



## SANDU PHARMACEUTICALS LTD

Regd. Office: Plot Nos. 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Saligao, Bardez, Goa 403511.  
Tel: +91 832 2407474 / 6715000, E-mail: sandupharma@sandu.in

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

Date: 03/09/2019

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

Sir,

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

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

Thanking you,

Yours Faithfully,

**FOR SANDU PHARMACEUTICALS LTD.**



Company Secretary

Encl: - As Above



AN ISO 9001:2008 CERTIFIED ORGANISATION

Corporate Office: P. B. No. 17201, Sandu Nagar, D. K. Sandu Marg, Chembur, Mumbai – 400 071.  
Tel.: +91 22 2528 4402 / 3306, Fax: +91 22 2528 2403, E-mail: info@sandu.in, Web: www.sandu.in

CIN:L24233GA1985PLC001587





# **34<sup>th</sup> Annual Report**

## **2018 - 2019**







To,

The Members/Shareholders of

**Sandu Pharmaceuticals Limited**

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

A separate official letter in this regard has been dispatched to those shareholders who still hold our Company's share in physical form. We request you to kindly go through the same and get your shares converted into DEMAT from the present physical form.

Registrar and Share Transfer Agents:

**M/s Sharex Dynamic (India) Pvt Ltd**

C 101, 247 Park, L B S Marg,

Vikroli West, Mumbai 400 083

Tel: 022-28515606/5644

E-mail:support@sharexindia.com

Website:www.sandu.in

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

With warm regards.

By order of Board of Directors

**For Sandu Pharmaceuticals Limited**

Sd/-

**Pratika Mhambray**

Company Secretary

M No: A36512

## CORPORATE INFORMATION

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

### Registrar and Share Transfer Agent

M/s Sharex Dynamic (India) Pvt. Ltd  
 C 101, 247 Park, L B S Marg,  
 Vikroli West, Mumbai 400 083  
 Tel: 022-28515606/5644  
 E-mail:support@sharexindia.com  
 Website:www.sandu.in

### BOARD OF DIRECTORS (as on 31.03.2019)

Bhaskar G. Sandu (upto 25.03.2019)	(DIN: 02816792)
Dilip R. Salgaocar	(DIN: 00044240)
Dr. Krishna B. Deshpande	(DIN: 06557518)
Dr. Mrs. Shubhada P. Sandu	(DIN: 07148834)
Dr. Madan L. Kapre	(DIN: 03113515)
K. Vinaykumar	(DIN: 02322747)
Shashank B. Sandu	(DIN: 00678098)
Umesh B. Sandu	(DIN: 01132141)

### ADDRESS

#### Registered Office

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

#### Corporate Office

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

ISNI INE: 751D01014 (DEMAT)

### BOARD COMMITTEES

Audit Committee	Nomination and Remuneration	Stakeholders Relationship
K. Vinaykumar	Dr Madan L Kapre	Bhaskar G Sandu (upto 25.03.2019)
Dilip R Salgaocar	Dilip R Salgaocar	Dr Madan L Kapre
Dr Madan L Kapre	K. Vinaykumar	Umesh B Sandu
Umesh B Sandu	Bhaskar G Sandu (upto 25.03.2019)	Shashank Sandu (from 25.03.2019)
	Shashank Sandu (from 25.03.2019)	

### COMPANY SECRETARY CHIEF FINANCIAL OFFICER

Pratika Mhambray Rakesh Parekh

### AUDITORS

#### STATUTORY AUDITOR

M/s Dileep and Prithvi  
 Dahanukar Bldg, 3<sup>rd</sup> Floor  
 480, Kalbadevi Road,  
 Mumbai 400 002

#### SECRETARIAL AUDITOR

Swapnil Dixit  
 57/B, Venkatesh Prasad  
 Building, above Corporation  
 Bank, Bordem,  
 Bicholim, Goa 403504

### SOLICITORS & ADVOCATES

M/s Madekars & Co  
 Advocates & Solicitors  
 Engineer House, First Floor,  
 86, Mumbai Samachar Marg,  
 Fort, Mumbai 400 023  
 Tel (022) 2267 7217  
 Fax (022) 2265 7712

### INTERNAL AUDITORS

M/s Akhil Pai-Mapusa  
 M/s Lalit Gawde &  
 Associates-Mumbai

### BANKERS

Axis Bank  
 Plot No C/20,Opp M Ward, BMC Office,  
 Chembur, East, Mumbai 400071

34TH ANNUAL GENERAL MEETING	
Date :	Monday, 30 <sup>th</sup> September 2019
Time :	9.30 am
Venue :	Plot No 25, 26, 29 & 30, Pilerne Industrial Estate, Marra Bardez, Goa 403511

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**NOTICE**

NOTICE is hereby given that the **34th ANNUAL GENERAL MEETING** of Sandu Pharmaceuticals Limited (CIN:L24233GA1985PLC001587) will be held on Monday, 30th September, 2019 at 9:30 a.m. at the Registered Office of the Company at Plot No 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Saligao, Bardez Goa -403511 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri. Shashank B Sandu (DIN:00678098) who retires by rotation in compliance with the provisions of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

**3. Re-Appointment of Statutory Auditors**

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

**"RESOLVED THAT** Pursuant to the provisions of Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being and SEBI(Listing Obligation and Disclosure Requirement) Regulations and any amendments thereof in force Dileep and Prithvi, Chartered Accountants, Mumbai Having CA Firm Registration No. 122290W approved by Board and as recommended by Audit Committee, who have offered themselves for reappointment and have confirmed their eligibility to be reappointed as Auditors in terms of Provisions of Section 141 of the Act and Rule 4 of the Rules, be and are hereby reappointed as Statutory Auditors of the Company for the Financial Year 2019-20 and 2020-21, to hold office from the Conclusion of this 34th Annual General Meeting until Conclusion of the 36th Annual General Meeting of the Company on the yearly remuneration of Rs 6,00,000 Rupees (Six Lakhs Only) for the FY 2019-2020 and Rs 6,75,000 (Rupees Six Lakhs Seventy Five Thousand Only) for the FY 2020-21."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its

Committee thereto), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

**SPECIAL BUSINESS****4. To contribute to Charitable and other Funds**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an "ORDINARY RESOLUTION":

**"RESOLVED THAT,** pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, read with the relevant rules, circulars, notifications, if any, made thereunder (including statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other applicable Regulations, if any, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (or Committee thereof) to contribute, donate, subscribe or otherwise provide assistance from time to time to any bona fide charitable, social, benevolent and other funds, body, university, institute, society, trust, etc. for charitable and other purposes in any financial year upto a total amount of Rs. 50,00,000 (Rupees Fifty Lakhs only) or 10% of the Company's average net profits of the three immediately preceding financial years, whichever is higher."

**"RESOLVED FURTHER THAT,** the Board or any Committee thereof, be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

**5. Approval for continuation of Dr Mrs Shubhada P Sandu (DIN:07148834) as Non-Executive, Non-Independent Director.**

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

**"RESOLVED THAT** pursuant to applicable provisions of the Companies Act, 2013 and rules made thereunder including any statutory modifications or re-enactment thereof, and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements)

(Amendment) Regulations, 2018 and based on the recommendation of the Nomination and Remuneration Committee and as approved by Board, approval of the Members be and hereby accorded to Dr Mrs Shubhada Sandu (DIN:07148834), to continue as Non Executive and Non Independent Director of the Company, who will attain the age of 75 years in the year 2021 and she is liable to retire by rotation."

**"RESOLVED FURTHER THAT**, the Board or any Committee thereof, be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

**6. Approval for continuation of Dr Krishna B Deshpande (DIN:06557518) as Non-Executive Independent Director.**

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

**"RESOLVED THAT** pursuant to applicable provisions of the Companies Act, 2013 and rules made thereunder including any statutory modifications or re-enactment thereof, and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and based on the recommendation of the Nomination and Remuneration Committee and after approval of Board, approval of the Members be and hereby accorded to Dr Krishna B Deshpande (DIN:06557518), to continue as Non Executive and Independent Director of the Company, who was reappointed as Independent Director of the Company for the second term vide Special resolution passed at the 33<sup>rd</sup> Annual General Meeting held on 29<sup>th</sup> September 2018 and who will attain the age of 75 years in the year 2019 and he is not liable to retire by rotation."

**"RESOLVED FURTHER THAT** the Board or any Committee thereof, be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

**7. Appointment of Shri Bhaskar G Sandu (DIN:02816792) as Non Executive Director and Chairman of the Company.**

To consider and if thought fit, to pass with or without modification, if any, the following

resolution as the Special Resolution.

**"RESOLVED THAT** pursuant to the provisions of the Section 152 and 161 of the Companies Act, 2013 and any other applicable provisions if any of the Companies Act and the Companies (Appointment and qualification of Directors) Rules 2014 including any statutory modifications or re-enactment thereof and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018 and any other applicable provisions, Shri Bhaskar Sandu (DIN:02816792) who was appointed as an Additional Director of the Company by the Board of Directors at the Meeting held on 13<sup>th</sup> August 2019, who shall hold office till the date of this Annual General Meeting, in respect of whom Company has received Notice in writing under Section 160 of the Act from the Member proposing his candidature for the office of a Director of the Company and as recommended by Nomination and Remuneration Committee be and is hereby appointed as a Non-Executive director and Chairman of the Company whose office shall be liable to retirement by rotation."

**"RESOLVED FURTHER THAT** the Board or any Committee thereof, be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

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

**"RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 read with Rules made thereunder as may be amended from time to time, Regulation 23(4) and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any amendment(s) or modification(s) or re-enactment thereof), approval of the members of the Company be and is hereby accorded for continuation of the payment of royalty exceeding 5 per cent of the Annual Consolidated turnover of the Company but not exceeding Rs 20 crore per annum to M/s Sandu Brothers Private Limited by M/s Sandu Pharmaceuticals Limited ("the Company") being a related party during any financial year including any part thereof, is considered

material related party transaction(s) being in excess of the limits specified under the Listing Regulations at any time.”

**“RESOLVED FURTHER** that the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised by the members of the Company to do all such acts, deeds, matters and things to give effect to this resolution including modification in the terms and conditions of the agreement.”

**9. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as Special Resolution.**

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)©,180(2) and other applicable provisions, if any of the Companies Act 2013, (including any statutory modifications, amendments or re-enactments thereto for the time being in force) and any other applicable regulations of the SEBI(LODR) the consent of the company be and is hereby accorded to the Board of Directors (hereinafter referred to as the Board which term shall be deemed to include a committee of the Board) for borrowing any sum or sums of monies from time to time for the purpose of the Company's business on such terms and conditions and with or without security from any bank, financial institution or any other lending institution, firms, bodies corporate or persons, both in the national and international markets, as may be considered suitable by the Board, notwithstanding that the sum or sums of monies to be so borrowed together with the moneys already borrowed by the Company (apart from the temporary loan obtained from the Company's bankers, in the ordinary course of business) may exceed the aggregate of the Paid Up Capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of 50 crores (Rupees Fifty Crores).”

**“RESOLVED FURTHER THAT** the Board of Directors and is hereby authorized to do all such acts, deeds, matters and things as it may consider necessary desirable, expedient, usual or proper to give full effect to this resolution.”

**10. Approval of Material Related Party Transactions**

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

**“RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 read with Rules made thereunder as may be amended from time to time, Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Regulations, 2015) and relevant provisions of the Companies Act, 2013 read with related rules thereto, subject to the provisions of any other law as may be applicable and other approvals as may be necessary, members of the Company be and hereby confirm ratify and approve the extension and modification in the terms of Material Related Party Transactions (including contracts and arrangements) entered into with Sandu Brothers Private Limited for availing and rendering of any services in ordinary course of business and at arm length for further period from 01st March 2019 to 30th September 2024 till the termination of the said arrangements or any modification in terms thereto whichever is earlier, subject to the maximum transaction limit of Rs 70 crores per annum.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to perform and execute all such deeds and matters and things (including delegation of such authority) as may be deemed necessary or expedient to give effect to this resolution and for the matter connected thereto or incidental thereto.”

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

**Sd/-  
Pratika Mhambray  
Company Secretary  
M No:A36512**

Dated: 13/08/2019

Place: Goa

**Registered Office:**

Sandu Pharmaceuticals Limited

Plot No.25, 26, 29 & 30

Pilerne Industrial Estate, Marra  
Bardez, Goa- 403 511

CIN: L24233GA1985PLC001587

Tel: +91 832 2407474/ 6715000

Fax: + 022-25282403

Email: corp.sec@sandu.in



**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time for holding the Meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on the date of the AGM.
5. As required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 of the Bombay Stock Exchange the relevant details of Directors seeking Appointment/Re-appointment at the ensuing Annual General Meeting are given in the notice of the Annual General Meeting.
6. Shareholders can register their complaints, if any, on an exclusive e-mail id: corp.sec@sandu. in which has been designated for the said purpose.
7. The shareholders are expected to send their queries on annual report to the Company Secretary, atleast 7 days before the date of meeting, so that the requisite information/ explanations can be provided in time.
8. The Register of Members and Share Transfer Books will remain closed from Monday, 23rd September 2019 to Monday, 30th September 2019 (both days inclusive).
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its Registrars and Transfer Agents at the below mentioned address.

M/s Sharex Dynamic (India) Pvt Ltd  
C 101, 247 Park, L B S Marg,  
Vikroli West, Mumbai 400 083  
Tel: 022-28515606/5644  
E-mail:support@sharexindia.com  
Website:www.sandu.in

As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in Demat form, the nomination form may be filed with the respective DP.
10. The Securities Exchange Board of India (SEBI) vide its earlier circulars have made the Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction. Members are requested to submit the PAN details to their Depository Participant (DP) in case of holding in dematerialized form or the Company's Registrar and Share Transfer Agents in case of holdings in physical form, mentioning the correct folio number.
11. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company

electronically. Members holding shares in Demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

12. The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.sandu.in](http://www.sandu.in) and also on website of the Bombay Stock Exchange. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
13. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
14. Members / Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
15. The Register of Director's and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

#### 16. Remote E-voting

##### Voting Options:-

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and read with Regulation 44 of SEBI

(LODR) Regulations 2015, the Company is pleased to provide to the members facility to exercise their right to vote on resolutions proposed to be considered at the 34th Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository India Limited (CDSL).

The instructions for shareholders voting electronically are as under:

- i. The voting period begins on Friday, 27th September 2019 and ends on Sunday, 29th September 2019 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of , 23<sup>rd</sup> September 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- iv. Click on Shareholders.
- v. Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- xii. Click on the EVSN for the relevant <Sandu Pharmaceuticals Limited (Company Name) on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system
- xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx. Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

#### I. VOTING THROUGH BALLOT

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

#### II. VOTING AT AGM :-

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

##### Other Instructions

1. If votes are casting electronically and also by attending Annual General Meeting, then votes casted electronically will prevail.
2. The Company has appointed CS Swapnil Dixit, Practicing Company Secretary, to act as the Scrutinizer. The Scrutinizer shall within a period not exceeding two (2) working days from the

conclusion of the Meeting unblock the votes in presence of atleast two witnesses (not in the employment of the Company) and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Managing Director.

3. The Results shall be declared after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the company's website www.sandu.in and on the website of CDSL www.evotingindia.com within two (2) days of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to BSE Limited where the shares of the Company are listed.
4. Subjected to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of Annual General Meeting i.e Monday, 30<sup>th</sup> September 2019.

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

Sd/-

**Pratika Mhambray  
Company Secretary  
M No:A36512**

Dated: 13/08/2019

Place: Goa

#### **Registered Office:**

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

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

#### **Resolution No 3:**

On the recommendation of Audit Committee the Board of Directors at the Meeting held on 29th May 2019, had recommended the Re-appointment of M/s Dileep & Prithvi chartered accountant as Statutory Auditor of the Company for the term of 2 Years from the conclusion of this Annual General Meeting till the Conclusion of 36th Annual General Meeting in the year 2021.



M/s Dileep & Prithvi are reputed Chartered Accountant firm in Mumbai having its Branches at Andheri Mumbai and Surat. The firm has ability to serve clients in multiple sector. The firm has total 5 partner, 8 articles and 20 nos of Staff. The Firm is engaged in the activities in the line of Corporate Laws, Secretarial Compliances, Tax Matters, Audit and Accountancy covering a wide range of sub activities related to profession.

Pursuant to Section 139 of the Companies Act 2013, approval of the Members is required for reappointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution. Accordingly approval of Members is sought for reappointment of M/s Dileep & Prithvi Chartered Accountants as the Statutory Auditor of the Company and to fix their remuneration.

None of the Promoters/ Directors/KMP of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item no. 3 of this Notice.

#### **Resolution No 4:**

Your Company would like to contribute, donate, subscribe or otherwise provide assistance from time to time to any bona fide charitable, social, benevolent and other funds, body, university, institute, society, trust, etc. for charitable and other purposes. In terms of the provisions of Section 181 of the Companies Act, 2013, any amount contributed to any charitable and other funds in excess of 5% of the Company's average net profits during the three immediately preceding financial years need prior approval of the Members of the Company. It is therefore necessary to obtain the approval of the Members of the Company for the contributions to be made by the Company in excess of the limits prescribed under the said section.

Approval of the Members is now being sought pursuant to Section 181 of the Companies Act, 2013, authorising the Board of Directors (or Committee thereof) of the Company to make contributions in any financial year for a total amount of upto Rs. 50,00,000 or 10% of the Company's average net profits of the three immediately preceding financial years, whichever is higher.

None of the Promoters/ Directors/KMP of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item no. 4 of this Notice.

The Board recommends the resolution set forth in Item no. 4 for the approval of the Members.

#### **Resolution No 5:**

Dr Mrs Shubhada B Sandu was appointed as Non-Independent, Non-Executive Director at the 30th Annual General Meeting held on 30<sup>th</sup> September 2015 and that she is liable to retire by rotation. The Details of Dr Mrs Shubhada Sandu are provided in the Annexure to the Notice pursuant to provisions of Listing Regulation and Secretarial Standard on General Meeting.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), as amended vide SEBI LODR (Amendment) Regulations, 2018 w.e.f. April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Dr Shubhada P Sandu will attain the age of 75 years in the year 2021 and her continuation as non-executive directors can only be continued by passing the special resolutions by the shareholders and justification thereof is indicated in the explanatory statement annexed to the notice for such special resolutions. Accordingly, special resolutions are proposed to take shareholders' approval for the continuation of Dr Mrs Shubhada P Sandu as Non-Executive Directors after attaining the age of 75 years.

Dr Shubhada P Sandu (DIN:07148834), is the Practising Doctor and has obtained B.A.M.S. Degree. She has vast and rich experience in Ayurvedic Practise, Ayurvedic formulation and manufacturing. The other details of Dr Shubhada B Sandu as per SEBI(LODR) Regulation 2015, is annexed to this notice.

