



# 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

September 5, 2017

To,

<b>BSE Limited</b> 25 Floor, P.J. Towers, Dalal Street, Mumbai – 400001, Maharashtra, India <b>BSE Company Code: 512299</b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051. Maharashtra, India. <b>NSE Scrip Code: STERLINBIO</b>	<b>Luxembourg Stock Exchange</b> Luxembourg
---	--	--

## Sub:Notice of 31<sup>st</sup>Annual General Meeting of the Company and Annual Report

Dear Sir/Madam,

This is to inform you that the 31<sup>st</sup>Annual General Meeting of the members of the Company will be held on Saturday, the 30<sup>th</sup> Day of September, 2017 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.

We have attached herewith soft copy of the Annual Report for the financial year 2016-17.

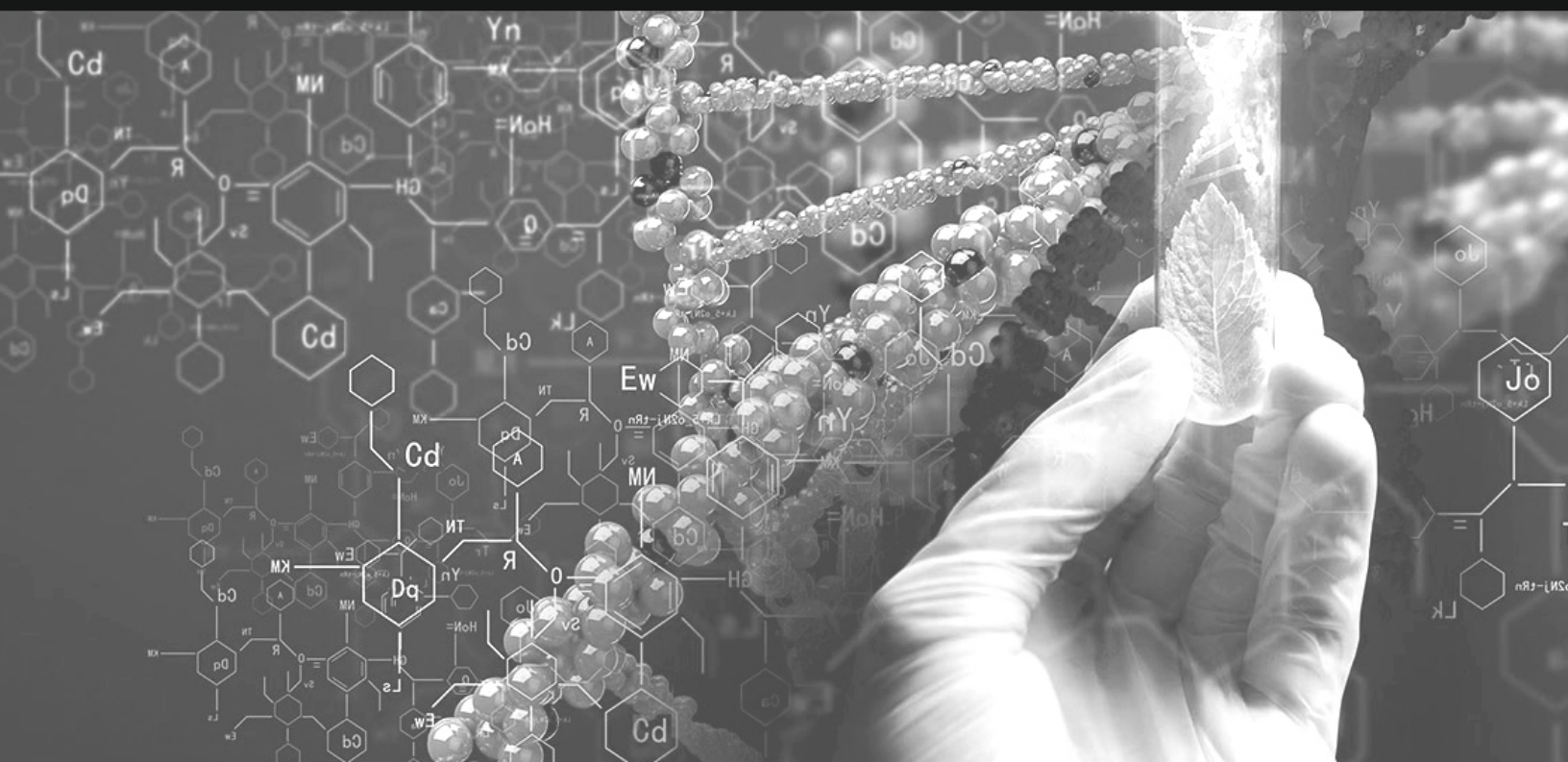
We request you to kindly take the same on records.

