



# STERLING BIOTECH LIMITED

CIN No. L51900MH1985PLC035738

Regd. Office. : 43 Atlanta Building, Nariman Point, Mumbai-400 021.

Tel. : + 91(22) 6630 6732, 6630 6733 \* Fax : + 91 (22) 2204 1954

October 05, 2016

To,  
BSE Limited,  
25<sup>th</sup> Floor, P.J.Towers,  
Dalal Street,  
Mumbai- 400 001  
Maharashtra, India.  
Company Code:512299

To,  
National Stock Exchange of India Limited  
Exchange plaza,  
C-1, Block G, BandraKurla Complex  
Bandra(E), Mumbai -400 051  
Maharashtra, India.  
Company Code: STERLINBIO

To,  
Luxembourg Stock Exchange  
Luxembourg

**Re: Regulation 34(1) of the SEBI (LODR) Regulations, 2015**

Dear Sir,

This is to inform you that 30<sup>th</sup> Annual General Meeting of the members of the Company was held on Friday, the 30<sup>th</sup> September, 2016 at 10.30 a.m. at Bhakti Kala Kshetra, International Society for Krishna Consciousness (ISKCON) Founder Acharya : His Divine Grace A.C Bhaktivedanta Swami Prabhupada, Hare Krishna Land, Juhu, Mumbai - 400 049, Maharashtra, India.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 we enclosed herewith Annual Report of the Company for dissemination.

We request you to take the same on record.

Thanking You,  
Yours Faithfully,  
For Sterling Biotech Limited

  
Rajbhushan Dixit  
Director  
DIN-0025484



**STERLING BIOTECH LIMITED**

**30<sup>th</sup> ANNUAL REPORT 2015-2016**



**STERLING BIOTECH LIMITED****COMPANY INFORMATION****CORPORATE IDENTITY NUMBER  
(CIN)**

: L51900MH1985PLC035738

**BOARD OF DIRECTORS**: Nitin Sandesara  
Chetan Sandesara  
Rajbhushan Dixit  
Mayuri Patel  
Vilas Joshi  
Priyadarshan Mehta**BANKERS**: Allahabad Bank  
Andhra Bank  
Bank of Baroda  
Bank of India  
Bank of Maharashtra  
The Catholic Syrian Bank Limited  
Indian Overseas Bank  
Oriental Bank of Commerce  
Punjab National Bank  
State Bank of India  
Syndicate Bank  
UCO Bank  
Vijaya Bank**STATUTORY AUDITOR**: H. S. Hathi & Co.  
Chartered Accountants**REGISTERED OFFICE**: 43, Atlanta Building, Nariman Point,  
Mumbai - 400 021, Maharashtra, India**REGISTRAR & SHARE  
TRANSFER AGENT (RTA)**: Link Intime India Private Limited,  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai - 400078, Maharashtra, India**WEBSITE**: [www.sterlingbiotech.in](http://www.sterlingbiotech.in)**E MAIL ID**: [sterlingbiotech@stergel.com](mailto:sterlingbiotech@stergel.com)

## STERLING BIOTECH LIMITED

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**30<sup>th</sup> Annual General Meeting****Friday, September 30, 2016 at 10:30 a.m.****Venue :** Bhakti Kala Kshetra, International Society for Krishna  
Consciousness (ISKCON) Founder Acharya  
His Divine Grace A.C. Bhaktivedanta Swami  
Prabhupada, Hare Krishna Land, Juhu,  
Mumbai - 400 049, Maharashtra, India.

**STERLING BIOTECH LIMITED**

Registered Office: 43, Atlanta Building, Nariman Point, Mumbai – 400 021, Maharashtra, India

CIN – L51900MH1985PLC035738

Tel No: +91-22- 66306732; E Mail ID: sterlingbiotech@stergel.com

Web Site: www.sterlingbiotech.in

**NOTICE**

**Dear Members,**

**Notice** is hereby given that the 30<sup>th</sup> Annual General Meeting of “**Sterling Biotech Limited**” will be held at Bhakti Kala Kshetra, International Society for Krishna Consciousness (ISKCON) Founder Acharya : His Divine Grace A.C. Bhaktivedanta Swami Prabhupada, Hare Krishna Land, Juhu, Mumbai - 400049, Maharashtra, India, on Friday, the 30<sup>th</sup> September, 2016 at 10.30 a.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the fifteen months ended on March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nitin Sandesara (DIN-00255496), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Chetan Sandesara (DIN-00255671), who retires by rotation and being eligible, offers himself for re-appointment.
4. To Appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** M/s. H.S. Hathi & Co., Chartered Accountants (Firm Registration No. 103596W), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be mutually agreed between the Board of Directors and the Auditors.”

**SPECIAL BUSINESS:**

5. To Issue of unlisted 8 % Redeemable Cumulative Non-Participating Non- Convertible preference shares carrying no voting rights

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

**“RESOLVED THAT** pursuant to the provisions of Sections 55, 62, 23, & 42 and all other applicable provisions, if any, of the Companies Act, 2013 ('the act'), applicable rules as applicable from time to time (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force), and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements, 2015) entered into by the Company with Stock Exchange where the shares of the Company are listed and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments and bodies as may be required and subject to such terms and conditions, alteration and modifications as may be considered appropriate and agreed to by the Board of Directors of the Company (hereinafter referred to as “**the Board**”)

consent of the Company be and is hereby accorded to the Board to offer, issue and allot, in one or more tranches, 895,965,000 Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights of face value of ₹ 10 each ("Preference Shares"), at par, on private Placement basis to **various entities/persons including Promoters / Promoter Group & Associates** whether or not they are member(s) of the Company, with such rights and privileges and on such terms and conditions including but not limited as to the rate of dividend, redemption period, manner of redemption, without any Voting Rights, except as provided in the Act if any, and to modify, alter and re-set all or any of the said terms from time to time, as the Board at its absolute discretion deem appropriate and that such authority shall be continuing authority to the Board."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s)/ Authorised Representative(s) of the Company to give effect to the aforesaid resolution."

**By Order of the Board  
For Sterling Biotech Limited**

**Nitin Sandesara  
Managing Director  
(DIN-00255496)**

**Mumbai : September 02, 2016**

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS 30<sup>th</sup> ANNUAL GENERAL MEETING OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY SO APPOINTED SHALL HAVE NO RIGHT TO SPEAK AT THE MEETING.**
2. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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.
3. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the meeting. No Proxy Form shall be considered as valid on its receipt after 10:30 a.m. on September 28, 2016.
4. The Company has notified closure of Register of Members and the Share Transfer Books from Friday, the September 23, 2016 to Friday September 30, 2016 (both days inclusive) for the purpose of Annual General Meeting.
5. Member can avail of the facility of nomination in respect of securities held by them in physical form pursuant to Section 72 of the Companies Act, 2013. Member desiring to avail of this facility may send their nomination in the prescribed form duly filled –in to our RTA agent by quoting their folio number.
6. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representatives(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
7. Shareholder seeking any information with regard to financial statements are requested to the company at least ten days before the meeting so as to enable the management to keep information ready.
8. The relevant documents referred to in the accompanying Notice of Meeting and in the Explanatory Statement pursuant to section 102 of the Companies Act, 2013 are open for inspection by the Members of the Company at the Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. upto the date of this Meeting.
9. In compliance with provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and Annual Reports for Financial Year 2015-2016 of your Company is being sent via Electronic Mode (E-mail) to the Members whose E-mail ID was made available to us by the Depositories Participants. We request the Members to register / update their e-mail address with their Depository Participant, in case they have not already registered / updated the same. Members who are holding shares in physical form are requested to get their email address registered with the Registrar and Share Transfer Agents.
10. The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.sterlingbiotech.in](http://www.sterlingbiotech.in) and also on website of the BSE Limited and National Stock Exchange of India Limited.
11. 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.

12. 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.
13. A route map showing directions to reach the venue of the 30<sup>th</sup> Annual General Meeting is annexed.
14. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their votes electronically, through the remote e-voting services provided by Central Depository Services (India) Limited (CDSL), on all the resolutions set forth in this Notice.
15. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, September 23, 2016, may cast their vote electronically. Any recipient of the notice, who has no voting rights as on the cut-off date, shall treat this notice as intimation only.

#### **16. Voting through Electronic Means:**

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter. The voting right of shareholders shall be in proportion of their share (In the paid up equity share capital of the Company) as on the cut-off date, being Friday, September 23, 2016. The voting period will commence from Tuesday, September 27, 2016 at 9:00 am (IST) and will end at 05:00 pm (IST) on Thursday, September 29, 2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, September 23, 2016 may cast their vote electronically.

Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on Friday, September 23, 2016, may obtain the login Id and password by sending request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). The e-voting module shall be disabled by CDSL for voting by 5:00 p.m. on Thursday, September 29, 2016.

The Company has appointed Mr. Jay Pandya, Advocate to act as the Scrutinizer for conducting the remote e-voting process as well as the voting through Poll Paper at the AGM, in a fair and transparent manner.

#### **The instructions for shareholders voting electronically are as under:**

- i) The Shareholder should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii) Now click on shareholders to cast your votes.
- iii) Now Enter your User ID
  - a) For Members holding shares in De-mat form:
    - For CDSL: 16 digits beneficiary ID and
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
  - b) For Members holding shares in Physical form:
    - Enter Folio Number registered with the Company.
- iv) Next enter the Image verification as displayed and click on Login.



- v) 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.
- vi) If you are a first time user follow the steps given below:

**For Members holdings shares in Demat Form and Physical Form**

PAN	Enter your 10 digits alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders). 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. The Sequence Number is printed on address label/sticker affixed on the back page of the Annual Report.
DOB	Enter the date of birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter your dividend bank details as recorded in your demat account or in the Company records for the said demat account or folio.
Please enter DOB or dividend bank details in order to login. If the details are not recorded with the depository or Company, please enter the member id/folio no. in the Dividend Bank details field as mentioned in instruction (iii).	

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is also to be used by the demat account 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.
- (ix) Click on the EVSN for the relevant '**Sterling Biotech Limited**' for which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view entire Resolutions.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xv) If Demat account holder has forgotten the same password then 'Enter' the User ID and the image verification code and click on Forgot Password & Enter the details as prompted by the system.

(xvi) Note for Non – Individual Shareholders and Custodians.

- Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of registration form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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 custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**By Order of the Board  
For Sterling Biotech Limited**

**Nitin Sandesara  
Managing Director  
(DIN-00255496)**

**Mumbai : September 02, 2016**

**Explanatory Statement under Section 102 of the Companies Act, 2013 relating to Special Business mentioned in the Notice convening the 30<sup>th</sup> Annual General Meeting;**

**Item No-5**

The proposed Special Resolution set out at Item No. 5 is an enabling Resolution authorizing the Board of Directors to raise resources by issue of 895,965,000 Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no Voting Rights, of face value of 10/- each ("Preference Shares"), for the purpose of meeting general corporate purposes, Augment the long term resources for long term financial needs of the Company including payment of over dues and refinancing of the existing debt.

The Preference Shares may be issued in one or more tranches to the various entities/persons which may include the Promoters/Promoter Group & Associates whether or not they are member(s) of the Company, on private placement basis. The said enabling resolution empowers the Board to issue 895,965,000 Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights, of face value of ` 10/- each, from time-to-time, on such terms and conditions mentioned below, including but not limited as to the rate of dividend, period and manner of redemption, without any Voting Rights, except as provided in Companies act if any, as the Board in its absolute discretion may determine;

Terms and Conditions:

- 1) **The size of the issue and number of preference shares to be issued and nominal value of each share** - issue and allot, in one or more tranches, 895,965,000 Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights of face value of ` 10/- each ("Preference Shares"),
- 2) **The nature of such shares i.e. cumulative or non-cumulative, participating or non - participating, convertible or non - convertible** - Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights.
- 3) **The objectives of the issue** – For meeting general corporate purposes, Augment the long term resources for long term financial needs of the Company including payment of overdues and refinancing of the existing debt.
- 4) **The manner of issue of shares** – Private Placement
- 5) **The price at which such shares are proposed to be issued** – ` 10/- each.
- 6) **The terms of issue, including terms and rate of dividend on each share, etc.** – Rate of Dividend @ 8% P.A. on the face value of Preference Share.
- 7) **The terms of redemption, including the tenure of redemption and redemption of shares at par** – Unlisted 8% Redeemable at the end of 15 Years from the date of Allotment with the option to the Company to redeem before the Tenure in accordance with the provisions of the Companies Act, 2013 as may be applicable from time to time, Redemption at face value of ` 10/- each with no conversion right.
- 8) **The manner and modes of redemption** – Settlement by way of Proper Banking Channel.
- 9) **The current shareholding pattern of the company** – is given under form no. MGT-9 extract of Annual Return (Annexure-5).
- 10) **The expected dilution in equity share capital upon conversion of preference shares** – Not Applicable as the Preference Shares are non-convertible preference shares.

The Board shall also be authorized to approve any modification, alteration and re-setting of all or any of the terms and conditions of the Preference Shares from time-to-time in consultation and agreement with the subscribers/ holders of Preference Shares. The terms and conditions of the Preference Shares shall however be subject to provisions of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company.

The Preference Shares shall rank in priority to Equity Shares for repayment of Capital and payment of Dividend.

The Preference Shares shall be transferred in the same manner as Equity shares. The Preference Shares shall be redeemed in accordance to the provisions of the Companies Act, 2013 as applicable from time to time and the Memorandum and Articles of Association of the Company.

Pursuant to provisions of Sections 55, 62, 23& 42 and all other applicable provisions as well as Rules, if any, of the Companies Act, 2013 as applicable from time to time and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 entered into with the Stock Exchange, any offer or issue of shares in a company to persons other than the shareholders of the company requires prior approval of the Members in General Meeting by way of a Special Resolution. The consent of the Members is therefore, sought to authorize the Board to issue Preference Shares as aforesaid. The Board of Directors of the Company recommends the Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members, in the best interest of the Company.

As the preference shares proposed to be issued by this resolution are Unlisted 8% Redeemable Cumulative Non-Participating Non-convertible Preference Shares carrying no Voting Rights, the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") are not applicable. Further, as a result of proposed allotment of Unlisted 8% Redeemable Cumulative Non-Participating Non-convertible Preference Shares carrying no Voting Rights, there will not be any change in management control of the Company.

None of the Directors, Key Managerial Personnel and relatives of Directors / Key Managerial Personnel of the Company is in any way concerned or interested in this Special Resolution except to the extent of shares that may be offered and / or allotted to them.

The Board of Directors recommends resolution set out at item No. 5 for your consideration and approval.

**By Order of the Board  
For Sterling Biotech Limited**

**Nitin Sandesara  
Managing Director  
(DIN-00255496)**

**Mumbai : September 02, 2016**

## STERLING BIOTECH LIMITED AGM Route Map



**30<sup>th</sup> Annual General Meeting**

**AGM Venue :**

Bhakti Kala Kshetra, International Society for  
Krishna Consciousness (ISKCON) Founder Acharya :  
His Divine Grace A.C. Bhaktivedanta Swami  
Prabhupada, Hare Krishna Land, Juhu, Mumbai - 400 049,  
Maharashtra, India

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting 30<sup>th</sup> Annual Report for the fifteen months period ended on March 31, 2016. The Accounting year of the Company has been changed from January –December to April-March in line with the provision of the Companies Act, 2013, which prescribe a uniform financial year. Accordingly, current year's Annual Accounts and Report of the Company are for a period of fifteen months from January 1, 2015 to March 31, 2016. These figures, therefore, are not comparable with those of the previous year ended on Dec 31, 2014.

### FINANCIAL RESULTS FOR THE FIFTEEN MONTHS ENDED ON MARCH 31, 2016

(` in Million)

Particulars	15 Months ended on March 31, 2016	Financial year ended on December 31, 2014
Sales	5,239.90	6,669.51
Total Income	5,318.40	6,706.33
EBIDTA from Operation	722.98	1,149.19
Interest	4,147.82	4,695.06
Depreciation	3,513.20	2,765.74
Profit / (Loss) before Tax and Extraordinary item	(6,938.05)	(6,311.61)
Extraordinary items	–	–
Profit / (Loss) before Tax	(6,938.05)	(6,311.61)
Provision for Current Tax	0.00	0.00
Provision for Deferred Tax	(2,251.10)	(2,047.80)
Profit / (Loss) after Tax	(4,686.95)	(4,263.81)

#### OPERATIONS:

The total income of the Company in the current year has been ` 5318.40 Million and in the previous year it was ` 6,706.33 Million. The finance cost has been ` 4,147.87 Million and in the previous year it was ` 4,695.06 Million. The Loss before Tax has been ` 6,938.05 Million as and in the previous year it was ` 6,311.61 Million. The loss after tax in the current year has been ` 4,686.95 Million and in the previous year it was ` 4,263.81 Million.

#### REASONS OF REDUCTION IN PROFITABILITY:

The major reasons for reduction in profitability are, Increase in Effluent Treatment cost due to increase in standards, global economic slowdown, increase in the cost of raw materials, the selling prices have remained more or less stable there by the increase in cost could not be passed on to the buyer and non availability of raw material due to restriction on slaughtering activity.

#### CORRECTIVE STEPS TAKEN BY MANAGEMENT:

1. Company has taken action like thorough study on the effluent discharge issue, tightening of quality norms for effluent discharge from the plant, evaluation of requirement of modification of existing effluent discharge problem and the necessary CAPEX has also been incurred by the company.



2. The Company has put in place the cost control measures like hard negotiation with the material suppliers, improvement in and tightening up of cost control system etc.

Company expects that the combined effect of all these factors would be favorable for overall operations.

**DIVIDEND & TRANSFER TO RESERVE :**

In view of the loss for the fifteen months period ended on March 31, 2016 no amount is proposed to be transferred to the reserve(s) and your Directors have not recommended payment of any dividend for the year under review.