The Board of Directors is of the opinion that Dr Shubhada P Sandu is person of integrity; possess relevant expertise and vast experience. The guidance in the past has been notable and supportive to the Company in dealing with complex matters. Accordingly, it is felt that her association as non-executive directors will be beneficial and in the best interest of the Company. In line with the provisions of SEBI (LODR) read with SEBI LODR (Amendment) Regulations, 2018, your directors recommend their continued association as Non Executive Director of the Company.

The brief resume of said Director, nature of their expertise in functional areas, disclosure of relationships between Directors, Directorships

and Memberships of Committees of the Board of Listed entities and shareholding as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as Annexure A.

The Board of Directors accordingly recommends the Special Resolutions as mentioned at item no. 5 of this Notice for approval of the Members of the Company.

Save and except Umesh B Sandu, Shashank Sandu and Bhaskar Sandu and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the special resolutions set out at Item Nos. 5 of the Notice.

#### **Resolution No 6:**

Dr Krishna B Deshpande was re-appointed as Non-Executive Independent Director for a period of five consecutive years i.e. from 01.04.2019 to 31.03.2024 at the 33rd Annual General Meeting held on 29<sup>th</sup> September, 2018 and that he is not liable to retire by rotation. The Details of Dr Krishna Deshpande are provided in the Annexure to the Notice pursuant to provisions of Listing Regulation and Secretarial Standard on General Meeting.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), as amended vide SEBI LODR (Amendment) Regulations, 2018 w.e.f. April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Dr Krishna B Deshpande will attain the age of 75 years in the year 2019 and his continuation as non-executive directors can only be continued by passing the special resolutions by the shareholders and justification thereof is indicated in the explanatory statement annexed to the notice for such special resolutions. Accordingly, special resolutions are proposed to take shareholders' approval for the continuation of Dr Krishna B Deshpande as Non-Executive Directors after attaining the age of 75 years.

The Board of Directors is of the opinion that Dr Krishna B Deshpande is persons of integrity; possess relevant expertise and vast experience. The guidance in the past has been notable and supportive to the Company in dealing with complex matters. Accordingly, it is felt

that him association as non-executive directors will be beneficial and in the best interest of the Company. In line with the provisions of SEBI (LODR) read with SEBI LODR (Amendment) Regulations, 2018, your directors recommend their continued association as Non Executive Director of the Company.

The brief resume of said Director, nature of their expertise in functional areas, disclosure of relationships between Directors, Directorships and Memberships of Committees of the Board of Listed entities and shareholding as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as Annexure A.

The Board of Directors accordingly recommends the Special Resolutions as mentioned at item no. 6 of this Notice for approval of the Members of the Company.

None of the other Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the special resolutions set out at Item Nos. 6 of the Notice.

#### **Resolution No 7:**

Based on the recommendations of the Nomination and Remuneration Committee of the Company and pursuant to the provisions of Section 161 of the Companies Act, 2013 (the 'Act') and Articles of Association ('AOA') of the Company, Shri Bhaskar B Sandu (DIN:02816792) was appointed as an Additional Director of the Company at the Board Meeting held on 13th August 2019. Accordingly, he shall hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Bhaskar B Sandu (DIN: 02816792) for the office of Director of the Company.

Shri Bhaskar B Sandu (DIN:02816792) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Details of Shri Bhaskar B Sandu (DIN: 02816792) is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Shri Bhaskar B Sandu (DIN: 02816792) setting out the terms and conditions of appointment is available for inspection

by the members at the registered office of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, except, Shri Umesh B Sandu, Shashank B Sandu, Dr. Shubhada B Sandu is concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Resolution set out at Item No. 7 of the Notice for approval by the members.

#### **Resolution No 8:**

As per Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) (Amendment) Regulations 2018 a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed Five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

M/s Sandu Brothers Pvt Ltd having necessary License from the Food and Drug Administration [FDA], State of Maharashtra and is engaged in the business of manufacturing Ayurvedic & Herbal Formulations at its plant situated at Nerul, Navi Mumbai and having the requisite capacity to produce the Ayurvedic Drugs and Formulations. .

M/s Sandu Brothers Pvt Ltd is the owner, proprietor and prior user for some of the proprietary products of which some are duly registered under The Trade Mark Act, 1999 (the said Act) and some of the mark is applied for and/or in process to apply for some of the products. Your Company is desirous to manufacture various products under the said Trade Mark and for this purpose have requested M/s Sandu Brothers Pvt Ltd to assign the said products and pay Royalty for the assignment of the said Trademark. Following are the contracts which are material in nature and require the approval of the unrelated shareholders of the Company by ordinary resolution.

Sr No	Name of the related party	Maximum value of the transactions per annum	Nature of material terms/particulars of the contract or arrangements.
1.	Sandu Brothers Private Limited	20 crores	Royalty payment to Sandu Brothers Private Limited

The other related information as envisaged under the Companies (Meeting of Board and its Power) Rules and SEBI (LODR), and any amendments thereto are below mentioned.

Particulars	Information
Name of the related party	Sandu Brothers Private Limited
Nature of relationship	Directors /Relative of Directors are Member
Name of the Director or Key Managerial Personnel who is related, if any.	Shri Bhaskar Sandu Shri Shashank Sandu Shri Umesh Sandu Dr Shubhada Sandu
Nature of Related Party Transactions with Sandu Brothers Private Limited	The transaction below mentioned are in the ordinary course of business and at the arm length basis. Royalty payment to sandu brothers pvt ltd
Material terms of the Contract/ arrangements/ transactions/ Duration of these RPT's	The Royalty agreement has been entered into between Sandu Pharmaceuticals Limited and Sandu Brothers Private Limited from 01st April 2019 to 30th September 2021. The royalty payment to be made to Sandu Brothers Private Limit may exceed 5 per cent of the Annual Consolidated turnover of the Company but should not exceed Rs 20 crore

The Board of Directors accordingly recommends the resolution as mentioned in item no 8 of this notice for approval of the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, except, Shri Umesh B Sandu, Shashank B Sandu, Shubhada B Sandu Shri Bhaskar Sandu is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

#### **Resolution No 9:**

Section 180(1)(c) of the Companies Act 2013 requires that the Board of Directors shall borrow money, where the money to be borrowed, together with the money already borrowed by the Company should not exceed aggregate of its paid up capital and free reserve, apart from temporary loan obtained from the Companies

Bankers in the ordinary course of business, except with the consent of the Company accorded by way of Special Resolution. The Board recommends the passing of Special Resolution at Item no 9 of the Notice

None of the Directors or Key Managerial Personnel or their relatives of the Company is either directly or indirectly are interested or concerned in the proposed resolution.

The Board commends the Resolution set out at Item No. 9 of the Notice for approval by the members.

#### Resolution no 10:

M/s Sandu Brothers Pvt Ltd having necessary License from the Food and Drug Administration [FDA], State of Maharashtra and is engaged in the business of manufacturing Ayurvedic & Herbal Formulations at its plant situated at Nerul, Navi Mumbai and having the requisite capacity to produce the Ayurvedic Drugs and Formulations. M/s Sandu Brothers Pvt Ltd has entered into Marketing Agreement with your Company and your Company has agreed to market and sell the ayurvedic products manufactured by M/s Sandu Brothers Pvt Ltd throughout India or outside India for which a separate agreement is already in existence.

The company has related party agreement with M/s Sandu Brother Private limited which was duly approved by the Board and the Shareholders vide Shareholders resolution on Friday, 30th September 2016 for the period from 01st April 2014 to 01st March 2019 till termination of the said arrangements or any modification in the terms thereto be extended to further period from 01st March 2019 to 30th September 2024. The transactions will be in ordinary course of Business and at arm length basis for sum not exceeding Rs 70 crores per annum.

Following are the contracts which are material in nature and require the approval of the unrelated shareholders of the Company by ordinary resolution.

Sr No	Name of the related party	Maximum value of the transactions per annum	Nature of material terms/particulars of the contract or arrangements.
1.	Sandu Brothers Private Limited	70 crores	Purchase and sale of finished Ayuvedic Medicine for marketing.  Royalty payment to Sandu Brothers Private Limited

The other related information as envisaged under the Companys (Meeting of Board and its Power) Rules and SEBI(LODR), and any amendments thereto are below mentioned.

Particulars	Information
Name of the related party	Sandu Brothers Private Limited
Nature of relationship	Directors /Relative of Directors are Member
Name of the Director or Key Managerial Personnel who is related, if any.	Shri Bhaskar Sandu Shri Shashank Sandu Shri Umesh Sandu Dr Shubhada Sandu
Nature of Related Party Transactions with Sandu Brothers Private Limited	The transaction below mentioned are in the ordinary course of business and at the arm length basis. 1.Purchase/sale of finished ayurvedic medicines 2.Royalty payment to sandu brothers pvt ltd
Material terms of the Contract/ arrangements/ transactions/ Duration of these RPT's	The related party Agreement was executed between Sandu Pharmaceuticals Limited and Sandu Brother Private Limited dated 02nd June 2014, which was further amended on 14th February 2019.The aggregate value of Related Party transaction should not exceed Rs 70 crores

None of the Directors or Key Managerial Personnel of the Company and their relatives, except, Shri Umesh B Sandu, Shashank B Sandu, Shubhada B Sandu, Shri Bhaskar Sandu is concerned or interested, financially or otherwise, in the resolution set out at Item No.10 of the Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.



**ANNEXURE TO THE NOTICE**

Particulars and additional information of the directors seeking appointment/re-appointment pursuant to Regulation 36(3) of SEBI (LODR)

Regulations, 2015 and in terms of Clause 1.2.5 of Secretarial Standard - 2 on General Meetings:

<b>Particulars</b>	<b>Resolution No 5</b>	<b>Resolution No 6</b>	<b>Resolution No 7</b>
Name of the Director	Dr Shubhada G Sandu	Dr Krishna Deshpande	Shri Bhaskar Sandu
Date of Birth	21 <sup>st</sup> September 1945	23 <sup>rd</sup> August 1943	01 <sup>st</sup> August 1936
Nationality	Indian	US Citizen	Indian
Date of appointment/ Reappointment on the Board	01 <sup>st</sup> April 2015	01 <sup>st</sup> April 2019	13 <sup>th</sup> August 2019
Qualifications	B.A.M.S.	M.B.B.S, D.L.O, F.R.C.S.	BCOM
Expertise in specific functional area	Dr. Mrs. Shubhada P Sandu (DIN:07148834) is the practicing Ayurvedic Doctor and has obtained B.A.M.S. degree from the University of Mumbai. She has vast and rich experience in Ayurvedic Practice, Ayurvedic formulation and manufacturing.	Dr Krishna B deshpande (DIN:06557518) is a Bachelor of Medicine and Surgery (M.B.B.S) from Aurangabad Medical College. He is also a member (fellowship) of American Board of Surgeons, Royal College of Surgeons and Surgical Association of Gastrointestinal Endoscopic Surgery. He has more than 45 years of experience in the medical field and has worked at various senior positions. He is currently attached with Hospitals in Cleveland Ohio, USA	Shri Bhaskar Sandu (DIN:02816792) has vast experience in Ayurvedic, Extraction, formulations, manufacturing and Finance. He possesses more than 50 years of working experience in the Ayurvedic Industry.
Number of shares held in the company	10000	NIL	7,37,000
List of the directorship held in other companies	NIL	NIL	NIL
Chairman/Member in the Committee of the Boards of Companies in which he is Director (including Pvt Company)	NA	NA	NA

## DIRECTOR'S REPORT

TO THE MEMBERS,

The Directors have pleasure in presenting before you the **THIRTY FORTH** Annual Report of **SANDU PHARMACEUTICALS LIMITED** together with Audited Balance Sheet and Statement of Profit & Loss for the financial year ended 31st March, 2019.

### 1. FINANCIAL RESULTS:-

The Company's financial performance, for the year ended March 31, 2019 is summarized below:

(in Rs)

Particulars	2018-19	2017-18
Revenue from Operations (Gross)	494246203	491599301
Other Income	5739633	1217803
Total Income	499985835	492817103
Total Expenses	489782971	485264834
Profit before exceptional items and tax	10202864	7552269
Exceptional	26011	-
Profit/Loss Before Tax	10176853	7552269
Tax Expenses		
Less: Current Tax	3650000	1977645
Deferred Tax	164300	(40855)
Profit/(Loss) for the Period	6691153	5615479
Total Other Comprehensive Income (Net of Tax)	372880	1132360
Total Comprehensive Income for the period (Net of Tax)	7064033	6747839
Earnings per equity shares	0.94	0.79

### • REVIEW OF OPERATIONS

In the financial year 2019-20, the company achieved an Income from operations of Rs 49,99,85,835 as compared to Rs. 49,28,17,103 in the previous year.

Profit before tax was Rs 1,01,76,853 for the year ending 31st March, 2019 as compared to Profit of Rs. 75,52,269 in the previous year.

Profit after tax was Rs 66,91,153 for the year ended 31st March, 2019 as compared to a Profit of Rs. 56,15,479 in the previous year.

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

### 2. DIVIDEND:

In order to utilize the funds for the Company's Long term prospects the Management has advised the Company to conserve the funds for long term projects, in the view of the same, they didn't recommend any dividend.

### 3. RISK MANAGEMENT:

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

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

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

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

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

Your Company hereby affirms that no Director/employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. Whistleblower Policy approved and adopted by

the Board of Directors which can be accessed in our website [http://www.sandu.in/vigil\\_mechanism\\_policy.pdf](http://www.sandu.in/vigil_mechanism_policy.pdf)

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

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

Shri Bhaskar G Sandu holding (DIN:02816792) has resigned from the Board of Directorship and Chairmanship of the Company in order to comply with the regulation 17 of SEBI (Listing obligation and Disclosure requirement) regulation 2018 w.e.f 25th March 2019.

Shri Bhaskar B Sandu is the promoter of the company having vast knowledge, experience and expertise, on recommendation of Nomination and Remuneration Committee Board has appointed Shri Bhaskar G Sandu as the Additional Director at the Board Meeting held on 13th August 2019 subjected to approval of shareholder in the annual general Meeting pursuant to SEBI(Listing Obligation and Disclosure Requirement) Regulation 2015.

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

### **6.1 BOARD EVALUATION**

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

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

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

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

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

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

The policy of the Company on Directors Appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matter, as required under sub section (3) of section 178 of the Companies Act, 2013 is available on our website [http://www.sandu.in/Nomination\\_and\\_Remuneration\\_Policy\\_new.pdf](http://www.sandu.in/Nomination_and_Remuneration_Policy_new.pdf).

There has been no change in the policy since the last fiscal year. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the company.

### **6.3 MEETINGS**

During the year 7(Seven) Board Meetings and 6(Six) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act 2013.

### **6.4 AUDIT COMMITTEE**

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

### **6.5 POLICIES**

We seek to promote and follow the highest

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

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

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

#### 7. **DIRECTORS RESPONSIBILITY STATEMENT:-**

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

a) In the preparation of annual accounts, for the year ended 31st March, 2019, the

applicable accounting standards read with the requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.

b) Appropriate accounting policies have



been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2019 and of the profit of the Company for the year ended on that date.

- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The annual accounts have been prepared on a 'going concern basis'.
- e) Internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and are operating effectively and
- f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**8. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

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

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

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

**10. RELATED PARTY TRANSACTIONS:**

The related party contracts entered into your Company does not fall under the ambit of Section 188(1) of the Act.

All the related party transactions entered during the financial year were at arm's length and in the ordinary course of business. In compliance with the provisions of the Companies Act 2013 and Regulation 23(2) of the SEBI Regulation 2015, all related party transactions had been placed before the Audit Committee for prior approval. Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 information pertaining to related parties are given in Form AOC-2 as Annexure I of this Report.

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

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

**12. AUDITORS**

**12.1 STATUTORY AUDITORS**

M/s Dileep and Prithvi, Statutory Auditor of the Company retires at the conclusion of the ensuing Annual General Meeting and has offered themselves to be reappointed as Statutory Auditor of the Company for the Financial Year 2019-20 and 2020-21 as recommended by Members of Audit Committee and Board of Directors. They have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for appointment

**12.2 SECRETARIAL AUDITOR:**

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Shri. Swapnil Dixit, Company Secretary in practice to undertake the Secretarial Audit of the Company for the Financial Year 2018-19. The Secretarial Audit report for the financial year 2018-19 is annexed herewith as "ANNEXURE B".

**13. INTERNAL COMPLAINTS COMMITTEE**

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

**14. DISCLOSURE REQUIREMENTS**

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

- Management Discussion and Analysis is annexed as "ANNEXURE A" to the report
- Secretarial Audit Report as "ANNEXURE B".
- As per SEBI (Listing Obligations and Disclosure Requirements) Regulations

2015 with the Stock Exchanges, a separate section on the corporate governance is annexed as “**Annexure - C**”

- Auditors Certificate on Corporate Governance “**Annexure - D**”
- Certificate from Chief Financial Officer under Reg 17(8) of SEBI (LODR) Regulation “**Annexure - E**”,
- Declaration from Managing Director “**Annexure F**”
- Certificate of non qualification of Director “**Annexure G**”

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

**A) CONSERVATION OF ENERGY:**

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

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>1. ELECTRICITY</b>		
• Purchased (units)	356422	235,996 Units
• Total Amount Rs	1792622	Rs. 1,769,117
• Rate/Units in Rs	5.03	Rs. 7.50 unit
<b>2. Fuel Consumed</b>		
• Quantity- Furnace Oil	67420	56,760 Kgs
Diesel	6800	10,650.460 Ltrs
• Total amount- Furnace Oil	2438216.80	Rs. 1,632,799
Diesel	470808	Rs. 636,452
• Rate per Ltr- Furnace Oil	36.16	Rs. 28.77
Diesel	69.24	Rs. 59.76

**B) TECHNOLOGY ABSORPTION:**

Company's products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

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

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

**16. EXTRACT OF ANNUAL RETURN**

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

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

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

**18. FIXED DEPOSITS:-**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014 during the financial year 2018-19.

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

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

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

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

**21. CODE OF CONDUCT:**

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

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

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

**22. PREVENTION OF INSIDER TRADING:**

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

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

**23. PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is

available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

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

The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks, whereas the Auditors Report was subjected to qualification below mentioned.

