

26th Annual Report 2010-2011





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

AUDITORS :

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

BANKERS :

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

REGISTERED OFFICE :

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

REGISTRAR & SHARE TRANSFER AGENTS :

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

ADVOCATES & SOLICITORS :

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

CORPORATE OFFICE :

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

26th ANNUAL GENERAL MEETING

DATE : Thursday, 29th September 2011
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-Sixth Annual Report 2010-2011

NOTICE

Notice is hereby given that the Twenty-Sixth Annual General Meeting of the Members of SANDU PHARMACEUTICALS LIMITED will be held at Plot No. 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa – 403 511 on Thursday, 29th September, 2011 at 9.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2011 and the Profit and Loss Account for the year ended on that date, together with the Directors and Auditors Report thereon.
2. To appoint a Director in place of Dr. Madan L. Kapre who 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 M/s. Joshi Joshi & Co, Chartered Accountants, Mumbai, the auditors, as the Statutory Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS :

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

RESOLVED THAT Shri. Shashank B. Sandu who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of the Annual General Meeting, and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 94 of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 8,00,00,000 (Rupees Eight Crores Only) divided into 80,00,000 Equity Shares of Rs.10/- each to Rs. 10,00,00,000/- (Rupees Ten Crore Only) divided into 1,00,00,000 Equity Shares of Rs. 10/- each by creation of an additional 20,00,000 New Equity Shares of Rs.10/- each.

RESOLVED FURTHER THAT in the existing Clause V of the Memorandum of Association of the Company, the words and figures "Rs. 8,00,00,000 (Rupees Eight Crores Only) divided into 80,00,000 Equity Shares of Rs.10/- each" be and are hereby substituted by words

and figures "Rs. 10,00,00,000/- (Rupees Ten Crore Only) divided into 1,00,00,000 Equity Shares of Rs. 10/- each".

RESOLVED FURTHER THAT subject to provisions of Section 31 and other applicable provisions of the Companies Act, 1956, if any, in the existing Article 4 of the Articles of Association of the Company, the words and figures "Rs. 8,00,00,000 (Rupees Eight Crores Only) divided into 80,00,000 Equity Shares of Rs.10/- each" be and are hereby substituted by words and figures "Rs. 10,00,00,000/- (Rupees Ten Crore Only) divided into 1,00,00,000 Equity Shares of Rs. 10/- each".

By Order of the Board of Directors
Sd/-

UMESH B. SANDU
MANAGING DIRECTOR

Place : Mumbai

Date : 1st JUNE, 2011

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 a proxy need not be a member of the Company. A proxy form is attached herewith.
- b) The enclosed Proxy Form, duly filled in, should be lodged with the Company at its Registered Office at least 48 hours before the time fixed for holding the meeting.
- c) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday 14th June, 2011 to Wednesday, 29th June, 2011 (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.



Sandu Pharmaceuticals Limited

ANNEXURE TO THE NOTICE :

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

ITEM No. 4

Shri. Shashank B. Sandu, who had been associated with the Company since 1992 had tendered his resignation on 18th April, 2011 due to his pre occupation and other professional and personal commitments. The Board of Directors had approved his resignation in the Board of Directors meeting held on 30th April 2011. However due to his irreplaceable contribution to the Company's growth and the rich expertise and experience that he holds in the business and management of the Company, the Board of Directors at their meeting held on 1st June 2011, thought that it would be worthwhile and beneficial for the Company to reappoint him on the Board. Shri. Shashank B. Sandu, was reappointed as an Additional Director of the Company .

In terms of Section 260 of The Act, Shri Shashank Sandu holds the office till the date of this Annual General Meeting, but is eligible for re-appointment. Notice has been received from a member along with a deposit of Rs. 500/- proposing the candidature of Shri Shashank Sandu for the office of the Director of the Company under Section 257 of the Act.

The Board considers it in its interest that the Company should continue to avail of the services of Shri Shashank Sandu and accordingly recommends the resolution at Item No. 4 for approval of the members.

Shri. Bhaskar G. Sandu & Shri. Umesh Sandu are interested being relatives of Shri. Shashank B. Sandu and Shri. Shashank B. Sandu is also concerned & interested in the above resolution.

Name of the Director	Shri. Shashank B. Sandu
Date of Birth	20/01/1964
Date of initial appointment	23/03/1992
Qualification-	M. com, MBA (Marketing)
Expertise in specific functional area	Marketing, International Marketing & Finance.
List of Indian Public Limited Companies in which holds Directorship	NIL
Chairmanship/ membership of Committees of Director of other Companies	NIL
No. of shares held in the Company as on 31.03.11	7,900

ITEM No. 5

The existing Authorised Share Capital of the company is Rs.80,00,000/- (Rupees Eighty Lacs Only). As the company has embarked upon a massive growth plan, so as to adequately leverage its short term and long term position, the company proposes to increase the Authorized Share Capital of the company from Rs. 8,00,00,000 (Rupees Eight Crores Only) divided into 80,00,000 (Eighty lakh) equity shares of Rs.10 each to Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crores) Equity Shares of Rs. 10/- (Rupees ten) each by creation of 20,00,000 (Twenty Lakh) Equity Shares of Rs.10/- each ranking pari passu in all respect with the existing Equity shares.

Hence the proposed resolution is recommended for consideration of and approval by the shareholders of the company.

None of the directors are concerned or interested in the proposed resolution.

By Order of the Board of Directors

Sd/-

UMESH B. SANDU
MANAGING DIRECTOR

Place : Mumbai

Date : 1st JUNE, 2011

Twenty-Sixth Annual Report 2010-2011

DIRECTORS REPORT

Your Directors have pleasure to present **TWENTY - SIXTH** Annual Report on the business and operation of the Company along with the Audited Accounts for the financial year ended 31st March, 2011

FINANCIAL RESULTS :-

PARTICULARS	2010-11 (Rs.in Lacs)	2009-2010 (Rs.in Lacs)
Sales & Other Income	2185.57	1560.41
Total Expenditure	2079.62	1473.37
Net Profit/Loss before Tax	105.95	87.04
Provision for Taxation	24.40	20.34
Profit / Loss after Tax	81.55	66.70
Balance brought forward	829.39	759.30
Profit / Loss	910.94	826.00
APPROPRIATION		
Prior year Adjustment	-	3.39
Profit carried to Balance Sheet	910.94	829.39

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.2167.52 lacs as against Rs.1558.27 lacs showing growth of Rs.609.25 lacs which is around 39.10% more than the previous year. The profit before tax has gone up by Rs.18.91 lacs, from Rs.87.04 lacs to Rs.105.95 lacs which is around 21.73% more than that of the previous year. However the Net Profit after tax has gone up by Rs.11.47 lacs from Rs.70.08 lacs to Rs.81.55 lacs which is around 16.37% 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.