**SHARE CAPITAL:**

The paid up Equity Share Capital of the Company as on March 31, 2016 was ` 272,170,388 divided into 272,170,388 Equity Shares of ` 1/- each and Preference Share Capital as on that date was ` 18,424,500,000 divided into 1,842,450,000 number of Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares of ` 10/- each having no voting rights.

**ISSUE OF PREFERENCE SHARES:**

During the year of 15 months, with a view to mitigate the financial crunch, promoters have funded ` 3356,234,020 by subscribing to preference shares and the Company has issued and allotted 335,623,402 Unlisted 8% Redeemable Cumulative Non- Participating Non-Convertible Preference Shares carrying no voting rights of face value of ` 10/- each at par to entities in which promoters are interested.

**FCCB CONVERSION INTO EQUITY SHARES OR GDRs :**

The FCCBs are convertible into equity shares or GDRs of the Company. During the year pursuant to Conversion of USD 153,000 FCCBs, the Company has issued 122,400 equity shares. After conversion, the outstanding FCCBs are USD 201,082,000.

**QUALITY:**

Meeting the stringent quality standards required by our international clientele, our facilities have earned certifications including:

- Hazardous Analysis and Critical Control Point Certification (HACCP)
- ISO 9001
- ISO 14001
- European Directorate For Quality of Medicine Certification (EDQM)
- Kosher Certificate
- IFANCA Halal Certificate

**NUMBER OF BOARD MEETINGS:**

During the period of fifteen months ended on March 31, 2016, the Board of Directors met Nine (9) times viz., on February 28, 2015, March 25, 2015, March 31, 2015, May 15, 2015, August 14, 2015, September 26, 2015, November 06, 2015, December 31, 2015 and February 12, 2016. The maximum interval between any two meetings did not exceed 120 days. Details of the meetings of the Board along with the attendance of the Directors therein have been disclosed as part of the Corporate Governance Report.



**COMMITTEES OF THE BOARD OF DIRECTORS :**

The Board has constituted following committees of Directors to deal with matters and monitor the activities falling within the respective terms of reference:-

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

The details of the membership, terms of reference and attendance at the meetings of the above Committees of the Board are provided in the Corporate Governance Report forming a part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

**DIRECTORS:**

Pursuant to Section 152 of the Companies Act, 2013, Mr. Nitin Sandesara and Mr. Chetan Sandesara, Directors of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

**DECLARATION OF INDEPENDENCE BY DIRECTOR:**

Pursuant to the provisions under Section 134(3)(d) of the Companies Act, 2013, with respect to statement on declaration given by Independent Directors under Section 149(6) of the Companies Act, 2013, the Board hereby confirm that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the criteria of independence as provided in the said Section 149(6) read with Regulation 16 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES:**

The Company has Overseas Subsidiary namely, Sterling Fincom Private Limited, Mauritius which also has a subsidiary namely Sterling Commercial FZE, U.A.E.

**DEPOSITS:**

During the period of fifteen months ended on March 31, 2016 your Company has not accepted any fixed deposits from the public falling under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2016, there were no deposits which were unpaid or unclaimed and due for repayment.

**AUDITORS:**

The Statutory Auditors, M/s. H. S. Hathi & Co., Chartered Accountants, Mumbai (Firm Registration No:103596W) who will retire at the conclusion of 30<sup>th</sup> Annual General Meeting to be held on September 30, 2016 and being eligible, will offer themselves for re-appointment.

The Company has received letter from M/s. H. S. Hathi & Co., Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 141 (3) (g) of the Act and that they are not disqualified for such appointment within the meaning of Section 141 of the Act.

The observations and comments given by Auditors in their report read together with notes to Accounts are self explanatory and hence do not call for any further comments under Section 134 of the Act. The Auditors' Report does not contain any qualification, reservation or adverse remark.

**SECRETARIAL AUDITOR:**

A Secretarial Audit was conducted during the period of fifteen months ended on March 31, 2016 by the Secretarial Auditor M/s. Ramesh Kheradia a Company Secretary in Practice. The Report of Secretarial Audit in form of MR-3 for period of fifteen months ended on March 31, 2016 is attached as Annexure - 2 to the Report.

Secretarial Auditor gave the qualifications in his report for Non appointment of Compliance officer as per listing agreement and Non appointment of Company Secretary and Chief Financial Officer as per Section 203 of the Companies Act, 2013.

The Company is in process of making the appointments in compliance with the applicable provisions.

**INDUSTRIAL RELATIONS:**

The industrial relations of the Company continued to remain cordial. The Directors wish to place on record their sincere appreciation for the co-operation extended and the valuable contribution made by the employees at all levels.

**RELATED PARTY TRANSACTIONS:**

All contract(s) / arrangement(s) / transaction(s) entered into by your Company with its related parties, during the year under review, were:

- in "ordinary course of business" of the Company;
- on "an arm's length basis"; and
- not "material",

As per the provisions of Section 188(1) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014. Accordingly, Form AOC-2, prescribed under the provisions of Section 134 (3) (h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of Related Party Transactions, which are "not at arm's length basis" and also, which are "material & at arm's length basis", is not provided as an annexure of the Directors' Report.

However, details of the Related Party Transactions entered into during the year under review and as on March 31, 2016, are disclosed as part of the financial statements of your Company for the year under review, as Note 27. Further, pursuant to the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board has, approved and adopted a Policy on Related Party Transactions. The said policy is available on your Company's website viz. [www.sterlingbiotech.in](http://www.sterlingbiotech.in).

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

Pursuant to provisions of Section 205A of the Companies Act, 1956 [pursuant to rule 3 of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001] the unpaid/unclaimed dividend pertaining to the year ended on December 31, 2007 amounting to ` 38,81,182/- (including interest accrued thereon) which was

lying in the Company's separate unpaid dividend account and remaining unclaimed for a period of seven years, was transferred to the Investor Education and Protection Fund (IEPF).

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Loans, and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

The Company has not provided any guarantee as prescribed under section 186 of the Companies Act, 2013.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

During the period of fifteen months ended on March 31, 2016, there were no such orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of period of fifteen months ended on March 31, 2016 to which the financial statements relate and the date of this report.

**NOMINATION AND REMUNERATION POLICY**

The Company follows a policy on nomination and remuneration of Directors and Senior Management Employees. The Policy is approved by the Nomination and Remuneration Committee. The policy on the above is attached herewith as Annexure - 3.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) :**

Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods. The Company believes in conducting its business responsibly, fairly and in a most transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives.

This policy has been formally formulated and adopted in terms of Section 135 of the Companies Act, 2013 and Rules framed there under to undertake CSR activities.

The responsibilities of the CSR Committee include:

1. Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken.
2. Recommending the amount of expenditure for the CSR activities.
3. Monitoring CSR activities from time to time.

In view of the losses for the year under review, your Company was not required to spend any amount towards the CSR activities, as per the applicable provisions of Section 135 of the Companies Act, 2013. Accordingly, the details of the CSR activities during the year under review are not provided in this Report.

**BOARDEVALUATION:**

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee Meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the Individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board Meeting that followed the meeting of the independent directors, at which the performance of the Board, its committees and Individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

**CORPORATE GOVERNANCE:**

Corporate governance requirements under the Companies Act, 2013, and as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on corporate governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with the certificate from the Statutory Auditor confirming the compliance, is annexed and forms part of this Annual Report in Annexure - 4.

**MANAGEMENT DISCUSSION & ANALYSIS:**

Management Discussion and Analysis for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report in Annexure - 1.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure- 5.

**PARTICULARS OF EMPLOYEES:**

There are no employees drawing remuneration of more than One crore and two lacs rupees limit as specified under provisions of Section 197(12) of the Act and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**VIGIL MECHANISM:**

Your Company has a well-defined 'Whistle Blower Policy' and established Vigil Mechanism to provide for adequate safeguard against victimisation of Directors and employees who follow such mechanism and also make provisions for

direct access to the chairperson of Audit Committee in appropriate cases. Details of the Vigil Mechanism policy are made available on the Company's website at [www.sterlingbiotech.in/investors.html](http://www.sterlingbiotech.in/investors.html).

**FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

All new Independent Directors (IDs) inducted into the Board are given an orientation. Presentations are made by Executive Directors (EDs) and Senior Management giving an overview of the Company's operations, to familiarize the new IDs with the Company's business operations. The new IDs are given an orientation on our products, group structure and subsidiary Company, Board constitution and procedures, matters reserved for the Board, and the Company's major risks and risk management strategy. The Policy on the Company's Familiarisation Programme for IDs can be accessed at [www.sterlingbiotech.in/investors.html](http://www.sterlingbiotech.in/investors.html)

**INTERNAL CONTROL AND ITS ADEQUACY:**

The Company has adequate internal controls and processes in place with respect to its financial statements which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. These controls and processes are driven through various policies, procedures and certifications. The processes and controls are reviewed periodically. The Company has a mechanism of testing the controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place a Policy against Sexual Harassment at work place in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set-up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. No complaint received by the Committee during the year.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure-6.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134 (3) (c) of the Companies Act, 2013, your directors hereby states that :

- a) In the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures from the same;
- b) The accounting policies have been selected and these have been applied consistently and judgments and estimates made thereon are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company for the fifteen months period ended on March 31, 2016 and of the loss of the Company for the aforesaid period;

- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) Annual accounts of the Company have been prepared on a 'Going Concern' basis;
- e) Internal financial controls have been laid down and being followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws have been devised.

**ACKNOWLEDGEMENT:**

Your Directors would like to express their sincere appreciation for the cooperation and assistance received from shareholders, bankers, financial institutions, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff of the Company during the financial year.

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

**Mumbai : September 02, 2016**

**Nitin Sandesara  
Managing Director  
(DIN: 00255496)**

**Chetan Sandesara  
Jt. Managing Director  
(DIN: 00255671)**

**(ANNEXURE - 1 TO THE DIRECTOR'S REPORT)****MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY INSIGHTS**

Gelatin is derived from collagen which is obtained from various animal sources including pig skin, bovine hides, cattle bones and fish. This type of animal collagen helps to swallow tablets and capsules easily. Gelatin is a form of protein derived from animal sources. This clear and tasteless protein is obtained from the collagen found in the bones, connective tissue, and skin of pigs, cattle and other animals. In old times, gelatin was used as a biological adhesive. But with advancing times, the use of gelatin has changed and diversified. Apart from adhesiveness, gelatin possesses many physical, chemical and functional properties like crystallization control, water binding, film forming, thickening and emulsifying properties. Thus, it has found a large area of application in the food, pharmaceutical, nutraceutical, photographic, cosmetic and packaging industries. Besides these, gelatin has also established its utilization in combating osteoporosis and arthritis. The widening scope of application has provided a lucrative platform for a swift growth of the global gelatin market which is expected to reach a value of around US\$ 2.8 billion by 2021. The increasing application of the product in food & beverage and pharmaceutical applications on account of exhibiting excellent stabilizing characteristics and good binding features is expected to remain a favorable factor for growth over the forecast period.

The product is majorly used as a gelling agent in numerous applications including food & beverage, nutraceuticals, healthcare, personal care, and photography. Increasing demand for convenience foods in emerging economies including China, India, and Middle East countries is expected to promote the usage of the product as a functional ingredient in confectionaries.

Gelatin is also used in the production of a broad range of pharmaceuticals including wound dressings, blood volume substitutes, and homeostatic sponges. Development of the pharmaceutical industry in the U.S. and Canada in light of increasing expenditure for incorporation of latest technologies is expected to have a substantial impact.

Over the past few years, polysaccharide are being increasingly used as an important constituent in healthcare and food & beverage applications on account of providing excellent hydrolyzing enzymatic properties. Therefore, industry presence of polysaccharide is expected to pose a substitutional threat to gelatin market over the next eight years.

Increasing awareness towards microencapsulation in the broad range of applications including food & beverage and healthcare is expected to open new markets over the next eight years.

**APPLICATION INSIGHTS**

Food & beverage was the largest application, accounting for 29.0% of the global volume in 2015. The ingredient is used in sports drinks on account of its high content of protein, carbohydrates, and electrolytes. Proteins are needed to repair damaged structures and muscle tissue by accelerating recovery via transporting oxygen & other nutrients.

Pharmaceutical applications consumed 85.6 kilo tons of the ingredient in 2015. Increasing usage of hydrocolloids in the pharmaceutical industry on account of excellent solubility is expected to promote the usage of gelatin over the next eight years.

**RAW MATERIAL INSIGHTS**

Pig skin was the majorly used raw material, accounting for 40.6% of the market volume in 2015 owing to the high level



of collagen content. However, increasing occurrences of seasonal disorders associated with swine is expected to refrain gelatin manufacturers for procuring pigskin as a raw material.

Bovine hides are also used as a raw material on account of the presence of high levels of peptide and fibrous content. Cattle bones release protein rich collagen which is boiled and filtered repeatedly post which it is ground into a powder. Consumption of this powder helps in improving digestion and connective tissue. As a result, cattle bones are expected to witness the fastest growth at a CAGR of 4.9% from 2016 to 2024, in terms of volume.

The increasing popularity of halal foods in food & beverage industry of Middle East countries is expected to promote the usage of cattle bones as raw materials to produce gelatin over the forecast period.

Fish skin, horse hair, and sheep covering are other raw materials which are used for the production of gelatin. Technological advancement for the development of fish gelatin in China is expected to open new markets over the next eight years.

### FUNCTION INSIGHTS

The increasing importance of emulsifying property in food & beverage industry of major markets of Germany, UK, and France is expected to promote the usage of gelatin as a gelling agent over the next eight years. The market is projected to witness growth at a CAGR of 6.7% from 2016 to 2024, in terms of revenue.

Application growth of pharmaceutical products including tablets and capsules in emerging markets of China and India owing regulatory support intended for promoting investments in the healthcare sector is expected to increase the demand for stabilizing agent. Gelatin also finds use as thickening agents in the photographic industry.

### REGIONAL INSIGHTS

Europe was the largest market, accounting for 41.2% of the global revenue in 2015. Increasing awareness towards incorporation of nutritional ingredients in food & beverage industry, particularly in developed economies including Germany, UK, and France, is expected to have a high impact on the market. Also, the presence of a robust pharmaceutical manufacturing base in Germany, UK and Belgium is supposed to remain a favorable factor.

Asia Pacific is projected to witness the fastest growth at a CAGR of 6.0% from 2016 to 2024, in terms of volume, over the next eight years. Positive outlook towards the healthcare sector in Thailand and Malaysia in light of increment in sales volume of pharmaceuticals is expected to promote the usage of gelatin in the near future.

### COMPETITIVE INSIGHTS

Key industry participants include Rousselot, Capsugel Inc., Catalent Pharma Solutions, Gelita AG, PB Gelatin and Sterling. The global gelatin market is concentrated in nature with the top four companies accounting for a lion's share of the overall market in 2015.

Global pharmaceutical market are in the midst of major discontinuities. While growth in developed markets will slow down, emerging markets will become increasingly important in the coming decade. The Indian Pharmaceutical market, along with markets of China, Brazil and Russia, will spearhead growth within these markets.

The Indian pharmaceuticals market has characteristics that make it unique. First, branded generics dominate, making up for 70 to 80 percent of the retail market. Second, local players have enjoyed a dominant position driven by formulation development capabilities and early investments. Third, price levels are low, driven by intense competition. While India ranks tenth globally in terms of value, it is ranked third in volumes. These characteristics present their own opportunities and challenges.

Indian pharmaceutical sector accounts for about 2.4 per cent of the global pharmaceutical industry in value terms and 10 per cent in volume terms and is expected to expand at a Compound Annual Growth Rate (CAGR) of 15.92 per cent to US\$ 55 billion by 2020 from US\$ 20 billion in 2015.

With 71 per cent market share, generic drugs form the largest segment of the Indian pharmaceutical sector. By 2016, India is expected to be the third-largest global generic Active Pharmaceutical Ingredient (API) merchant market. The country accounts for the second largest number of Abbreviated New Drug Applications (ANDAs) and is the world's leader in Drug Master Files (DMFs) applications with the US.

Indian drugs are exported to more than 200 countries in the world, with the US as the key market. Generic drugs account for 20 per cent of global exports in terms of volume, making the country the largest provider of generic medicines globally and expected to expand even further in coming years. Pharmaceuticals Exports Promotion Council (Pharmexcil) expects pharmaceutical exports to reach US\$ 25 billion.

The Government of India plans to set up a US\$ 640 million venture capital fund to boost drug discovery and strengthen pharmaceutical infrastructure. The 'Pharma Vision 2020' by the government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery.

## OPPORTUNITIES AND THREATS

### • OPPORTUNITIES:

As the hydrolyzed form of gelatin, collagen is a highly purified protein that can be easily absorbed in the human body. It is used as an ingredient for nutritional supplements such as protein bars and drinks, weight loss, beauty products, and overall body health. This product is easily soluble in hot and cold liquids. It is also perfect where traditional gelling ability is not required. Our gelatin products have numerous and varied applications in the Food, Health and Nutritional industries. Gelatin is a natural and fat-free ingredient that is both high in protein and virtually calorie free. It is invaluable in the processing of these and many other health products.

The change in the world topography especially in the European countries leading to increase in the ageing population is expected to ensure a stable growth in the global demand of gelatin over the coming years. Further the increasing use of gelatin in Pharmaceutical, Nutraceutical and cosmetic products would add to this stable growth in global demand. The food and beverage industry continuous to represents one of the largest consumer of gelatin.

The general growth in health concerns and the increase in the standard of living of the people leading to greater disposable income has increased the use of dietary supplement and thereby increases the usage of gelatin based products.

As regards the alternatives that meet some of the gelatin characteristics, none is yet available that matches all the functions such as gelling, binding, thickening, stabilizing, film forming, and aerating properties. Thus, no comparable substitute has been developed till date.