The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Service tax, Sales Tax, Custom Duty, Excise Duty, Goods and Service Tax and other material statutory dues, as applicable. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at 31st March 2019, for a period of more than six months from the date they became payable, except dues of Tax Deducted at source aggregating to Rs.4,52,6,12 (P.Y. Rs. 4,50,746/-) on account of defaults pertains to prior years

**25. EXPLANATION TO AUDITORS REMARK AS PER ANNEXURE OF INDEPENDENT AUDIT REOPRT.**

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

**26. ACKNOWLEDGEMENTS:**

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

**For and on behalf of Board of Directors  
of Sandu Pharmaceuticals Limited**

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

**Sd/-  
Shashank Sandu  
DIN:00678098  
Director**

Dated:13/08/2019  
Place: Goa

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

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

**i. Industry Structure & Development:**

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

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

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

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

**ii. Opportunities and Threats :**

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

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

The industry continues to be plagued by low quality, unorganised players who continue to sell their medicines without quality standards.

The lack of minimum quality standards has affected the perception of Ayurveda as a viable healthcare product.

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

**iii. Segment wise performance:**

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

**iv. Outlook:**

The outlook for the industry and consequently for your Company during the current financial year is reasonably good subject however to the effects of government policies, inflationary pressure and general global slowdown which is bound to affect your company.

**v. GST (Goods and Service Tax)**

The Government of India introduced a new law Goods and Service Tax, thereby repealing Central Excise Law & also the Sales Tax and all other Indirect Tax Laws. In this long run the company expects a favourable response from the trade but in the immediate short run lot of apprehension are exposed by various channel partners.

The Company expects that the input credits which it was not getting in the earlier Central Excise Law and also various set offs in the Sales Tax and Central Sales Tax will be available thereby this will be cash flow reduction and helps the company in the long run.

**vi. Bio-Diversity Act**

The Central Government has promulgated a Bio Diversity vested all the State Bio-Diversity Boards with the Task of collecting the access benefits sharing from the Company's which are buying their natural resources from the forest or forest producers.

The Company feels that this is a Act whereby unnecessary tax is being levied on the Company's and the guise of access benefit sharing (ABS). The industry with their Association is in process



to protect the interest of Member Companies to represent before Government and even take appropriate steps to file proceedings before higher judiciary.

**vii. Risk and concerns:**

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

**viii. Internal Control Systems and their adequacy:**

Your Company has put effective internal control systems into operation and is having adequate Internal Audit mechanism to monitor and review the same under the overall control and supervision of the Internal Auditor and the Audit Committee of the Independent Directors. Continuous improvements as suggested by our Internal Auditors are being implemented.

**ix. Discussion of Financial performance with respect to operational Performance:**

The financial performance with respect to the operational performance during the year under review was satisfactory. Your Company was successful in maintaining the profit level only because of the higher volumes and higher sales realization in spite of increased raw material prices.

**x. Material Development in Human Resource / Industrial Relations:**

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

**xi. Material Financial and Commercial Transaction:**

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

**ANNEXURE - B**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED**

**31<sup>ST</sup> MARCH, 2019**

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 (hereinafter referred as to the "*Audit Period*") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the applicable provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. *(Provisions of Overseas Direct Investment and External Commercial Borrowings not applicable)*

to the Company during the Audit Period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *(Not applicable to the Company during the Audit Period)*;
- (d) The Securities and Exchange Board of India (Employee Stock option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 *(Not applicable to the Company during the Audit Period)*;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not applicable to the Company during the Audit Period)*;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(Not applicable to the Company during the Audit Period)*; and
- (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(Not applicable to the Company during the Audit Period)*.

(vi) The following Laws and Regulations applicable specifically to the Company (as per the representations made by the Company) Viz.,

- Drugs and Cosmetics Act, 1940
- Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
- The Medicinal and Toilet Preparations (Excise Duties) Act, 1955
- Biological Diversity Act, 2002
- The Indian Copyright Act, 1957
- The Environment (Protection) Act, 1986;

- The Water (Prevention and Control of Pollution) Act, 1974;
- The Air (Prevention and Control of Pollution) Act, 1981;
- The Electricity Act, 2003;
- The Legal Metrology Act, 2009 and Rules made thereunder;
- Indian Boilers Act 1923
- Sexual Harassment of Women (Prevention, Prohibition and Redressal) Act 2013
- Employees' Pension Provident Fund and Miscellaneous Provisions Act 1952
- Employees State Insurance Act 1948
- Factories Act 1948
- Sales of Goods Act, 1930
- Labour Relations Act 2002
- Indian Income Tax Act 1961
- Central Excise Act 1944
- Central Sales Tax Act 1956
- Maternity Benefits Act 1961
- The Apprentices Act 1961

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

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

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Compliance under Section 203 of the Act:

The Company has a full time Company secretary and a Chief Financial Officer duly appointed as required under the Act.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition

of the Board of Directors during the audit period. The Independent Directors, who complete their tenure of Five Years on 31<sup>st</sup> March, 2019, have been duly re-appointed to their respective posts for a further period of five years, with effect from 1<sup>st</sup> April, 2019.

During the Financial year 2010-11, inspection of the Companies records, register, books of accounts and minute books was conducted as per the section 209A of the Companies Act 1956 at the Companies Registered Office. The Registrar of Companies had raised certain technical issue for which the Company had taken necessary steps for rectification of the same.

Further to that, Company again received letter in the month of December 2018 from Registrar of Companies Panaji asking to give update of the inspection held during the FY 2010-11 to which company has replied/ necessary documents submitted.

As required by the Secretarial Standard 1 (SS 1), issued by the Institute of Company Secretaries of India (ICSI), New Delhi,

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

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

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

**FOR SWAPNIL J DIXIT AND ASSOCIATES,  
COMPANY SECRETARIES**

Sd/-

**CS SWAPNIL JAYANT DIXIT  
PROPRIETOR  
M. NO. ACS 34739  
C. P. NO. 12942**

Place: Bicholim - Goa

Date: 10<sup>th</sup> Day of May, 2019

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

**FOR THE FINANCIAL YEAR ENDED  
31<sup>ST</sup> MARCH 2019.**

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

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

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

**FOR SWAPNIL J DIXIT AND ASSOCIATES,  
COMPANY SECRETARIES**

Sd/-

**CS SWAPNIL JAYANT DIXIT  
PROPRIETOR  
M. NO. ACS 34739  
C. P. NO. 12942**

Place: Bicholim - Goa

Date: 10<sup>th</sup> Day of May, 2019

## ANNEXURE-C

## CORPORATE GOVERNANCE REPORT

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

**1. Company's Philosophy on Corporate Governance:**

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

**2. Board of Directors**

**A. Composition and Category of Directors (as on 31.03.2019)**

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

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

Shri Bhaskar Sandu, Non Executive Chairman of the Company has resigned from the Board of Directors and Committee's dated 25<sup>th</sup> March 2019 so as to comply with Regulation 17(II)(1A) of SEBI Amended Regulation 2018.

**B. Board Training and Induction**

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

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

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

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

## a) Board Agenda

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

## b) Scheduling and selection of agenda items for Board Meeting

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

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

During the year ended on 31st March, 2019, the Board of Directors had 7 (Seven) meetings. These were held on 30/05/2018,05/06/2018,14/08/2018, 03/11/2018, 14/11/2018, 14/02/2019, 25/03/2019. The last Annual General Meeting (AGM) was held on 29/09/2018. The attendance record of the Directors at the Board Meetings during the year ended on 31/03/2019, and at the last AGM is as under:-

Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and Number of other Directorship and Chairmanships/Memberships of Committees of each Director in various Companies (upto 31st March 2019)

Name of the Director	Category	Attendance at the meetings during 2018-19		Shareholding of Directors in the Company
		Board	AGM	
Bhaskar G. Sandu	Non Executive ,Non Independent, Chairman	7	1	7,37,000
Dilip R. Salgaocar	Non Executive Independent Director	4	1	NIL
Dr. Krishna B. Deshpande	Non Executive Independent Director	2	0	NIL
Dr. Madan L. Kapre	Non Executive Independent Director	7	1	NIL
K. Vinaykumar	Non Executive Independent Director	7	1	NIL
Shashank B. Sandu	Non Executive Non Independent Director	7	1	6,57,900
Umesh B. Sandu	Executive Director	7	1	6,77,100
Dr. Shubhada Sandu	Non Executive, Non Independent women Director	7	1	10,000

- Shri Bhaskar Sandu ceased to be Director & Chairman with effect from 25<sup>th</sup> March 2019.
- The Directorship held by Directors as mentioned above, do not include directorships in foreign Companies.
- None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees [as prescribed in SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015] across all the companies in which he/she is a Director.
- None of the Directors held directorship in more than 10 public limited companies.
- All Independent Directors of the Company have been appointed as per the provisions of the Companies, Act 2013 (the Act). Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website: [www.sandu.in](http://www.sandu.in).



**c) Other Directorship**

The number of directorships (including Sandu Pharmaceuticals Limited), memberships/chairmanships of the Board and Committees of public companies and details of directorships in listed entities for each director of the Company are as follows:

Name	Directorship	Committee Position		Name of the Listed Companies in which Directors of the Company are Director	Category of Directorship in Listed Company
		Member	Chairperson		
Bhaskar G. Sandu	Sandu Pharmaceuticals Ltd	Member of Nomination and Remuneration Committee(till 25.03.2019)	Chairperson of Stakeholders Relationship Committee (till 25.03.2019)	NA	NA
Dilip R. Salgaocar	1.Sandu Pharmaceuticals Limited. 2.Geno Pharmaceuticals Pvt Limited 3.Indo Swiss Jewels Ltd 4.Geno Sports Club	Member of Audit and Nomination of Sandu Pharmaceuticals Limited	NA	NA	NA
Dr. Krishna B. Deshpande	Sandu Pharmaceuticals Ltd	NA	NA	NA	NA
Dr. Madan L. Kapre	1.Sandu Pharmaceuticals Ltd 2.Neeti Clinic Pvt Ltd	Member of Audit and Stakeholder of Sandu Pharmaceuticals Limited	Chairman of Nomination and Remuneration of Sandu Pharmaceuticals Limited	NA	NA
K. Vinaykumar	1.Sandu Pharmaceuticals Limited 2.Nexus Flight operations India Pvt Ltd 3.Inclusive Services and Technologies Pvt Ltd 4.Datawise Management Services India Pvt Ltd 5.Eternalgreen Innovations Pvt Ltd	Member of Nomination and Remuneration of Sandu Pharmaceuticals Limited	Chairman of Audit Committee of Sandu Pharmaceuticals Limited	NA	NA
Shashank B. Sandu	1.Sandu Pharmaceuticals Limited 2.Bombay Presidency Golf Club Ltd	Member of Nomination and Remuneration Committee from 25.03.2019	Chairman of Stakeholder Relationship Committee from 25.03.2019	NA	NA
Umesh B. Sandu	Sandu Pharmaceuticals Limited	Member of Audit and Stakeholder Relationship Committee of Sandu Pharmaceuticals Ltd	NA	NA	NA
Dr. Shubhada Sandu	Sandu Pharmaceuticals Limited	NA	NA	NA	NA

#### (d) Key Board Qualifications, expertise and attributes

The Sandu Pharmaceuticals Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees. The Board Members are committed to ensuring that the Sandu Board is in compliance with the highest standards of Corporate Governance.

The table below summarizes the key qualifications, skills and attributes which are taken into consideration while nomination below mentioned candidates to serve on the Board.

Definition of Directors Qualification	
Financial	Leadership of financial firm or management of the finance function of an enterprises, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions.
Gender, ethnic, national, or other diversity	Representation of gender ,ethnic, geographic, cultural or other perspectives that expand the Boards understanding of the needs and viewpoints of our customers, partners, employees, government, and other stakeholder worldwide
Global , Business	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks, and a broad perspective on global market opportunities
Leadership	Extended leadership experience for a significant enterprise resulting in a practical understanding of organization, processes strategic planning, and rich management. Demonstrated strengths in developing talent, planning succession and driving change and long term growth.
Technology	A Significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models.
Board service and governance sales and marketing	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholders interests and observing appropriate governance practices
Sales and Marketing	Exerience in developing strategies to grow sales and market share, build brand awareness and equity and enhances enterprise reputation.

In the table below, the specific areas of focus or expertise of individual Board Members have been highlighted. However the absence of a mark against a members name does not necessarily mean the member does not possess the corresponding qualification or skill.

Director	Area of expertise						
	Financial	Diversity	Global Business	Leadership	Technology	Board Service and Governance	Sales and Marketing
Bhaskar G. Sandu	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dilip R. Salgaocar	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dr. Krishna B. Deshpande	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dr. Madan L. Kapre	Yes	Yes	Yes	Yes	Yes	Yes	Yes
K. Vinaykumar	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shashank B. Sandu	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Umesh B. Sandu	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dr. Shubhada Sandu	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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

7 (SEVEN) Board Meetings were held during the year, as against the minimum requirement of four meetings.

The details of Board meetings are given below:

Date	Board Strength	No. of Directors Present
30/05/2018	8	7
05/06/2018	8	7
14/08/2018	8	6
03/11/2018	8	7
14/11/2018	8	8
14/02/2019	8	7
25/03/2019	8	6

**D) Independent Directors****I. INDEPENDENT DIRECTORS MEETING:**

During the Financial year under review, the Independent Directors met only once in the financial year i.e 14<sup>th</sup> February 2019 inter alia, to discuss:

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

**II. BOARD AND DIRECTORS EVALUATION AND CRITERIA FOR EVALUATION**

The Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees for the FY 2018-19.

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

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

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

**III. Selection of Independent Director**

Considering the requirement of skill sets on the Board, eminent people having independent standing in their respective field/profession, and who can effectively contribute to the company's business and policy decisions are considered by Nomination and Remuneration Committee for appointment, as Independent Directors on the Board. The Committee, inter alia, consider qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for selection of Directors and determining Directors Independence. The Board considers the Committee's recommendation, and takes appropriate decision.

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

#### IV. Independent Directors' Familiarization Programme

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

#### Information provided to the Board

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

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

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

#### E) BOARD COMMITTEES

Details of Board Committees and other related information are provided hereunder

a) Composition of Board Committee

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

Board Committees	Audit Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee
Meeting held	6	4	4
Directors attendance			
Bhaskar G Sandu	0	4	4
Dilip R Salgaocar	4	3	0
Madan L Kapre	6	4	4
K Vinaykumar	6	4	0

Krishna B Deshpande	0	0	0
Shashank B Sandu	0	0	0
Umesh B Sandu	6	0	4

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

**Audit Committee**

**Composition of the Committee**

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

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

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

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

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

**Powers of the Audit Committee**

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

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

- 1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:



- (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report;
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - 7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - 8) Approval or any subsequent modification of transactions of the listed entity with related parties;
  - 9) Scrutiny of inter-corporate loans and investments;
  - 10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - 11) Evaluation of internal financial controls and risk management systems;
  - 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - 14) Discussion with internal auditors of any significant findings and follow up there on;
  - 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - 18) To review the functioning of the whistle blower mechanism;
  - 19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
  - 20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

#### **Review of information by Audit Committee**

The Audit Committee shall mandatory review the following information

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

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

### Meeting Details

6 (Six) Meetings of the Audit Committee were held during the year. The details of meetings and attendance are given on page no. 31 of this Report.

## 2. Nomination and Remuneration Committee

### Composition of the Committee

1. Dr Madan L. Kapre - Chairman Independent Director
2. Shri Dilip R. Salgaocar - Independent Director
3. Shri Bhaskar G. Sandu - Non Executive Director (upto 25.03.2019)
4. Shri K Vinaykumar - Independent Director
5. Shri Shashank Sandu- Non Executive Director (upto 25.03.2019)

## 1. Terms of Reference

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

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

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

### Meeting details

- 4 (Four) meetings of the Nomination and Remuneration Committee were held during the year. The Details of meeting and attendance are given on page no 31 of this Report.

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

### **Nomination and Remuneration Policy**

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

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

Composition of the Committee

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

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

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

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

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non receipt of annual report, non receipt of declared dividends, issue new/duplicate shares.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent
- Recommend methods to upgrade the standard of services to investors.
- Review of the various measures and initiative taken by Listed entity for reducing the quantum of unclaimed
- Monitor implementation and compliance with the Company’s Code of Conduct for Prohibition of Insider Trading.
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.
- Review of the various measures and initiative taken by the Listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

### Meeting Details

4 (Four) meetings of the Committee were held during the year. The details of meetings and attendance are given on page no. 31 of this Report.

### F. Code of Conduct

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

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

### G. Prevention of Insider Trading Code:

As per SEBI (Prevention of Insider Trading) Regulation, 2015 the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Ms Pratika Mhambray as the Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

### H. Means of Communication

Quarterly results: The Company's quarterly results are published in Gomantak times (English) or Navhind Times and Goadoot (Regional Newspaper) and are displayed on company's website [www.sandu.in](http://www.sandu.in). Website: The Company's website [www.sandu.in](http://www.sandu.in) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

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

### I. General Shareholders Information.

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

Location	Date	Time
Plot Nos. 25, 26, 29 & 30, Pilerne Indl Estate, Marra, Bardez, Goa 403511	Friday, 30 <sup>th</sup> September 2016	9.00 a.m.
	Friday, 29 <sup>th</sup> September 2017	9:30 a.m.
	Saturday, 29 <sup>th</sup> September 2018	9.30 a.m.

(b) Special Resolution passed

Particulars	Yes/No
Whether Special Resolution passed at the last Annual General Meeting held on 29th September 2018	Yes
a) Reappointment of Managing Director. b) Reappointment of Shri. Dilip R Salgaocar as an Independent Director. c) Reappointment of Dr Krishna B Deshpande as an Independent Director. d) Reappointment of Shri. K Vinaykumar as an Independent Director. e) Reappointment of Dr. Madan Kapre as an Independent Director.	
Whether Special Resolution passed at the last Annual General Meeting held on 29th September 2017.	No
Whether Special Resolution passed at the last Annual General Meeting held on 30th September 2016	No

(c) Postal Ballot:

For the year ended March 31, 2019 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

(d) Investor Grievance Redressal

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

Type of Requests	Number of Requests*
Opening Balance	0
Received during the year	24
Resolved during the Year	24
Closing Balance	1**

\*It consists of request and complaints

\*\*The complaints was received from the shareholder on 15th March, 2019 by the company which was resolved on 16th April, 2019.