Corporate Social Responsibilities:

The company understands its responsibility towards society at large & in its quest to attain the said philosophy the company has embarked upon the following:

- Water harvesting project :** The Company has identified that water, being a very precious and it needs to be well nurtured & conserved & hence the company has embarked on a massive front by conserving water for which a professional body has submitted a report which has been implemented whereby the company intends to accumulate, store & re-charge the water table at the company's industrial facility, it is estimated that about 25 million litres of rain water will be used to charge the water table, thus all the nearby villages will get abundant water all throughout the year which at present normally have water shortage right from the month of January till the consent of monsoon.
- Composting :** The residual waste collected from the herbs after it has utilized for extraction purpose are scientifically treated under professional & qualified supervision whereby the herbal waste is converted into a herbal compost. The company then distributes the same to certain NGO's, local farmers and green environment bodies so as to promote natural form of fertilizers and compost. The company plans to tie-up with the local forest department so as to take this initiative right up to the people at the grass root level whereby it can then be implemented even at the village level.
- Medical Camps :** The Company conducts medical camps for certain poor & backward section of the society not only in Goa but also different parts of the country. Your Company believes in providing a certain portion to these down trodden people of the society. In days to come your company plans to increase this numbers & also would want to give a wide publicity & coverage to this fact so that other people are prompted to do their best for the society, in this way the true meaning & concept of corporate

Social Responsibility will be translated in its true sense & society at large would stand to be benefited.

MANAGEMENT DISCUSSION AND ANALYSIS :-

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

(a) Industry Structure & Development :

Company is mainly engaged in the manufacture of Ayurvedic Medicines and comes under the Pharmaceutical Industry. However Pharmaceutical Industry in India is progressing 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 existing in the Ayurvedic Industry and can be achieved through proper research and developments and there is no doubt that the industry will thrive. The Company has good opportunities in the export market and it will also increase in near future. The industry needs to create general appreciation in the minds of the customer regarding Ayurveda which will help to increase the demands for Ayurvedic Products. There is increase in demand for Ayurvedic Products from all the section of the Society. The industry will have to face the acute competition in the regime of WTO and globalisation and liberalizations 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 :

Segmentwise 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 and better margins.

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

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

(i) Material Financial and Commercial Transaction :

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



Sandu Pharmaceuticals Limited

DIVIDEND :-

As your Company has undertaken quite a massive expansion programme & hence would like to conserve funds & hence do not recommend any dividend for the current year.

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 46.07 % 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. Madan L. Kapre, Director who retires by rotation and being offers himself for re-appointment. You are requested to consider his reappointment.

DIRECTORS RESPONSIBILITY STATEMENT:-

The Directors confirm that:-

- in the preparation of annual accounts, the applicable accounting standards have been followed;
- 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, 2011 and of the profit of the Company for the year ended 31st March, 2011;
- 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.
- 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 that 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.

Disclosure of names of Constituents of "Group" Pursuant to regulation 3 (1) (e) (i) of SEBI (Substantial Acquisitions of Shares and Takeovers) Regulations, 1997.

"Sandhya K. Deshpande, Geeta U. Sandu, Shubhada Prabhakar Sandu, Bhaskar Govind Sandu, Jayashree B. Sandu, Umesh B. Sandu, Krishna B. Deshpande Kedar K. Deshpande, Minal S. Sandu, Shashank B. Sandu, Umesh B. Sandu (HUF), Shashank B. Sandu (HUF), Bhaskar Govind Sandu (HUF), Gargi S. Sandu, Virajee S. Sandu, Shivani U. Sandu, Kanishka U. Sandu, Dr.Kishore B. Sandu, Dr. Mukta K. Sandu, Arnav K. Sandu, Dr.Kishore B. Sandu (HUF) Noumura Realty and Construction Pvt. Ltd., Phybrichem Engineers Pvt. Ltd., Akshath Finvest & Properties Pvt. Ltd., Sanmark Realty and Finance Pvt. Ltd., Fieldgate Enterprises Ltd."

INSPECTION UNDER SECTION 209A OF THE COMPANIES ACT, 1956:-

During the year under review that is 2010-2011 Inspection of the company's records & books of accounts & minute book was conducted as per section 209A of the Companies Act, 1956 at the Company's registered office. The inspection was held for the financial years 2006-07, 2007-08, 2008-09 and 2009-2010. As per the final conclusion of the authorities it was found out that there were certain minor technical lapses on company's behalf as a result the company has taken immediate steps to rectify the same. The company was issued show cause notices for these technical lapses of Sec.211, 149 (2A), 292 A, 299, 17 and 297 (1). As all the lapses listed out by the authorities are compoundable in nature as per companies Act 1956, the company was advised by their solicitors to file separate compounding applications which the company has already done within the stipulated time with the office of the Registrar of Companies, Goa, Daman, and Diu, at Panaji, Goa.

ACKNOWLEDGEMENT:-

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

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

By Order of the Board of Directors
Sd/-

UMESH B. SANDU
MANAGING DIRECTOR

Place : Mumbai

Date : 1st JUNE, 2011

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 31.03.2011	For the year ended 31.3.2010
1. ELECTRICITY		
(a) Purchased (units)	216621	207718
Total Amount Rs.	939607	928052
Rate/Units in Rs.	4.34	4.47
1. FUEL CONSUMED		
Quantity	60379	61430
Total Amount	2132743	1902723
Rate per litre	35.32	30.97

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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. Bhaskar G. Sandu (Chairman) Shri. Shashank B. Sandu (Additional Director)
Independent Directors	Dr. Madan L. Kapre Shri. Dilip Salgaoncar Shri. K Vinay Kumar

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 2010-11 the Board met 4 times on the following dates, namely 23.04.2010, 17.07.2010, 30.10.2010 and 29.01.2011. The maximum time gap between any two meetings was not more than four calendar months as compared to the mandated requirement of not more than four months in clause 49.