The gelatin has unique characteristics that make it especially useful as a film-forming agent for encapsulation of liquids and powders. Gelatin capsules offer the unique advantages of dosage accuracy, ease of swallowing, and appearance. In addition to hard and soft capsules, gelatin's unique physical properties allow for the coating and binding of the dry components in tablets. Having no toxicity, and the ability to be easily absorbed by the body, gelatin is an ideal substance to use in medicinal and nutritional preparations. Gelatin is the excipient of choice to provide an effective delivery system.

As a rich source of protein, Gelatin finds application in numerous end-use sectors including pharmaceuticals, food and

beverage, photographic supplies, cosmetics, explosives, electroplating, dyes, papermaking and printing, among others. Rising standards of living, easier access to healthcare services, increase in disposable incomes and rapidly aging world population represent key factors driving growth in demand for gelatin. Improving lifestyles in developing economies of India and China are also expected to promote market expansion. Lack of availability of competitive substitutes in the market makes gelatin one of the most indispensable feedstock in various end-use industries.

Consumption in the pharmaceutical industry remains high driven by rapidly ageing demographics, rising incidence of chronic and lifestyle related diseases, and growing health consciousness. Growing focus on preventive healthcare amidst mounting healthcare costs represents another important growth driver. Rising popularity of nutraceuticals is also expected to benefit gelatin consumption in the near term. Gelatin encapsulated medicines and gelatin-based dietary and health supplements are expected to witness strong demand in the coming years.

As stated by the new market research report on Gelatin, Europe represents the largest market worldwide, followed by Asia-Pacific. Asia-Pacific is also forecast to spearhead growth with the fastest CAGR of 4.9% over the analysis period. Growing GDP, rising standards of living, increasing disposable income, expanding healthcare access and robust gelatin demand from end-use industries represent key factors driving growth in the region.

Demand is driven by the world's aging population, increasing awareness of health issues, and end-use industries including pharmaceuticals, nutraceuticals, and food and beverages. Demand in emerging markets such as India and China will also fuel expansion, along with rising standards of living and the availability of vegetarian gelatin options. Obstacles to industry growth include consumer concerns regarding the potential health threat in using products derived from animal body parts. (Global Industry Analysts).

Whereas the pharma industry meets around 70% of the Country's demand for bulk drugs, drug intermediates, pharmaceutical formulations, chemicals, tablets, capsules, orals & injectable. The domestic pharmaceutical market is expected to register a strong double digit growth of 15% on the back of increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets.

- **THREATS:**

Despite the bright outlook, consumer concerns related to the safety and social aspects of using products derived from animal body parts continue to haunt industry prospects. The industry, over the years, has borne the brunt of tightened regulations and legislative riders governing the use of gelatin in supplements.

In spite of OIE clearance for India as "Negligible risk" country for Bovine Spongiform Encephalopathy (BSE), the USFDA refusing to acknowledge this rating and place India in the 'Undetermined' category which could affect export. Sales and realization of DCP suffered a minor setback.

Environmental regulation continue to become more stricter and strengthen on account of which there would arise a need for larger capital outlay for achieving revised standard as well as higher operating cost for the treatment. Raw Material namely crushed bones availability has been short and thereby prices are at historical highs.

## **PERFORMANCE**

The Company is engaged into manufacturing of Gelatin from animal bones. Gelatin is primarily used in pharmaceuticals industry for making capsule caps and in food industry. Company has developed world-class technology for gelatin by establishing state-of-the-art facilities. The Company's plants located at Karakhadi and Ooty employ the latest innovations in technology for the production of gelatin.

The Company produces pharmaceutical product meeting global quality standards, viz. Lovastatin (Cholesterol lowering drug) and Oncology / Other Pharmaceutical products. Sterling, as of today, has highest Lovastatin manufacturing capacity with required regulatory approvals. The fermentation facility of Masar plant is one of the largest fermentation facilities in India.

The company has increased its focus on Lovastatin and other Cholesterol lowering drugs as well as Oncology products which have a very bright future in Domestic & International Markets.

Brief overview of Pharma and Oncology products manufactured by the Company is as under:

#### **ANTICANCER PRODUCTS :-**

- **DOXO Rubicin** is an anti-cancer chemotherapy drug and is classified as an anthracycline antibiotic.
- **IDARUBICIN** is an anti-cancer (antineoplastic or cytotoxic) chemotherapy drug. This medication is classified as an anthracycline antitumor antibiotic.
- **Daunorubicin** is used to treat acute lymphocytic and myelocytic leukemias.
- **IMATINIB** is a drug used to treat certain cancers.
- **EPI Rubicin** is an anthracycline drug used for chemotherapy.

#### **OTHER PRODUCTS :-**

- **Lovastatin** is a cholesterol-lowering agent that belongs to the class of medications called statins
- **DACARBAZINE** is used to treat Hodgkin disease and malignant melanoma
- **Temozolamide** is an oral alkylating agent used for the treatment of Grade IV astrocytoma
- **Simvastatin** is a lipid lowering drug used to decrease heart problems in those at a high risk

#### **OUTLOOK**

Along with production of Bone gelatin, the company continues to focus its attention on Pharmaceutical products, Oncology products and Hydrolised Proteins for its future growth. The Research and Development activity of the Company intends to have focused and continuous innovation to secure a sound future. Expansion of the product portfolio and cost control through long term contracts with suppliers and tightening of expenses continues for improved margins.

All required certifications in terms of quality obtained by the Company gives the company better position in the International & Domestic Market. With expected future growth in pharma sector with the use of gelatin as raw material for manufacture of capsules, demand constraint will not be there for the Company in coming years.

#### **RISKS AND CONCERNS**

Statements in the Management's Discussion and Analysis describing the Company's projections, estimates, expectations or predictions may be "forward looking predictions" within the meaning of applicable securities laws and regulations. Actual results may differ from such estimates, projections, etc., whether expressed or implied. Factors which would make a significant difference to the Company's operations include achievement of better quality and good market price in domestic and overseas market, changes in Government regulations and tax laws, economic conditions affecting demand / supplies and other environmental factors over which the Company does not have any control. Stringent regulation / norms required to be followed by slaughter houses for meat exports to EU countries, increase in cost of power & fuel due to increase in the price of furnace oil & increase in other fixed / semi variable cost due to overall inflationary pressure are also the matter of concerns.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has adequate internal control systems to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements. The Company has in place documented procedures covering all financial and operational functions commensurate with its size and complexity. The Company has also taken required measures to counter the demand issue viz. improvement in marketing set up, tightening of credit control, Diversification of products & cost control measures.

### RESEARCH & DEVELOPMENT

R&D facility at the plant is equipped with all modern analytical and process equipment including HPLCs, GC, GCMS, IR, Spectrophotometer, Autoclave etc. and is under strict controls & restricted entry.

Sterling Biotech undertakes research & development activities at its in-house R&D centers which look after at specific areas of improvement of product quality, process improvements, cost effectiveness and elimination of waste in the systems. The company also carries out R&D work on fermentation products, API and intermediates.

The company has invested significant amount of resources on Research & Development and has set up a state-of-the-art R&D facility in the name of "Sterling Biotech Research Centre" at its Masar plant in Vadodara, which is engaged in development of complex and niche generic active substances for leading generic players from Europe and other regulated market. For company, the R&D is an integral part of process and product development.

The Company also has a microbiology laboratory which is equipped with all facility to handle culture maintenance, inoculums preparation and propagation, in – process batch analysis, shake flask trials.

### QUALITY CERTIFICATIONS

The company continuous to have the following quality certifications in accordance with its policy to achieve and maintain the highest standards of quality -

Sr. No.	Certification	Purpose
1	EDQM (European Directorate for Quality of Medicine)	This certification denotes that the product is in compliance with the European Union pharmacopeia.
2	IFANCA / MUI	This certification is required for Halal certification, which certifies that the gelatin is manufactured using Halal-defined processes and can be used by the Muslim population.
3	KOSHER	This certifies that the Jewish population can consume Sterling's gelatin and that the inputs used for gelatin production are in accordance with the religious standards of the Jewish community.
4	HACCP (Hazardous Analysis and Critical - Control Point)	This certifies the manufacturing process with the highest and most consistent quality and safety of product. Also ensures the availability of fallback measures in case of unfortunate events.
5	ISO 9001	This certification denotes that the production process is in accordance with standards laid down by the International Standards Organizations.
6	ISO 14001	This certification signifies that the environment management system is in compliance with the Environmental Management System Standard.

**OPERATING AND FINANCIAL PERFORMANCE**

The highlights of financial performance during 2015-16 (15 months) are as under:

- The company achieved a turnover (including other income) of ` 53,184 Lacs.
- EBIDTA from operations is ` 7,230 Lacs.
- The finance cost is ` 41,478 Lacs leading to Loss before tax of ` 69,380 Lacs.
- After reducing the deferred tax, the loss after tax is ` 46,869 Lacs.
- Net worth as at March 31, 2016 stands at ` 2,41,195 Lacs including Preference Share Capital of ` 1,84,245 Lacs.

**DEVELOPMENT IN HUMAN RESOURCES MANAGEMENT**

Sterling believes that Human Resources always play a very key role in the future growth of the company. It recognizes employees as the most valued asset. By providing on job and off job training, continuous development and learning initiatives for improvement in professional competencies, the management aims to achieve high standards of human resource development.

The Company has strength of 727 Employees as on Balance sheet date.

**WAY FORWARD**

Way forward the company continues to capitalize on the increasing demand by way of improvement in Marketing set up enabling the Company to reach to the wider range of customers across the world, diversifying product portfolio of pharma products through in house research, taking corrective actions on the effluent discharge issue and tightening of quality norms to meet the global standards, putting in place the cost control measures with the help of better negotiation with the material suppliers, improvement in and tightening up of cost control system for various semi variable expenses, etc. The Company is also taking various steps to reduce its finance Cost and look forward to continue to substantially reduce its bank loans / debts. The Company expects that the combined effect of all these factors would be favorable for overall operations of the Company in the next few years.

The company also expects to improve its volume from the middle of 2016 which would have an overall impact on the performance of the Company to steadily improve from the end of FY 2017 onwards.

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

Mumbai : September 02, 2016

**Nitin Sandesara**  
Managing Director  
(DIN: 00255496)

**Chetan Sandesara**  
Jt. Managing Director  
(DIN: 00255671)



(ANNEXURE - 2 TO THE DIRECTOR'S REPORT)

FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR OF FIFTEEN MONTHS ENDED MARCH 31, 2016

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

To,  
The Members,  
Sterling Biotech Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sterling Biotech Limited. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Sterling Biotech Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year of fifteen months ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Sterling Biotech Limited ("the Company") for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (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; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (l) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) RBI Rules on Foreign Direct Investment and External Commercial Borrowings to the extent applicable to the company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange Limited .

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- Non appointment of Compliance Officer as per Listing Agreement.
- Non appointment of Company Secretary and Chief Financial Officer as per Section 203 of the Companies Act, 2013.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors that has took place during the period under review.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that 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.

I further report that during the audit period the company no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred.

This report is to be read with Annexure - A attached herewith.

Vadodara : May 30, 2016

**Ramesh Kheradia**  
**Practicing Company Secretary**  
FCS No. 5859  
C.P. No. 2614

**(ANNEXURE - 2 TO THE DIRECTOR'S REPORT)****'Annexure A'**

To,  
The Members  
Sterling Biotech Limited,

Our secretarial Audit report of May 30, 2016 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 processes 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 processes 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. Where ever 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 procedures 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.

**Ramesh Kheradia**  
**Practicing Company Secretary**  
**FCS No. 5859**  
**C.P. No. 2614**

**Vadodara : May 30, 2016**

**(ANNEXURE - 3 TO THE DIRECTOR'S REPORT)****NOMINATION AND REMUNERATION POLICY****1. OBJECTIVE**

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

**2. DEFINITIONS****a) Key Managerial Personnel: Key Managerial Personnel means**

- i. Chief Executive Officer or the Managing Director or the Manager;
- ii. Company Secretary;
- iii. Whole Time Director;
- iv. Chief Financial Officer; and
- v. Such other officer as may be prescribed.

**b) Senior Management:**

Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

**3. ROLE OF COMMITTEE**

The role of the Committee inter alia will be the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director;
- b) To recommend to the Board the appointment and removal of Senior Management;
- c) To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his /her performance;
- d) To recommend to the Board on
  - i. Policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and
  - ii. Executive Directors remuneration and incentive;
- e) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- g) To devise a policy on Board diversity; and
- h) To develop a succession plan for the Board and to regularly review the plan.

**4. MEMBERSHIP**

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

**5. CHAIRMAN**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**6. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

**7. COMMITTEE MEMBERS' INTERESTS**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**8. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

**9. VOTING**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**10. NOMINATION DUTIES**

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d) Determining the appropriate size, diversity and composition of the Board;
- e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

- f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- g) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- i) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- j) Recommend any necessary changes to the Board; and
- k) Considering any other matters as may be requested by the Board.

#### **11. REMUNERATION DUTIES**

The duties of the Committee in relation to remuneration matters include:

- a) To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;
- b) To approve the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- c) To consider any other matters as may be requested by the Board; and
- d) Professional indemnity and liability insurance for Directors and senior management.

#### **12. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting

**(ANNEXURE - 4 TO THE DIRECTOR'S REPORT)****CORPORATE GOVERNANCE REPORT****1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

The Company is committed to maintain high standard of good Corporate Governance to enhance stakeholders' value and compliance with the laws coupled with adherence to the transparency and business ethics. The Company aims its responsibility towards the community and environment in which it operates, towards its employees and business partners and towards society in general.

**2. BOARD OF DIRECTORS**

The Board comprises of an optimum combination of Non-Executive, Independent and Women Directors as required under Companies Act, 2013 and Listing Regulations. As on date, the Board comprises of Six (6) Directors, out of which four (4) are Independent Directors and two (2) Executive Directors. The Chairman of the Board is a Executive Director.

Sr. No.	Name of Directors	DIN	Category	No. of Board Meetings during the year		Last AGM Attended Yes/No	Directorship in other Companies	No. of Committees	
				Held	Attended			As a Chairman	As a Member
1	Mr. Nitin Sandesara	00255496	Chairman & ED	9	6	Yes	17	1	2
2	Mr. Chetan Sandesara	00255671	ED	9	8	Yes	20	4	6
3	Mr. Rajbhusan Dixit	00025484	ID	9	8	Yes	5	1	2
4	Mr. Vilas Joshi	00507833	ID	9	8	Yes	8	-	-
5	Mrs. Mayuriben Patel	00090549	Women ID	9	7	No	10	-	-
6	Mr. Priyadarshanbhai Mehta	01392227	ID	9	7	No	8	-	-

**Notes:**

- Directorships exclude foreign Companies, Companies formed under Section 25 of the Companies Act, 1956 and Section 8 of the Companies Act, 2013.
- Above mentioned directorship(s) includes directorships in Sterling Biotech limited and all listed, unlisted and private limited companies.
- As required by Regulation 26 of the Listing Regulations, the disclosure includes membership(s)/ chairpersonship(s) of the Audit Committee and Stakeholders' Relationship Committee in Indian Public Companies (listed and unlisted).
- Membership(s) of Committees includes chairpersonship(s), if any.
- ID: Independent Director; NED: Non Executive Director; NID: Non Independent Director; ED : Executive Director
- Accounting year of the Company has been changed from July –June to April-March in line with the provisions of the Companies Act, 2013. Accordingly, Corporate Governance Report of the Company is for a period of fifteen months from Jan 1, 2015 to March 31, 2016.

**A. BOARD MEETING**

During the period of fifteen months ended on March 31, 2016, Nine Board Meetings were held on the following dates;

Sr.No	Board Meeting(s)
1	February 28,2015
2	March 25, 2015
3	March 31, 2015
4	May 15, 2015
5	August 14,2015
6	September 26,2015
7	November 06,2015
8	December 31, 2015
9	February 12, 2016

#### B. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year, a separate meeting of the Independent Directors was held on May 05, 2015 without the presence of Executive Directors and Management representatives, inter alia, to discuss the performance of Non-Independent Directors and the Board as a whole and the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All Independent Directors of the Company attended the meeting.

#### C. TRAINING OF INDEPENDENT DIRECTORS AND BOARD MEMBERS

The Company familiarizes its 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 programmes. The details of the familiarization programmes for Independent Directors has been posted on the Company's website and can be accessed at [www.sterlingbiotech.in/investors.html](http://www.sterlingbiotech.in/investors.html)

### 3. COMMITTEES OF THE BOARD

The Board has constituted various committees with specific terms of reference and scope. The details of the committee constituted by the Board are given below;

#### I. AUDIT COMMITTEE

The constitution and terms of reference of the Audit Committee are in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement).

##### ➤ Composition of Audit Committee

Name of Members	Position	Category	No. of Meetings during the year	
			Held	Attended
Mr. Rajbhushan Dixit	Chairman	ID	5	5
Mr. Vilas D. Joshi	Member	ID	5	4
Mr. Priyadarshanbhai Mehta	Member	ID	5	4

The Audit Committee met five (5) times during the year i.e. on February 28, 2015, May 15, 2015, August 14, 2015, November 06, 2015, February 12, 2016. The maximum gap between two meetings was not more than 120 days.



➤ **Terms of reference of audit Committee are as follows:**

- I. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- II. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- III. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- IV. 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; and
  - g) modified opinion(s) in the draft audit report
- V. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- VI. 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.
- VII. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- VIII. Approval or any subsequent modification of transactions of the listed entity with related parties.
- IX. Scrutiny of inter-corporate loans and investments.
- X. Valuation of undertakings or assets of the Company, wherever it is necessary.
- XI. Evaluation of internal financial controls and risk management systems.
- XII. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- XIII. 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.
- XIV. Discussion with internal auditors of any significant findings and follow up there on.
- XV. 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.

- XVI. 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.
- XVII. 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.
- XVIII. To review the functioning of the whistle blower mechanism.
- XIX. Approve the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- XX. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- XXI. The Audit Committee shall review the information require as per listing information.