J. Means of Communication

Quarterly Results	Published in Newspaper
Newspaper in which normally published	Navhind Times and Goa Doot
Any website ,where displayed	<a href="http://www.sandu.in">www.sandu.in</a>
Whether it also displays official news releases	No
The presentations made to institution investors or to the analysts	N.A

K. General Shareholders Information.

(1) Annual General Meeting

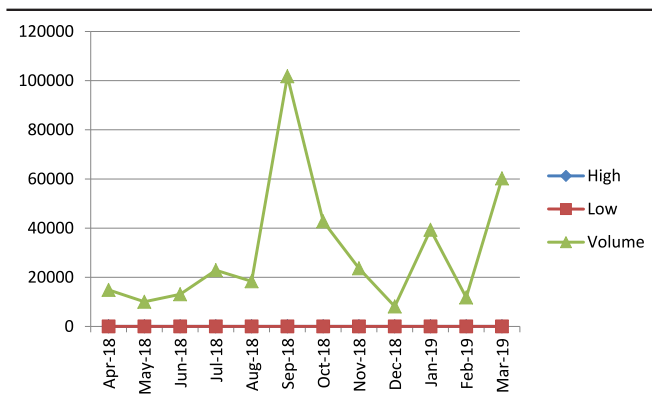
Date	Monday,30 <sup>th</sup> September 2019
Time	9.30am
Venue	Plot No 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Bardez Goa-403511



- (2) Financial Calendar (tentative) Results for the quarter ending  
 June 30, 2019 – Second week of August 2019  
 September 30, 2019 - Second week of November, 2019  
 December 31, 2019 - Second week of February, 2020  
 March 31, 2020 – Second week of May, 2020
- (3) Date of Book closure  
 Monday, 23rd September 2019 to Monday, 30<sup>th</sup> September 2019 (both days inclusive)
- (4) Listing on Stock Exchange (Equity Shares)  
 Bombay Stock Exchange  
 Phiroze Jeejeebhoy Towers,  
 Dalal Street, Mumbai 400 001  
 Scrip Code: 524703
- a) Payment of Listing Fees  
 Annual listing fee for the year 2019-20 has been paid by the Company to BSE
- b) Payment of Depository Fees  
 Annual Custody/Issuer fee for the year 2019-20 has been paid to NSDL and CDSL.
- (5) Stock Market Price Data (**Bombay Stock Exchange**)

Month	High	Low	Volume
April 2018	35.75	29.9	14863
May 2018	31.1	24.7	10056
June 2018	27.55	20.8	13104
July 2018	26.05	19.5	22873
August 2018	27.25	22.35	18344
September 2018	40.45	27.5	101791
October 2018	30.06	24.5	42724
November 2018	27.75	24	23641
December 2018	27.4	23.15	8137
January 2019	29.5	21.45	39358
February 2019	24.2	18.6	11810
March 2019	26.8	18	60208

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



#### (6) Distributing of Shareholding as on 31st March 2019.

Size of Holdings	No. of Shareholders	Percentage %	No. of Shares	Percentage %
Upto 5000	9106	90.724	12530380	17.696
5001 to 10000	416	4.145	3499630	4.942
10001 to 20000	192	1.913	2925480	4.131
20001 to 30000	182	1.813	4594030	6.488
30001 to 40000	35	0.349	1235230	1.744
40001 to 50000	27	0.269	1289690	1.821
50001 to 100000	40	0.399	2830840	3.998
100001 to above	39	0.389	41904720	59.179

- (7) Registrars and Transfer Agents  
M/s. Sharex Dynamic (India) Private Limited  
C 101, 247 Park, L B S Marg,  
Vikroli West, Mumbai 400 083  
Tel: 022-28515606/5644  
E-mail: support@sharexindia.com  
Website: www.sandu.in

#### (8) Compliance Officer

Pratika P Mhambray is the Company Secretary and Compliance Officer of the Company.

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

61,24,650 number of shares amounting to 86.49 % of the total paid up capital are held in dematerialized form and 9,56,350 number of shares amounting to 13.51 % in physical form as on March 31, 2019.

#### (10) Share Transfer System

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

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

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

## (12) General Shareholder Information

Distribution of Shareholding as on March 31, 2019

Category code	Category of Shareholder	Number of Shareholders	Total number of Shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	10	3185690	44.99
(2)	Foreign	0	0	0
	<b>Total Shareholding of Promoter and Promoters Group</b>	<b>10</b>	<b>3185690</b>	<b>44.99</b>
(B)	Public Shareholding			
(1)	Institution	1	500	0.01
(2)	Non Institution	10026	3894810	55.00
	<b>Total Public Shareholding</b>	<b>10027</b>	<b>3895310</b>	<b>55.01</b>
(C)	Shares held by Custodian and against which Depository Receipt have been issued			
(1)	Promoter and Promoters Group	0	0	0
(2)	Public	0	0	0
	<b>Total(A)+(B)+(C)</b>	<b>10037</b>	<b>7081000</b>	<b>100</b>

## (13) Global depository receipts (GDR) or any Convertible instruments, conversion dates and likely impact on Equity

N.A

## (14) Dematerialization of Shares and Liquidity

The total number of shares in dematerialized form as on 31st March, 2019 is 61,24,650 representing 86.49% of the total number of shares of the Company. The equity shares of the Company are actively traded on BSE.

## (15) Reconciliation of Share Capital

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

## (16) Unclaimed /Undelivered Share Certificates

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

Thereafter, in case of non receipt of response to the reminder, unclaimed physical shares will be dematerialized and will be held in "Unclaimed Suspense Account", with details of shareholding of each individual allottee whose shares are credited to such unclaimed suspense account. All corporate benefits shall also be credited to such suspense account for a period of 7 years and thereafter shall be transferred to IEPF. There were no unclaimed / undelivered Share Certificate during the financial year ended 31st March 2019.

17) Plant Location

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

18) Address for correspondence

The Company Secretary Plot No 25,26,29 & 30 Pilerne Indl. Estate, Marra, Bardez, Goa 403511 Email:-corp.sec@sandu.in Contact no:08326715017	<b>M/s Sharex Dynamic (India) Pvt Ltd</b> C 101, 247 Park, L B S Marg, Vikroli West, Mumbai 400 083 Tel: 022-28515606/5644 E-mail: <a href="mailto:support@sharexindia.com">support@sharexindia.com</a> <a href="http://www.sandu.in">Website:www.sandu.in</a>
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19) DISCLOSURES

(a) Related Party Transactions

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

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

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

Sr No	Name of the Company	Relationship	Nature of Transaction	Amount
1.	Sandu Brothers Private Limited	Relative of Directors are members	Sales of goods	17,2687,950
			Purchases	90,94,787
			Royalty Paid	72,14,604

(b) Strictures and Penalties

Bombay Stock Exchange had imposed 35400 as the penalty on your Company since there was delay in holding Board Meeting for approval of audited Financial results for the year ended 31.03.2018 by 5 days for adoption of India Accounting Standards.

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

20) Compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has partially adopted the non- mandatory requirements. Disclosures of the extent to which the discretionary requirements have been adopted are given in Item No. 19 of this report

## 21) Commodity price risks or foreign exchange risks and hedging activities

The Company does not have any exposure to commodity price rise. The Company manages commodity and foreign exchange risk as per its policies. The Company uses forward contracts and options to manage foreign exchange risk and futures to manage commodity risk. The Company does not undertake any derivative transaction for pure trading in foreign exchange markets or for speculative purposes.

## 22) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 37(7A).

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review.

## 23) Certificate from PCS under sub-para 10(1) of Part C of Schedule V of Listing Regulations.

A certificate from Practising Company Secretary stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.

## 24) Confirmation by the Board of Directors acceptance of recommendation of mandatory committees.

In terms of the amended SEBI Listing regulations, the Board of Directors of the Company confirm that during the year under review, it has accepted all recommendations received from its mandatory committees.

## 25) Details of total fees paid to the Statutory Auditors of the Company.

The details of the total fees paid to M/s Dileep and Prithvi Chartered Accountant, Statutory Auditors of the Company during the Financial Year ended 31st March 2019 is given below:

Sr No	Description of fees paid to Statutory Auditor	Total Fees (in lakhs)
1.	Quarterly, Statutory Audit & Limited Review, Final Audit, Tax Audit & Filing and uploading of Tax Return Including tax	5,00,000 (Rs Five Lakhs Only)

26) **Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

a.	Number of complaints filed during the period 1st April 2018 to 31st March 2019	NIL
b.	Number of complaints disposed of during the period 1st April 2018 to 31st March 2019	NIL
c.	Number of complaints pending as on 31st March 2019	NIL

## 27) Details of non-compliance with requirements of corporate governance report

The Company has complied with all the requirements of the corporate governance report as specified in sub-paragraphs (2) to (10) of Part C of Schedule V of the Listing Regulations.

## 28) Details of compliance with corporate governance requirements

The Company has complied with the applicable corporate governance requirements as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

## 29) Certificate on Corporate Governance

As required by the Listing requirements, the Compliance from the Practising Company Secretary regarding Compliance of conditions of the Corporate Governance is annexed to the Directors Report.

**For and on behalf of Board of Directors  
Of Sandu Pharmaceuticals Limited**

Dated: 13/08/2019

Place: Goa

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

Sd/-  
**Shashank Sandu**  
DIN:00678098  
Director



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE  
ANNEXURE - D**

To,  
The Members of  
**Sandu Pharmaceuticals Limited,**

We have examined the compliance of conditions of Corporate Governance by SANDU PHARMACEUTICALS LIMITED (the Company), for the year ended 31st March, 2019, as specified in regulations 17 to 27, clauses (b) to (i) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), pursuant to the Listing Agreement of the Company with Stock exchange.

**Management's Responsibility**

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

Pursuant to the requirements of the above mentioned Listing Regulations, our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the company.

We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

**Opinion**

Based on our examination of the relevant records and according to the information and explanations given to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the relevant Listing Regulations.

We 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.

**Restriction on Use**

This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose.

Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For Dileep & Prithvi  
Chartered Accountants  
FRN: 122290W

Himmat Mali  
(Partner)  
M. No. 183378

Place: Mumbai  
Date: 29th May, 2019

## ANNEXURE - E

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

To,

The Board of Directors of

Sandu Pharmaceuticals Limited

- A. I have reviewed financial statements and the cash flow statement for the year ended 31st March 2019 and that to the best of my knowledge and belief:

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

These statements together present a true and fair view and are in compliance with existing accounting standards, applicable laws and regulations.

- B. To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.

- C. I accept the responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls if any, of which they are aware and the steps have taken or propose to take to rectify the deficiencies if any.

- D. I have indicated to the auditors and the Audit committee

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

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

Instances of significant fraud of which i have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Sandu Pharmaceuticals Limited

Date: 31/03/2019

Place: Mumbai

Sd/-  
Rakesh Parekh  
Chief Financial Officer

**ANNEXURE - F**

**DECLARATION OF MANAGING DIRECTOR**

As provided under Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. I, Shri Umesh B Sandu, Managing Director (DIN: 01132141) affirm that the Board Members and the Senior Management Personnel have confirmed compliance with the Codes of Conduct, as applicable to them, for the Financial year ended 31st March 2019.

For Sandu Pharmaceuticals Limited

Date: 31/03/2019

Place: Mumbai

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

## ANNEXURE G

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

***(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)***

Issued under UDIN: A034739A000001533

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of by **Sandu Pharmaceuticals Limited** having **CIN L24233GA1985PLC001587** and having registered office at **PLOT NO 25,26,29 & 30 PILERNE INDUSTRIAL ESTATE MARRA BARDEZ GOA 403511** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Designation	Date of appointment in Company
1.	Shri. Bhaskar Sandu	02816792	Non Executive Director and Chairman	10/09/1993
2.	Shri. Dilip Salgaocar	00044240	Independent Director	20/09/1993
3.	Dr Krishna Deshpande	06557518	Independent Director	14/08/2013
4.	Dr Madan Kapre	03113515	Independent Director	30/09/2006
5.	Shri. K Vinay Kumar	02322747	Independent Director	17/07/2010
6.	Shri. Shashank Sandu	00678098	Non Executive Director	01/06/2011
7.	Dr Shubhada Sandu	07148834	Non Executive Director	01/04/2015
8.	Shri. Umesh Sandu	01132141	Executive Director	23/03/1992

Note: Shri Bhaskar G Sandu has resigned from the Board of Director and Committee w.e.f 25<sup>th</sup> March 2019.

**FOR SWAPNIL J DIXIT AND ASSOCIATES,  
COMPANY SECRETARIES**

**Sd/-  
CS SWAPNIL JAYANT DIXIT  
PROPRIETOR  
M. NO. ACS 34739  
C. P. NO. 12942**

Place: Bicholim - Goa  
Date: 22<sup>nd</sup> Day of July, 2019

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

Extract of Annual Return

As on the financial year ended on 31st March, 2019

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

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



**ATTACHMENT A****PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

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

**ATTACHMENT B****PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE**

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

## C. SHARE HOLDING PATTERN

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year"
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S</b>									
(1). INDIAN									
(a). Individual	2228100	0	2228100	31.466	2228100	0	2228100	31.466	0
(b). Central Govt.		0				0			0
(c). State Govt(s).		0				0			0
(d). Bodies Corpp.	957590	0	957590	13.523	957590	0	957590	13.523	0
(e). FIINS / BANKS.		0				0			0
(f). Any Other		0				0			0
<b>Sub-total (A) (1):-</b>	<b>3185690</b>	<b>0</b>	<b>3185690</b>	<b>44.989</b>	<b>3185690</b>	<b>0</b>	<b>3185690</b>	<b>44.989</b>	<b>0</b>
<b>(2). FOREIGN</b>									
(a). Individual NRI / For Ind			0				0		
(b). Other Individual			0				0		
(c). Bodies Corporates			0				0		
(d). Banks / FI			0				0		
(e). Qualified Foreign Investor			0				0		
(f). Any Other Specify			0				0		
<b>Sub-total (A) (2):-</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(B) (1). PUBLIC SHAREHOLDING</b>									
(a). Mutual Funds			0				0		
(b). Banks / FI		0	500	500	0.007	0	500	500	0.007
(c). Central Govt.			0				0		
(d). State Govt.			0				0		
(e). Venture Capital Funds			0				0		
(f). Insurance Companies			0				0		
(g). FIs			0				0		
(h). Foreign Venture Capital Funds			0				0		
(i). Others (specify)			0				0		
<b>Sub-total (B)(1):-</b>		<b>0</b>	<b>500</b>	<b>500</b>	<b>0.007</b>	<b>0</b>	<b>500</b>	<b>500</b>	<b>0.007</b>
<b>Sub-total (B)(2):-</b>		<b>2891360</b>	<b>1003450</b>	<b>3894810</b>	<b>55.004</b>	<b>2938960</b>	<b>955850</b>	<b>3894810</b>	<b>55.003</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>		<b>2891360</b>	<b>1003950</b>	<b>3895310</b>	<b>55.011</b>	<b>2938960</b>	<b>956350</b>	<b>3895310</b>	<b>55.010</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>			0				0		
<b>Grand Total (A+B+C)</b>		<b>6077050</b>	<b>1003950</b>	<b>7081000</b>	<b>100.00</b>	<b>6124650</b>	<b>956350</b>	<b>7081000</b>	<b>100.00</b>

**D. Shareholding of Promoters**

Sr. No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% changes in share holding during the year
		No. of Shares	% of total Shares of the company	% of shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged /encumbered to total shares	
1	BHASKAR GOVIND SANDU	737000	10.408	0	737000	10.408	0	0
2	UMESH B SANDU	677100	9.562	0	677100	9.562	0	0
3	SHASHANK BHASKAR SANDU	657900	9.291	0	657900	9.291	0	0
4	SANMARK REALTY AND FINANCE PRIVATE	543930	7.682	0	543930	7.682	0	0
5	NOUMURA REALTY AND CONSTRUCTIONS PR	219010	3.093	0	219010	3.093	0	0
6	BHASKAR GOVIND SANDU	155963	2.203	0	155963	2.203	0	0
7	UMESH B SANDU	85000	1.200	0	85000	1.200	0	0
8	SHASHANK BHASKAR SANDU	61100	0.863	0	61100	0.863	0	0
9	SANMARK REALTY AND FINANCE PRIVATE	38687	0.546	0	38687	0.546	0	0
10	NOUMURA REALTY AND CONSTRUCTIONS PR	10000	0.141	0	10000	0.141	0	0

**E. Change in Promoter's Shareholding**

SR No.	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			% of total Shares of the company
		No.of Shares at the beginning /end of the Year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	
Not Applicable								

**F. Shareholding pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):**

SR No.	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			% of total Shares of the company
		No. of Shares at the beginning /end of the Year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	
1	MUKESH RAOJIBHAI PATEL	187332	2.646	01-04-2018				
				21-09-2018	-6138	Sold	181194	2.559
	-Closing Balance			31-03-2019			181194	2.559
2	TANVI JIGNESH MEHTA	165044	2.331	01-04-2018				

				17-08-2018	-500	Sold	164544	2.324
				24-08-2018	-300	Sold	164244	2.32
				31-08-2018	-400	Sold	163844	2.314
				07-09-2018	-4000	Sold	159844	2.257
				14-09-2018	-1726	Sold	158118	2.233
				21-09-2018	-8818	Sold	149300	2.108
				18-01-2019	360	Buy	149660	2.114
				01-02-2019	500	Buy	150160	2.121
	-Closing Balance			31-03-2019			150160	2.121
3	HITESH KUVELKAR	108614	1.534	01-04-2018				
				20-07-2018	305	Buy	108919	1.538
				27-07-2018	415	Buy	109334	1.544
				24-08-2018	945	Buy	110279	1.557
				31-08-2018	750	Buy	111029	1.568
				16-11-2018	1	Buy	111030	1.568
				30-11-2018	327	Buy	111357	1.573
				07-12-2018	1926	Buy	113283	1.600
				21-12-2018	126	Buy	113409	1.602
				28-12-2018	100	Buy	113509	1.603
				04-01-2019	50	Buy	113559	1.604
				11-01-2019	970	Buy	114529	1.617
				01-02-2019	2010	Buy	116539	1.646
				15-02-2019	1360	Buy	117899	1.665
				22-03-2019	400	Buy	118299	1.671
	-Closing Balance			31-03-2019			118299	1.671
4	AMIT DATTATRAY KHANDEKAR	67318	0.951	01-04-2018				
	-Closing Balance			31-03-2019		No Change	67318	0.951
5	KHUSHBUBEN RAKESH VAIDYA	35028	0.495	01-04-2018				
				06-04-2018	-400	Sold	34628	0.489
				13-04-2018	400	Buy	35028	0.495
				20-04-2018	1283	Buy	36311	0.513
				11-05-2018	67	Buy	36378	0.514
				18-05-2018	133	Buy	36511	0.516
				15-03-2019	-3511	Sold	33000	0.466
	-Closing Balance			31-03-2019			33000	0.466
6	JAINAM SHARE CONSULTANTS PVT. LTD -	31025	0.438	01-04-2018				
				25-05-2018	-100	Sold	30925	0.437
				29-06-2018	1000	Buy	31925	0.451
				03-08-2018	-500	Sold	31425	0.444