Thanking You,  
Yours Faithfully,  
For Sterling Biotech Limited

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



**STERLING BIOTECH LIMITED**





---

# 31<sup>st</sup> Annual Report 2016-17

## **STERLING BIOTECH LIMITED**

CIN : L51900MH1985PLC035738

### **Registered Office:**

43, Atlanta Building, Nariman Point,  
Mumbai - 400 021, Maharashtra, India

**Tel No :** +91-22- 66306732

**Website :** [www.sterlingbiotech.in](http://www.sterlingbiotech.in)

**E Mail ID :** [sterlingbiotech@stergel.com](mailto:sterlingbiotech@stergel.com)

### **31<sup>st</sup> ANNUAL GENERAL MEETING**

Saturday, the 30th September, 2017 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

---



## Contents

<b>AGM notice. . . . .</b>	<b>001</b>
Annexure to AGM notice . . . . .	008
AGM Venue Route Map . . . . .	011
<b>Directors' Report . . . . .</b>	<b>012</b>
Management Discussion & Analysis Report. . . . .	020
Secretarial Audit Report (MR-3). . . . .	028
Nomination & Remuneration Policy. . . . .	031
Corporate Governance Report . . . . .	034
Extract of Annual Return (MGT-9) . . . . .	048
Conservation Of Energy, Technology Absorption, Foreign Exchange Earning And Outgo . . . . .	060
<b>Financial Section . . . . .</b>	
Independent Auditor's Report . . . . .	062
Balance Sheet. . . . .	070
Statement of Profit & Loss . . . . .	071
Statement of Changes in Equity . . . . .	072
Cash Flow Statement . . . . .	073
Notes to Financial Statements . . . . .	074

### Board of Directors:

Mr. Nitin Sandesara  
Mr. Vilas Joshi  
Mr. Priyadarshan Mehta  
Mr. Chetan Sandesara  
Mr. Rajbhushan Dixit  
Mrs. Mayuriben Patel

### Bankers:

Allahabad Bank  
Andhra Bank  
Bank of Baroda  
Bank of India  
Bank of Maharashtra  
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 Pvt. Ltd**

C-101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur  
Shastri Marg, Vikhroli (West), Mumbai -  
400083, Maharashtra, India.

### Website

[www.sterlingbiotech.in](http://www.sterlingbiotech.in)

### E Mail ID

[sterlingbiotech@stergel.com](mailto:sterlingbiotech@stergel.com)

## NOTICE

Dear Member(s)

Notice is hereby given that the 31<sup>st</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 - 400 049, Maharashtra, India, on Saturday, the 30<sup>th</sup> September, 2017 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 Financial Year ended on March 31, 2017 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 M/s. Mukesh & Associates Chartered Accountants (Firm Registration No.106599W), as the Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and, if through fit, pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) ('the Act') and pursuant to the recommendations of Audit Committee and Board of Directors of the Company, M/s. Mukesh & Associates Chartered Accountants (Firm Registration No.106599W), be and are hereby appointed as Statutory Auditors of the Company, for a term of five (5) consecutive years to hold office from the conclusion of this 31<sup>st</sup> Annual General Meeting ('AGM') of the Company until the conclusion of the 36<sup>th</sup> AGM, (Subject to ratification of their appointment by the Members at the every AGM, if so required under the Act), on a remuneration as may be mutually agreed between the Board of Directors and the Auditors."