## II. NOMINATION AND REMUNERATION COMMITTEE

The constitution and the terms of reference of the Nomination and Remuneration Committee ("NRC") are in compliance with Section 178(1) of the Companies Act, 2013 and Regulation 19 of Listing Regulations.

### ➤ Terms of reference of Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee are as follows:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
  - To recommend to the Board the appointment and removal of Senior Management.
  - To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
  - To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
  - To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
  - Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - To devise a policy on Board diversity.
  - To develop a succession plan for the Board and to regularly review the plan.
- **Composition and Attendance of Nomination and Remuneration of Committee**

Name of Members	Position	Category	No. of Meetings during the year	
			Held	Attended
Mr. Rajbhushan Dixit	Chairman	ID	1	1
Mr. Vilas D. Joshi	Member	ID	1	1
Mr. Priyadarshanbhai Mehta	Member	ID	1	1

The Nomination and Remuneration Committee met one (1) time during the financial year 2015-16 i.e. on March 25, 2015.

- **PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS**

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated includes participation and contribution by a director, effective deployment of his/ her knowledge, expertise and commitment.

### III. STAKEHOLDERS RELATIONSHIP COMMITTEE

The constitution and the terms of reference of the Stakeholders' Relationship Committee are in compliance with Section 178 of the Companies Act, 2013 read with Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement).

#### TERMS OF REFERENCE

The terms of reference of the Stakeholders' Relationship Committee are as follows:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

**Composition of the Stakeholder's Relationship Committee is as follows:**

Name of Members	Position	Category	No. of Meetings during the year	
			Held	Attended
Mr. Rajbhusan Dixit	Chairman	ID	1	1
Mr. Vilas D. Joshi	Member	ID	1	1
Mr. Priyadarshanbhai Mehta	Member	ID	1	1

The Stakeholders Relationship Committee met one (1) time during the financial year 2015-16 i.e. on November 06, 2015

The details of shareholders' complaints received and disposed of during the year under review are as under:

Number of Investor Complaints	
Pending at the beginning of the financial year	Nil
Received during the financial year	4
Disposed off during the financial year	4
Pending at the end of the financial year	Nil

**IV. RISK MANAGEMENT COMMITTEE MEETING**

The constitution and the terms of reference of the Risk Management Committee are in compliance with the provisions of Regulation 21 of Listing Regulations, 2015.

The Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

**4. GENERAL BODY MEETING**

Particulars	Annual General Meetings		
	29 <sup>th</sup> AGM	28 <sup>th</sup> AGM	27 <sup>th</sup> AGM
<b>DATE</b>	June 30, 2015	June 30, 2014	June 29, 2013
<b>START TIMING</b>	10:30 a.m.	10:30 a.m.	10:30 a.m.
<b>VENUE</b>	Bhakti Kala Kshetra International Society for Krishna Consciousness (ISKCON) Founder Acharya : His Divine Grace A.C. Bhaktivedanta Swami Prabhupada, Hare Krishna Land, Juhu, Mumbai - 400 049, Maharashtra, India.		
<b>Ordinary Business</b>			
1. Adoption of Account as on	December 31, 2014	December 31, 2013	December 31, 2012
2. Re-appointment of Rotation Director	Vilas Joshi	R.B. Dixit	Vilas Joshi
	P. B. Mehta	N. B. Patel	P. B. Mehta
3. Appointment of Auditor	M/s. H. S. Hathi & Co. Chartered Accountants		
<b>Special Business</b>			
4. Appointment of Director	Mrs. Mayuri Patel Independent Director	Shri. Chetan Sandesara Joint Managing Director	Shri. Nitin Sandesara Managing Director
	Issue of unlisted 8% redeemable cumulative non participating non-convertible preference shares carrying no voting right.	Increase in foreign direct investment limit.	Restructuring of the Outstanding USD 134.5 Million Foreign Currency Convertible Bonds (FCCBs)
	Change of Accounting Year	Increase in Borrowing Limits	Issue of GDRS / ADRS / FCCBS/QIPS or such other Fully or Partly Convertible Securities.
			Contd..

4. Approval For		Increase in Mortgage Charges etc. Limits	
		Increase and re-classification of the authorised share capital of the company and amendment to the Memorandum of Association	
		Issue of unlisted 8% redeemable cumulative non-participating nonconvertible preference shares carrying no voting rights.	

- No Extra Ordinary General Meeting was held during the last three year.
- At the forthcoming Annual General Meeting there is no item on the agenda requiring postal ballot.

#### Postal Ballot:

During the year under review, no resolution was passed through Postal Ballot.

#### 5. MEANS OF COMMUNICATION

- Quarterly Results are published in Free Press Journal, English daily newspaper, and Navshakti newspaper Marathi vernacular daily newspaper and are also posted on the Company's website [www.sterlingbiotech.in](http://www.sterlingbiotech.in)
- Official media releases are sent to the Stock Exchanges before their release to the media for wider dissemination. Company generally does not make any presentations to media, analysts, institutional investors, etc.
- The Company's website contains a separate dedicated section 'Investors'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company, in a user friendly manner. The basic information about the Company as called for in terms of Regulation 46 of the Listing Regulations is provided on Company's website and the same is updated regularly.
- Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to Members and others entitled are displayed on Company's website.
- The quarterly Shareholding Pattern and Corporate Governance Report of the Company are filed with BSE through BSE Online Portal. (Web link: <http://listing.bseindia.com/>) They are also displayed on the Company's website under the 'Investors' section.
- The Company has also designated the email-id [investorscomplain@stergel.com](mailto:investorscomplain@stergel.com) exclusively for investor servicing.

**6. DISCLOSURE****Related party transactions**

During the year 2015-16, the Company has not entered into any related party transaction. A copy of the policy on dealing with related party transactions has been posted on the Company's website and can be accessed at [www.sterlingbiotech.in/investors.html](http://www.sterlingbiotech.in/investors.html)

**Compliances by the Company**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above, during the last three years. Further, the Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

**Whistle Blower Policy / Vigil Mechanism**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz [www.sterlingbiotech.in/investors.html](http://www.sterlingbiotech.in/investors.html)

**7. GENERAL SHAREHOLDER INFORMATION**

General Shareholder Information		
<b>a</b>	<b>30<sup>th</sup> Annual General Meeting is scheduled on;</b>	
	Date	Friday, September 30, 2016
	Time At	10:30:00 a.m.
	Venue	Bhakti Kala Kshetra International Society for Krishna Consciousness (ISKCON) Founder Acharya : His Divine Grace A.C. Bhaktivedanta Swami Prabhupada, Hare Krishna Land, Juhu, Mumbai - 400 049, Maharashtra, India.
<b>b</b>	<b>Financial Year</b>	
	Tentative calendar of the Board Meetings for consideration of quarterly results for the financial year 2016-17.	
	A twelve month period begins from April 01, 2016 to March 31, 2017.	
	Financial Reporting For	
	Quarter ending on June 30, 2016	on or before September 14, 2016
	Half Year ending on September 30, 2016	on or before December 14, 2016
	Quarter ending on December 31, 2016	on or before February 14, 2017
Year Ending on March 31, 2017	on or before May 30, 2017	

c	<b>Book closure / Record Date</b>		
	September 23, 2016 - September 30, 2016 (both days inclusive)		
d	<b>Listing on Stock Exchange</b>		
	<b>Name of the Stock Exchange</b>	<b>Code / Symbol</b>	
	BSE Limited (Equity)	512299	
	National Stock Exchange of India Limited (Equity)	STERLINBIO	
	Luxembourg Stock Exchange (GDRs)	CUSIP No. 85916G108 Common Code : 017757709 ISIN : USB5916G1085	
	<b>Listing Fees</b> Listing fee for the financial year 2016-2017 has been paid to BSE Limited.		
e	<b>Custodial Fees</b> Company has paid Custodial Fees for the year 2016-2017 to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).		
f	<b>Stock Code</b>		
	<b>BSE</b>	512299	
	<b>ISIN</b>	INE324C01038	
	<b>CIN</b>	L51900MH1985PLC035738	
g	<b>Market Price Data</b>		
	A summary containing monthly High / Low shares at BSE Limited (BSE) is as under :		
	<b>Month</b>	<b>BSE Limited</b>	
		<b>High Price</b>	<b>Low Price</b>
	Jan - 15	8.14	6.42
	Feb - 15	7.39	5.80
	Mar - 15	6.85	4.10
	Apr - 15	7.29	6.00
	May - 15	8.65	5.70
	Jun - 15	7.30	5.80
	July - 15	6.75	5.60
	Aug - 15	6.70	4.90
	Sep - 15	5.50	4.80
	Oct - 15	5.40	4.82
	Nov - 15	6.16	4.60
	Dec - 15	7.85	5.70
	Jan - 16	7.80	4.82
Feb - 16	5.99	4.00	
Mar - 16	4.84	3.82	



h	Performance in comparison to board - based indices		
	The Performance of the Company's shares relative to the BSE index is given in the chart below		
	Month	SBL	BSE SENSEX
	Jan - 15	6.68	29,182.95
	Feb - 15	6.73	29,361.50
	Mar - 15	6.19	27957.49
	Apr - 15	6.25	27,011.31
	May - 15	7.10	27,828.44
	Jun - 15	6.61	27,780.83
	July - 15	6.10	28,114.56
	Aug - 15	5.14	26,283.09
	Sep - 15	5.04	26,154.83
	Oct - 15	4.93	26,656.83
	Nov - 15	5.98	26,145.67
	Dec - 15	7.39	26,117.54
	Jan - 16	5.54	24,870.69
	Feb - 16	4.23	23,002.00
	Mar - 16	3.96	25,341.86
i	Registrar and Share Transfer Agent (RTA)		
	<b>Name</b>	Link Intime India Pvt. Ltd.	
	<b>Address</b>	C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078. Maharashtra, India.	
	<b>Tel No.</b>	022-25946970 - 78, 25963838, 25960320	
	<b>Email</b>	rnt.helpdesk@linkintimate.co.in	
	<b>Website</b>	www.linkintime.co.in	

#### 8. SHARE TRANSFER SYSTEM

Shareholders' / Investors' are requested to send share certificate(s) along with share transfer deed in the prescribed form no. SH-4, duly filled in, executed and affixed with share transfer stamps, to the Company's RTA. If the transfer documents are in order, the transfer of shares is normally registered within 7 days of receipt of transfer documents by Company's RTA.

#### 9. DISTRIBUTION OF SHAREHOLDING

Category-wise distribution of Shareholding as on March 31, 2016				
Sr No	Category	Number of Shareholders	Number of Share Held	%
1	Promoters	21	46,733,409	17
2	Foreign Institutional Investor	1	18,404,133	7
3	Clearing Member	127	6,330,356	2
4	Public	33,129	76,439,595	29
5	Bodies Corporate	523	68,394,247	25
6	Mutual Funds / Banks	6	7,003	0
7	Others	1,147	55,861,645	19
<b>Total</b>		<b>34,954</b>	<b>272,170,388</b>	<b>100</b>

## Category wise summary of shareholding

Category-wise distribution of Shareholding as on March 31, 2016					
Sr No	Nos of Share Held	As on Beginning of the year January 1, 2015		At the end of the year March 31, 2016	
		Number of Shareholders	Number of Share Held	Number of Shareholders	Number of Share Held
1	1 - 5000	3,0865	25,833,686	32,488	28,629,217
2	5001 - 10000	1,034	8,094,780	1,228	9,632,546
3	10001 - 20000	467	6,821,700	533	7,822,614
4	20001 - 30000	223	5,561,196	234	5,844,361
5	30001 - 40000	75	2,698,183	87	3,147,250
6	40001 - 50000	64	3,035,234	87	4,058,818
7	50001 - 100000	118	8,498,964	136	9,840,466
8	100001 and above	168	211,504,245	161	203,195,116
<b>Total</b>		<b>33,014</b>	<b>272,047,988</b>	<b>34,954</b>	<b>272,170,388</b>

**10. DEMATERIALIZATION OF EQUITY SHARES**

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories, viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on March 31, 2016, 97.09 % of the Company's equity shares are held in dematerialised form with NSDL and CDSL.

**11. OUTSTANDING ADRS/ GDRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY**

As of date, the Company has the following outstanding instruments;

**1. GDRs:**

5,286,143 GDRs representing in aggregate 31,716,861 equity shares of ₹ 1/- each.

**2. FCCBs:**

Zero Coupon FCCB due 2019 aggregating to USD 201.082 Million. FCCBs are convertible into equity shares at the option of the bond holders at a price of ₹ 60/- per share and fixed rate of exchange is ₹ 48.00.

The outstanding but matured FCCBs if converted into Equity Shares will increase the equity capital by approx 160,865,600 Equity Shares and post conversion Capital of the Company would reach approx 433,035,990 Equity Shares of ₹ 1 each.

**3. Debentures:**

12.00% Secured Redeemable Non-Convertible Debentures due 2015 of ₹ 300 Crores.

**12. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:- NIL****13. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges 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 dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

**14. PLANT LOCATION**

1. ECP Road, Village Karakhadi – 391 450, Tal. Padra, Dist. Baroda, Gujarat, India.
2. Village Masar, Jambusar Road, Tal. Padra, Dist. Vadodara, Gujarat, India.
3. Sandyanalla, Sholur Gram Panchayat, Ottacamund, Dist. The Nilguries, Tamilnadu, India.
4. Plot No. 14 & 15, Sterling Multi Product, Special Economic Zone, Village : Sarod, Tal. Jambusar, Dist: Bharuch, Gujarat, India.

**15. ADDRESS FOR CORRESPONDENCE**

Shareholders can correspond at the Registered office of the Company at Mumbai and / or Registrar & Transfer Agent (RTA) – Link Intime India Pvt. Ltd., Unit: Sterling Biotech Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai- 400078, Maharashtra, India.

Ph.: 022-2594 6970 Fax: 022-2594 6969, Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

Investor complaints may be addressed to: [investorscomplain@stergel.com](mailto:investorscomplain@stergel.com).

**For and on behalf of the Board  
Sterling Biotech Limited**

**Nitin Sandesara  
Managing Director  
DIN: 00255496**

**Mumbai : September 2, 2016**

**Declaration regarding compliance by Board members and Senior Management Personnel with the Company's Code of Conduct**

This is to confirm that for the financial year ended March 31, 2016 all members of the Board and the Senior Management Personnel have affirmed in writing their adherence to the Code of Conduct adopted by the Company.

**Nitin Sandesara  
Managing Director  
DIN: 00255496**

**Mumbai : September 2, 2016**

## Certificate on Corporate Governance

The Members,  
Sterling Biotech Limited,

**Re: Certificate regarding compliance of conditions of Corporate Governance.**

I have examined the compliance of conditions of corporate governance by Sterling Biotech Limited, for the year ended on March 31, 2016 as stipulated in Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company. In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Part C of Schedule V of the Listing Regulations.

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

**For H. S. Hathi & Co.**  
**Firm Registration No.103596W**  
**Chartered Accountants**

**Hemant S. Hathi**  
**Membership No. 037109**  
**Proprietor**

**Mumbai : September 2, 2016**

<b>Compliance Certificate</b>
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To,  
The Board of Directors,

This is to certify that;
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a	We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief;	
	I	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
	II	These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
b	There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.	
c	We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.	
d	We have indicated to the Auditors and the Audit committee that:	
	I	Significant changes in the Internal Control over financial reporting during the year ended March 31, 2016;
	II	Significant changes in accounting policies during the year ended March 31, 2016 and that the same have been disclosed in the notes to the Financial Statements; and
	III	Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's Internal Control System over financial reporting.

**For Sterling Biotech Limited**

Nitinandesara  
Managing Director  
DIN :00255496

Chetan Sandesara  
Jt. Managing Director  
DIN : 00255671

**Mumbai : September 2, 2016**

## ANNEXURE-5 TO THE DIRECTOR'S REPORT

## Form No. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company

(Management &amp; Administration) Rules, 2014.

## 1 REGISTRATION &amp; OTHER DETAILS:

i	CIN	L51900MH1985PLC035738
ii	Registration Date	March 23, 1985
iii	Name of the Company	Sterling Biotech Limited
iv	Category/Sub-category of the Company	Company limited by shares / Indian Non-Government Company
v	Address of the Registered office and contact details	43, Atlanta Building, Nariman Point, Mumbai - 400021, Maharashtra, India. Tel.: +91-22-66306732, 66306733 Fax.: +91-22-22041954 Email.: sterlingbiotech@stergel.com
vi	Whether listed company	Yes
vii	Name, Address and contact details of the Registrar and Transfer Agent, if any.	Link Intime India Pvt. Ltd C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400078, Maharashtra, India Tel.: +91-22-25946970-78, 25963838, 25960320 Email.: rnt.helpdesk@linkintime.co.in

## 2 PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sl No	Name and Description of Main Products/Services	NIC Code of the Product /Service	% to Total Turnover of the Company
1	Manufacture of gelatine and its derivatives, resinoids, glues.	20295	85.06%
2	Manufacture of allopathic pharmaceutical preparations	21002	11.27%

## 3 PARTICULARS OF HOLDING , SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
Not applicable					

**EXTRACT OF ANNUAL RETURN**  
**4 SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)**  
**(i) Category-wise Shareholding**

Category of Shareholders	No. of shares held at the beginning of the year (i.e. As on January 1, 2015)			No. of shares held at the end of the year (i.e. As on March 31, 2016)			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
<b>A. Promoters</b>							
<b>(1) Indian</b>							
a) Individual/HUF	6,252,000	-	6,252,000	6,252,000	-	6,252,000	2.30
b) Central Govt	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-
d) Bodies Corporates	41,081,409	-	41,081,409	40,481,409	-	40,481,409	14.87
e) Bank/FI	-	-	-	-	-	-	(0.23)
f) Any other	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>47,333,409</b>	-	<b>47,333,409</b>	<b>46,733,409</b>	-	<b>46,733,409</b>	<b>17.17</b>
<b>(2) Foreign</b>							
a) NRI- Individuals	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>47,333,409</b>	-	<b>47,333,409</b>	<b>46,733,409</b>	-	<b>46,733,409</b>	<b>17.17</b>
<b>B. Public Shareholding</b>							
<b>(1) Institutions</b>							
a) Mutual Funds	-	-	-	-	-	-	-
b) Banks/FI	23,861,684	6,000	23,867,684	1,003	6,000	7,003	0.00
c) Central Govt	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-
Foreign Portfolio Investor	23,244,065	-	23,244,065	34,367,367	-	34,367,367	12.6272
<b>Sub - total (B)(1)</b>	<b>47,105,749</b>	<b>6,000</b>	<b>47,111,749</b>	<b>34,368,370</b>	<b>6,000</b>	<b>34,374,370</b>	<b>12.6298</b>
<b>(2) Retail</b>							
a) Retail	-	-	-	-	-	-	-
<b>Sub - total (B)(2)</b>	-	-	-	-	-	-	-
<b>Total Shareholding of Public</b>	<b>47,105,749</b>	<b>6,000</b>	<b>47,111,749</b>	<b>34,368,370</b>	<b>6,000</b>	<b>34,374,370</b>	<b>12.6298</b>
<b>Total Shareholding of Promoter (A)+ Total Shareholding of Public (B)</b>	<b>94,439,158</b>	<b>6,000</b>	<b>94,445,158</b>	<b>81,101,779</b>	<b>12,000</b>	<b>81,113,779</b>	<b>(0.23)</b>

Contd..