				14-09-2018	400	Buy	31825	0.449
				21-09-2018	475	Buy	32300	0.456
				28-09-2018	-525	Sold	31775	0.449
				12-10-2018	-350	Sold	31425	0.444
				11-01-2019	100	Buy	31525	0.445
				18-01-2019	-100	Sold	31425	0.444
				15-03-2019	150	Buy	31575	0.446
				22-03-2019	-50	Sold	31525	0.445
				29-03-2019	-50	Sold	31475	0.444
				-Closing Balance			31475	0.444
7	UNIVED CORPORATE RESEARCH PRIVATE L	19000	0.268	01-04-2018				
				07-09-2018	1000	Buy	20000	0.282
				05-10-2018	1500	Buy	21500	0.304
				12-10-2018	3000	Buy	24500	0.346
				19-10-2018	1500	Buy	26000	0.367
				26-10-2018	415	Buy	26415	0.373
				02-11-2018	-415	Sold	26000	0.367
				09-11-2018	1415	Buy	27415	0.387
				16-11-2018	-140	Sold	27275	0.385
				23-11-2018	4051	Buy	31326	0.442
				30-11-2018	-326	Sold	31000	0.438
				21-12-2018	200	Buy	31200	0.441
				29-03-2019	100	Buy	31300	0.442
				-Closing Balance			31300	0.442
8	MAHAN INDUSTRIES LTD	28698	0.405	01-04-2018				
				-Closing Balance		No Change	28698	0.405
9	RAVINDRA VINAYAK BHATAVADEKAR HUF	27734	0.392	01-04-2018				
				-Closing Balance		No Change	27734	0.392
10	AJIT T DALAL	18000	0.254	01-04-2018				
				13-07-2018	8731	Buy	26731	0.378
				-Closing Balance			26731	0.378
11	MATALIA STOCK BROKING PVT LTD	23937	0.338	01-04-2018				
				13-07-2018	700	Buy	24637	0.348
				22-03-2019	250	Buy	24887	0.351
				-Closing Balance			24887	0.351
12	YATIN JAYKRISHNA DESAI	24000	0.339	01-04-2018				
				-Closing Balance		No Change	24000	0.339



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

Sr No	Particulars	Shareholding at the Beginning of the year 01/04/2018		Cumulative Shareholding during the year 31/03/2019	
		No of Shares	% of total Shares of the Company	No of Shares	% of total shares of the company
1.	Bhaskar G Sandu	737000	10.408	737000	10.408
2.	Shashank B Sandu	657900	9.291	657900	9.291
3.	Umesh B Sandu	677100	9.562	677100	9.562
4.	Shubhada P Sandu	10000	0.141	10000	0.141
5.	Dilip Salgaocar	NIL	NIL	NIL	NIL
6.	Dr Krishna Deshpande	NIL	NIL	NIL	NIL
7.	Dr Madan Kapre	NIL	NIL	NIL	NIL
8.	K Vinaykumar	NIL	NIL	NIL	NIL
9.	Pratika Mhambray (KMP)	NIL	NIL	NIL	NIL
10	Rakesh Parekh (KMP)	NIL	NIL	NIL	NIL

**ATTACHMENT H****IX. INDEBTEDNESS****Indebtedness of the company including interest outstanding / accrued but not due for payment.**

Particulars	Secured Loans Excluding Deposits ( Rs )	Unsecured Loans	Deposits	Total Indebtedness ( Rs )
Indebtedness at the beginning of the financial year 01.04.2018 1.Principal Amount 2.Interest due but not paid 3.interest accrued but not due	94193279	NIL	NIL	94193279
Total of (1+2+3)	94193279	NIL	NIL	94193279
Change in indebtedness during the financial year				
+Addition				
-Reduction	32456148	NIL	NIL	32456148
Net Change	32456148	NIL	NIL	32456148
Indebtedness at the end of the financial year 31.03.2019 1.Principal Amount 2.Interest due but not paid 3.interest accrued but not due	61737132	NIL	NIL	61737132
Total of (1+2+3)	61737132	NIL	NIL	61737132

## ATTACHMENT I

## X. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

## Remuneration to Managing Director, Whole Time Director and/or Manager

(In Rs)

Sr. No	Particulars of Remuneration	Shri. Umesh Sandu Managing Director
1.	Gross Salary	
	Salary as per provisions in section 17(1) of the income tax act	3402000
	(b) Value of perquisites u/s 17(2) income tax, 1961	NIL
	© Profit in lieu of salary under section 17(3) income tax act, 1961	NIL
2.	Stock option	NIL
3.	Sweat Equity	NIL
4.	Commission -As % of profit -Others, specify	NIL
5.	Others, please specify Provident Fund & other fund	227520
	Total (A)	3629520
	Ceiling as per the Act	84,00,000

## ATTACHMENT J

## XI. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

## Remuneration of other directors:

## Independent Directors:-

Particulars of Remuneration	Name of Directors				Total Amount (In Rs)
	Dilip R. Salgaocar	Krishna B. Deshpande	Madan L. Kapre	K. Vinaykumar	
Fees for attending Board /Committee Meetings	NIL	NIL	NIL	NIL	NIL
Commission	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL

## Other Non-Executive Directors:-

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

## ATTACHMENT K

## XII.REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

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

(In Rs)

Sr No	Particulars of Remuneration	Key Managerial Personnel		Total
		Chief Financial Officer	Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	865124	436320	1301444
	(b) Value of perquisites u/s 17(2) Income Tax Act	NIL	NIL	NIL
	(c) Profit in lieu of salary under section 17(3) Income Tax Act	NIL	NIL	NIL
2.	Stock option	NIL	NIL	NIL
3.	Sweat Equity Shares	NIL	NIL	NIL
4.	Commission -As % of profit -others, specify	NIL	NIL	NIL
5.	Others, please specify contribution to PF	NIL	21600	21600
6.	Performance Bonus	NIL	NIL	NIL
	Total	865124	457920	1323044

## ATTACHMENT L

## XIII. Penalties /Punishment/compounding of offences (under the companies act)

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

**ANNEXURE - H**

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

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

Sr No	Directors	Ratio to Median Remuneration
1.	Bhaskar G Sandu- Chairman and Non Executive Director	-
2.	Dilip R Salgaocar-Non Executive Independent Director	-
3.	Krishna B Deshpande Non Executive Independent Director	-
4.	Dr Madan L Kapre Non Executive Independent Director	-
5.	K Vinaykumar Non Executive Independent Director	-
6.	Shashank B Sandu- Non Executive	-
7.	Shubhada P Sandu Non Executive	-
8.	Umesh B Sandu Managing Director	22.56%

The Median remuneration of all employees of the company for the Financial year 2018-19 was Rs. 163680

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

Sr No	Director, Chief Financial Officer, Company Secretary	% increase /(decrease) of remuneration in the financial year
1.	Bhaskar G Sandu- Chairman and Non Executive Director	-
2.	Dilip R Salgaocar-Non Executive Independent Director	-
3.	Krishna B Deshpande Non Executive Independent Director	-
4.	Dr Madan L Kapre Non Executive Independent Director	-
5.	K Vinaykumar Non Executive Independent Director	-
6.	Shashank B Sandu- Non Executive	-
7.	Shubhada P Sandu Non Executive	-
8.	Umesh B Sandu Managing Director	18.77%
9.	Rakesh Parekh Chief Financial Officer	29.55%
10.	Pratika Mhambray Company Secretary	11.20%

(iii) The percentage increase in the median remuneration of employees in the Financial Year: 4.32%

(iv) The Number of permanent employees on roll of the Company: 280

(v) The explanation on the relationship between average increase in remuneration and company Performance  
Average Increase in remuneration of all employees was 1.03%

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

Aggregate of remuneration paid to Key Managerial Personnel (KMP)	5373043
Total Revenue	499985835
Remuneration of KMP's as a % of total revenue	5373043
Profit Before Tax (PBT)	10176853
Remuneration of KMP's as a % PBT	52.80%

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

variation in the net worth of the company as at the close of the current financial year and previous financial year

Particulars	As on 31.03.2019	As on 31.03.2018	% Increase
<b>Share Price</b>			
BSE	21.8	28.65	(23.91%)
Market Capitalization	154365800	202870650	(23.91%)
BSE			
Price Earning Ratio	23.19	36.26	(36%)
Net worth	287888701	280824671.93	2.46%

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

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

Average salary increase of Non Managerial Employees is 44.49%

Average Salary increase of Managerial employees is (32%)

There is no exceptional circumstances in increase in managerial remuneration.

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

KMPs	Remuneration in FY 2018-19	Total Revenue	Remuneration a % of Revenue	Profit Before Tax(PBT)	Remuneration Of KMPs as a % of PBT
Umesh B. Sandu Managing Director	3693035	499985835	0.73%	10176853	36.29%
Rakesh Parekh Chief Financial Officer	1100000		0.22%		10.81%
Pratika Mhambray Company Secretary	580008		0.11%		5.70%

x) The Key parameter for any variable component of remuneration availed by the Director

There are no variable payment is made to the Whole Time Director based on the performance during the year.

xi) The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the Year

Managing Director is highest paid Director. No employee received remuneration higher than the Managing Director.

xii) Affirmation that the remuneration is as per the remuneration policy of the Company

Remuneration paid during the year ended 31.03.2019 is as per remuneration policy of the Company



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

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

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

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

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

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

Particulars	Details
Name of the related party	Sandu Brothers Private Limited
Nature of relationship	Director and Relative of Director are member
Nature of contracts/arrangements/transaction	1.Purchase and sale of finished ayurvedic medicines for marketing 2. taken premises on leave and license 3. Royalty Payment
Duration of Contracts/arrangements/transaction	01st April 2014 to 1st March 2019
Salient terms of the contracts or arrangements or transactions including value ,if any	Note 1
Date of board approval	30th May 2014
Amount paid as advances if any	81335158

**Note 1:**

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

M/s Sandu Brothers Pvt Ltd is the owner, proprietor and prior user for some of the proprietary products of which some are duly registered under The Trade Mark Act, 1999 (the said Act) and some of the mark is applied for and/or in process to apply for some of the products. Your Company is desirous to manufacture various products under the said Trade Mark and for this purpose have requested M/s Sandu Brothers Pvt Ltd to assign the said products and pay Royalty for the assignment of the said Trademark.

For and on behalf of Board of Directors

Dated: 13/08/2019

Place: Goa

Sd/-  
Umesh Sandu  
DIN:01132141  
Managing Director

Sd/-  
Shashank Sandu  
DIN: 00678098  
Director

## INDEPENDENT AUDITORS' REPORT

To the Members of,

### **SANDU PHARMACEUTICALS LIMITED**

Report on the Ind AS Financial Statements

#### **Opinion**

1. We have audited the accompanying standalone financial statements of Sandu Pharmaceuticals Limited ("the Company") which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit including other comprehensive income, its cash flows and the changes in equity and for the year ended on that date.

#### **Basis for Opinion**

3. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Key Audit Matters**

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended on March 31, 2019. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	Recognition of Revenue, measurement, presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers". (Refer Sub-note No. L of Note 2 of Accounting Policy).	Our audit procedures included and were not limited to the following – <ul style="list-style-type: none"> <li>• We performed walkthroughs to understand the key processes and identify key controls related Ind AS-115 "Revenue from Contracts with Customers"</li> <li>• On a sample basis we performed testing to verify physical deliveries of product in the year to ascertain transfer of control.</li> <li>• We performed revenue cut-off testing, by reference to bill dates of sales recorded either side of the financial year end had legally completed; and</li> <li>• Selected a sample of sales invoices/contracts and read, analyzed and identified the distinct performance obligations in these invoices/contracts.</li> </ul> Based on our audit procedures we have concluded that revenue is appropriately recognized, and that there was no evidence of management bias

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

6. The Company's Board of Directors is responsible for the preparation of the other information. The other Information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexure to Director's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.
7. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other Information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Standalone Financial Statements**

9. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Standalone Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
11. **As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:**
  - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit Procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also Responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Materiality**

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

### **Communication with those charged with governance**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

12. 1) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Government of India -Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
- 2) As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance sheet, the statement of Profit and Loss including other comprehensive income, the Statement Cash Flow and statement of changes in equity dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014 as amended, in our opinion and to the best of our information and according to the explanation given to us:
  - i. The Company does not have any pending litigation which would impact its financial position.
  - ii. The Company does not have any long-term contracts having material foreseeable losses. The Company does not have any derivatives contracts.
  - iii. The Company is not liable to make any payments towards Investor Education and Protection Fund.

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

**Himmat Mali**  
(Partner)  
M. No. 183378

Place: Mumbai  
Date: 29th May, 2019

# **Annexure -A to the Auditor's Report**

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the Ind AS financial statements for the year ended on March 31, 2018, of Sandu Pharmaceuticals Limited )

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of plant, property and equipment.
  - (b) According to the information and explanations given to us, the plant, property and equipment have been physically verified by the management in a phased manner at regular intervals based on program designed to cover all the material items. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed by the management on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. In case of leasehold land, that have been taken on lease and disclosed as plant, property and equipment in the Ind AS financial statements, the lease agreement is in the name of the company, where the company is the lessee in the agreement.
- (ii) According to the information and explanations given to us, the inventory has been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has not granted loans to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) to (c) of the order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 185 & 186 of the Companies Act, 2013 in respect of loans, investments, guarantees or securities, as applicable.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 of the Act. Therefore, the provisions of the clause (v) of paragraph 3 of the Order are not applicable to the company.
- (vi) We have broadly reviewed the accounts and records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies ( Cost Records and Audit) Amendment under Section 148 of the Act, and are of the opinion that prima facie, the prescribed Cost records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Service tax, Sales Tax, Custom Duty, Excise Duty, Goods and Service Tax and other material statutory dues, as applicable. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at 31st March 2019, for a period of more than six months from the date they became payable, except dues of Tax Deducted at source aggregating to Rs.4,52,6,12 (P.Y. Rs. 4,50,746/-) on account of defaults pertains to prior years.
- (b) According to the information and explanations given to us and records of the Company, no dues of Income-tax, Sales tax, Service Tax, VAT are outstanding in the books of the Company on account of any dispute.
- (viii) According to the information and explanations given to us, the company has not defaulted in repayment of dues to banks and financial institution. The Company has not taken any loan from the Government and has not issued any debentures.



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

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

**Himmat Mali**  
(Partner)  
M. No. 183378

Place: Mumbai  
Date: 29th May, 2019

## **Annexure-B to Auditors report**

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

1. We have audited the internal financial controls of Sandu Pharmaceuticals Limited ("the Company") as of 31 March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal financial Controls**

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

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls & financial reporting based on our audit. We Conducted our audit in accordance with the Guidance Note on Audit of internal Financial Controls over Financial Reporting (the "Guidance. Note.") issued by ICAI and the Standards on Auditing, and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial Controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion on the Company's internal financial control system over financial reporting.

### **Meaning of internal financial controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Control Over Financial Reporting**

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

**Opinion**

8. In our opinion, the Company has, in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established.
9. by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India.

**For Dileep & Prithvi**

Chartered Accountants  
Firm Reg. No. 122290W

**Himmat Mali**

(Partner)  
M. No. 183378

Place: Mumbai  
Date: 29th May, 2019

**SANDU PHARMACEUTICALS LIMITED**  
**Balance Sheet as at 31st, March, 2019**

PARTICULARS	Note No.	As at 31st March, 2019 Amount (₹)	As at 31st March, 2018 Amount (₹)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	16,91,60,171	17,41,07,011
Other Intangible Assets	4	12,71,260	15,94,892
<b>Financial Assets</b>			
Investments	5	1,12,70,163	1,12,39,932
Loans Receivables	6	5,10,38,556	5,00,00,000
Other Non Current Assets	7	28,19,156	-
		<b>23,55,59,306</b>	<b>23,69,41,835</b>
<b>Current assets</b>			
Inventories	8	13,25,55,288	11,44,04,476
<b>Financial Assets</b>			
Investments		-	-
Trade receivables	9	4,79,54,634	6,69,39,046
Cash and cash equivalents	10 (a)	74,09,387	1,36,30,095
Bank balances other than 10(a) above	10 (b)	4,86,410	4,48,439
Other current assets	11	1,23,90,249	1,29,10,641
		<b>20,07,95,968</b>	<b>20,83,32,697</b>
		<b>43,63,55,274</b>	<b>44,52,74,531</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	7,08,10,000	7,08,10,000
Other Equity	13	21,70,78,701	21,00,14,669
		<b>28,78,88,701</b>	<b>28,08,24,669</b>
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14	17,65,146	24,65,127
Deferred tax liabilities (Net)	15	81,17,412	81,57,074
		<b>98,82,558</b>	<b>1,06,22,201</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Short term Borrowings	16	5,92,54,463	9,10,84,266
Trade payables	17		
Dues to Micro & Small Enterprises		7,50,333	6,26,290
Other Than Micro & Small Enterprises		4,15,85,816	2,95,94,611
Other Financial Liabilities		-	-
Other current liabilities	18	1,11,90,481	1,14,63,692
Provisions	19	2,58,02,924	2,10,58,800
		<b>13,85,84,017</b>	<b>15,38,27,659</b>
		<b>43,63,55,274</b>	<b>44,52,74,531</b>
Significant Accounting policies	2		

The accompanying Notes from 30 to 34 are an integral part of Financial Statements.

As per our report of even date attached.

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

**Himmat Mali**  
(Partner)  
M.No:183378

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

**Umesh B. Sandu**  
(Managing Director)  
DIN:01132141

**Rakesh Parekh**  
(CFO)

**Shashank B. Sandu**  
(Director)  
DIN:00678098

**Pratika P. Mhambray**  
(CS)

Place: Mumbai  
Dated : 29/05/2019

Place: Mumbai  
Dated : 29/05/2019

**SANDU PHARMACEUTICALS LIMITED**  
**Statement of Profit and Loss for the Period ended 31st March, 2019**

		Year ended 31st March, 2019 Amount (₹)	Year ended 31st March, 2018 Amount (₹)
<b>INCOME</b>			
Revenue From Operations	20	49,42,46,203	49,15,99,301
Other Income	21	57,39,633	12,17,803
<b>Total Income</b>		<b>49,99,85,835</b>	<b>49,28,17,103</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	8,54,87,960	7,41,92,797
Purchases of Stock-in-Trade	23	18,33,23,686	21,88,82,831
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	24	(1,56,89,765)	(91,38,948)
Excise duty on sale of goods		-	14,40,210
Employee benefits expense	25	6,48,98,140	5,93,64,451
Finance costs	26	1,01,18,075	1,23,10,466
Depreciation and amortization expense	3	63,58,106	60,24,160
Other expenses	27	15,52,86,769	12,21,88,867
<b>Total expenses</b>		<b>48,97,82,971</b>	<b>48,52,64,834</b>
<b>Profit/(loss) before exceptional items and Tax</b>		<b>1,02,02,864</b>	<b>75,52,269</b>
Exceptional Items / Prior Period Adjustment	28	26,011	-
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>1,01,76,853</b>	<b>75,52,269</b>
<b>Tax expense:</b>	29		
Current Tax		36,50,000	19,77,645
Deferred Tax		1,64,300	(40,855)
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>66,91,153</b>	<b>56,15,479</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss in Subsequent Periods :			
Remeasurement gains/(losses) on post employment defined benefit plans		4,67,286	1,26,377
Fair value changes of investments		30,232	12,18,100
Income tax relating to items that will not be reclassified to profit or loss		(1,24,638)	(2,12,117)
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD (NET OF TAX)</b>		<b>3,72,880</b>	<b>11,32,360</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (NET OF TAX)</b>		<b>70,64,033</b>	<b>67,47,839</b>
<b>EARNINGS PER EQUITY SHARE</b>	30		
Basic		0.94	0.79
Diluted		0.94	0.79
Significant Accounting policies	2		

The accompanying Notes from 30 to 34 are an integral part of Financial Statements.

