd.	500	20,100	500	20,100
Goa Carbon Ltd.	4000	545,978	NIL	NIL
IN MUTUAL FUNDS				
HDFC Mutual Fund -Equity Fund Dividend Payout	7736	350,000	5817	275,000
UTI Mutual Fund -Infrastructure Fund Payout	13638	325,000	11456	275,000
Reliance Mutual Fund- Vision Fund Dividend Plan	6441	350,000	4735	275,000
Reliance Mutual Fund- Equity Regular Savings	6454	125,000	NIL	NIL
Magnum Global Fund-SBI-Dividend Plan	2449	62,500	NIL	NIL
Sunderam BNP Paribas Mutual-Select Midcap Fund	120	25,000	NIL	NIL
DSP Merrill Lynch Mutual Fund-T.I.G.E.R. Fund	3517	125,000	NIL	NIL
Franklin Templeton Investment-High Growth Fund	14472	125,000	NIL	NIL
Franklin Templeton Investment-Prima Plus Dividend	2748	75,000	NIL	NIL
IDFC Premier Equity Fund-Growth	2997	50,000	NIL	NIL
Kotak Opportunities - Growth	389	12,500	NIL	NIL
HDFC Mutual Fund -Top 200 Fund-Growth	181	25,000	NIL	NIL
TOTAL		3,618,571		2,376,513
INVESTMENT (UNQUOTED)				
In Shares	10405	20,500	405	10,500
TOTAL		20,500		10,500

Expenses on issue of equity shares amounting to Rs.33,30,133/- have been amortised over a period of ten years, and accordingly one tenth of the same i.e. Rs.3,30,133/- have been charged to profit and loss account during the year and classified under the head Miscellaneous Expenses and the balance amount of Rs.3,30,132/- have been carried forward to be written off in 1 year.

- Balance of sundry debtors,creditors and loans to the companies are subject to confirmation.
- 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.
- In the opinion of the Board of Directors, the current assets and loans and advances, have value on realisation in the ordinary course
- The Company is in Pharmaceuticals Business and considering the organisational structure of the company and its internal financial reporting, the company has only one reপরatable segment i.e. Pharmaceuticals considering the requirements of Accounting Standards 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.
- Further, adjustment for deferred tax assets for the year (net), Rs.2,64,784/ has been charged to the Profit & Loss Account. The break up of the year end position is as follows:

	As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
Deferred Tax Liabilities		
Opening Balance	50.96	52.40
Depreciation	(2.65)	(1.44)
Total Deferred Tax Liabilities	48.31	50.96

7. **Managerial remuneration:**

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 7,39,925/- P.A.

And the same are in accordance with Schedule XIII of the companies Act,1956.

TWENTY-FOURTH ANNUAL REPORT 2008-2009

8. Related Parties:

a. Name of related parties and description of relationship

(i) Related parties where control exists:
Sandu Brothers Pvt. Ltd.

(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	3,952,573	-	3,952,573
Sale of goods	142,582,407	-	142,582,407
Receiving of services	60,000	739,925	799,925

c. Amount outstanding from (to) related parties as at 31st March, 2009:

Nature of Transaction	Related Parties where control exist	Key Management Personnel	TOTAL
Receivable	85,667,483	-	85,667,483

9. Contingent Liabilities:

Estimated amount of contracts remaining to be executed on Capital Account and not provided for Net of advances Rs. NIL
(Previous year Rs. NIL)

10. Previous years figures are regrouped and re-arranged wherever necessary to conform to this year's classification.

11. Earning per share is calculated as follows:

	2009	2008
a. Net Profit After Tax	8,628,992	7,196,033
b. Number of equity shares	7,081,000	7,081,000
c. Nominal value of equity share (In Rs.)	10	10
d. Basic & Diluted Earning per Share (In Rs.)	1.22	1.02

12. 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	2008-2009		2007-2008	
	Quantity in Kgs.	Value Rs.	Quantity in Kgs.	Value Rs.
Imported Indigeneous, Crude Drugs	NIL	NIL	NIL	NIL
Sugar	617,245	11,390,458	549,274	10,164,802
Others	184,190	3,335,930	160,400	1,885,920
	0	21,078,927	0	17,448,934
TOTAL		35,805,315		29,499,656