**EXTRACT OF ANNUAL RETURN**  
**4 SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)**  
**(i) Category-wise Shareholding**

Category of Shareholders	No. of shares held at the beginning of the year (i.e. As on January 1, 2015)			No. of shares held at the end of the year (i.e. As on March 31, 2016)			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
<b>(2) Non Institutions</b>							
a) Bodies corporates							
i) Indian	48,852,527	186,620	49,039,147	68,207,627	186,620	68,394,247	25.13
ii) Overseas	-	-	-	-	-	-	-
b) Individuals							
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	46,906,871	7,321,653	54,228,524	51,038,422	7,296,153	58,334,575	21.43
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	17,796,751	-	17,796,751	18,105,020	-	18,105,020	6.65
c) Others (specify)							
Bodies Corporate							
Clearing Member	5,700,353	-	5,700,353	6,330,356	-	6,330,356	2.33
Foreign Companies	830	-	830	830	-	830	0.00
NRI (Repatriable)	3,936,496	452,500	4,388,996	3,942,700	442,500	4,385,200	1.61
NRI (Non- Repatriable)	785,466	-	785,466	741,457	-	741,457	0.27
Hindu Undivided Family	-	-	-	3,054,063	-	3,054,063	1.12
<b>Sub total (B)(2):</b>	<b>123,979,294</b>	<b>7,960,773</b>	<b>131,940,067</b>	<b>151,420,475</b>	<b>7,925,273</b>	<b>159,345,748</b>	<b>58.55</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>171,085,043</b>	<b>7,966,773</b>	<b>179,051,816</b>	<b>185,788,845</b>	<b>7,931,273</b>	<b>193,720,118</b>	<b>71.18</b>
C. Shares held by Custodian for GDRs & ADRs	45,662,763	-	45,662,763	31,716,861	-	31,716,861	11.65
<b>Grand Total (A+B+C)</b>	<b>264,081,215</b>	<b>7,966,773</b>	<b>272,047,988</b>	<b>264,239,115</b>	<b>7,931,273</b>	<b>272,170,388</b>	<b>100.00</b>

**EXTRACT OF ANNUAL RETURN**  
**4 SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)**  
**(ii) Shareholding of Promoter**

Sl No.	Shareholders Name	Shareholding at the beginning of the year (i.e. As on January 1, 2015)		Shareholding at the end of the year (i.e. as on March 31, 2016)		% change in share holding during the year
		No of shares	% of total shares of the company	No of shares	% of total shares of the company	
1	Chetan J Sandesara	5,200,000	1.91	5,200,000	1.91	0.00
2	Jaico Textiles Pvt. Ltd.	4,823,620	1.77	4,823,620	1.77	0.00
3	Doral Trading Pvt. Ltd.	3,207,570	1.18	3,207,570	1.18	0.00
4	Natasha Investment Company Pvt. Ltd.	3,145,392	1.16	3,145,392	1.16	0.00
5	Helicopter Service Pvt. Ltd.	2,950,220	1.08	4,970,220	1.83	0.00
6	Rollstar Finance And Investment Pvt. Ltd.	2,948,500	1.08	2,948,500	1.08	0.00
7	Bullworth Investrade Pvt. Ltd.	2,720,000	0.99	3,321,458	1.22	0.00
8	Shameek Breweries Pvt. Ltd.	2,713,384	0.99	2,813,384	1.03	0.00
9	Sanyukta Investrade Pvt. Ltd.	2,710,000	0.99	2,710,000	0.99	0.00
10	Sealord Erections Pvt. Ltd.	1,870,000	0.69	1,870,000	0.69	0.00
11	Coyote Leasing Pvt. Ltd.	1,647,580	0.61	1,086,765	0.40	(0.21)
12	Tarana Exports Pvt. Ltd.	1,646,422	0.61	1,646,422	0.60	0.00
13	Relique Leasfin Pvt. Ltd.	1,640,458	0.60	1,640,458	0.60	0.00
14	Soham Proteins Pvt. Ltd.	1,596,384	0.59	1,596,384	0.59	0.00
15	Cielport Management Pvt. Ltd.	1,567,300	0.58	1,567,300	0.58	0.00
16	Antariksha Capital And Finance (I) Pvt. Ltd.	1,536,636	0.56	1,522,451	0.56	(0.01)
17	Prabal Investrade Pvt. Ltd.	1,489,566	0.55	3,927,146	1.44	0.00
18	Swadeshi Finvest Pvt. Ltd.	1,431,000	0.53	1,406,000	0.52	(0.01)
19	Nitin J Sandesara	1,052,000	0.39	1,052,000	0.39	0.00
20	Hizin Trading Company Pvt. Ltd.	1,034,535	0.38	1,244,450	0.46	0.00
21	Aditi Hospitals Pvt. Ltd.	402,842	0.15	402,842	0.15	0.00
	<b>Total</b>	<b>47,333,409</b>	<b>17.40</b>	<b>52,102,362</b>	<b>19.14</b>	<b>(0.23)</b>

## EXTRACT OF ANNUAL RETURN

## iii. Change in Promoter's Shareholding

Sr No	Particulars	Shareholding at the beginning of the year (i.e. As on January 1, 2015)		Date	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Change in No of shares	Shareholding at the end of the year (i.e. As on March 31, 2016)	
		No of shares	% of total shares of the company				No.of shares	% of total shares of the company
1	Coyote Leasing Pvt. Ltd.	1,647,580	0.61	06-Nov-15	Decrease	560,815	1,086,765	0.40
2	Antariksha Capital And Finance (I) Pvt. Ltd.	1,536,636	0.56	06-Nov-15	Decrease	14,185	1,522,451	0.56
3	Swadeshi Finvest Pvt. Ltd.	1,431,000	0.53	06-Nov-15	Decrease	25,000	1,406,000	0.52
4	Helicopter Service Pvt. Ltd.	2,950,220	1.08	27-Nov-15	Increase	2,020,000	4,970,220	1.83
5	Prabal Investrade Pvt. Ltd.	1,489,566	0.55	27-Nov-15	Increase	2,437,580	3,927,146	1.44
6	Bullworth Investrade Pvt. Ltd.	2,720,000	1.00	07-Aug-15	Increase	601,458	3,321,458	1.22
7	Shameek Breweries Pvt. Ltd.	2,713,384	1.00	07-Aug-15	Increase	100,000	2,813,384	1.03
8	Hizin Trading Company Pvt. Ltd.	1,034,535	0.38	07-Aug-15	Increase	209,915	1,244,450	0.46

## iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)

Sr No	Name of the Shareholders	Period	Shareholding at the beginning of the year (i.e. As on January 1, 2015)		Increase (Decrease) in No of shares	Cumulative Shareholding During the year		Shareholding at the end of the year (i.e. As on March 31, 2016)	
			No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	The Bank Of New York	23 Oct 2015	45,662,763	16.78	14,068,302	31,594,461	11.61	31,716,861	11.65
		04 Mar 2016	(Decrease) Increase	122,400	31,716,861	11.65			
2	Albula Investment Fund Ltd		15,963,234	5.87		15,963,234	5.87	15,963,234	5.87
3	Lotus Global Investments Ltd- Adr/Gdr	23 Oct 2015	25,000	0.01	13,948,302	13,973,302	5.13	13,948,302	5.12
		29 Jan 2016	(Decrease)	25,000	13,948,302	5.12			

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## EXTRACT OF ANNUAL RETURN

## iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)

Sr No	Name of the Shareholders	Period	Increase (Decrease)	Shareholding at the beginning of the year (i.e. As on January 1, 2015)		Increase (Decrease) in No of shares	Cumulative Shareholding During the year		Shareholding at the end of the year (i.e. As on March 31, 2016)	
				No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Traub Automatics Private Limited			5,538,316	2.03		5,538,316	2.03	5,538,316	2.03
5	Helicopter Service Pvt. Ltd.			2,950,220	1.08		2,950,220	1.08	4,970,220	1.83
		27 Nov 2015	Increase			2,020,000			4,970,220	1.83
6	Amin Technology Services Pvt. Ltd.	18 Dec 2015	(Decrease)			1,398,500			4,966,599	1.82
		25 Dec 2015	(Decrease)		6,365,099	2.34	95,179		4,871,420	1.79
		01 Jan 2016	(Decrease)				15,000		4,856,420	1.78
		08 Jan 2016	(Decrease)				69,157		4,787,263	1.76
7	Elara India Opportunities Fund Ltd.			4,455,831	1.64		4,455,831	1.64	4,455,831	1.64
8	Prabal Investrade Pvt. Ltd.			1,489,566	0.55		1,489,566	0.55	3,927,146	1.44
9	Sofistar Mercantile Company Pvt. Ltd.			3,868,305	1.42		3,868,305	1.42	3,868,305	1.42
10	Arcadia Share & Stock Brokers Pvt. Ltd.	10 Apr 2015	(Decrease)			27,250			3,727,212	1.37
		17 Apr 2015	(Decrease)			420			3,726,792	1.37
		24 Apr 2015	Increase		3,754,462	1.38	99		3,726,891	1.37
		01 May 2015	Increase				26,196		3,753,087	1.38
		08 May 2015	(Decrease)				57,201		3,695,886	1.36
		15 May 2015	Increase				101		3,695,987	1.36
		22 May 2015	Increase				131,067		3,827,054	1.41
		29 May 2015	(Decrease)				90,520		3,736,534	1.37
		05 Jun 2015	(Decrease)				58,764		3,677,770	1.35
		12 Jun 2015	(Decrease)				71,191		3,606,579	1.33
		19 Jun 2015	Increase			1,900		3,608,479	1.33	

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## EXTRACT OF ANNUAL RETURN

## iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)

Sr No	Name of the Shareholders	Period	Increase (Decrease)	Shareholding at the beginning of the year (i.e. As on January 1, 2015)		Increase (Decrease) in No of shares	Cumulative Shareholding During the year (i.e. As on March 31, 2016)		
				No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	No. of shares
10	Arcadia Share & Stock Brokers Pvt. Ltd.	26 Jun 2015	Increase			3,501	3,611,980	1.33	
		30 Jun 2015	(Decrease)			50	3,611,930	1.33	
		03 Jul 2015	Increase			500	3,612,430	1.33	
		10 Jul 2015	Increase			23,000	3,635,430	1.34	
		17 Jul 2015	(Decrease)			6,900	3,628,530	1.33	
		24 Jul 2015	(Decrease)			21,985	3,606,545	1.33	
		31 Jul 2015	Increase			6,985	3,613,530	1.33	
		07 Aug 2015	Increase			3,000	3,616,530	1.33	
		14 Aug 2015	(Decrease)			46,348	3,570,182	1.31	
		21 Aug 2015	(Decrease)			500	3,569,682	1.31	
		28 Aug 2015	Increase			45,977	3,615,659	1.33	
		18 Sep 2015	(Decrease)			6,102	3,609,557	1.33	
		25 Sep 2015	Increase			1,000	3,610,557	1.33	
		30 Sep 2015	(Decrease)			906,125	2,704,432	0.99	
		09 Oct 2015	Increase			906,725	3,611,157	1.33	
		16 Oct 2015	Increase			1,250	3,612,407	1.33	
		23 Oct 2015	(Decrease)			1,450	3,610,957	1.33	
30 Oct 2015	(Decrease)			1,000	3,609,957	1.33			
06 Nov 2015	Increase			12,531	3,622,488	1.33			
13 Nov 2015	Increase			1,010	3,623,498	1.33			
20 Nov 2015	(Decrease)			1,994	3,621,504	1.33			
27 Nov 2015	(Decrease)			5,801	3,615,703	1.33			

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## EXTRACT OF ANNUAL RETURN

## iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)

Sr No	Name of the Shareholders	Period	Increase (Decrease)	Shareholding at the beginning of the year (i.e. As on January 1, 2015)		Increase (Decrease) in No of shares	Cumulative Shareholding During the year			Shareholding at the end of the year (i.e. As on March 31, 2016)	
				No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares
10	Arcadia Share & Stock Brokers Pvt. Ltd.	04 Dec 2015	Increase			71,638	3,687,341	1.35			
		11 Dec 2015	(Decrease)			34,900	3,652,441	1.34			
		18 Dec 2015	(Decrease)			7,441	3,645,000	1.34			
		25 Dec 2015	Increase			10,000	3,655,000	1.34			
		31 Dec 2015	Increase			5,424	3,660,424	1.34			
		01 Jan 2016	(Decrease)			973	3,659,451	1.34			
		08 Jan 2016	(Decrease)			43,050	3,616,401	1.33			
		15 Jan 2016	(Decrease)			3,209	3,613,192	1.33			
		22 Jan 2016	Increase			1,150	3,614,342	1.33			
		29 Jan 2016	(Decrease)			500	3,613,842	1.33			
		05 Feb 2016	Increase			145	3,613,987	1.33			
		12 Feb 2016	(Decrease)			2,250	3,611,737	1.33			
		19 Feb 2016	Increase			4,650	3,616,387	1.33			
26 Feb 2016	(Decrease)			5,050	3,611,337	1.33					
04 Mar 2016	(Decrease)			5,745	3,605,592	1.32					
11 Mar 2016	Increase			50	3,605,642	1.32					
18 Mar 2016	(Decrease)			2,250	3,603,392	1.32					
25 Mar 2016	(Decrease)			10,000	3,593,392	1.32					
31 Mar 2016	(Decrease)			36,800	3,556,592	1.31					
11	Jitlal Financial Services Pvt. Ltd.	-	-	3,255,952	1.20	-	3,255,952	1.20	3,255,952	1.20	
12	Sicom Ltd.	07 Aug 2015	(Decrease)	23,860,681	8.77	12891147	10,969,534	4.0304			
		27 Nov 2015	(Decrease)			10969534	-	-	-	-	-

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## EXTRACT OF ANNUAL RETURN

## v. Shareholding of Directors and Key Managerial Personnel:

Sr No	Shareholding of Director & Key Managerial Personnel	Period	Increase (Decrease)	Shareholding at the beginning of the year (i.e. As on January 1, 2015)		Increase (Decrease) in No of shares	Cumulative Shareholding during the year		Shareholding at the end of the year (i.e. As on March 31, 2016)	
				No.of shares	% of total shares of the company		No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
1	Chetan Sandesara	-	-	5,200,000	1.91	-	5,200,000	1.91	5,200,000	1.91
2	Nitin Sandesara	-	-	1,052,000	0.39	-	1,052,000	0.39	1,052,000	0.39



## EXTRACT OF ANNUAL RETURN

## 5 Indebtness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtness at the beginning of the financial year	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	25,392,669,827	14,902,361,403	–	4,029,5031,230
ii) Interest due but not paid	4,603,491,188	40,188,566	–	4,643,679,754
iii) Interest accrued but not due	313,697,232	–	–	313,697,232
<b>Total (i+ii+iii)</b>	<b>30,309,858,247</b>	<b>14,942,549,969</b>	<b>–</b>	<b>45,252,408,216</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	4,338,683,696	460,896,435	–	4,799,580,131
Reduction	2,784,717,735	132,254,660	–	2,916,972,395
<b>Net Change</b>	<b>1,553,965,961</b>	<b>328,641,775</b>	<b>–</b>	<b>1,882,607,736</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	25,442,327,930	15,164,607,198	–	40,606,935,128
ii) Interest due but not paid	6,217,600,280	106,584,546	–	6,324,184,826
iii) Interest accrued but not due	203,895,998	–	–	203,895,998
<b>Total (i+ii+iii)</b>	<b>31,863,824,208</b>	<b>15,271,191,744</b>	<b>–</b>	<b>47,135,015,952</b>

## 6 REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole time director and/or Manager

Sl. No.	Particulars of Remuneration paid to the Managing Director	Nitin Sandesara	Chetan Sandesara	Total Amount	Remarks
1.	Gross salary	–	–	–	–
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	–	3,000,000	3,000,000	–
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	–	–	–	–
2	Stock option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission	–	–	–	–
	- as % of profit	–	–	–	–
	- others, specify	–	–	–	–
5	Others, please specify	–	–	–	–
<b>Total (A)</b>		<b>–</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>–</b>
<b>Ceiling Limit as per the Act</b>		The Remuneration paid to Mr. Chetan Sandesara is within the ceiling as specified under the schedule V of the companies Act, 2013.			