As per our report of even date attached.

**For Dileep & Prithvi**

Chartered Accountants  
Firm Reg No 122290W  
By the hand of

**Himmat Mali**  
(Partner)  
M.No:183378

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

**Sandu Pharmaceuticals Limited**  
CIN : L24233GA1985PLC001587

**Umesh B. Sandu**  
(Managing Director)  
DIN:01132141

**Rakesh Parekh**  
(CFO)

**Shashank B. Sandu**  
(Director)  
DIN:00678098

**Pratika P. Mhambray**  
(CS)

Place: Mumbai  
Dated : 29/05/2019

Place: Mumbai  
Dated : 29/05/2019

**Statement of Changes in Equity for the Period ended 31st March, 2019****A. Share Capital**

	As at 31st March, 2019	As at 31 March, 2018
	Number of shares	Amount (₹)
Equity Shares of ₹ 10 each issued, subscribed and fully paid	7,08,10,000	7,08,10,000
Total	7,08,10,000	7,08,10,000

**B. Other Equity**

	Reserves and Surplus			Other Comprehensive Income			Total (₹)
	Capital Reserve (₹)	General Reserve (₹)	Retained Earnings (₹)	Equity Instruments through Other Comprehensive Income (₹)	Revaluation Surplus (₹)	Other Comprehensive Income -Employee Benefits (₹)	
Balance at 31st March, 2018	-	9,50,28,369	1,60,66,917	30,51,732	9,53,19,559	5,48,092	21,00,14,669
Profit for the Year	-		66,91,153		-		66,91,153
Other Comprehensive Income (Net of tax)	-		-	27,087	-	3,45,792	3,72,879
Transfer to retained earnings	-	-	13,80,456	-	(13,80,456)	-	-
Balance at 31st March, 2019	-	9,50,28,369	2,41,38,526	30,78,819	9,39,39,103	8,93,884	21,70,78,701

**Notes: Nature and purpose of reserves:****1. General Reserve**

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

**2. Equity Instruments through Other Comprehensive Income**

**Equity Instrument through other comprehensive income is the increase / decrease in the value of the investments at the end of the year .**

**3. Revaluation Surplus**

Revaluation surplus shows the details of the changes in the fair value of the fixed assets such as lease hold land , including transfer of depreciation to retained earnings in the year end.

**4. Other Comprehensive Income -Employee Benefits**

Employee Benefits such as Gratuity valuation is done on yearly basis by the actuary & increase / decrease in the liability is shown through this account.



**SANDU PHARMACEUTICALS LIMITED****Statement of Cash Flow for the year ended 31st March, 2019**

Particulars	Year ended 31st March, 2019		Year ended 31st March, 2018	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and Tax		1,01,76,853		75,52,269
Adjustments for:				
<u>Depreciation and amortisation expenses</u>	63,58,106		60,24,160	
Finance costs	1,01,18,075		1,23,10,466	
Interest income	(57,465)		(2,33,096)	
Dividend income	(29,835)		(34,240)	
Profit on sale of Property, Plant and Equipment	-		(4,93,000)	
Bad Debts	-		3,89,350	
Re-measurement losses on employee defined benefit plans	4,67,286		1,26,377	
Prior period Income	-	1,68,56,167	-	1,80,90,018
<b>Operating profit / (loss) before changes in operating assets &amp; liabilities</b>		2,70,33,020		2,56,42,287
<b>Changes in operating assets</b>				
(increase) / decrease in inventories	(1,81,50,812)		(76,21,704)	
(increase) / decrease in Trade receivables	1,89,84,412		(38,59,477)	
(increase) / decrease in other operating assets	(2,06,904)		1,71,42,408	
<b>Changes in operating liabilities</b>				
(increase) / decrease in trade payables	1,21,15,248		(1,06,45,283)	
(increase) / decrease in other operating liabilities	7,69,600	1,35,11,545	(50,96,171)	(1,00,80,227)
<b>Cash Generated from operation</b>		4,05,44,565		1,55,62,059
Income Tax Paid		(31,30,415)		(32,40,394)
<b>Net Cash flow from Operating activities</b>		3,74,14,150		1,23,21,666
<b>B. Cash flow from investing activities</b>				
Purchases of Property, Plant and Equipment	(10,87,634)		(68,34,743)	
Sales of Property, Plant and Equipment	-		4,93,000	
Purchase of Non Current Financial Instruments	-		(1,05,900)	
Proceed from Non Current Financial Instruments	-		-	
Interest received	57,465		2,33,096	
Dividend received	29,835		34,240	
Gain on Sale of Financial Instruments	-		-	
<b>Net cash flow from / (used in) investing activities (B)</b>		(10,00,334)		(61,80,307)

<b>C. Cash flow from financing activities</b>				
Proceeds from long-term borrowings	(6,48,669)		15,71,677	
Repayment of Short-term borrowings	(3,18,29,803)		(81,93,899)	
Finance cost	(1,01,18,075)		(1,23,10,466)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(4,25,96,549)</b>		<b>(1,89,32,688)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(61,82,735)</b>		<b>(1,27,91,328)</b>
Cash and cash equivalents at the beginning of the year		1,40,78,532		2,68,69,862
<b>Cash and cash equivalents at the end of the year</b>		<b>78,95,797</b>		<b>1,40,78,534</b>

Significant Accounting policies

2

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

As per our report of even date attached.

**For Dileep & Prithvi**

Chartered Accountants

Firm Reg No 122290W

By the hand of

**Himmat Mali**

(Partner)

M.No:183378

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

**Sandu Pharmaceuticals Limited**

CIN : L24233GA1985PLC001587

**Umesh B. Sandu**

(Managing Director)

DIN:01132141

**Rakesh Parekh**

(CFO)

**Shashank B. Sandu**

(Director)

DIN:00678098

**Pratika P. Mhambray**

(CS)

Place:Mumbai

Dated : 29/05/2019

Place: Mumbai

Dated : 29/05/2019

**Notes forming integral part of financial statements of Sandu Pharmaceuticals Ltd for the year ended March 31, 2019**

**NOTE 1. Corporate Information**

**Sandu Pharmaceuticals Limited** referred as “the Company” is domiciled in India and was incorporated in India on November 15, 1985. The registered office of the company is at Plot no 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa-403511. Equity shares of the company are listed in India on the Bombay Stock Exchange (BSE).

The Company is mainly engaged in the business of manufacturing and trading of Ayurvedic Property Medicines under the brand name SANDU. The company has Manufacturing plant in Goa.

**NOTE 2. Significant Accounting Policies**

The Company has consistently applied the following accounting policies to all Periods presented in the financial statements.

**a. Basis of Accounting and preparation of financial statements:**

- The accounts are prepared under historical cost convention except for certain financial assets and liabilities which have been measured at fair value (Refer accounting policy regarding financial instruments) on Accrual basis of accounting except and as a going concern and in accordance with the Indian Accounting Standards (Ind AS) notified under the companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended.
- For all periods upto and including the year ended 31<sup>st</sup> March, 2019, the company has prepared its financial Statements to comply in all material respects with the Accounting Standard specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 (Indian GAAP) and to reflect the financial position and result of operations of the company.
- Accounting Policies, not specifically referred to, otherwise are consistent with generally accepted accounting policies. In applying the accounting policies, considerations have been given to prudence, substance over form and materiality. The accounting policies adopted in the presentation of the financial statements are consistent with those followed in the previous year.

**b. Presentation of financial statements:**

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013. The statement of cash flow has been prepared and presented as per the requirements of Ind AS-7 “Statement of Cash flows”. The disclosure requirements with respect to items in the balance sheet and statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

**c. Functional and Presentation Currency:**

This financial statements are presented in Indian National Rupee (‘INR’) which is the Company’s functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated

**d. Current versus Non-current classification:**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An assets is treated as current when it is :

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading-expected to be realized within twelve months after the reporting period ;or
- Cash and cash equivalent unless restricted from being used to settle a liability for at least twelve months after the reporting period.

All Other assets are classified as non-current. A liability is treated as current when it is :

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All Other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

**e. Use of Judgements and Estimates:**

In Preparing these financial statements, management has made judgements, estimates and assumptions that effect the application of the company's accounting policies and the reported amounts of assets , liabilities, income and expenses.

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

**Judgements**

- Classification of leases into finance and operating lease.
- Classification of financial assets : Assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

**Assumptions and estimates uncertainties**

Information about assumption and estimation uncertainties that have a significant

Risk of resulting in a material adjustment in the financial statements for every

Period ended is included below:

- Measurement of defined benefit obligation : key actuarial assumptions
- Recognition of deferred tax assets: availability of future taxable profit against which carry – forward tax losses can be used.
- Impairment test: key assumptions underlying recoverable amounts.
- Useful life and residual value of Property, plant and Equipment's
- Recognition and measurement of provisions and contingencies.

Key assumptions about the likelihood and magnitude of an outflow resources.

**f. Property, Plant and Equipment and Depreciation:**

**Recognition and Measurement :**

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any .The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use.Capital work in progress includes cost of assets at sites , construction expenditure and interest on the funds deployed less any impairment loss, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

### **Subsequent Measurement**

Expenditure is capitalised only if it is probable that there is an increase in future economic benefits associated with the expenditure will flow to the company.

### **Depreciation on property, plant and equipment :**

Based on a technical assessment and a review of past history of asset usage, management of the company has not revised its useful lives to those referred to under schedule III to the Companies Act, 2013.

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

The estimated useful life of property, plant and equipments is mentioned below:

<b>Type of Asset</b>	<b>Period (Years)</b>
a. Leasehold Land	72
b. Buildings & Sheds	60
c. Plant & Machinery	20
d. Furniture & Fixtures	10
e. Electrical Installations	10
f. Motor Vehicles	8
g. Office Equipments	5

Capital work-in-progress

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

### **De-recognition**

An item of property, plant and equipment is de-recognized upon disposal or when no future benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the assets and it is recognized in the statement of profit and loss.

### **g. Intangible Assets and amortization :**

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered

to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

### **Computer Software**

Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software being 3 years, or over the license period of the software, whichever is shorter.

#### **h. Non-Current assets held for sale :**

Non- current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at lower of their carrying amount and fair value less costs to sell. An impairment loss is recognized for any initial or subsequent write –down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised .A gain or loss not previously recognised by the date of the sale of the non –current asset is recognized at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property , plant and equipment are no longer amortised or depreciated .

#### **i. Impairment of Assets :**

At each reporting date, the company reviews the carrying amounts of its PPE, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any.

An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's ('CGU') fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its

recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and Loss.



j. **Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets**

**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

- a. Debt instruments at amortized cost.
- b. Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- c. Equity instruments at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. The Company does not have any financial asset under this category.

**Debt instrument and equity instrument at FVTPL**

FVTPL is a residual category for debt instruments and equity instruments. Any debt and equity instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt and equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and loss account. The Company does not have any financial asset under this category.

In addition, the Company may elect to classify a debt and equity instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, the Company doesn't have any debt and instruments that qualify for FVTPL classification.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL, if any. For all other equity instruments, the Company decides to classify the same as at FVTOCI.

Equity instruments included within the FVTOCI category are measured at fair value with all changes recognized in the OCI.

For financial assets that are measured at FVTOCI, income by way of interest, dividend and exchange difference (on debt instrument) is recognized in profit or loss and changes in fair value (other than on account of such income) are recognized in Other Comprehensive Income and accumulated in

other equity. On disposal of debt instruments measured at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments measured at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### **Impairment of financial assets**

The company assesses on a forward looking basis the expired credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable the company applied the simplified approach as permitted by Ind AS 109, financial instruments which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables.

### **Financial liabilities**

#### **Initial recognition and measurement**

The Company's financial liabilities include deposits, and trade and other payables. These are recognized initially at amortized cost net of directly attributable transaction costs.

#### **Subsequent measurement**

After initial recognition, they are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

The EIR amortization is included as finance costs in the statement of profit and loss.

### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

#### **k. Inventories:**

Inventories such as Raw Materials, Work in Progress, Finished Goods, Stock in Trade and Stores & Spares are valued at lower of cost and net realizable value. Except scrap /waste which are value at net realizable value. The cost is computed on FIFO basis, finished goods and Process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Materials and other items held for use in the production of inventories are not written down below cost, if finished goods in which they will be incorporated are expected to be sold at or above cost. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and to make the sale.

i. **Revenue Recognition:**

Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods and services.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods are net of discounts, applicable taxes, rebates and estimated returns.

Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer.

The consideration can be fixed or variable. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

Sales return is variable consideration that is recognised and recorded based on historical experience, market conditions and provided for in the year of sale as reduction from revenue.

Interest income are recognised on an accrual basis using the effective interest Method.

Dividends are recognised at the time to receive payment is established.

m. **Foreign Currency Transactions:**

- **Initial recognition**

Foreign currency transactions, if any, are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

- **Conversion**

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

- **Exchange differences**

Exchange differences, if any, arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

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

n. **Employee Benefits:**

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

- **Short-term employee benefits**

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

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

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

- **Defined contribution plan**

The Company makes Provident Fund contributions to defined contribution n plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

- **Defined benefit plan**

For defined benefit plan in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (wherever applicable) is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

The company is contributing to the plan taken from LIC of India to mitigate its liability towards payment of Gratuity to the eligible employees. The liability for Gratuity payments has been set off with the fair value of plan assets (i.e. fund balance) and the net value has been recognized in the Balance Sheet accordingly.

**o. Taxation:**

Tax expense is the aggregate of current tax and deferred tax charged or credited, as the case may be to the statement of Profit and Loss for the year except to the extent is related to items recognised directly in equity or in other comprehensive income for the year in accordance with the Indian Accounting Standard -12 " Taxes on income."

**CURRENT TAX:**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income tax Act, 1961.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Short/Excess provision for tax being result of change in estimates of prior period or any subsequent payment of tax.

- **DEFERRED TAX :**

Deferred taxes are recognized for the future tax consequences attributable to timing differences between the carrying amount of assets and liabilities in the company's financial statements and corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax expense/income is the result of changes in the net deferred tax assets and liabilities. Deferred tax assets are recognized and carried forward only if in opinion of the management there is reasonable/virtual certainty of its realization.

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

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

- p. **Borrowing Costs:**

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

- q. **Leases:**

Leases of property , plant and equipment where the company as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance Leases are capitalised at the lease's inception at the fair value of the leased property or, if lower the percentage value of the minimum lease payments. The corresponding rental obligations, net of finance charges , are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over period so as to produce constant periodic rate of interest on the remaining balance of the liability for each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases ( net of any incentives received from the lessor ) are charged to statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases.

- r. **Provisions, Contingent Liabilities and Contingent Assets**

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognised in the financial statements but disclosed , where an inflow of economic benefit is probable.

- s. **Cash and cash equivalents**

Cash and cash equipments in the balance sheet comprises cash on hand and cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**t. Segment reporting**

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

**u. Mesurement of fair value**

**Financial instrument**

The estimated fair value of the company's financial instruments is based on market Prices and valuation techniques.

Valuations are made with the objective to include relevant factors that market participants would consider in setting a price and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

**Derivatives**

Fair value of financial derivatives is estimated as the present value of future cash flows , calculated by reference to quoted price curves and exchange rates as of the balance sheet date.

**v. Standard issued but not yet effective**

The amendments to standards that are issued but not yet effective , up to the date of the issuance of the company's financial statements are disclosed below. The company intends to adopt these standards , if applicable , when they become effective.

The Company has not applied the following new and revised Ind ASs that have been issued but are not yet effective :

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 Leases and consequential amendments to other standards. The amendments are applicable to the Company from 01-Apr-2019.

**o Issue of Ind AS 116- Leases**

Ind AS 116 supersede Ind AS 17. The new standard introduces single lease accounting model for the lessees under which all major leases are recognised on-balance sheet, removing the lease classification test. Lease assets are initially recognised as right of use asset and subsequently measured using the cost model. Lease liabilities are initially measured at present value of future lease payments and subsequently adjusted for interest, payments and remeasurement, if any. Exemption is provided for short-term leases and low value underlying items. Lease accounting for lessors essentially remains unchanged except for additional guidance and new disclosure requirements.

**o Amendment to existing Standard**

The MCA has also carried out amendments of the following accounting standards :

1. Ind AS 101- First time adoption of Indian Accounting Standards
2. Ind AS 103- Business Combinations
3. Ind AS 109- Financial Instruments
4. Ind AS 111- Joint Arrangements
5. Ind AS 12- Income Taxes
6. Ind AS 19- Employee Benefits
7. Ind AS 23- Borrowing Costs
8. Ind AS 28- Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the company's financial statements.