Brief Profile of the Director Seeking Re-Appointment at the Ensuing Annual General Meeting as Required to be Furnished Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in India :-

Dr. Madan L. Kapre is M.B.B.S., D.L.O., F.R.C.S. & presently practicing in Nagpur. Dr. Madan L. Kapre is having experience of more than 40 years in the field of Medicines. He has held various positions panel in India, U.K. & Saudi Arabia. He has also conducted various panel discussions & lectures in India & Abroad. He is also Recipient of various awards. The company will be benefited by the experience & experience & expertise of Dr. Madan L. Kapre. You are request to consider his appointment favourably.

Attendance record of Directors :-

The details of attendance of Directors out of a total of 4 Board meetings held during the financial year 2010-11 and at the last Annual General Meeting held on 29th September, 2010, 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 Salgaoncar	3	Yes	2	2	NIL
Shri. K. Vinay Kumar	4	Yes	2	3	1
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.



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

During the year under review 4 meetings were held, one of which was before finalisation of accounts. The meetings were held on 15.04.2010, 12.07.2010, 22.10.2010 and 17.01.2011

Name of Directors	No. of Meetings attended
Dr. Madan L. Kapre	3
Shri. Dilip R. Salgaonkar	3
Shri. K. Vinay Kumar	3
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 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.

The details of remuneration paid to Mr. Umesh B. Sandu the Managing Director of the Company during the year ended on 31st March 2011
Remuneration: Rs.12,49,320/- p.a., Directors sitting fees: Rs.5,000/-

Directors sitting fees to other Directors: Rs.15,000/-

SHAREHOLDERS' AND INVESTORS' GRIEVANCE COMMITTEE :-

The Shareholders' and Investors Grievance committee was constituted comprising of Shri. Bhaskar G. Sandu, Dr. Madan L. Kapre and Shri. Umesh B. Sandu to specifically look into the redressing of shareholder and investors complaints on matters relating to transfer of shares, non receipt of annual report, 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
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 Indl. 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
2009-2010	25 th AGM held on 29 th September, 2010 at 9.00 a.m.	At the Registered Office of the Company at Plot No. 25,26,29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa – 403 511

- (a) In addition to Annual General Meeting Company holds Extra Ordinary General Meetings of the shareholders as and when need arises.
(b) In ensuing 26th 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, except the sale transaction with Sandu Brothers Pvt. Ltd.
(ii) There are no pecuniary relationship or transactions of non-executive director's vis-à-vis the Company.
(iii) No penalties or strictures have been passed/ imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets.

Total	11101	100	1081000	100
100001 & Above	0	0.02	5188013	30.30
10001-100000	58	0.54	110001	10.88
2001-10000	43	0.31	311032	4.40
1001-2000	241	4.05	1523232	11.10
201-1000	250	4.20	423400	0.40
1-200	10221	80.55	4481300	41.14
Distribution	Shareholders No. of	Shareholders % of	Shares Total	Share of %

Distribution of Shareholding as on 31st March, 2011 :-

Sept. 2010	18.00	14.00	Mar. 2011	14.80	11.14
Aug. 2010	10.12	14.02	Feb. 2011	10.42	15.52
July, 2010	10.00	12.52	Jan. 2011	14.00	13.00
June, 2010	11.84	13.12	Dec. 2010	12.02	15.11
May, 2010	18.00	13.20	Nov. 2010	11.40	13.00
April, 2010	11.50	11.80	Oct. 2010	12.30	13.52
MONTH	HIGH PRICE (Rs.) MONTH.2	LOW PRICE (Rs.) MONTH.2	MONTH	HIGH PRICE (Rs.) MONTH.2	LOW PRICE (Rs.) MONTH.2

Market Price Data :-

fees for the year 2011-2012.

Listing Fees : Company has paid Listing Fees for the financial year 2010-2011 to the Bombay Stock Exchange and has also paid the listing

The Bombay Stock Exchange Ltd., Mumbai 2AND 254103

Name of the Stock Exchange **Stock Code**

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

Dividend Payment Date : Not Applicable.

Book Closure : Tuesday 14th June, 2011 to Wednesday, 29th June, 2011.

at Plot No. 22, 20 & 30, Pileme Industrial Estate, Marra, Bardez, Goa - 403 211.

Annual General Meeting (Day, Date, Time & Venue) : 2ANDU PHARMACEUTICALS LTD., Thursday, 29th September, 2011 at 9.00 a.m.

Compliance Officer- LEGAL, SECRETARIAL & INVESTOR GRIEVANCES : ARCHANA BHANGDE

Andheri (East), Mumbai - 400 075.

Share Transfer Agent : Sharex (India), Private Limited, Unit 1, Luthra Industrial Premises, Andheri Kurla Road, Sateed Pool,

Work Location : 2ANDU PHARMACEUTICALS LTD, Plot No. 22, 20 & 30, Pileme Indl. Estate, Marra, Bardez, Goa-403 211.

Corporate Office : 2ANDU PHARMACEUTICALS LTD, P. B. No. 11501, Sandub Nagar, Sandub Nagar, Chembur, Mumbai - 400 075. INDIA

30, Pileme Indl. Estate, Marra, Bardez, Goa-403211.

Registered Office & Address for correspondence by Shareholders : 2ANDU PHARMACEUTICALS LTD, Plot No. 22, 20 & 30, Pileme Indl. Estate, Marra, Bardez, Goa-403211.