## EXTRACT OF ANNUAL RETURN

## B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors				Total
		Rajbhushan Dixit	Mayuriben Patel	Priyadarshanbhai Mehta	Vilas Joshi	
1	Independent Directors	-	-	-	-	-
	Fee for attending Board/ committee Meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-
2	Other Non Executive Directors	-	-	-	-	-
	Fee for attending Board/ Committee Meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify.	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-	-
<b>Total Managerial Remuneration (A+B)</b>						-
<b>Overall Ceiling as per the Act.</b>						-

## EXTRACT OF ANNUAL RETURN

## C. Remuneration to key managerial personnel other than MD / Manager / WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Chief Executive Officer & Managing Director	Chief Financial Officer	Joint Managing Director	Company Secretary	
		Nitin Sandesara		Chetan Sandesara		
1	Gross Salary	-		-	-	-
a	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-		3,000,000.00	-	3,000,000.00
b	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-		-	-	-
c	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-		-	-	-
2	Stock Option	-		-	-	-
3	Sweat Equity	-		-	-	-
4	Commission	-		-	-	-
	- as % of profit	-		-	-	-
5	- others, specify	-		-	-	-
	Others, please specify	-		-	-	-
	<b>Total</b>	<b>-</b>		<b>3,000,000.00</b>	<b>-</b>	<b>3,000,000.00</b>

## 7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Mumbai : September 02, 2016

Nitin Sandesara  
Managing Director  
(DIN: 00255496)

Chetan Sandesara  
Jt. Managing Director  
(DIN: 00255671)

(ANNEXURE -6 TO THE DIRECTORS' REPORT)

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

### A. CONSERVATION OF ENERGY

Energy Conservation Measures taken: The Company has undertaken various measures for conservation and saving of energy in critical areas including

1. Power factor improvement
2. Quicker heat transfer
3. Monitoring of combustion efficiency of boilers
4. Reuse of Steam condensate as boiler feed water
5. Optimum use of utility depending upon process requirement.

As in earlier years, your Company continued to envisage and implement energy conservation measures in various manufacturing operations leading to saving of quantitative consumption of power, fuel and oil etc. The Company is also carrying on continuous education and awareness program for its employees for Energy conservation and optimum use.

### B. TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT (R & D)

#### 1. Specific areas in which R & D carried out by the Company:

- Improvement of product quality
- Process improvements
- Cost effectiveness
- Elimination of waste in the systems

#### 2. Benefits derived as a result of the above R & D:

Improvement in yield and product quality, cost effectiveness and reduction in consumption of raw material and utilities.

#### 3. Future plan of action:

The Company's effort will continue in the areas of product quality, process improvement technology with the aim of offering better products to meet consumer needs.

#### 4. Expenditure on R & D:

- a. Capital: ₹ 10.83 Million
- b. Recurring: ₹ 115.62 Million
- c. Total: ₹ 126.45 Million
- d. Total R & D Expenditure as a percentage of total turnover: 2.60 %

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:  
After full absorption of technology imparted by foreign collaborations, innovations in process control, cost reduction and quality improvements are being made on a continuous basis.
2. Benefits derived as a result of the above efforts:  
Improvements in productivity cost of manufacturing, quality, waste elimination and flexibility in manufacturing.
3. Information regarding technology imported during last 5 years: Nil.

**C. FOREIGN EXCHANGE EARNED AND USED**

- a. Earned: ₹ 1219.11 million
- b. Used: ₹ 23.31 million

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

**Nitin Sandesara**  
**Managing Director**  
**(DIN: 00255496)**

**Chetan Sandesara**  
**Jt. Managing Director**  
**(DIN: 00255671)**

**Mumbai : September 02, 2016**

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Sterling Biotech Limited**

### Report on the Financial Statements

I have audited the accompanying financial statements of **Sterling Biotech Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit & Loss and the Cash Flow Statement for the fifteen months ended on that date and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Cash Flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

I conducted my audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.



**Opinion**

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 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 31<sup>st</sup> March, 2016, and its loss and its Cash Flows for the period ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the companies (Auditor's Report) Order, 2016, ("the order") issued by the Central Government of India in terms of sub Section (11) of section 143 of the Companies Act 2013, I give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, I report that:
  - a) I have sought and obtained all the information and explanations, which to the best of my knowledge and belief, were necessary for the purposes of my Audit;
  - b) In my opinion, proper books of account, as required by law, have been kept by the company, so far as appears from my examination of those books;
  - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, 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 my separate Report in Annexure 'B'; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit & Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The company did not have any material foreseeable losses on long term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For and on behalf of  
For H. S. Hathi & Co.  
Chartered Accountants  
Firm Regn No. 103596W**

**Hemant S. Hathi  
Proprietor  
Membership No 037109**

**Mumbai : May 30, 2016**

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

**Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Sterling Biotech Limited ('the Company').**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In my opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the period and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to me and on the basis of my examination of the records of the Company, title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to me, the inventories were physically verified during the period by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) During the period Company has not granted unsecured loan to companies covered in the register maintained under section 189 of the companies Act, 2013.
  - (a) In my opinion, terms and conditions on which loans had been granted to companies listed in the register maintained under section 189 of the Act were not, *prima facie*, prejudicial to the interest of the company.
  - (b) The parties have repaid the principal amount as stipulated.
  - (c) There are no overdue amounts of Loans granted to companies listed in the register maintained under section 189 of the Act.
- (iv) In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) I have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the companies Act, 2013 and am of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. I have not, however, made a detailed examination of the same.
- (vii) According to the information and explanations given to me, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable except ₹ 303,420/- processed demand raised by TDS CPC .

- (b) According to the information and explanations given to me, the following dues of Income Tax, Sales Tax, Service Tax and Value Added Tax have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of the dues	Amount unpaid	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1994	Central Excise Duty / Service Tax	4,47,269	2015-2016	Commissioner Excise
The Central Excise Act, 1994	Central Excise Duty / Service Tax	1,98,226	2014-2015	Commissioner Excise
The Central Excise Act, 1994	Central Excise Duty / Service Tax	11,036	2014-2015	Excise officer
The Central Excise Act, 1994	Central Excise Duty / Service Tax	Not identified	2014-2015	Commissioner Excise
State Sales Tax/VAT and CST	Sales tax	1,38,94,892	2001-2002	Supreme Court
State Sales Tax/VAT and CST	Sales tax	1,43,58,662	2002-2003	Supreme Court
State Sales Tax/VAT and CST	Sales tax	14,17,651	2003-2004	Supreme Court
The Central Excise Act, 1944	Excise duty	1,02,65,154	2003-2004	CESTAT
The Central Excise Act, 1944	Excise duty	1,03,90,753	2004-2005	CESTAT
The Central Excise Act, 1944	Excise duty and Penalty	1,03,00,000	2004-2005	CESTAT
The Central Excise Act, 1944	Excise duty	18,49,925	2004-2005	CESTAT
The Central Excise Act, 1944	Excise duty	1,59,18,617	2004-2005 to 2005-2006	CESTAT
The Central Excise Act, 1944	Excise duty	1,25,53,250	2006-2007 to 2007-2008	CESTAT
The Central Excise Act, 1944	Excise duty	1,24,45,900	2006-2007	CESTAT
The Central Excise Act, 1944	Excise duty	1,60,96,386	2006-2007 to 2007-2008	CESTAT

Contd..

Name of the Statute	Nature of the dues	Amount unpaid	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty and Penalty	50,00,000	2006-2007 to 2007-2008	CESTAT
The Central Excise Act, 1944	Excise duty	2,76,20,043	2007-2008	CESTAT
The Central Excise Act, 1944	Excise duty and Penalty	25,00,000	2007-2008	CESTAT
The Central Excise Act, 1944	Excise duty	4,30,93,913	2008-2009	CESTAT
The Central Excise Act, 1944	Excise duty	1,53,62,946	2008-2009	CESTAT
The Central Excise Act, 1944	Excise duty	1,16,36,753	2009-2010	CESTAT
The Central Excise Act, 1944	Excise duty	2,17,73,984	2010-2011	CESTAT
The Central Excise Act, 1944	Excise duty	1,98,35,655	2011-2012	CESTAT
The Central Excise Act, 1944	Excise duty	1,42,93,983	2011-2012 to 2012-2013	CESTAT
The Central Excise Act, 1944	Excise duty	1,16,47,766	2012-2013 to 2013-2014	Commissioner of central excise
The Central Excise Act, 1944	Excise duty	1,98,22,934	2013-2014	Commissioner of central excise
The Central Excise Act, 1944	Excise duty	2,09,67,416	2014-2015	Commissioner of central excise
The Central Excise Act, 1944	Excise duty	2,01,54,465	2014-2015 to 2015-2016	CESTAT
The Finance Act, 1994 - service tax	Service tax and penalty	5,83,644	2005-2006 to 2008-2009	Assistant Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax and penalty	1,68,422	2008-2009 to 2009-2010	Assistant Commissioner of central excise

Contd..

Name of the Statute	Nature of the dues	Amount unpaid	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994 - service tax	Service tax	79,104	2009-2010	Assistant Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax and penalty	1,65,720	2010-2011	Assistant Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax	26,074	2010-2011 to 2011-2012	Assistant Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax and penalty	3,93,311	2009-2010 to 2010-2011	Assistant Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax	3,33,182	2010-2011 to 2011-2012	Assistant Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax and penalty	2,18,304	2007-2008 to 2009-2010	Assistant Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax	3,92,926	2008-2009 to 2010-2011	Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax	1,03,522	2011-2012 to 2012-2013	Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax	1,01,030	2012-2013 to 2013-2014	Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax and penalty	2,88,966	2013-2014 to 2014-2015	Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax and penalty	2,21,124	2014-2015 to 2015-2016	Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax and penalty	98,297	2015-2016	Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax and penalty	20,75,866	2008-2009 to 2013-2014	Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax and penalty	14,017	2012-2013 to 2013-2014	Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax, penalty and Interest	38,556	2013-2014 to 2014-2015	Commissioner of central excise

Contd..

Name of the Statute	Nature of the dues	Amount unpaid	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994 - service tax	Service tax, penalty and Interest	36,334	2014-2015 to 2015-2016	Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax	8,112	2015-2016	Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax and penalty	9,24,210	2010-2011	Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax	54,70,079	2010-2011 to 2014-2015	Commissioner of central excise
The Finance Act, 1994 - service tax	Service tax	8,47,328	2015-2016	Commissioner of central excise
The Income Tax Act, 1961	Income Tax and interest	58,74,002	A.Y. 2011-12	CIT (A), Mumbai
The Income Tax Act, 1961	Income Tax and interest	60,78,40,880	A.Y. 2013-14	CIT (A), Mumbai

(viii) According to the information and explanations given to me by the management, and on the basis of records examined by me, the company has defaulted in the repayment of the dues to financial institutions or banks or debenture holders as under:

(` in Crores)

Bank	Total Overdue 31.03.2016	Overdue for more than 90 days	Overdue for less than 90 days
Allahabad Bank	15.01	11.39	3.62
Andhra Bank	13.20	6.30	6.90
Bank of Baroda	32.77	25.70	7.07
Bank of India	25.05	18.76	6.29
Bank of Maharashtra	8.69	4.14	4.55
IDBI Bank Ltd	46.88	45.03	1.85
Indian Overseas Bank	30.73	18.68	12.05
JM Financial ARC co pvt Ltd	61.65	59.64	2.01
Laxmi Vilas Bank	4.22	2.78	1.43
LIC of India	555.68	536.62	19.06
Oriental Bank of Commerce	18.73	17.46	1.26
Punjab National Bank	25.21	17.56	7.65
State Bank of India	91.37	91.33	0.04
Syndicate Bank	162.16	152.84	9.32
UCO Bank	323.85	311.12	12.73
United Bank of India	1.48	-	1.48
Vijaya Bank	1.57	0.52	1.05
JP Morgan Chase	76.73	-	76.73
	1,494.98	1,319.88	175.09

Note: All the above figures are subject to reconciliation and confirmation.

- (ix) The Company did not raise any moneys by way of initial public offer or further public offer (including Debt Instruments) during the period. In my opinion and according to the information and explanations given to me, the term loans taken by the Company have been applied for the purposes for which they were raised.
- (x) According to the information and explanations given to me, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of my audit.
- (xi) According to the information and explanations given to me and based on my examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In my opinion and according to the information and explanations given to me, the Company is not a Nidhi Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to me, the Company has made private placement of Redeemable cumulative non participating non convertible preference shares during the period and complied with the requirements of section 42 of the Act and the amount raised have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given to me and based on my examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For and on behalf of  
For H. S. Hathi & Co.  
Chartered Accountants  
Firm Regn No. 103596W**

**Hemant S. Hathi  
Proprietor  
Membership No 037109**

**Mumbai : May 30, 2016**

## ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' of my report of even date)

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

I have audited the internal financial controls over financial reporting of **STERLING BIOTECH LIMITED** ("the Company") as of March 31, 2016 in conjunction with my audit of the standalone financial statements of the Company for the 15 months ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that I 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 standalone financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.



**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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**

In my 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 March 31, 2016, 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 ICAI.

Mumbai : May 30, 2016

**For and on behalf of  
For H. S. Hathi & Co.  
Chartered Accountants  
Firm Regn No. 103596W**

**Hemant S. Hathi  
Proprietor  
Membership No 037109**

**BALANCE SHEET AS AT MARCH 31, 2016**

	NOTE NO.	As at March 31, 2016 (₹)	As at December 31, 2014 (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	18,696,670,388	15,340,313,968
Reserves and Surplus	4	5,422,877,860	10,102,602,533
		<b>24,119,548,248</b>	<b>25,442,916,501</b>
Share Application Money Pending Allotment		115,850,000	-
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	5	23,120,382,880	18,611,464,303
		<b>23,120,382,880</b>	<b>18,611,464,303</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	6	10,091,667,922	11,817,144,452
Trade Payables	7	223,349,495	246,905,539
Other Current Liabilities	8	14,989,033,631	16,006,908,272
		<b>25,304,051,048</b>	<b>28,070,958,263</b>
<b>TOTAL</b>		<b>72,659,832,176</b>	<b>72,125,339,067</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	9	29,583,710,905	32,738,420,749
Capital Work-in-Progress		24,497,476,514	22,701,267,203
Investments	10	1,689,771,614	1,689,074,519
Deferred Tax Assets (Net)	11	4,754,798,631	2,503,698,631
Other Non-Current Assets	12	1,623,803,250	1,885,707,000
		<b>62,149,560,914</b>	<b>61,518,168,102</b>
<b>Current Assets</b>			
Inventories	13	7,175,303,333	6,345,654,225
Trade Receivables	14	422,526,871	1,805,592,293
Cash and Bank balances	15	166,388,285	176,592,213
Short-Term Loans and Advances	16	2,746,052,773	2,279,332,234
Other Current Assets		-	-
		<b>10,510,271,262</b>	<b>10,607,170,965</b>
<b>TOTAL</b>		<b>72,659,832,176</b>	<b>72,125,339,067</b>

The notes are an integral part of these financial statements.  
This is the Balance Sheet referred to in our report of even date.

For H. S. Hathi & Co.  
Chartered Accountants  
Firm Registration No. 103596W

Hemant S. Hathi  
Proprietor  
Membership No. 037109  
Mumbai : May 30, 2016

For and on behalf of the Board of Directors

Nitin Sandesara  
Managing Director  
(DIN : 00255496)

Chetan Sandesara  
Jt. Managing Director  
(DIN : 00255671)

Rajbhushan Dixit  
Director  
(DIN : 00025484)

## STATEMENT OF PROFIT AND LOSS FOR THE FIFTEEN MONTHS PERIOD ENDED MARCH 31, 2016

	NOTE NO.	15 Months period ended March 31, 2016 (₹)	12 Months period ended December 31, 2014 (₹)
<b>INCOME</b>			
Revenue from Operations (Net)	18	5,239,901,565	6,669,507,242
Other Income		78,495,381	36,820,123
<b>Total Revenue (I)</b>		<b>5,318,396,946</b>	<b>6,706,327,365</b>
<b>EXPENSES</b>			
Manufacturing Expenses	19	4,443,730,579	6,178,386,580
Change in Inventories of Finished Goods and Work-in-Progress	20	(899,326,571)	(1,523,262,131)
Employee Benefits Expense	21	661,086,094	516,727,062
Other Expenses	22	389,929,899	385,281,291
<b>Total Expenses (II)</b>		<b>4,595,420,001</b>	<b>5,557,132,802</b>
<b>Earnings Before Interest, Tax, Depreciation, Amortisation and Before Exceptional Item (I - II)</b>		<b>722,976,945</b>	<b>1,149,194,563</b>
Depreciation & Amortisation	23	3,513,204,446	2,765,743,385
Finance Costs		4,147,818,772	4,695,056,697
<b>Profit/(Loss) Before exceptional item and tax</b>		<b>(6,938,046,273)</b>	<b>(6,311,605,519)</b>
Less : Extraordinary Item		-	-
<b>Profit/(Loss) Before Tax</b>		<b>(6,938,046,273)</b>	<b>(6,311,605,519)</b>
Tax expense			
- Current Tax		-	-
- Deferred Tax		(2,251,100,000)	(2,047,800,000)
<b>Total Tax Expense</b>		<b>(2,251,100,000)</b>	<b>(2,047,800,000)</b>
<b>Profit/(Loss) After Tax</b>		<b>(4,686,946,273)</b>	<b>(4,263,805,519)</b>
Prior Year Adjustment		-	(313,246,539)
<b>Profit/(Loss) for the Year</b>		<b>(4,686,946,273)</b>	<b>(4,577,052,058)</b>
Earning per Equity Share [Face value of ₹ 1/- each]	24		
- Basic		(17.22)	(16.82)
- Diluted		(10.82)	(10.57)

The notes are an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For H. S. Hathi & Co.  
Chartered Accountants  
Firm Registration No. 103596W

Hemant S. Hathi  
Proprietor  
Membership No. 037109  
Mumbai : May 30, 2016

For and on behalf of the Board of Directors

Nitin Sandesara  
Managing Director  
(DIN : 0025496)

Chetan Sandesara  
Jt. Managing Director  
(DIN : 0025671)

Rajbhushan Dixit  
Director  
(DIN : 00025484)

## CASH FLOW STATEMENT AS AT MARCH 31, 2016

	As at March 31, 2016 ( )	As at December 31, 2014 ( )
<b>A) Cash flow from operating activities:</b>		
Net Profit before taxation and exceptional items	(6,938,046,273)	(6,311,605,519)
Adjustments for		
- Depreciation/amortisation	3,5132,04,446	2,76,5,743,385
- Interest expenses	4,147,818,772	4,695,056,697
<b>Operating profit before working capital changes</b>	<b>722,976,945</b>	<b>1,149,194,563</b>
Movement in working capital :		
Trade Receivables	1,383,065,422	1,551,467,669
Other Receivables	(466,720,539)	588,459,878
Inventories	(829,649,108)	(505,686,068)
Trade Payable (Current Liabilities)	(175,313,879)	88,680,200
Direct Tax	-	(313,257,459)
<b>Cashflow Before Extra Ordinary Items</b>	<b>634,358,841</b>	<b>2,558,858,783</b>
Extra-Ordinary Expenses	-	-
<b>Net cash flow (used in)/from operating activities (A)</b>	<b>634,358,841</b>	<b>2,558,858,783</b>
<b>B) Cash flows from investing activities</b>		
Sales / (Purchase) of fixed assets	(843,773,113)	(1,904,067,071)
Sales / (Purchase) of investments	(697,095)	2,076,100,000
<b>Net cash flow used in investing activities (B)</b>	<b>(844,470,208)</b>	<b>172,032,929</b>
<b>C) Cash flows from financing activities</b>		
Proceeds from Issue of Preference Shares	3,472,084,020	15,068,265,980
Proceeds from Share Premium on Issue of Shares	-	-
Proceeds/(Repayment) of long term borrowings	2,474,517,340	(9,174,201,663)
Proceeds/(Repayment) of short term borrowings	(1,598,875,149)	(3,928,178,659)
Interest paid	(4,147,818,772)	(4,695,056,697)
<b>Net cash (used in)/from financing activities (C)</b>	<b>199,907,439</b>	<b>(2,729,171,039)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(10,203,928)</b>	<b>1,720,673</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>176,592,213</b>	<b>174,871,540</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>166,388,285</b>	<b>176,592,213</b>
	<b>(10,203,928)</b>	<b>1,720,673</b>

Notes: 1. The Cash flow has been prepared under the Indirect Method as set out in Accounting Standard - 3 on Cash Flow statement.