B. FINISHED GOODS

	2008-2009		2007-2008	
	Dry Medicines in Kgs.	Liquid Medicines in Ltrs.	Dry Medicines in Kgs.	Liquid Medicines in Ltrs.
Opening Stock	2,148.82	28,061.45	6,425.48	55,314.55
Add: Production	88,472.59	578,134.00	53,669.80	591,300.00
	<u>90,621.41</u>	<u>606,195.45</u>	<u>60,095.28</u>	<u>646,614.55</u>
Less: Sales	87,029.85	465,514.35	57,946.46	618,553.10
	<u>3,591.56</u>	<u>140,681.10</u>	<u>2,148.82</u>	<u>28,061.45</u>
Closing Stock	3,591.56	140,681.10	2,148.82	28,061.45
Sales Value	<u>16,446,618</u>	<u>126,135,789</u>	<u>15,537,118</u>	<u>119,160,461</u>

OTHER INFORMATION

	2008-2009	2007-2008
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

On Behalf of the Board

JOSHI JOSHI & CO
Chartered Accountants
By the hands of

B. G. SANDU
Chairman

DILIP R. SALGAOCAR
Director

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

UMESH B. SANDU
Managing Director & Company Secretary

MUMBAI, 31st July, 2009

MUMBAI, 31st July, 2009



Sandu Pharmaceuticals Limited

INFORMATION AS PER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 FOR THE YEAR ENDED 31st MARCH, 2009

I. Registration Details:

Registration No. :

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

 State Code:

2	4
---	---

Balance Sheet Date :

3	1	-	0	3	-	2	0	0	9
---	---	---	---	---	---	---	---	---	---

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	7	9	4	2	7	.	4	3
---	---	---	---	---	---	---	---	---

 Total Assets

1	7	9	4	2	7	.	4	3
---	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

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

 Reserves & Surplus

	7	8	5	3	0	.	6	9
--	---	---	---	---	---	---	---	---

Secured Loans

	2	5	2	5	5	.	7	5
--	---	---	---	---	---	---	---	---

 Unsecured Loans

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

Deferred Tax Liability (Net)

		4	8	3	0	.	9	8
--	--	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

	6	5	9	2	2	.	0	5
--	---	---	---	---	---	---	---	---

 Investments

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

Net Current Assets

	1	0	9	5	3	6	.	1	7
--	---	---	---	---	---	---	---	---	---

 Misc. Expenditure

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

Accumulated Losses

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

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

1	4	2	6	6	1	.	2	1
---	---	---	---	---	---	---	---	---

 Total Expenditure

1	3	3	6	1	1	.	9	9
---	---	---	---	---	---	---	---	---

+	-
---	---

 Profit / Loss Before Tax

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

+	-
---	---

 Profit / Loss After Tax

		8	6	2	8	.	9	9
--	--	---	---	---	---	---	---	---

Earning per share in Rs.

						1	.	2	1
--	--	--	--	--	--	---	---	---	---

 Dividend @%

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

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 **24th ANNUAL GENERAL MEETING** of the Company held on **Wednesday, 30th September, 2009 at 9.00 a.m.** at Plot No. 25, 26, 29 & 30, Pilerne Incl. 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 **24th ANNUAL GENERAL MEETING** of the Company held on **Wednesday, 30th September, 2009 at 9.00 a.m.** at Plot No. 25, 26, 29 & 30, Pilerne Incl. Estate, Marra, Bardez, Goa - 403 511.

Signed this day of 2009.

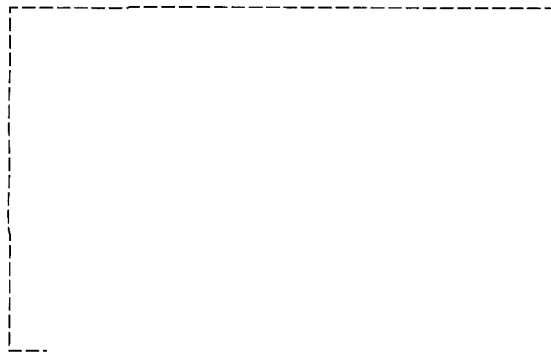
Please affix Revenue Stamp

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 Spa 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

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spa@sandu.in