GENERAL SHAREHOLDER INFORMATION :-

Listing Agreement:

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

MEANS OF COMMUNICATION :-



Sandu Pharmaceuticals Limited

Shareholding Pattern :-

	CATEGORY	SHARES	PERCENTAGE OF SHAREHOLDING
1	Promoters		
	A) Indian		
	1) Individual	314,100	4.436
	2) Bodies Corporate	957,590	13.523
	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	3,894,810	55.004
		7081000	100.00

Dematerialisation Shares :-

Nearly 46.07 % 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, 2011	Last week of July, 2011
Results for quarter ending 30th September, 2011	Last week of October, 2011
Results for quarter ending 31st December, 2011	Last week of January, 2012
Results for quarter ending 31st March, 2012	Last week of April, 2012

DECLARATION

I hereby declare that all the directors and Senior Management personnel have as on 31st March, 2011 affirmed compliance of their respective Codes of Conduct adopted by the Company and confirmation to that effect has been given by each of them.

Place: Mumbai

Bhaskar G. Sandu

Date: 1st June, 2011

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,

1. I have reviewed the financial statements and cash flow of Sandu Pharmaceuticals Limited for the year ended 31st March, 2011 . 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.
2. 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.
3. 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.
4. I have indicated to the auditors and the Audit committee
 - (i) There are no significant changes in internal control during the year,
 - (ii) There are no significant changes in accounting policies during the year and;
 - (iii) 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.

Mahesh Kulwade
Chief Financial Officer

Twenty-Sixth Annual Report 2010-2011

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, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

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

Place : Mumbai

Date : 6th June, 2011

M. M. JOSHI

Proprietor

M. No. 42466 of 89

AUDITORS REPORT

TO

THE MEMBER OF

SANDU PHARMACEUTICALS LIMITED

I have audited the attached Balance Sheet of Sandu Pharmaceuticals Limited as at 31st March 2011, 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 31-3-2011 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, 2011
 - (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
Firm Reg. No. 104393w

PLACE : MUMBAI
DATE : 6th June, 2011

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



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, 2011.

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 and industry norms.
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 the Company is maintaining cost records as prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
9. In my opinion the Company is regular in depositing undisputed statutory dues including Employees Provident Fund, Employees State Insurance dues, Income Tax, Sales Tax and Excise Duty with the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they become payable.
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. In my opinion the Company maintains proper records of dealing in shares & securities. The Company also maintains proper records of contracts, timely entries have been made there in and the investments have been held by the Company in its own name.
15. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In my opinion and according to the information and explanations given to me the term loan was applied for the purpose for which it was obtained.
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
Firm Reg. No. 104393w

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

PLACE: MUMBAI
DATE: 6th June, 2011

Twenty-Sixth Annual Report 2010-2011

BALANCE SHEET AS AT 31 ST MARCH, 2011

	SCHEDULE	AS AT 31st March, 2011 RUPEES	AS AT 31st March, 2010 RUPEES
A SOURCES OF FUNDS:			
1) SHAREHOLDERS' FUNDS			
a) Share Capital	A	70,810,000	70,810,000
b) Reserves & surplus	B	93,694,602	85,539,221
2) LOAN FUNDS			
a) Secured loans	C	27,282,619	30,249,510
3) DEFERRED TAX LIABILITIES (NET)		4,894,623	4,955,053
TOTAL		196,681,844	191,553,784
B APPLICATION OF FUNDS:			
1) FIXED ASSETS	D		
a) Gross block		100,583,428	97,124,513
b) Less Depreciation		35,786,534	32,044,781
c) Net block		64,796,894	65,079,732
2) INVESTMENTS (At Cost)	E	6,112,202	4,033,956
3) CURRENT ASSETS, LOANS & ADVANCES			
a) Inventory	F	27,652,731	28,680,948
b) Sundry Debtors	G	97,395,688	79,955,595
c) Cash & Bank Balances	H	14,385,966	1,392,210
d) Loan & Advances	I	10,180,958	12,076,992
		149,615,343	134,633,745
LESS: CURRENT LIABILITIES & PROVISIONS			
a) Current Liabilities	J	17,424,545	8,344,752
b) Provisions	K	6,418,050	3,848,897
		23,842,595	12,193,649
NET CURRENT ASSETS		125,772,748	122,440,096
TOTAL		196,681,844	191,553,784

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS S

As per my report attached to the Balance Sheet

JOSHI JOSHI & CO
Chartered Accountants
Firm Reg. No. 104393w

For and on behalf of the board

B. G. SANDU
Chairman

DILIP R. SALGAOCAR
Director

M. M. JOSHI
Proprietor
M.No.:42466 of 89
MUMBAI, 6th June, 2011

UMESH B. SANDU
Managing Director & Company Secretary
MUMBAI, 1st June, 2011



Sandu Pharmaceuticals Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH 2011.

	SCHEDULE	AS AT	AS AT
		31st March, 2011	31st March, 2010
		RUPEES	RUPEES
INCOME:			
Gross Sales		216,752,289	155,827,501
Less: Excise Duty		<u>883,782</u>	<u>136,267</u>
		215,868,507	155,691,234
Other Income	L	1,804,709	214,176
Increase/(Decrease) in Stock	M	<u>(5,832,049)</u>	<u>2,499,740</u>
TOTAL INCOME		<u>211,841,167</u>	<u>158,405,150</u>
EXPENDITURE:			
Cost of Good Sold	N	53,330,313	40,517,083
Personnel Expenses	O	5,437,906	4,432,208
Operational & Manufacturing Expenses	P	13,024,737	10,158,026
Administrative & Other Expenses	Q	8,136,485	6,424,966
Selling & Distribution Expenses	R	113,685,264	81,087,540
Interest & Other Financial Expenses		3,889,758	3,467,729
Depreciation		3,741,753	3,613,232
TOTAL		<u>201,246,216</u>	<u>149,700,784</u>
PROFIT BEFORE TAX		10,594,951	8,704,366
Provision for Taxation			
Current Tax		2,500,000	1,910,000
Deferred Tax		<u>(60,430)</u>	<u>124,071</u>
PROFIT AFTER TAX		8,155,381	6,670,295
Excess Provisions w/back		0	948,378
Extra Ordinary Items		0	46,557
Excess/Short Provisions for Taxation of earlier years		0	656,702
Add : Balance brought forward		<u>82,939,221</u>	<u>75,930,693</u>
Balance carried to balance sheet		<u>91,094,602</u>	<u>82,939,221</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS S			