2. Figures in bracket represents Cash Outflow.

This is the Cash Flow Statement referred to in our report of even date

**For H. S. Hathi & Co.**  
Chartered Accountants  
Firm Registration No. 103596W

**Hemant S. Hathi**  
Proprietor  
Membership No. 037109

Mumbai : May 30, 2016

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

**Nitin Sandesara**  
Managing Director  
(DIN : 00255496)

**Chetan Sandesara**  
Jt. Managing Director  
(DIN : 00255671)

**Rajbhushan Dixit**  
Director  
(DIN : 00025484)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS PERIOD ENDED MARCH 31, 2016****1. Nature of Operations**

Sterling Biotech Limited ("The Company") is engaged in the manufacturing of Pharma Grade Gelatine & Di-Calcium Phosphate and other Pharma products.

**2. Summary of Significant Accounting Policies****2.1 Basis of Preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified prescribed under Section 133 and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

**2.2 Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the amount of revenues and expenses during the reporting period end. Difference between the actual results and estimates are recognised in the period in which results are known/materialised.

**2.3 Tangible Assets**

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Loss arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

**2.4 Depreciation / Amortisation**

Depreciation is provided on pro-rata basis on the Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technology changes, etc. Considering these factors, the Company has decided to retain the useful life adopted for various categories of fixed assets, which are different from those prescribed in Schedule II of the Companies Act, 2013. Depreciation is not charged on capital work-in-progress until construction and installation are complete and asset is ready to be put to use.

**2.5 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

**2.6 Impairment**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net-selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

**2.7 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost (WAC) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**2.8 Revenue Recognition**

Sale of goods: Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes and excise duties.

**2.9 Other Income**

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Export Benefits: The Company accounts for export benefit entitlements under the Duty Entitlement Pass Book Scheme of Government of India, on accrual basis.

**2.10 Foreign Currency Translations**

Foreign currency transactions during the year are recorded at the exchange rate prevailing on the date of the transactions. Exchange difference on settlement of transactions of fixed assets is capitalized with acquisition cost of fixed assets. The balance exchange fluctuation is charged to revenue. Current Assets and Liabilities are translated at year-end exchange rates.

**2.11 Retirement Benefits**

Retirement benefits payable to employees is charged to revenue on accrual basis. Employer's contribution to Provident Fund is accounted for on accrual basis.

**2.12 Employee Benefits****a) Short Term Employee benefits**

All Short term employee benefit plans such as salaries, wages, bonus, special awards and medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the Statement of Profit & Loss.

- b) **Defined Contribution Plan**  
The company has a statutory scheme of Provident Fund with the Regional Provident Fund Commissioner and contribution of the company is charged to the Statement of Profit & Loss on accrual basis.
- c) **Defined Benefit Plan**  
The Company's liability towards gratuity to its employees is covered by a group gratuity policy with LIC of India. The contribution paid / payable to LIC of India is debited to the statement of Profit & Loss on accrual basis. Liability towards gratuity is provided on the basis of an actuarial valuation using the Projected Unit Credit method and debited to the Statement of Profit & Loss on accrual basis. Thus charge to the Statement of Profit & Loss includes premium paid to LIC, current service cost, interest cost, expected return on plan assets and gain/loss in actuarial valuation during the year, net of fund value of plan asset as on the balance sheet date. Liability towards leave salary is provided on actuarial basis.

### 2.13 Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax for timing differences between the book profits and tax profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date. Deferred tax assets arising from the timing differences are recognised to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised for tax loss and depreciation carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is virtually certain and is supported by convincing evidence that sufficient future taxable profits can be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

### 2.14 Research and Development Expenditure

Revenue expenditure is charged to the statement of Profit and Loss in the period in which it is incurred. Capital expenditure is debited to Fixed Assets and depreciated at applicable rates.

### 2.15 Provisions and Contingent Liabilities

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle present obligation at the Balance Sheet date and are not discounted to its present value.

**Contingent Liabilities:** Contingent Liabilities are disclosed when there is possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### 2.16 Cash and Cash Equivalents

In the cash flow statement cash and cash equivalent include cash in hand, demand deposits with banks and other short term highly liquid investments.



**2.17 Earning Per Share**

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date.

**2.18 Measurement of EBITDA**

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations before depreciation and amortisation expense, finance cost and tax expense.

**2.19 Change in Accounting Year**

The Company had accounting year ended on December 31 every year. Pursuant to Section 2(41) of the Companies Act, 2013, the Company was required to change the accounting year ending from December to March. Therefore the present financial statements are prepared for a period of fifteen months starting from January 1, 2015 and ended on March 31, 2016. Accordingly, the figures for the current financial period are not comparable to those of the pervious year.

3. Share Capital	As at March 31, 2016	As at December 31, 2014
<b>Authorised</b> 500,000,000 (December 31, 2014: 500,000,000) Equity Shares of ` 1/- each (Previous Year 500,000,000 Equity Shares of ` 1/- Each)	500,000,000	500,000,000
2,750,000,000 (December 31, 2014: 2,750,000,000) 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights of ` 10/- each	27,500,000,000	27,500,000,000
	<b>28,000,000,000</b>	<b>28,000,000,000</b>
<b>Issued and Subscribed</b> 275,894,388 (December 31, 2014: 275,771,988) Equity Shares of ` 1/- each (Previous Year 275,771,988 Equity Shares of ` 1/- Each)	275,894,388	275,771,988
1,854,035,000 (December 31, 2014: 1,506,826,598) 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights of ` 10/- each	18,540,350,000	15,068,265,980
	<b>18,816,244,388</b>	<b>15,344,037,968</b>
<b>Paid up</b> 272,170,388 (December 31, 2014: 272,047,988) Equity Shares of ` 1/- each fully paid (Previous Year 272,047,988 Equity Shares of ` 1/- Each)	272,170,388	272,047,988
1,842,450,000 (December 31, 2014: 1,506,826,598) 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights of ` 10/- each	18,424,500,000	15,068,265,980
<b>Total</b>	<b>18,696,670,388</b>	<b>15,340,313,968</b>



## a) Reconciliation of number of shares

Equity shares	As at March 31, 2016		As at December 31, 2014	
	No. of Shares	₹	No. of Shares	₹
Balance as at the beginning of the year	272,047,988	272,047,988	267,873,590	267,873,590
Add : Shares issued during the year	122,400	122,400	4,174,398	4,174,398
<b>Balance as at the end of the year</b>	<b>272,170,388</b>	<b>272,170,388</b>	<b>272,047,988</b>	<b>272,047,988</b>

  

Preference shares	As at March 31, 2016		As at December 31, 2014	
	No. of Shares	₹	No. of Shares	₹
Balance as at the beginning of the year	1,506,826,598	15,068,265,980	-	-
Add : Shares issued during the year	335,623,402	3,356,234,020	1,506,826,598	15,068,265,980
<b>Balance as at the end of the year</b>	<b>1,842,450,000</b>	<b>18,424,500,000</b>	<b>1,506,826,598</b>	<b>15,068,265,980</b>

## b) Rights, preferences and restrictions attached to shares

**Equity shares**

The Company has only one class of equity shares having a par value of ` 1/- per share. Each shareholder of equity share is entitled for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**Preference Shares**

The Company has only one class of Unlisted 8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares redeemable at the end of 15 years from the date of allotment, carrying no voting rights, of face value of ` 10/- each issued on private Placement basis to Promoter Group & Associates whether or not they are member(s) of the Company.

Accumulated dividend on proportionate basis of issued Preference Shares as on balance sheet date amounts to ` 2,118,251,246.

## c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2016		As at December 31, 2014	
	Numbers	% holding	Numbers	% holding
<b>Equity shares of ` 1/- each fully paid</b> Albula Investment Fund Limited	15,963,234	5.87%	15,963,234	5.87%
<b>Preference shares of ` 10/- each fully paid</b>				
Sterling Port Limited	1,369,450,000	74.33%	1,246,563,599	67.66%
PMT Machines Limited	300,900,000	16.33%	159,999,999	8.68%
Sterling SEZ and Infrastructure Limited	172,100,000	9.34%	100,263,000	5.44%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4. Reserves and Surplus	As at March 31, 2016	As at December 31, 2014
General Reserve		
Balance as at the beginning of the period		
Add/(Less) : Transferred from/(to) Profit & Loss Account	–	4,175,353,706
Add/(Less) : Transferred from/(to) Debenture Redemption Reserve	–	(4,175,353,706)
Balance as at the end of the period		
Profit & Loss Account		
Balance as at the beginning of the period	(401,698,351)	–
Add/(Less) : Transferred from/(to)		
Profit & Loss Account	(4,686,946,273)	(401,698,351)
Add/(Less) : Transferred from/(to)		
Debenture Redemption Reserve	–	–
Balance as at the end of the period	(5,088,644,624)	(401,698,351)
Debenture Redemption Reserve		
Balance as at the beginning of the period	498,214,285	498,214,285
Add/(Less) : Transferred from/(to) General Reserve	–	–
Balance as at the end of the period	498,214,285	498,214,285
Share Premium Account		
Balance as at the beginning of the period	10,006,086,599	9,759,797,117
Add : Additions due to conversion of FCCB to Equity	7,221,600	246,289,482
Balance as at the end of the period	10,013,308,199	10,006,086,599
<b>Total</b>	<b>5,422,877,860</b>	<b>10,102,602,533</b>

As the company has incurred Losses during the year, the company has not created Debenture Redemption Reserve during the year.

5. Long-Term Borrowings	As at March 31, 2016	As at December 31, 2014
<b>Secured</b>		
(Secured by way of first charge on Fixed Assets of the company, on pari passu basis)		
Term Loans from Banks	7,630,987,401	307,520,836
Redeemable Non-Convertible Debentures		–
External Commercial Borrowings		
a) ECB 2009 aggregating USD Nil	–	1,638,702,563
(December 31, 2014: USD 25,875,000)		
b) ECB 2010 aggregating USD 32,428,000	2,151,043,281	3,920,726,502
(December 31, 2014: USD 61,908,000)		
<b>Unsecured</b>		
Foreign Currency Convertible Bonds	13,338,352,198	12,744,514,403
Zero Coupon Convertible Bonds due 2019		
(Aggregating to USD 201,082,000		
(December 31, 2014: 201,235,000)		
<b>Total</b>	<b>23,120,382,880</b>	<b>18,611,464,303</b>

1. Interest rates on Rupee term loans from banks vary in the range of 11.4% p.a. to 16.35% p.a. (linked with BPLR). The said loans are repayable in quarterly installments with a maximum tenure of 8 years. Part of the said loans are also secured by way of second charge on the current assets of the Company, both present and future, on pari passu basis and/or the personal guaranties of the Promoter Directors of the Company.
2. Interest rate on Redeemable Non-Convertible Debentures is 12%. The said debentures are redeemable in 20 quarterly installments starting from November 05, 2010 and last installment due on August 05, 2015.
3. Interest rates on External Commercial Borrowings vary in the range of 5.35% p.a. to 6.62% p.a. (linked with LIBOR). The said ECBs are repayable in half yearly installments starting from May 20, 2012 with a maximum tenure of 6 years.
4. The company has defaulted in repayment of certain debt obligations towards installments and interest. Certain Banks and Financial Institutions have initiated legal action against the Company and/or its directors for recovery of these debt. However, the Company is in continues dialogue with the lenders for bilateral restructuring of its debt. Certain banks have already restructured its debt.
5. The company has executed Rupee Term Loan Agreement on January 09, 2015 with certain lenders including ECB lenders under obligor co-obligor structure for facilities granted to domestic group companies of Sandesara Group to which Company belongs. Accordingly, the securities and future cash flows are charged in favour of the lenders participating in Obligor co-obligor structure and the interest rate for facilities extended by these lenders is at 12% p.a.
6. The Company has completed the Cashless Exchange Offer by issue of the Zero Coupon Convertible Bonds due 2019 aggregating to US\$ 206,464,000 (Fresh FCCBs) in exchange of outstanding Zero Percent Foreign Currency Convertible Bonds due 2012. As per the terms of the Cashless Exchange Offer, now the Company's obligation to the holders of the existing bonds with respect to payment of principal, interest, default interest and premium on existing bonds stands disregarded in full and no other amounts shall be payable to the holders of existing bonds. The summery of Fresh FCCBs due 2019 are as under:
  - i) The FCCBs carry a 0% coupon with a yield of 5.43% per annum (calculated on semi-annual basis).
  - ii) The FCCBs will mature on March 25, 2019.
  - iii) The FCCBs are convertible into equity shares or GDRs of the Company. During the year pursuant to conversion of USD 153,000 FCCBs, the Company has issued 122,400 equity shares. After conversion, the outstanding FCCBs are USD 201,082,000.
  - iv) The FCCBs are convertible at any time after May 05, 2014 at a conversion price of ` 60.00 per share with fixed rate of exchange on conversion of ` 48/- per USD.
  - v) The FCCBs are admitted for trading on the Euro MTF market of Luxembourg Stock Exchange.

6. Short-Term Borrowings	As at March 31, 2016	As at December 31, 2014
Working Capital Borrowings from Banks (Secured by way of first charge on Current Assets and second charge on fixed assets of the company, on pari passu basis)	5,298,517,017	7,398,313,610
Interest accrued and due on working capital borrowings	1,989,154,737	1,488,233,293
Short Term Loans from Banks	2,803,996,168	2,930,597,550
<b>Total</b>	<b>10,091,667,922</b>	<b>11,817,144,452</b>

- Interest rates on Working capital Borrowings from Banks vary in the range of 13.65% p.a. to 19.00% p.a. (linked with BPLR). The said loans are repayable on demand and also secured by way of a second charge on the fixed assets of the Company, on pari passu basis. Part of the said loans are additionally secured by way of a personal guarantees of the two Directors of the Company.
- Interest rate on the Short Term Loans from Banks repayable during 2016 and 2015 vary in the range of 13.25% to 15%.