**Note 3 Property, Plant & Equipment**

Particulars	Lease hold Land	Building	Plant & Machinery	Furniture & Fixture	Vehicles	Office Equipment	Electric Installation	Tools & Dyes	Total Tangible Assets
<b>Gross Carrying Amount</b>									
At 1st April, 2018	10,37,00,000	8,10,10,720	3,92,70,318	50,09,114	45,83,081	1,38,04,128	58,04,075	2,49,707	25,34,31,143
Additions	-	3,00,000	4,54,299	-	-	3,12,835	20,500	-	10,87,634
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31st March, 2019	10,37,00,000	8,13,10,720	3,97,24,617	50,09,114	45,83,081	1,41,16,963	58,24,575	2,49,707	25,45,18,777
<b>Depreciation/Amortization</b>									
At 1st April, 2018	29,19,156	2,75,20,462	3,03,98,818	29,23,278	3,99,333	1,15,69,547	33,63,480	2,30,058	7,93,24,132
Additions	14,59,606	10,34,144	9,12,883	3,75,402	5,43,868	13,47,214	3,57,776	3,581	60,34,474
Adjustments	-	-	-	-	-	-	-	-	-
At 31st March, 2019	43,78,762	2,85,54,606	3,13,11,701	32,98,680	9,43,201	1,29,16,761	37,21,256	2,33,639	8,53,58,606
<b>Net Carrying Amount</b>									
At 31st March, 2018	10,07,80,844	5,34,90,258	88,71,500	20,85,836	41,83,748	22,34,581	24,40,595	19,649	17,41,07,011
At 31st March, 2019	9,93,21,238	5,27,56,114	84,12,916	17,10,434	36,39,880	12,00,202	21,03,319	16,068	16,91,60,171

Particulars	Lease hold Land	Building	Plant & Machinery	Furniture & Fixture	Vehicles	Office Equipment	Electric Installation	Tools & Dyes	Total Tangible Assets
<b>Gross Carrying Amount</b>									
At 1st April, 2017	10,37,00,000	8,09,60,770	3,80,79,065	50,09,114	14,53,475	1,34,43,304	53,43,000	2,49,707	24,82,38,435
Additions	-	49,950	11,91,253	-	45,83,081	3,60,824	4,61,075	-	66,46,183
Adjustments	-	-	-	-	(14,53,475)	-	-	-	(14,53,475)
Disposals	-	-	-	-	-	-	-	-	-
At 31st March, 2018	10,37,00,000	8,10,10,720	3,92,70,318	50,09,114	45,83,081	1,38,04,128	58,04,075	2,49,707	25,34,31,143
<b>Depreciation/Amortization</b>									
At 1st April, 2017	14,59,549	2,64,90,460	2,95,50,248	25,23,984	14,53,475	1,03,07,769	30,47,674	2,24,742	7,50,57,901
Additions	14,59,607	10,30,002	8,48,570	3,99,294	3,99,334	12,61,778	3,15,806	5,317	57,19,708
Adjustments	-	-	-	-	(14,53,475)	-	-	-	(14,53,475)
At 31st March, 2018	29,19,156	2,75,20,462	3,03,98,818	29,23,278	3,99,334	1,15,69,547	33,63,480	2,30,059	7,93,24,134
<b>Net Carrying Amount</b>									
At 31st March, 2018	10,22,40,451	5,44,70,310	85,28,817	24,85,130	-	31,35,535	22,95,326	24,965	17,31,80,534
At 31st March, 2018	10,07,80,844	5,34,90,258	88,71,500	20,85,836	41,83,747	22,34,581	24,40,595	19,648	17,41,07,009

**Note 4 Intangible Assets**

<b>Particulars</b>	<b>Softwares</b>	<b>Total Intangible Assets</b>
<b>Gross Carrying Amount</b>		
At 1st April, 2018	32,53,325	32,53,325
Additions	-	-
Adjustments	-	-
Disposals	-	-
<b>At 31st March, 2019</b>	<b>32,53,325</b>	<b>32,53,325</b>
<b>Depreciation/Amortization</b>		-
At 1st April, 2018	16,58,433	16,58,433
Additions	3,23,632	3,23,632
Adjustments	-	-
<b>At 31st March, 2019</b>	<b>19,82,065</b>	<b>19,82,065</b>
<b>Net Carrying Amount</b>		
At 31st March, 2018	15,94,892	15,94,892
<b>At 31st March, 2019</b>	<b>12,71,260</b>	<b>12,71,260</b>

<b>Particulars</b>	<b>Softwares</b>	<b>Total Intangible Assets</b>
<b>Gross Carrying Amount</b>		
At 1st April, 2017	30,64,765	30,64,765
Additions	1,88,560	1,88,560
Adjustments	-	-
Disposals	-	-
<b>At 31st March, 2018</b>	<b>32,53,325</b>	<b>32,53,325</b>
<b>Depreciation/Amortization</b>		-
At 1st April, 2017	13,53,980	13,53,980
Additions	3,04,453	3,04,453
Adjustments	-	-
<b>At 31st March, 2018</b>	<b>16,58,433</b>	<b>16,58,433</b>
<b>Net Carrying Amount</b>		
At 31st March, 2017	17,10,785	17,10,785
<b>At 31st March, 2018</b>	<b>15,94,892</b>	<b>15,94,892</b>

**Note 5 Investments**

Description	As at 31st March, 2019		As at 31st March, 2018	
	Nos.	Amount (₹)	Nos.	Amount (₹)
<b>Investments in equity instruments</b>				
Carried at Fair value through other comprehensive Income :				
<b><u>Quoted</u></b>				
Kerala Ayurveda Ltd. (Share of ₹ 10 each Fully Paid)	300	20,040	300	25,245
Powergrid Corporation of India Ltd. (Share of ₹10 each Fully Paid)	1,715	3,39,399	1,715	3,31,424
Tata Chemicals Ltd. (Share of ₹ 10 each Fully Paid)	500	2,94,400	500	3,38,575
The Indian Hotels Company Ltd. (Share of ₹ 1 each Fully Paid)	6,855	10,61,840	6,855	8,87,037
NTPC Ltd. (Share of ₹ 10 each Fully Paid)	660	52,275	600	1,01,820
PTC India Ltd. (Share of ₹10 each Fully Paid)	500	36,725	500	43,700
Indraprastha Medical Corporation Ltd. (Share of ₹10 each Fully Paid)	5,000	1,92,250	5,000	2,42,500
Kamat Hotels (India) Ltd. (Share of ₹10 each Fully Paid)	1,580	77,973	1,580	1,35,169
NHPC Ltd. (Share of ₹ 10 each Fully Paid)	5,000	1,23,500	5,000	1,38,500
Nagarjuna Fertilizers and Chemicals Ltd. (Share of ₹ 10 each Fully Paid)	550	3,795	550	8,443
Nagarjuna Oil Refinery* (Share of ₹1 each Fully Paid)	500	175	500	1,750
	23,160	22,02,372	23,100	22,54,163
<b><u>Unquoted</u></b>				
Carried at Cost				
The Shamrao Vithal Co-op.Bank Ltd. (Share of ₹ 25 each Fully Paid)	400	10,000	400	10,000
<b>Total Investment in Equity Instruments</b>	<b>23,560</b>	<b>22,12,372</b>	<b>23,500</b>	<b>22,64,163</b>
Units of Schemes of Various Funds: (Quoted)				

Carried at Fair value through other comprehensive Income :				
HDFC Top 200 Fund – Growth	3,252	16,34,675	3,252	13,95,286
Reliance Vision Fund -Retail Plan -Growth Plan	1,492	6,28,343	1,492	7,96,374
Reliance Regular Savings Fund -Equity Plan-Growth Plan	12,346	6,23,312	12,346	8,68,987
Sundaram Select Midcap – Growth	3,348	15,73,659	3,348	16,63,339
DSP Black Rock India T.I.G.E.R.Fund-Regular Growth Plan	8,189	7,55,679	8,189	7,73,318
IDFC Premier Equity Fund-Growth Plan	6,269	5,88,340	6,269	5,65,814
Kotak Opportunities – Growth	13,518	16,32,958	13,518	15,05,108
HDFC Equity Fund – Growth	2,379	16,20,825	2,379	14,07,543
<b>Total of Investment in Mutual Funds</b>	<b>50,793</b>	<b>90,57,791</b>	<b>50,793</b>	<b>89,75,769</b>
<b>Total Investments</b>	<b>74,353</b>	<b>1,12,70,163</b>	<b>74,293</b>	<b>1,12,39,932</b>

#### Note 6 Loans Receivables

Description	As at 31st March, 2019	As at 31st March, 2018
	Amount (₹)	Amount (₹)
Security Deposits *		
Considered good- Unsecured	5,10,38,556	5,00,00,000
<b>Total</b>	<b>5,10,38,556</b>	<b>5,00,00,000</b>

\* From Companies in which some Directors are interested as members.

#### Note 7 Other Non Current Assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Excess Contribution over Gratuity Provision	1,79,144	-
Prepaid Leases Rent	26,40,012	-
<b>Total</b>	<b>28,19,156</b>	<b>-</b>

#### Note 8 Inventories

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Closing Stock of Inventories:</b>		
(Valued at lower of cost and net realisable value)		
Raw materials ( including Packing Material )	1,42,72,236	1,18,11,189
Work-in-progress	67,87,175	37,66,230
Finished goods	4,84,40,253	6,42,37,587

Stock in Trade	6,30,55,624	3,45,89,470
<b>Total</b>	<b>13,25,55,288</b>	<b>11,44,04,476</b>

**Note 9 Trade receivables**

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Amount (₹)	Amount (₹)
<b>Trade receivables</b>		
Considered good- Unsecured *	4,79,54,634	6,69,39,046
Less: Allowance for doubtful Trade Receivables	-	-
<b>Total</b>	<b>4,79,54,634</b>	<b>6,69,39,046</b>

@ Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.

**Note 10 (a) Cash and Bank Balances**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Balances with banks:</b>		
In current accounts	55,30,631	1,22,58,567
Cash on hand	18,78,757	13,71,528
<b>Total</b>	<b>74,09,387</b>	<b>1,36,30,095</b>

**(b) Cash and Bank Balances other than 10 (a)**

<b>Balances with banks:</b>		
Deposits with original maturity of more than 3 months but less than 12 Months	4,86,410	4,48,439
<b>Total</b>	<b>4,86,410</b>	<b>4,48,439</b>

**Note 11 Other Current Assets**

(Unsecured, considered good unless stated otherwise)

Particulars	As at 31st March, 2019	As at 31st March, 2018
-------------	---------------------------	---------------------------

Security deposits	5,25,859	5,56,619
Loans and advances to employees	2,83,654	4,44,487
Balances with Government Authorities	1,04,13,699	69,69,479
Advances paid to Suppliers	4,53,465	43,95,161
Prepaid Expenses	4,76,233	2,90,338
Accrued Interest on Bank deposits	2,37,339	2,54,557
<b>Total</b>	<b>1,23,90,249</b>	<b>1,29,10,641</b>

## Note 12 Share Capital

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Amount (₹)	Amount (₹)
<b>Authorised Share Capital</b>		
1,00,00,000 Equity Shares of ₹ 10/- Each (P.Y. 1,00,00,000)	10,00,00,000	10,00,00,000
	<b>10,00,00,000</b>	<b>10,00,00,000</b>
<b>Issued, Subscribed &amp; Paid up Share Capital</b>		
70,81,000 Equity Shares of ₹ 10/- Each (P.Y. 70,81,000)	7,08,10,000	7,08,10,000
<b>Total</b>	<b>7,08,10,000</b>	<b>7,08,10,000</b>

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Shares outstanding at the beginning of the year	70,81,000	7,08,10,000	70,81,000	7,08,10,000
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>70,81,000</b>	<b>7,08,10,000</b>	<b>70,81,000</b>	<b>7,08,10,000</b>

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

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>Equity Shares of ₹ 10/- each fully paid</b>				
Bhaskar Govind Sandu	7,37,000	10.41	7,37,000	10.41
Shashank Bhaskar Sandu	6,57,900	9.29	6,57,900	9.29
Umesh Bhaskar Sandu	6,77,100	9.56	6,77,100	9.56
Sanmark Realty And Finance Private Ltd.	5,43,930	7.68	5,43,930	7.68

- e. The company had not issued any bonus share for consideration other than cash and no share had bought back during the period of five years immediately preceding the reporting date.
- f. There are no calls unpaid on Equity shares.
- g. No Equity shares have been forfeited

#### Note 13 Other Equity

Particulars	As at 31st March, 2019 Amount (₹)	As at 31st March, 2018 Amount (₹)
General Reserve	9,50,28,369	9,50,28,369
(Net Surplus in The Statement of Profit & Loss) Retained Earnings	2,41,38,526	1,60,66,917
<b>OCI-</b>		
Equity Instruments through Other Comprehensive Income	30,78,819	30,51,732
Revaluation Surplus	9,39,39,103	9,53,19,559
Other Comprehensive Income -Employee Benefits	8,93,884	5,48,092
<b>Total</b>	<b>21,70,78,701</b>	<b>21,00,14,669</b>

Notes forming part of the financial statements

#### Note 14 Long-Term Borrowings

Particulars	As at 31st March, 2019 Amount (₹)	As at 31st March, 2018 Amount (₹)
<b>Term loans</b>		
<u>Secured</u>		
From Financial Institution	24,42,803	30,91,472
[Secured by hypothecation of Vehicle to be repaid in 60 monthly installments]		
<b>Less :-</b>		



<b>Short Term Maturities as per note 18</b>	6,77,657	6,26,345
<b>Total</b>	<b>17,65,146</b>	<b>24,65,127</b>

Notes forming part of the financial statements

#### Note 15 Deferred tax Liabilities (net)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Deferred tax (liability) / asset</b>		
<u>Opening Balance (difference between carrying values and tax base of assets and liabilities)</u>	81,57,074	79,85,812
Add/(Less) - Deferred Tax recognised during the year-in statement of P & L	(1,64,300)	(40,855)
Add- Deferred Tax recognised during the year- in OCI	1,24,638	2,12,117
<b>Net Deferred Tax Liabilities</b>	<b>81,17,412</b>	<b>81,57,074</b>

#### Movement in Deferred Tax Assets\Liabilities

Particulars	As at 1st April, 2018	Recognised in the statement of Profit & Loss	Recognised in the OCI	As at 31 March, 2019
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A. Deferred Tax Asset :</b>				
Provision for Gratuity	1,85,329	(1,68,052)	-	17,277
<b>B. Deferred Tax Liability :</b>				
Property, Plant & Equipment	78,01,902	(3,32,352)	-	74,69,550
Remeasurement Gain\ (losses) on post employment defined benefit plans	1,90,079	-	1,21,520	3,11,599
Fair Value changes of investments	3,50,422	-	3,118	3,53,540
<b>Net Deferred Tax Liabilities (B-A)</b>	<b>81,57,074</b>	<b>(1,64,300)</b>	<b>1,24,638</b>	<b>81,17,412</b>

#### Note :-

Tax Company off sets deferred tax assets and liabilities if and only if it has legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax asset and deferred tax liabilities relate to

income taxes levied by the same tax authorities.

#### Note 16 Short-term Borrowings

Particulars	As at 31st March, 2019	As at 31 March, 2018
	Amount (₹)	Amount (₹)
<b>Loans repayable on demand</b>		
From banks : (Secured against Exclusive charges on entire current assets of the company and personal guarantee of Directors.)	5,92,54,463	9,10,84,266
<b>Total</b>	<b>5,92,54,463</b>	<b>9,10,84,266</b>

#### Note 17 Trade payable

<b>Trade payable (Refer Note below )</b>		
Trade payable		
Dues to related parties	45,63,654	25,30,653
Dues of micro enterprises and small enterprises	7,50,333	6,26,290
Dues to Others	3,70,22,162	2,70,63,958
<b>Total</b>	<b>4,23,36,149</b>	<b>3,02,20,901</b>

#### Note :

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at 31st March, 2019	As at 31 March, 2018
	Amount (₹)	Amount (₹)
a) The principal amount remaining unpaid to any supplier at the end of the year.	6,91,977	6,26,290
b) Interest due remaining unpaid to any supplier at the end of the year.	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.		

d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	58,356	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
<b>Total</b>	<b>7,50,333</b>	<b>6,26,290</b>

Disclosure of amount payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

#### Note 18 Other current liabilities

Particulars	As at 31st March, 2019	As at 31 March, 2018
	Amount (₹)	Amount (₹)
Advance Received from Customers	12,05,644	10,62,494
<b>Other payables :</b>		
Statutory Dues	16,81,710	19,71,313
Trade / security deposits received	53,14,118	46,44,118
Current Maturities of Long Term Borrowings	6,77,657	6,26,345
Outstanding Liabilities	13,14,748	21,63,818
Retention Money of Assets Vendors	9,30,153	9,29,153
Gratuity Payable to Employees	66,451	66,451
<b>Total</b>	<b>1,11,90,481</b>	<b>1,14,63,692</b>

#### Note 19 Short-term provisions

Particulars	As at 31st March, 2019	As at 31 March, 2018
<b>Provision for employee benefits:</b>		
Provision for salaries	64,40,197	45,12,727
Provision for Gratuity (net) [ As per Actuarial Report ]	-	6,53,272
	<b>64,40,197</b>	<b>51,65,999</b>
<b>Provision - Others:</b>		
Provision for Tax	84,74,634	48,24,634
Provision for Expenses	1,08,88,093	1,10,68,167
	<b>1,93,62,727</b>	<b>1,58,92,801</b>
<b>Total</b>	<b>2,58,02,924</b>	<b>2,10,58,800</b>

**Note 20 Revenue from operations**

Particulars	As at 31st March, 2019	As at 31 March, 2018
Sale of Ayurvedic Products	49,42,46,203	49,15,99,301
<b>Total</b>	<b>49,42,46,203</b>	<b>49,15,99,301</b>

**Note 21 Other income**

Particulars	As at 31st March, 2019	As at 31 March, 2018
<b>Interest income:</b>		
From Deposit with Banks	57,465	2,33,096
From Deposit with Vendors	45,00,000	-
<b>Dividend income:</b>		
From Financial Instruments	29,835	34,240
Gain on sale of Fixed Assets	-	4,93,000
Subsidy Received from Ayush Department	11,52,333	4,57,467
<b>Total</b>	<b>57,39,633</b>	<b>12,17,803</b>

**Note 22 Cost of materials consumed**

Particulars	As at 31st March, 2019	As at 31 March, 2018
Opening stock	1,18,11,189	1,33,28,433
Add: Purchases	8,79,49,007	7,26,75,553
	<b>9,97,60,196</b>	<b>8,60,03,986</b>
Less: Closing stock	1,42,72,236	1,18,11,189
<b>Cost of material consumed</b>	<b>8,54,87,960</b>	<b>7,41,92,797</b>

**Note 23 Cost of traded goods**

Particulars	As at 31st March, 2019	As at 31 March, 2018
	Amount (₹)	Amount (₹)
Purchases of traded goods	18,33,23,686	21,88,82,831
<b>Total</b>	<b>18,33,23,686</b>	<b>21,88,82,831</b>

**Note 24 Changes in inventories of finished goods and work-in-progress\***

Particulars	As at 31st March, 2019	As at 31 March, 2018
<b><u>Inventories at the end of the year:</u></b>		
Finished goods	4,84,40,253	6,42,37,587
Work-in-progress	67,87,175	37,66,230
Stock in Trade	6,30,55,624	3,45,89,470
	<b>11,82,83,052</b>	<b>10,25,93,287</b>
<b><u>Inventories at the beginning of the year:</u></b>		
Finished goods	6,42,37,587	5,48,49,941
Work-in-progress	37,66,230	49,86,693
Stock in Trade	3,45,89,470	3,36,17,705
	<b>10,25,93,287</b>	<b>9,34,54,339</b>
<b>Net (increase) / decrease</b>	<b>(1,56,89,765)</b>	<b>(91,38,948)</b>

\*Note:

Please also refer "note no. 7 Inventories".