As per my report attached to the Balance Sheet

For and on behalf of the board

JOSHI JOSHI & CO
Chartered Accountants
Firm Reg. No. 104393w

B. G. SANDU
Chairman

DILIP R. SALGAOCAR
Director

M. M. JOSHI
Proprietor
M.No.:42466 of 89
MUMBAI, 6th June, 2011

UMESH B. SANDU
Managing Director & Company Secretary
MUMBAI, 1st June, 2011

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Rs.in lacs 2010-2011		Rs.in lacs 2009-2010	
CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax and Extraordinary Items	105.95		87.04	
Adjustments for :				
Depreciation	37.42		36.14	
Interest Income	(8.91)		(0.46)	
Investments	2.87		0.11	
Preliminary and deferred revenue expenditure	0.00		3.30	
Interest Expenditure	38.90		34.68	
Dividend	(2.97)		(1.61)	
Operating Profit before Working Capital changes	173.26		159.20	
Adjustments for :				
Trade and other receivables	(155.44)		71.25	
Inventories	10.28		(21.86)	
Trade Payables	116.49		(52.68)	
Cash Generated from operations	144.59		155.91	
Interest Paid	(38.90)		(34.68)	
Direct Taxes Paid	(25.00)		(19.10)	
Cash Flow before Extraordinary Items	80.69		102.13	
Extraordinary Items	0.00		3.39	
Net Cash from Operating Activities	80.69	80.69	105.52	105.52
CASH FLOW FROM INVESTING ACTIVITIES				
Increase in Fixed Assets/Capital Expenditure	(34.59)		(27.71)	
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	(20.78)		(3.95)	
Loss on Sale of Investments	(2.87)		(0.11)	
Interest Received	8.91		0.46	
Dividend Received	2.97		1.61	
Net Cash used in Investing Activities	(46.36)	(46.36)	(29.70)	(29.70)
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	29.67		49.94	
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	29.67	(29.67)	49.94	49.94
Net Increase/(Decrease) in Cash and Cash Equivalents	4.66		125.76	
Cash and Cash Equivalents(Opening Balance)	139.20		13.44	
Cash and Cash Equivalents(Closing Balance)	143.86		139.20	
	4.66		125.76	

As per my report attached to the Balance Sheet

JOSHI JOSHI & CO
Chartered Accountants
Firm Reg. No. 104393w

M. M. JOSHI
Proprietor
M.No.:42466 of 89
MUMBAI, 6th June, 2011

B. G. SANDU
Chairman

UMESH B. SANDU
Managing Director & Company Secretary
MUMBAI, 1st June, 2011

For and on behalf of the board

DILIP R. SALGAOCAR
Director



Sandu Pharmaceuticals Limited

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

	AS AT 31st March, 2011 RUPEES	AS AT 31st March, 2010 RUPEES
SCHEDULE "A"		
AUTHORISED CAPITAL		
8,000,000 Equity shares of 10/- each	<u>80,000,000</u>	<u>80,000,000</u>
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.	<u>70,810,000</u>	<u>70,810,000</u>
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	<u>82,939,221</u>	
Add: Transferred from Profit and Loss Account	<u>8,155,381</u>	
	<u>91,094,602</u>	<u>82,939,221</u>
TOTAL	<u>93,694,602</u>	<u>85,539,221</u>
SCHEDULE "C"		
SECURED LOANS		
Overdraft from Axis Bank Ltd	0	29,976,500
Add : Interest accrued & due	0	273,010
[Secured by hypothecation of Stocks, Debtors & personal guarantee of 3 Directors]		
Overdraft from Dena Bank	26,171,702	0
[Secured by hypothecation of Stocks, Debtors & personal guarantee of 3 Directors]		
Vehicle Loan from Tata Capital Ltd.	1,110,917	0
[Secured by hypothecation of Vehicle]		
TOTAL	<u>27,282,619</u>	<u>30,249,510</u>

SCHEDULE "D" FIXED ASSETS POSITION AS ON 31ST MARCH, 2011

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AT COST AS ON 01.04.2010 RUPEES	ADDITION DURING THE YEAR RUPEES	TOTAL AS ON 31.03.2011 RUPEES	UP TO 01.04.2010 RUPEES	FOR THE YEAR RUPEES	TOTAL UP TO 31.03.2011 RUPEES	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
LAND(lease hold)	1,495,978	0	1,495,978	0	0	0	1,495,978	1,495,978
SITE DEVELOPMENT	4,123,551	0	4,123,551	0	0	0	4,123,551	4,123,551
BUILDINGS	37,626,443	0	37,626,443	13,496,565	1,256,723	14,753,288	22,873,155	24,129,878
PLANT & MACHINERY	26,577,761	0	26,577,761	11,454,024	1,262,444	12,716,468	13,861,293	15,123,737
ELECTRICAL INSTALLATION	2,216,143	0	2,216,143	1,151,009	105,267	1,256,276	959,867	1,065,134
TOOLS AND DYES	249,707	0	249,707	131,500	11,861	143,361	106,346	118,207
FURNITURE & FIXTURES	1,076,358	25,538	1,101,896	677,240	68,678	745,918	355,978	399,118
OFFICE EQUIPMENTS	1,121,260	28,000	1,149,260	514,052	54,324	568,376	580,884	607,208
COMPUTERS	1,197,292	0	1,197,292	1,040,794	62,564	1,103,358	93,934	156,498
VEHICLES	895,551	1,338,350	2,233,901	621,066	137,328	758,394	1,475,507	274,485
MANUFACTURING EQUIPMENT	46,809	0	46,809	24,647	2,223	26,870	19,939	22,162
Total	76,626,853	1,391,888	78,018,741	29,110,897	2,961,413	32,072,310	45,946,431	47,515,956
FIXED ASSETS FOR UNIT NO.II								
BUILDING	17,703,240	1,585,112	19,288,352	1,777,252	644,231	2,421,483	16,866,869	15,925,988
PLANT & MACHINERY	2,598,520	467,477	3,065,997	987,440	130,050	1,117,490	1,948,507	1,611,080
COMPUTERS	195,900	14,438	210,338	169,192	6,059	175,251	35,087	26,708
TOTAL	20,497,660	2,067,027	22,564,687	2,933,884	780,340	3,714,224	18,850,463	17,563,776
GRAND TOTAL	97,124,513	3,458,915	100,583,428	32,044,781	3,741,753	35,786,534	64,796,894	65,079,732
PREVIOUS YEAR	84,552,343	12,572,170	97,124,513	28,431,549	3,613,232	32,044,781	65,079,732	56,120,794