7. Trade Payables	As at March 31, 2016	As at December 31, 2014
Trade Payables	223,349,495	246,905,539
<b>Total</b>	<b>223,349,495</b>	<b>246,905,539</b>

8. Other Current Liabilities	As at March 31, 2016	As at December 31, 2014
Current maturities of long term borrowings (note 5) [Including interest accrued and due]		
Term Loans from Banks	1,438,635,252	3,446,364,301
Redeemable Non-Convertible Debentures	5,556,822,030	4,699,249,041
External Commercial Borrowings		
a) ECB 2009 aggregating USD 40,466,713 (December 31, 2014: USD 55,595,393)	2,684,274,411	3,520,939,617
b) ECB 2010 aggregating USD 75,535,864 (December 31, 2014: USD 61,419,807)	5,010,512,945	3,889,808,484
	14,690,244,638	15,556,361,444
Other Current Liabilities	298,788,993	450,546,828
<b>Total</b>	<b>14,989,033,631</b>	<b>16,006,908,272</b>

9. Tangible assets		Gross Block				Depreciation				Net Block	
		January 01, 2015	Additions/ Adjustments	Deductions/ Adjustments	March 31, 2016	January 01, 2015	For the Period	Deductions/ Adjustments	March 31, 2016	March 31, 2016	December 31, 2014
Land & Development	341,490,057	-	-	341,490,057	-	-	-	-	341,490,057	341,490,057	
Leasehold Land	648,448,287	-	-	6,48,448,287	10,657,886	11,779,769	-	22,437,655	626,010,632	637,790,401	
Building	4,412,203,681	11,387,089	-	4,423,590,770	881,416,598	184,265,974	-	1,065,682,572	3,357,908,198	3,530,787,083	
Plant & Machinery	44,135,984,231	72,830,594	150,313	44,208,664,512	16,298,360,035	2,990,893,501	83,908	19,289,169,628	24,919,494,884	27,837,624,196	
Office Equipments & Furniture	357,119,410	5,379,673	-	362,499,083	171,369,776	27,103,691	-	198,473,467	164,025,616	185,749,634	
Vehicles	317,325,688	8,336,961	2,875,799	322,786,850	112,346,310	37,257,761	1,598,739	148,005,332	174,781,518	204,979,378	
<b>Total</b>	<b>50,212,571,354</b>	<b>97,934,317</b>	<b>3,026,112</b>	<b>50,307,479,559</b>	<b>17,474,150,605</b>	<b>3,251,300,696</b>	<b>1,682,647</b>	<b>20,723,768,654</b>	<b>29,583,710,905</b>	<b>32,738,420,749</b>	
<b>Previous Year</b>	<b>49,261,792,873</b>	<b>977,417,860</b>	<b>26,639,378</b>	<b>50,212,571,354</b>	<b>14,927,434,896</b>	<b>2,556,220,385</b>	<b>9,504,676</b>	<b>17,474,150,605</b>	<b>32,738,420,749</b>	<b>34,334,357,977</b>	
Note : Additions to Plant & Machinery includes Borrowing cost and exchange variation on foreign currency loans for expansion projects.											
<b>10. Investments</b>						<b>As at March 31, 2016</b>		<b>As at December 31, 2014</b>			
(At cost/carrying amount unless otherwise stated)						₹		₹			
In Units of Mutual Funds						14,976,458		14,976,458			
[Market Value Rs.12,434,489 (December 31, 2014: Rs.13,309,305)]											
In Shares (Quoted)						30,435,921		30,435,921			
[Market Value Rs.4,121,863 (December 31, 2014: Rs.4,219,228)]											
In Shares (Un-quoted at cost)						1,644,291,235		1,643,594,140			
National Savings Certificate						68,000		68,000			
<b>Total</b>						<b>1,689,771,614</b>		<b>1,689,074,519</b>			

11. Deferred tax (liability)/Asset (Net)	As at March 31, 2016	As at December 31, 2014
Deferred tax (liability)/Asset	4,754,798,631	2,503,698,631
<b>Total</b>	<b>4,754,798,631</b>	<b>2,503,698,631</b>

12. Other Non-current assets	As at March 31, 2016	As at December 31, 2014
Opening Balance	1,885,707,000	—
Add : Capitalised during the period	—	2,095,230,000
Less : Amortised during the period	261,903,750	209,523,000
<b>Closing Balance</b>	<b>1,623,803,250</b>	<b>1,885,707,000</b>

Initially, during the year 2013, the Company has decided to develop an improved process of manufacturing of Gelatin with higher yield and effective colors and viscosity, which is typically high for high Bloom gelatins, to retain higher profits and sales realisation from it. The international standards are also becoming stringent and more demanding in terms of parameters. The Company is always improving its product and it's a continuous effort. Considering the same, the Company has identified the new process for proper Ph, Moisture control, lesser ASh, Control Sulphur dioxide content (So2), acceptable microbiological properties and accordingly charged the bone and the same was lying in the process with various utilities application as Work In Process stage for development to improvise yield and technical properties. While gelatin is very stable in its gel form, various factors such as pH, temperature or bacterial environment may cause an hydrolysis of the protein chain yielding not only a decreased viscosity but also a decrease in Bloom. However, the company continued to invest the funds in inventory of Bone, Lime, HCL and utilities in work in process stage as the improvement seen at work in process stage was highly encouraging and the technical team of the Company was convinced that the development is in right direction.

During the year 2014, due to the stringent pollution control norms for ETP plant, the Company was forced to keep material for longer period of even more than 210 days. Resultant in the process, instead of development of better ossien, all gelatin licked up during liming process. Ossien was lying without any other process and liming reaction was continued. Accordingly, Company was forced to take decision to dispose off the material without further extraction of Gelatin to avoid contamination.

As the inventory was stored & processed for new developmental activity of the Company whereas the Company got abnormal process cost, therefore the said cost of Rs. 209.52 crores will be carried forward for 10 years and will be amortised over such period.

13. Inventories	As at March 31, 2016	As at December 31, 2014
Raw Materials	91,481,433	123,390,620
Stock in Process	6,896,923,823	6,046,972,731
Stores & Spares parts	77,809,000	115,577,276
Finished Goods	109,089,077	59,713,598
<b>Total</b>	<b>7,175,303,333</b>	<b>6,345,654,225</b>

14. Trade Receivable (Unsecured, Considered Good)	As at March 31, 2016	As at December 31, 2014
Outstanding for a period exceeding six months from the date they are due for payment	840,264	3,011,007
Other Receivable	421,686,607	1,802,581,286
<b>Total</b>	<b>422,526,871</b>	<b>1,805,592,293</b>

15. Cash and Bank Balances	As at March 31, 2016	As at December 31, 2014
Cash and cash equivalents		
Cash on hand	3,224,694	2,366,554
<b>Balances with banks</b>		
In Current Account	122,619,900	108,167,314
In Fixed Deposits	40,543,691	66,058,345
<b>Total</b>	<b>166,388,285</b>	<b>176,592,213</b>

16. Short-term loans and advances (Unsecured, Considered Good)	As at March 31, 2016	As at December 31, 2014
Deposits	59,240,738	55,226,525
Balance with Excise & Other Government Authorities	111,570,000	95,397,471
Advance recoverable in cash or kind or for value to be received	2,575,242,035	2,128,708,238
<b>Total</b>	<b>2,746,052,773</b>	<b>2,279,332,234</b>

17. Contingent Liabilities (Not provided for)	As at March 31, 2016 (` in Lacs)	As at December 31, 2014 (` in Lacs)
Estimated amount of contracts remaining to be executed on capital account	304.66	92.43
Claim against the Company not acknowledge as a Debts		
i) Excise Duty and Service Tax	3,367.75	2,883.15
ii) Sales Tax	296.71	296.71
iii) Income Tax	6,081.44	3.03

18. Revenue	Fifteen months period ended March 31, 2016	Twelve months period ended December 31, 2014
Sale of Finished Goods	5,239,901,565	6,669,507,242
<b>Revenue from operations (net)</b>	<b>5,239,901,565</b>	<b>6,669,507,242</b>

19. Cost of Material consumed	Fifteen months period ended March 31, 2016	Twelve months period ended December 31, 2014
Opening Stock	238,967,896	1,256,543,959
Add : Purchases	4,374,053,116	5,160,810,517
	4,613,021,012	6,417,354,476
Less : Closing Stock	169,290,433	2,38,967,896
<b>Total</b>	<b>4,443,730,579</b>	<b>6,178,386,580</b>

20. Changes in inventory of finished goods and work-in-progress	Fifteen months period ended March 31, 2016	Twelve months period ended December 31, 2014
Inventory at the end of the period		
Finished goods	109,089,077	59,713,598
Work-in-progress	6,896,923,823	6,046,972,731
	<b>7,006,012,900</b>	<b>6,106,686,329</b>
Inventory at the beginning of the period		
Finished goods	59,713,598	372,326,654
Work-in-progress	6,046,972,731	6,306,327,544
	<b>6,106,686,329</b>	<b>6,678,654,198</b>
Less : transferred to other Non-current Assets	–	2,095,230,000
	<b>6,106,686,329</b>	<b>4,583,424,198</b>
<b>(Increase)/decrease in inventory</b>	<b>(899,326,571)</b>	<b>(1,523,262,131)</b>

21. Employee benefits expense	Fifteen months period ended March 31, 2016	Twelve months period ended December 31, 2014
Salaries, Wages & Bonus	595,664,078	451,077,087
Contribution to Provident Fund & Other funds	26,972,565	37,834,649
Staff Welfare expenses	38,449,451	27,815,326
<b>Total</b>	<b>661,086,094</b>	<b>516,727,062</b>

Managerial Remuneration (included above)	Fifteen months period ended March 31, 2016	Twelve months period ended December 31, 2014
Salary (including Bonus)	3,000,000	3,600,000
<b>Total</b>	<b>3,000,000</b>	<b>3,600,000</b>



22. Other Expenses	Fifteen months period ended March 31, 2016	Twelve months period ended December 31, 2014
Repair & Maintenance: Buildings	4,238,438	6,882,900
Repair & Maintenance: Plant & Machinery	104,796,712	70,059,277
Travelling & Conveyance	51,945,989	52,081,921
Telephone & Telex	8,199,387	7,374,283
Printing & Stationery	4,136,097	4,621,798
Postage, Telegram & Courier	1,984,177	1,510,778
Office Expenses	147,903,820	181,885,812
Selling & Distribution Expenses	66,725,279	60,864,522
<b>Total</b>	<b>389,929,899</b>	<b>385,281,291</b>

Auditor Remuneration (Included in Office Expenses)	Fifteen months period ended March 31, 2016	Twelve months period ended December 31, 2014
Audit Fees	400,000	400,000
Tax Audit Fees	150,000	150,000
Taxation and other matter	200,000	200,000
Service Tax	108,750	92,700
<b>Total</b>	<b>858,750</b>	<b>842,700</b>

23. Depreciation and amortisation	Fifteen months period ended March 31, 2016	Twelve months period ended December 31, 2014
Depreciation on fixed assets	3,251,300,696	2,556,220,385
Amortisation of Non-current Assets	261,903,750	209,523,000
<b>Total</b>	<b>3,513,204,446</b>	<b>2,765,743,385</b>

24. Earnings per share (EPS)	Fifteen months period ended March 31, 2016	Twelve months period ended December 31, 2014
a) Net Profit/(loss) for the period as per Statement of Profit and loss	(4,686,946,273)	(4,577,052,058)
b) Nominal value of each Equity share (₹)	1.00	1.00
c) Weighted average No. of Equity Shares for Basic EPS	272,170,388	272,047,988
d) Basic Earnings per Share (₹) (a/c)	(17.22)	(16.82)
e) Weighted average No. of Equity Shares for Diluted EPS	433,035,990	4,33,035,990
f) Diluted Earnings per Share (₹) (a/e)	(10.82)	(10.57)

25. Foreign Currency Earnings and Expenditure	Fifteen months period ended March 31, 2016 ₹ Lacs	Twelve months period ended December 31, 2014 ₹ Lacs
a) FOB value of Exports	12191.08	7951.19
b) CIF Value of Imports	136.27	59.56
c) Other Expenditure	96.87	212.02

**26. Segmental Reporting**

The company's operations fall under single segment; hence Segment Reporting as defined under AS-17 is not applicable to the Company

**27. Related Party Disclosure**

**A. Names of Related Parties and relationship**

**i. Details of Key Management Personnel**

Mr. Nitin Sandesara	Managing Director
Mr. Chetan Sandesara	Joint Managing Director

**ii. Enterprises in which significant influence is exercised by Key Management Personnel**

Sterling SEZ and Infrastructure Limited  
 Sterling Oil Resources Limited  
 Sterling Port Limited  
 Sterling International Enterprises Limited  
 PMT Machines Limited  
 Atlantic Bluewater Services Pvt. Ltd.  
 British Oil & Gas Exploration Pvt. Ltd.  
 Sterling Oil Exploration & Energy Production Co. Ltd.  
 Sterling Fincom Private Limited, Mauritius (Subsidiary)  
 Sterling Commercial FZE, U.A.E. (subsidiary of Sterling Fincom Private Limited, Mauritius)

**B. The aggregate amount of transaction with the related parties is as below**

	Particulars	Nature of transaction	Fifteen months period ended March 31, 2016 in Lacs	Twelve months period ended December 31, 2014 in Lacs
1	Mr. Nitin J. Sandesara	Remuneration	Nil	12.00
2	Mr. Chetan J. Sandesara	Remuneration	30.00	24.00
3	Sterling SEZ and Infrastructure Limited	Loans & Advances	-	6.30
		Maximum amount outstanding	30,473.91	3,112.00
4	Sterling Port Limited	Loans & Advances	-	-
		Maximum amount outstanding	7,659.59	5,256.00
5	Sterling Oil Resources Limited	Loans & Advances	(1,217.00)	-
		Maximum amount outstanding	(8,090.82)	-
6	Sterling SEZ and Infrastructure Limited	Investment	4,875.00	4,875.00
7	Sterling Oil Resources Limited	Investment	500.00	500.00
8	Sterling Port Limited	Investment	9,900.00	9,900.00
9	Atlantic Bluewater Services Pvt. Ltd.	Investment	4.97	4.97
10	British Oil & Gas Exploration Pvt. Ltd.	Investment	5.46	5.46
11	Sterling Oil Exploration & Energy Production Co. Ltd.	Investment	6.97	-
12	Sterling SEZ and Infrastructure Limited	Preference Share Capital (incl. Appln Money)	17,918.50	10,026.30
13	Sterling Port Limited	Preference Share Capital (incl. Appln Money)	137,395.00	124,656.36
14	PMT Machines Limited	Preference Share Capital (incl. Appln Money)	30,090.00	16,000.00
15	The company has executed ANZ SBLC Facility Agreement on September 30, 2015 with certain lenders as co-obligor under the ANZ SBLC Facility of USD 560 Mn. granted to Sterling Global Oil Resources Private Limited, Mauritius to avail ANZ FC facility of USD 544 Mn. by Sterling Exploration and Energy Production Company Limited, BVI. Accordingly, all tangible and intangible movable and immovable assets of the Company, both present and future, are charged in favour of the lenders participating in ANZ SBLC Facility.			

**28. Dues to micro and small enterprises**

Based on the information received by the Company from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (The Act) there are no amounts due to such vendors during the year and as at the year end. Therefore, disclosure required under the Act have not been given.

**29. Previous year figures**

Notes referred to our report of even date.

Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current period classification / disclosure.

These are the notes referred to in our report of even date.

**For H. S. Hathi & Co.**  
Chartered Accountants  
Firm Registration No. 103596W

**Hemant S. Hathi**  
Proprietor  
Membership No. 037109  
Mumbai : May 30, 2016

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

**Nitin Sandesara**  
Managing Director  
(DIN : 00255496)

**Chetan Sandesara**  
Jt. Managing Director  
(DIN : 00255671)

**Rajbhushan Dixit**  
Director  
(DIN : 00025484)

**STERLING BIOTECH LIMITED****CIN: L51900MH1985PLC035738**

Registered Office: 43, Atlanta Building, Nariman Point Mumbai - 400021, Maharashtra, India.

Tel No: 022-66306732,66306733, E Mail ID: sterlingbiotech@stergel.com Website: www.sterlingbiotech.in

**Form No. 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]

**30<sup>th</sup> Annual General Meeting - September 30, 2016 at 10: 30 a.m.**

<b>Name of the Member(s)</b>	
<b>Registered Address</b>	
<b>E Mail ID</b>	
<b>Folio No.</b>	
<b>Client ID*</b>	
<b>DP ID*</b>	

\* Applicable to the members whose shares are held in dematerialised form.

I/We, being the member (s) of ..... shares of the of the **Sterling Biotech Limited**, hereby appoint :

<b>1 Name</b>	
<b>Address</b>	
<b>E Mail ID</b>	
<b>Signature</b>	, or failing him

<b>2 Name</b>	
<b>Address</b>	
<b>E Mail ID</b>	
<b>Signature</b>	, or failing him

<b>3 Name</b>	
<b>Address</b>	
<b>E Mail ID</b>	
<b>Signature</b>	

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, the 30<sup>th</sup> day of September, 2016 at 10:30 a.m. at Bhakti Kala Kshetra, International Society for Krishna Consciousness (ISKCON) Founder Acharya : His Divine Grace A.C. Bhaktivedanta Swami Prabhupada, Hare Krishna Land, Juhu, Mumbai - 400 049 Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolutions
<b>Ordinary Business</b>	
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the fifteen months ended on March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.
2.	To appoint a Director in place of Mr. Nitin Sandesara (DIN 00255496), who retires by rotation and being eligible, offers himself for re-appointment.
3.	To appoint a Director in place of Mr. Chetan Sandesara (DIN 00255671), who retires by rotation and being eligible, offers himself for re-appointment.
4.	To Appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s).
<b>Special Business</b>	
5.	To Issue of unlisted 8 % Redeemable Cumulative Non-Participating Non- Convertible preference shares carrying no voting rights.

Signed this ..... day of ..... 2016.

\_\_\_\_\_  
Signature of shareholder(s)

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix  
Revenue  
Stamp of  
` 1/-

Note: 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.

**STERLING BIOTECH LIMITED****CIN: L51900MH1985PLC035738**

Registered Office: 43, Atlanta Building, Nariman Point, Mumbai - 400021, Maharashtra, India.

**Tel No:** 022-66306732,66306733, **E Mail ID:** sterlingbiotech@stergel.com **Website:** www.sterlingbiotech.in**ATTENDANCE SLIP****30<sup>th</sup> Annual General Meeting**  
**Friday, September 30, 2016 at 10:30 a.m.****Name of the Member(s)****Name of the Proxyholder****Folio No.****Client ID\*****DP ID\***

\* Applicable to the members whose shares are held in dematerialized form.

I/we hereby record my/our presence at the 30th Annual General Meeting of the Company held on Friday, the 30th day of September 2016 at 10:30 A.M at Bhakti Kala Kshetra, International Society for Krishna Consciousness (ISKCON) Founder Acharya : His Divine Grace A.C. Bhaktivedanta Swami Prabhupada, Hare Krishna Land, Juhu, Mumbai - 400049, Maharashtra India.

\_\_\_\_\_  
Signature of the member/proxy/representative  
attending the meeting

**Notes: 1. Please handover this Attendance Card at the entrance to the place of meeting.**  
**2. Only Members and in their absence, duly appointed proxies will be allowed for the meeting.**