**Note 25 Employee benefits expense**

Particulars	As at 31st March, 2019	As at 31 March, 2018
	<b>Amount (₹)</b>	<b>Amount (₹)</b>
Salaries and wages	6,10,66,677	5,48,49,731
Contributions to provident and other funds	32,25,269	39,13,991
Staff welfare expenses	6,06,194	6,00,729
<b>Total</b>	<b>6,48,98,140</b>	<b>5,93,64,451</b>

**Note 26 Finance costs**

<b><u>Interest paid on:</u></b>		
Borrowings	87,61,159	1,10,38,919
Vehicle Loan	2,23,256	1,75,413
Security Deposits	3,73,078	5,53,448
	<b>93,57,492</b>	<b>1,17,67,780</b>
Bank Charges	7,60,583	5,42,568
<b>Total</b>	<b>1,01,18,075</b>	<b>1,23,10,348</b>

**Note 27 Other expenses**

Particulars	As at 31st March, 2019	As at 31 March, 2018
	Amount (₹)	Amount (₹)
Power and fuel	32,91,547	32,43,581
R & D Expenses	3,39,820	3,03,409
Rent	15,85,921	13,90,652
Repairs and maintenance - Buildings	23,91,500	8,30,381
Repairs and maintenance - Machinery	31,11,553	30,77,541
Repairs and maintenance - Others	83,40,066	66,68,628
Rates and taxes	5,86,521	15,74,705
Travelling and conveyance	3,09,60,304	3,11,99,439
Printing and stationery	10,13,636	8,82,915
Freight and forwarding	2,62,82,530	2,36,00,920
Business promotion	5,69,91,437	3,51,64,798
Royalty Expenses	72,14,604	-
Legal and professional	43,18,956	51,70,683
<i>Payments to auditors (Refer Note (i) below)</i>		
For Statutory Audit	3,00,000	3,00,000
For Tax Audit	1,50,000	1,50,000
For Other Matters	50,000	50,000
Telephone / Internet Expenses	24,00,304	30,27,045
Insurance	4,90,804	4,13,300
Security Service Charges	7,64,570	7,55,291
Laboratory Expenses	1,33,045	1,13,913
Donations and contributions	3,50,000	1,00,000
Postage & Telegram	1,14,076	6,98,682
Membership & Subscription	3,29,417	4,33,717
Packing Expenses	3,16,061	4,75,885
Office Expenses	2,41,035	3,63,242
Miscellaneous expenses	32,19,060	22,00,142
	<b>15,52,86,769</b>	<b>12,21,88,867</b>

**(i) Amounts are exclusive of Service Tax/Goods and Service Tax****Note 28 Exceptional Items / Prior Period Adjustment**

Particulars	As at 31st March, 2019	As at 31 March, 2018
Prior Period Adjustment	26,011	0
<b>Total</b>	<b>26,011</b>	<b>-</b>

### Note 29 Income Tax Expenses

The Major components of the Income Tax expenses for the year ended on 31st March, 2019 and 31st March, 2018

#### Statement of Profit & loss Section

Particulars	As at 31st March, 2019	As at 31 March, 2018
	Amount (₹)	Amount (₹)
<b>Current Tax :</b>		
Current Income tax Charges	36,50,000	19,77,645
<b>Deferred Tax :</b>		
Relating to the origination and reversal of temporary differences	1,64,300	(40,855)
<b>Income Tax expenses recognised in Statement of Profit &amp; Loss</b>	<b>38,14,300</b>	<b>19,36,790</b>

#### Other comprehensive income Section

Remeasurement gains/(losses) on post employment defined benefit plans	1,21,520	32,542
Fair value changes of investments	3,118	1,79,575
<b>Income Tax charged to OCI</b>	<b>1,24,638</b>	<b>2,12,117</b>

### Note 30 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following reflects the income and share data used in basic and diluted EPS computations :

Particulars	As at 31st March, 2019	As at 31 March, 2018
	Amount (₹)	Amount (₹)
Net profit / (loss) for the year (after Tax)	66,91,153	56,15,479
<b>Weighted average number of equity shares</b>		
Basic	70,81,000	70,81,000
Diluted	70,81,000	70,81,000
Par value per share	10	10
<b>Earnings per share</b>		
Basic	0.94	0.79
Diluted	0.94	0.79



**Note 31 Contingent liabilities, contingent assets and commitments**

There are demands of Income tax aggregating to ₹ 283 lakhs, against which, the company had filed an appeal to Hon'ble Mumbai ITAT and the demand has been deleted in view of favourable decision of Mumbai ITAT. Further, against the decision of ITAT, the department filed an appeal to High Court of Mumbai. The company has been legally advised that it has a strong case and thus the management is of the view that there is a fair chance that outcome of the appeal would be in favour of the company. In view of this, no provision was required.

**Note 32 Employee Benefits****a. Disclosures related to defined contribution plan**

Particulars	As at 31st March, 2019	As at 31 March, 2018
	Amount (₹)	Amount (₹)
Provident fund contribution recognized as expense in the Statement of Profit and Loss	15,05,284	14,54,540

**b. Disclosures related to defined benefit plan**

The Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to gratuity on departure at last drawn basic salary for each completed year of service or part thereof.

The plan is funded with Life Insurance Corporation under their Group Gratuity Scheme. The following tables summarize the components of net benefit expense recognized in the statement of profit and loss, the fund status and amounts recognized in the balance sheet:

Particulars	As at 31st March, 2019	As at 31 March, 2018
	Amount (₹)	Amount (₹)
<b>Net employee benefit expense (included under employee benefit expenses)</b>		
Current Service Cost	4,74,691	3,45,900
Interest on defined benefit obligation	18,548	6,905
Past Service Cost (vested benefits)	-	4,94,620
<b>Net employee benefit expenses</b>	<b>4,93,239</b>	<b>8,47,425</b>
<b>Details of the employee benefits obligations and plan assets are as follows:</b>		
Present value of opening funded obligation	28,31,895	21,06,876
Fair value of opening plan assets	21,66,804	18,64,310
<b>Net defined benefit liability at the beginning of the year</b>	<b>6,65,091</b>	<b>2,42,566</b>
<b>Details of changes in present value of defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	28,31,895	21,06,876
Current service cost	4,74,691	3,45,900
Interest on defined benefit obligation	2,14,908	1,51,192
Past Service Cost (vested benefits)	-	4,94,620
Contribution paid	(59,937)	(1,27,494)
<b>Remeasurement due to:</b>		
Actuarial (Gain)/Loss arising from changes in experience	(5,06,984)	(77,465)
Actuarial (Gain)/Loss arising from changes in financial assumptions	6,977	(61,734)
Return on Plan Assets excluding net interest		
<b>Closing defined benefit obligation</b>	<b>29,61,550</b>	<b>28,31,895</b>

<b>Details of changes in fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	21,66,804	18,64,310
Interest on plan assets	1,96,360	1,44,287
Employer contribution	8,46,540	2,98,523
Benefits paid	(59,937)	(1,27,494)
Remeasurement due to - actual return on plan assets less interest on plan assets	(32,721)	(12,822)
Closing fair value of plan assets	31,17,046	21,66,804
Present value of funded obligation	29,61,550	28,31,895
Fair value of plan assets	31,17,046	21,66,804
<b>Net defined benefit liability/(Assets) at the end of the year</b>	<b>(1,55,496)</b>	<b>6,65,091</b>
<b>Sensitivity analysis</b>		
Defined benefit obligation	29,61,550	28,31,895
Defined benefit obligation, using discount rate plus 100 basis points	27,42,837	26,12,202
Defined benefit obligation, using discount rate minus 100 basis points	32,10,356	30,81,115
Defined benefit obligation, using salary growth rate plus 100 basis points	31,43,839	30,90,505
Defined benefit obligation, using salary growth rate minus 100 basis points	28,03,688	26,00,766
<b>The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:</b>		
Funds managed by insurers	100%	100%
<b>The principal assumptions used in determining gratuity obligations for the Company's plans are shown below</b>		
Discount rate (p.a.)	7.64	7.67
Expected salary increase (p.a.)	3.00	3.00
Expected average remaining service	16.59	17.39
Retirement Age	58 years	58 years
Employee Attrition Rate		
Upto Age of 44	2%	2%
Upto Age of 45 and above	1%	1%

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

**Note 33 Financial instruments – Fair values and risk management**

A. Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Amount (₹)		Amount (₹)	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>				
<b>Non-Current</b>				
Investments*	1,12,70,163	1,12,70,163	1,12,39,932	1,12,39,932
Loan Receivables	5,10,38,556	5,10,38,556	5,00,00,000	5,00,00,000
<b>Current</b>				
Trade receivables	4,79,54,634	4,79,54,634	6,69,39,046	6,69,39,046
Cash and cash equivalents	74,09,387	74,09,387	1,36,30,095	1,36,30,095
Bank balances other than (iii) above	4,86,410	4,86,410	4,48,439	4,48,439
<b>Total</b>	<b>11,81,59,150</b>	<b>11,81,59,150</b>	<b>14,22,57,512</b>	<b>14,22,57,512</b>
Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Amount (₹)		Amount (₹)	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Borrowings:				
Non Current	17,65,146	17,65,146	24,65,127	24,65,127
Current	5,92,54,463	5,92,54,463	9,10,84,266	9,10,84,266
Trade payables				
Dues to Micro & Small Enterprises	7,50,333	7,50,333	6,26,290	6,26,290
Other Than Micro & Small Enterprises	4,15,85,816	4,15,85,816	2,95,94,611	2,95,94,611
<b>Total</b>	<b>10,33,55,758</b>	<b>10,33,55,758</b>	<b>12,37,70,294</b>	<b>12,37,70,294</b>

\*Carrying value of Non-Current Investments are measured at Fair Value Through Other Comprehensive Incomes (FVTOCI).

**B. Financial risk management objectives and policies**

The Company's principal financial liabilities, comprises borrowings, trade and other payable. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets, includes investments, loan receivable, trade & other receivables, and cash & cash equivalents derived directly from its operations. The Company is exposed primarily to credit risk, liquidity risk and market risk (including interest rate risk and other price risk), which may adversely impact the fair value of its financial instruments. The Company's senior management oversees the management of these risks. The Company assesses the unpredict ability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes."

**(i) Credit Risk**

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, loans and other financial

assets. None of the financial instruments of the Company result in material concentration of credit risk.

**(ii) Trade receivables and other financial assets:**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the Management also evaluates the factors that may influence the credit risk of its customer base, including the default risk. The management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if available, financial statements, credit agency information, industry information and in some case bank references. Sales limits are established for each customer and reviewed annually. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company assesses at each reporting date whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables. The Company does not hold collateral as security from all its customers. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

**(iii) Liquidity risk:**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**(iv) Market risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. It also have impact of Interest rate risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to risk of change in market interest rates because it borrows funds at both fixed and floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

**Note 34 Related party disclosures**

Related parties where control exists and related parties with whom transactions have taken place during the year are listed below:

**Names of related parties and description of relationship**

**A. Enterprises over which key management personnel or their relatives exercise significant influence**

Sandu Brothers Private Limited

**B Key managerial personnel**

Umesh .B .Sandu	Managing Director
Rakesh Parekh	Chief Financial Officer
Pratika Mhambray	Company Secretary

**Transactions with related parties**

Sr. No.	Name of the related party	Relationship	Description of transactions	1st April, 2018 to 31st March, 2019 Income/ (Expenses)/ Other transactions	Balance as at 31st March, 2019 (Payable)/ Receivable"	1st April, 2017 to 31st March, 2018 Income/ (Expenses)/ Other transactions	Balance as at 31st March, 2018 (Payable)/ Receivable
A.	<b>Remuneration paid to Key Management Personnel [refer note (1) below]</b>						
1	Umesh B. Sandu	Managing Director	Salary and perquisites	34,02,000	-	27,84,000	-
2	Rakesh Parekh	Chief Financial Officer	Salary and perquisites	8,65,124	-	5,47,971	-
3	Pratika Mhambray	Company Secretary	Salary and perquisites	4,51,327	-	4,16,150	-
			Balance Payable/Receivable		-		-
B.	Loans/Deposit given and repayment thereof						
	Sandu Brothers Pvt Ltd	Entities in which KMP are interested	Interest accrued	45,00,000			
			Deposit Given		5,00,00,000	5,00,00,000	
			Balance receivable		5,00,00,000		5,00,00,000
C.	Sale/purchase of goods, services and other transactions						
	Sandu Brothers Pvt Ltd	Entities in which KMP are interested	Sales of goods	*90,94,787		1,57,36,894	
			Purchases	*17,26,87,950		21,90,18,063	
			Rent paid			1,80,000	
			Royalty Paid	72,14,604			
			Balance Payable/ (Receivable)		(45,63,654)		(25,90,653)

**Note :**

- All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for trade receivable, trade payable and other payables are unsecured. The Company has not recorded any impairment of balances relating to amounts owed by related parties during the year ended March 31, 2019 (March 31, 2018 Nil). The assessment is undertaken each financial year through evaluating the financial position of the related party and the market in which the related party operates.
- \* Sales & Purchase figures mentioned are Net of GST .

**Significant Accounting policies**

2

The accompanying Notes from 31 to 34 are an integral part of Financial Statements.

As per our report of even date attached.

**For Dileep & Prithvi**

Chartered Accountants

Firm Reg No 122290W

By the hand of

**Himmat Mali**

(Partner)

M.No:183378

**For and on behalf of the Board of Directors****Sandu Pharmaceuticals Limited**

CIN : L24233GA1985PLC001587

**Umesh B. Sandu**  
(Managing Director)  
DIN:01132141

**Rakesh Parekh**  
(CFO)

**Shashank B. Sandu**  
(Director)  
DIN:00678098

**Pratika P. Mhambray**  
(CS)

Place:Mumbai

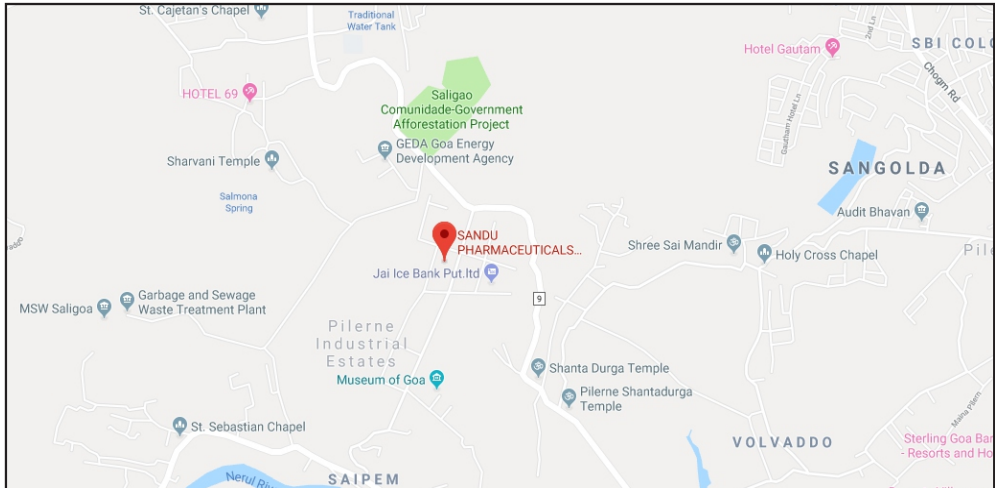
Dated : 29/05/2019

Place: Mumbai

Dated : 29/05/2019

**ROUTE MAP  
TO ANNUAL GENERAL MEETING VENUE**

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



**FORM MGT-11  
PROXY FORM**

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

Sandu Pharmaceuticals Limited

CIN: L24233GA1985PLC001587

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

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

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

Name of the member(s) : \_\_\_\_\_ e-mail \_\_\_\_\_  
Id:- \_\_\_\_\_

Registered address: \_\_\_\_\_ Folio No. /\*Client \_\_\_\_\_  
Id \_\_\_\_\_

\*DP \_\_\_\_\_

id:

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

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

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

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

\* Applicable for investors holding shares in electronic form. and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 34th Annual General Meeting of the Company, to be held on Monday, 30th September 2019 at 9.30 a.m. at the Registered Office Plot Nos. 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Saligao, Bardez, Goa - 403511 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Sr. No.	Resolutions	For	Against
	<b>ORDINARY BUSINESS</b>		
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and the Auditors thereon.		
2	To appoint a Director in place of Shri. Shashank B Sandu (DIN:00678098) who retires by rotation in compliance with the provisions of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.		
3.	To Re-Appoint Statutory Auditors		
	Special Business		
4.	To Contribute to Charitable and other funds		
5.	To approve continuation of Dr Mrs Shubhada P Sandu (DIN:07148834) as Non Executive Non Independent Director.		
6.	To approve continuation of Dr Krishna Deshpande (DIN:06557518) as Non Executive Independent Director.		
7.	Appointment of Shri Bhaskar G Sandu (DIN:02816792) as Non Executive Director and Chairman of the Company.		
8.	To approve Royalty payment to Sandu Brothers Private Limited		
9.	To Borrow money to run Company's Business		
10.	To approve material related party transaction with Sandu Brothers Private Limited		

Signed this.....day of.....2019

Signature of shareholder

Affix a  
15 paise  
Revenue

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder



Notes:

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

**SANDU PHARMACEUTICALS LIMITED**

CIN: L24233GA1985PLC001587

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

Pilerne Industrial Estate, Marra, Bardez, Goa - 403511

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

**ATTENDANCE SLIP**

**34th Annual General Meeting**

Sr. No.:

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

I hereby record my presence at the 34th Annual General Meeting of the Company held on Monday, 30th September, 2019 at 9.30 a.m. at the Registered Office Plot No. 25, 26, 29 & 30, Pilerne Industrial Estate, Marra, Bardez, Goa - 403511.

Member's / Proxy's Signature

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

\* Applicable for investors holding shares in electronic form.

<b>EVSN (Electronic Voting Sequence Number)</b>	<b>User ID</b>	<b>PAN No. / Sequence Number</b>
<b>190817022</b>		

**Note:** Please read the complete instructions given under the note (Instructions for shareholders voting electronically) to the Notice of the 34th Annual General Meeting. The Voting time starts from Friday, 27th September 2019 at 10:00 a.m. and ends on Sunday, 29th September 2019 at 5.00 p.m. The voting module shall be disabled by CDSL for voting thereafter.

## NOTES

## NOTES

[illegible]



**TRUSTED OVER YEARS**



# COURIER



If Undelivered, Please return to  
Registered Office Address:

**Sandu Pharmaceuticals Limited**

CIN: L24233GA1985PLC001587

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

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

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