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

	AS AT 31st March, 2011 RUPEES	AS AT 31st March, 2010 RUPEES
SCHEDULE "E"		
INVESTMENTS		
Quoted, Non-Trade, At Cost	6,092,202	4,013,456
(Market Value Rs. 57,79,424/-)		
Unquoted, Non-Trade, At Cost	20,000	20,500
TOTAL	<u>6,112,202</u>	<u>4,033,956</u>
SCHEDULE "F"		
INVENTORY (As Valued & Certified by the Management)		
Raw & Packing material	13,013,413	8,209,581
Work in Process	9,586,339	10,565,335
Finished Goods	4,929,350	9,624,483
Others	123,629	281,549
TOTAL	<u>27,652,731</u>	<u>28,680,948</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	39,807,050	33,123,210
b) Others	57,588,638	46,832,385
TOTAL	<u>97,395,688</u>	<u>79,955,595</u>
SCHEDULE "H"		
CASH & BANK BALANCES		
Cash on hand	100,795	930,824
Balances with scheduled Banks		
a) On current Accounts	807,972	2,083,121
b) On deposit Accounts	13,477,199	10,906,265
TOTAL	<u>14,385,966</u>	<u>13,920,210</u>
SCHEDULE "I"		
LOANS & ADVANCES		
(UNSECURED CONSIDERED GOOD)		
Security Deposit	342,810	282,314
Advance income tax	6,678,871	4,388,408
Other Advances	769,167	5,020,270
Prepaid Expenses	62,796	58,686
Loans to companies	2,327,314	2,327,314
TOTAL	<u>10,180,958</u>	<u>12,076,992</u>

Sandu Pharmaceuticals Limited



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

	AS AT 31st March, 2011 RUPEES	AS AT 31st March, 2010 RUPEES
SCHEDULE "J"		
CURRENT LIABILITIES		
Sundry creditors	8,882,645	7,389,163
<u>Other Liabilities :</u>		
Book Overdraft	7,489,208	0
Statutory Dues Outstanding	158,658	91,672
Other Outstanding Expenses	894,034	863,917
TOTAL	17,424,545	8,344,752
SCHEDULE "K"		
PROVISIONS		
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	1,910,000
Provision for income Tax (A.Y. 2011-12)	2,500,000	0
Gratuity	673,050	603,897
TOTAL	6,418,050	3,848,897
SCHEDULE "L"		
OTHER INCOME		
Interest on Bank Fixed Deposit (T.D.S. Rs.88,063/-) (P.Y. Rs.3,400/-)	891,444	46,122
Dividend Income	297,106	160,588
Miscellaneous Income	616,159	7,466
TOTAL	1,804,709	214,176
SCHEDULE "M"		
INCREASE/(DECREASE)IN STOCK		
Closing stock - work in process	9,586,339	10,565,335
Closing stock - finished Goods	4,929,350	9,624,483
Closing stock - Others	123,629	281,549
	14,639,318	20,471,367
Less: Opening stock - work in process	10,565,335	6,562,985
Less: Opening stock - finished Goods	9,624,483	11,338,817
Less: Opening stock - Others	281,549	69,825
Increase/(Decrease) in Stock	(5,832,049)	2,499,740
SCHEDULE "N"		
COST OF GOODS SOLD		
Opening stock	8,209,581	8,523,367
Add: Purchases	58,134,145	40,203,297
	66,343,726	48,726,664
Less: Closing Stock	13,013,413	8,209,581
TOTAL	53,330,313	40,517,083

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

	AS AT 31st March, 2011 RUPEES	AS AT 31st March, 2010 RUPEES
SCHEDULE "O"		
PERSONNEL EXPENSES		
Salaries & Wages	2,664,888	1,994,248
Contribution to PF, ESIC	346,254	307,827
Salaries & allowances to Directors	1,269,320	1,221,080
Staff Welfare Expenses	1,157,444	909,053
TOTAL	5,437,906	4,432,208
SCHEDULE "P"		
OPERATIONAL & MANUFACTURING EXPENSES		
Freight Charges	2,647,062	1,877,913
Fuel & Electricity Charges	3,072,350	2,830,775
<u>Repairs & Maintenance :</u>		
Building	952,619	806,417
Machinery	2,183,155	1,450,304
Others	299,422	334,147
Labour charges & House Keeping Services	2,783,717	1,935,281
Manufacturing & General Expenses	1,086,412	923,189
TOTAL	13,024,737	10,158,026
SCHEDULE "Q"		
ADMINISTRATIVE & OTHERS EXPENSES		
Professional Fees	798,109	920,694
Auditor's Remuneration		
a) Audit Fees	40,000	32,500
b) Tax Audit Fees	15,000	12,500
c) Service in other capacity	15,000	5,000
d) Service Tax	7,210	5,150
Printing & Stationery	252,845	251,114
Rent	818,824	815,537
Rates & Taxes	558,933	261,516
Loss on Sale of Shares	286,835	10,854
Travelling & Conveyance	3,733,643	2,603,577
Miscellaneous Expenses	1,610,086	1,506,524
TOTAL	8,136,485	6,424,966
SCHEDULE "R"		
SELLING & DISTRIBUTION EXPENSES		
Discounts, Commissions & Claims	110,533,754	79,467,481
Advertisement & Publicity	410,998	24,720
Carriage Outwards	2,196,154	1,361,877
Business Promotion expenses	544,358	233,462
TOTAL	113,685,264	81,087,540
SCHEDULE "S"		
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 & notified by the Companies (Accounting Standards) Rules, 2006.	



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 accrual basis, 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, raw material and finished goods have been valued at cost or net realisable value whichever is lower. During the year the method of valuation of inventory has been changed from cost method to cost or net realisable value which ever is lower, consequent to this change there is no impact on the profit for the year.

The method adopted for valuation of finished goods is retail method of valuation envisaged in AS 2 issued by the ICAI. Under this method cost of the inventory is determined by reducing from the sales value of the inventory the appropriate percentage gross margin. The Company has valued finished goods at percentage of sale price.

In view of non availability of the realisable value Stock of work-in-progress is valued at cost.

f) Retirement and other benefits to Employees

a) Employees benefit under defined contribution plan such as contribution to Provident Fund is charged off in the year in which the related service provided.

b) Post employment benefit under defined benefit plan such as gratuity are charged off in the year in which the employee has rendered services at the present value of the amounts payable determined using actuarial valuation techniques, the company has not funded the liability so arrived at.

g) **Investments:** Details of Investments mentioned in schedule "E" are as follows:-

INVESTMENT - QUOTED	Opening Balance as on 01.04.2010		Acquisitions		Disposals		Closing Balance as on 31.03.2011	
	Nos.	Amount	Nos.	Amount	Nos.	Amount	Nos.	Amount
IN SHARES								
Kerala Ayurvedic Ltd.	276	2,760	300	20,930	276	18,583	300	20,930
Powergrid Corporation of India Ltd.	1650	257,636	1715	167,814	1650	158,697	1715	167,814
Tata Chemicals Ltd.	1400	468,988	-	-	900	352,782	500	162,189
The Indian Hotels Company Ltd.	3443	428,742	3943	324,276	3443	265,600	3943	324,276
NTPC Ltd.	300	69,857	300	52,737	300	51,678	300	52,737
PTC India Ltd.	500	61,500	500	40,805	500	39,970	500	40,805
Chambal Fertilizers and Chemicals Ltd.	500	34,772	-	-	500	34,096	-	-
Foods & Inns. Ltd.	200	63,029	200	60,467	400	110,861	-	-
Indraprastha Medical Corporation Ltd.	1000	45,359	4500	218,178	500	22,275	5000	241,013
Kamat Hotels (India) Ltd.	2000	136,311	3250	393,102	3400	359,419	1850	224,756
NHPC Ltd.	5000	178,424	-	-	-	-	5000	178,424
Nagarjuna Fertilizers and Chemicals Ltd.	500	20,100	500	13,155	500	12,870	500	13,155
Goa Carbon Ltd.	4000	545,978	4000	298,578	4000	288,434	4000	298,578
Cummins India	-	-	5	3,028	5	3,651	-	-
S J V N	-	-	1	24	1	24	-	-
IN MUTUAL FUNDS								
HDFC Top 200 Fund - Dividend, Option ; Reinvest	-	-	13341	621,892	-	-	13341	621,892
HDFC Mutual Fund -Equity Fund Dividend Payout	7,736	350,000	-	-	7736	339,383	-	-
UTI Mutual Fund -Infrastructure Fund -Dividend Payout Plan	13638	325,000	-	-	13638	267,720	-	-
Reliance Vision Fund -Retail Plan -Dividend Plan	6441	350,000	13137	575,000	6441	330,369	13137	575,000
Reliance Regular Savings Fund -Equity Plan-Dividend Plan	-	-	24541	575,000	-	-	24541	575,000
Reliance Regular Savings Fund -Equity Plan-Growth Plan	6454	125,000	-	-	6454	185,902	-	-
Magnum Global Fund-SBI-Dividend Plan	2449	62,500	-	-	2449	93,373	-	-
Sunderam Select Midcap - Dividend	-	-	35120	575,000	-	-	35120	575,000
Sunderam BNP Paribas Select Midcap Appreciation	120	25,000	-	-	120	16,343	-	-
DSP Black Rock India T.I.G.E.R.Fund-Regular Dividend Plan	-	-	30442	574,649	-	-	30442	574,649
DSP Black Rock India T.I.G.E.R.Fund-Regular Growth Plan	6,509	175,000	-	-	6509	286,528	-	-
Franklin India High Growth Companies Fund - Growth Plan	11206	125,000	-	-	11206	180,058	-	-
Franklin India Prima Plus -Dividend Payout	1686	75,000	-	-	1686	75,221	-	-
IDFC Premier Equity Fund-Dividend Plan	-	-	10591	275,000	-	-	10591	275,000
IDFC Premier Equity Fund-Growth	2997	50,000	-	-	2997	84,875	-	-
Kotak Opportunities - Dividend	-	-	19278	275,000	-	-	19278	275,000
Kotak Opportunities - Growth	389	12,500	5927	275,000	389	16,489	5927	275,000
HDFC Equity Fund - Dividend , Option : Reinvest	-	-	13054	620,984	-	-	13054	620,984
HDFC Mutual Fund - 4008/HDFC Top 200 Fund-Growth	181	25,000	-	-	181	32,957	-	-
INVESTMENT - UNQUOTED								
Sandu Brothers Pvt.Ltd.	5	500	-	-	5	4880	-	-
The Shamrao Vithal Co-op.Bank Ltd.	400	10,000	-	-	-	-	400	10,000
Unived Corporate Research Pvt.Ltd.	1,000	10,000	-	-	-	-	1000	10,000
Grand Total		4,033,956		5,960,619		3,633,038		6,112,202

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2. Loans & Advances include loans to companies amounting to Rs.23,27,314/- against which the company has instituted suit for recovery and the management is confident of recovery.
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 is 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 Standardson "Accounting Standard on Segment Reporting"(AS-17) issued by The Institute of Chartered Accountants of India. Since the company operates in only one Segment no separate reporting is made under this standard.
7. Further, adjustment for deferred tax assets for the year (net), Rs.60,430/- has been charged to the Profit & Loss Account.

The break up of the year end position is as follows:

	As at 31.03.2011 (Rs. In Lacs)	As at 31.03.2010 (Rs. In Lacs)
Deferred Tax Liabilities		
Opening Balance	49.55	48.31
Depreciation	(0.60)	1.24
Total Deferred Tax Liabilities	48.95	49.55

8. Managerial remuneration :-

Remuneration payable as per section 198, 309 and other relevant provision pertaining to Mangerial remuneration is as follows:

- 1) In view of only one executive director, the amount payable is @ 5% of Net profit of the Company.
The Company has Net Profit of Rs.10,594,951/-
5% thereof works out to Rs.529,748/-
- 2) Under Section II (1) of part II of schedule XIII of the Companies Act, 1956, in view of inadequate profits, maximum remuneration payable works out to Rs. 125,000/- p.m. or Rs.15,00,000/- p.a.
- 3) The Company has paid Rs.12,49,320/- as Salary and Director Fees Rs.5,000/- to the Managing Director which is within the limits mentioned above.
- 4) Directors sitting fees to other Directors Rs. 15,000/-

9. Related Parties :-

- a Name of related parties and description of relationship
 - (i) related parties where there is significant influences:-
Sandu Brothers Pvt.Ltd., Ascent Management Services, Noumura Realty & Constructions Pvt. Ltd.,
 - (ii) Key management personnel:-
Mr.Umesh B.Sandu - Managing Director

- b. Transactions with related parties:

Nature of Transaction	Related Parties		Key Management Personnel	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Purchase of goods	7,448,161	2,066,045	-	-
Sale of goods	216,752,289	155,827,501	-	-
Receiving of services	1,945,112	360,000	1,269,320	1,221,080
Discounts, Commissions & Clamis	110,533,754	79,467,481	-	-
Sale of Investments	-	-	4,880	-

- c. Amount outstanding from (to) related parties as at 31st March 2011:

Nature of Transaction	Related Parties		Key Management Personnel	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Receivables	97,395,688	79,955,595	-	-

10. Contingent Liabilities :-

There are no contingent liability as on Balance Sheet date in the opinion of the Management.

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.



Sandu Pharmaceuticals Limited

12. Earning per share is calculated as follows:

	2011	2010
a. Net Profit After Tax	8,155,381	7,008,528
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.)	1.15	0.99

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	2010-2011		2009-2010	
	Quantity in Kgs.	Value Rs.	Quantity in Kgs.	Value Rs.
IMPORTED				
INDIGENEOUS	NIL	NIL	NIL	NIL
Crude Drugs	604,014	19,938,588	591,830	12,558,624
Sugar	221,875	6,469,022	212,585	7,113,385
Others	0	26,922,703	0	20,845,074
TOTAL		53,330,313		40,517,083

B. FINISHED GOODS

Particulars	2010-2011		2009-2010	
	DRY MEDICINES IN KGS.	LIQUID MEDICINES IN LTRS	DRY MEDICINES IN KGS.	LIQUID MEDICINES IN LTRS
1. Licensed Capacity	N.A.	N.A.	N.A.	N.A.
2. Installed Capacity	294000	756000	294000	756000
3. Opening Stock	40553.00	176231.00	3591.56	140681.10
Add:-Production	182051.00	638314.00	189195.00	411556.00
	222604.00	814545.00	192786.56	552237.10
Less:-Sales	221009.00	790196.00	152233.56	376006.10
Closing Stock	1595.00	24349.00	40553.00	176231.00
Sales Value	47,242,591	169,509,698	27,136,015	128,691,486

OTHER INFORMATION	2010-11	2009-10
a. Earning in Foreign Currency	NIL	NIL
b. Expenditure in foreign Currency - Travelling Expenditure	126,225	NIL
c. F.O.B. Value of Exports	NIL	NIL

As per my report attached to the Balance Sheet

JOSHI JOSHI & CO
Chartered Accountants
Firm Reg. No. 104393w

For and on behalf of the board

B. G. SANDU
Chairman

DILIP R. SALGAOCAR
Director

M. M. JOSHI
Proprietor
M.No.:42466 of 89
MUMBAI, 6th June, 2011

UMESH B. SANDU
Managing Director & Company Secretary
MUMBAI, 1st June, 2011

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INFORMATION AS PER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 FOR THE YEAR ENDED 31st MARCH, 2011

I Registration Details

Registration No.

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

 State Code

2	4
---	---

Balance Sheet

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

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	6	6	8	1	.	8	4
---	---	---	---	---	---	---	---	---

 Total Assets

1	9	6	6	8	1	.	8	4
---	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

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

 Reserves & Surplus

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

Secured Loans

	2	7	2	8	2	.	6	2
--	---	---	---	---	---	---	---	---

 Unsecured Loans

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

Deferred Tax Liability (Net)

		4	8	9	4	.	6	2
--	--	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

	6	4	7	9	6	.	8	9
--	---	---	---	---	---	---	---	---

 Investments

			6	1	1	2	.	2	0
--	--	--	---	---	---	---	---	---	---

Net Current Assets

1	2	5	7	7	2	.	7	5
---	---	---	---	---	---	---	---	---

 Misc.Expenditure

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

Accumulated Losses

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

IV Performance of Company (Amount in Rs.Thousands)

Turnover

2	1	8	5	5	7	.	0	0
---	---	---	---	---	---	---	---	---

 Total Expenditure

2	0	7	9	6	2	.	0	5
---	---	---	---	---	---	---	---	---

✓

+	-
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 Profit/Loss Before Tax

	1	0	5	9	4	.	9	5
--	---	---	---	---	---	---	---	---

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+	-
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 Profit/Loss After Tax

		8	1	5	5	.	3	8
--	--	---	---	---	---	---	---	---

Earning per share in Rs.

						1	.	1	5
--	--	--	--	--	--	---	---	---	---

 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 **26th ANNUAL GENERAL MEETING** of the Company held on **Thursday, 29th September, 2011 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 **26th ANNUAL GENERAL MEETING** of the Company held on **Thursday, 29th September, 2011 at 9.00 a.m.** at Plot No. 25, 26, 29 & 30, Pilerne Indl. Estate, Marra, Bardez, Goa - 403 511.

Signed this day of 2011.

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



www.sandu.in

spa@sandu.in