### SPECIAL BUSINESS:

4. 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, the Listing Agreement 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, 771,265,000 Unlisted 8 % Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights of face value of ₹ 10 each ("Preference Shares"), at par or at such price or prices, 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**

**Place :** Mumbai

**Date :** August 28, 2017

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



**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM OR THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF AGM.**
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. The holder of proxy shall prove his identity at the time of attending the Meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act"), in respect of the Special Business are annexed hereto and forms part of this Notice.
4. The relevant details of Directors seeking re-appointment, as required under Regulation 36(3) of the Securities and Exchange Board of India (listing Obligations and Disclosure requirements) Regulation, 2015 (the "Listing Regulation") are annexed herewith.
5. The Company has notified closure of Register of Members and the Share Transfer Books from Saturday, the 23<sup>rd</sup> day of September, 2017 to Saturday, 30<sup>th</sup> day of September, 2017 (both days inclusive) for the purpose of Annual General Meeting.
6. 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.
7. Corporate Members intending to send their Authorised Representative(s) 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.
8. Shareholder seeking any information with regard to financial statements is requested to write to the Company at least ten days before the meeting so as to enable the management to keep information ready.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
10. As per Listing Regulations, for securities market transactions and/or for off-market or private transactions involving transfer of shares in physical form, the transferee(s) as well as transferor(s) (including joint holders) shall furnish copy of a PAN Card to the Company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.

11. Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificate to RTA, for consolidation into a single folio.
12. Pursuant to provisions of Section 205A of the Companies Act, 1956 and Section 124 of the Companies Act, 2013 and [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, 2008 amounting to ₹ 40,13,431/- 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).
13. 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 01.00 p.m. upto the date of this Meeting.
14. Members are entitled to hold their shares in dematerialized ("Demat") form. Those Members who are holding shares in physical form are requested to dematerialize their shares by approaching any of the Depository Participant(s). in case any Members wishes to dematerialize his/her/its shares and needs any assistance, he/she/it may write to the Registrar & Transfer Agent of the Company at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
15. Electronic copy of the Annual Report for financial year 2016-17 and the Notice of 31<sup>st</sup> Annual General Meeting ("AGM") along with Attendance Slip and Proxy Form are being sent to all the Members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report for financial year 2016-17 and the Notice along with Attendance slip and Proxy form are being sent by the permitted mode. **To support the 'Green Initiative', the members who have not register their e-mail addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/Depositories.**
16. 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.
17. 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.
18. A route map showing directions to reach the venue of the 31<sup>st</sup> Annual General Meeting is annexed.
19. 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.
20. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Saturday, September 23, 2017, 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.

## 21. 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 Saturday, September 23, 2017. The voting period will commence on Wednesday, September 27, 2017 at 9:00 am (IST) and will end at 05:00 pm (IST) on Friday, September 29, 2017. 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. Saturday, September 23, 2017 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 Saturday, September 23, 2017, 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 Friday, September 29, 2017.

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	
<b>PAN</b>	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.
<b>DOB</b>	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.
<b>Dividend Bank Details</b>	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 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 scrutinizer to verify the same.
- (xvii) 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**

**Place :** Mumbai

**Date :** August 28, 2017

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

**ANNEXURE TO THE NOTICE DATED MAY 30, 2017**

**Details of the director seeking re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are as under:**

Name the Director	Mr. Nitin Sandesara
Director's Identification Number (DIN)	00255496
Age	57 Years
Qualification	CA & Bachelor of Commerce
Nature of Expertise in specific Functional area	Mr.Nitin J. Sandesra, is a Chartered Accountant with over 30 years' experience in implementing and managing the tea processing, machine tools, gelatin and pharmaceutical business. He is responsible for business development and strategy of the Company.
Name of the Listed Companies in which he holds Directorship	Sterling International Enterprises Limited Sterling Biotech Limited
Relationship with other Directors	Mr. Nitin Sandesra is brother of Mr, Chetan Sandesara

**Notes:** Information pertaining to remuneration paid to the Directors who are being re-appointment and the number of Board Meetings attends by them during the year 2016-17 are provided in the Corporate Governance Report.

**Place :** Mumbai

**Date :** August 28, 2017

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

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

**Explanatory Statement under Section 102 of the Companies Act, 2013 relating to Special Business mentioned in the Notice convening the 31<sup>st</sup> Annual General Meeting;****ITEM NO-4**

The proposed Special Resolution set out at Item No. 4 is an enabling Resolution authorizing the Board of Directors to raise resources by issue of 771,265,000 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 771,265,000 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, amount of premium on 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, 771,265,000 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, redemption of shares at premium and if the preference shares are convertible, the terms of conversion - 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 Listing Agreement 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. 4 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. 4 for your consideration and approval.

**Place :** Mumbai

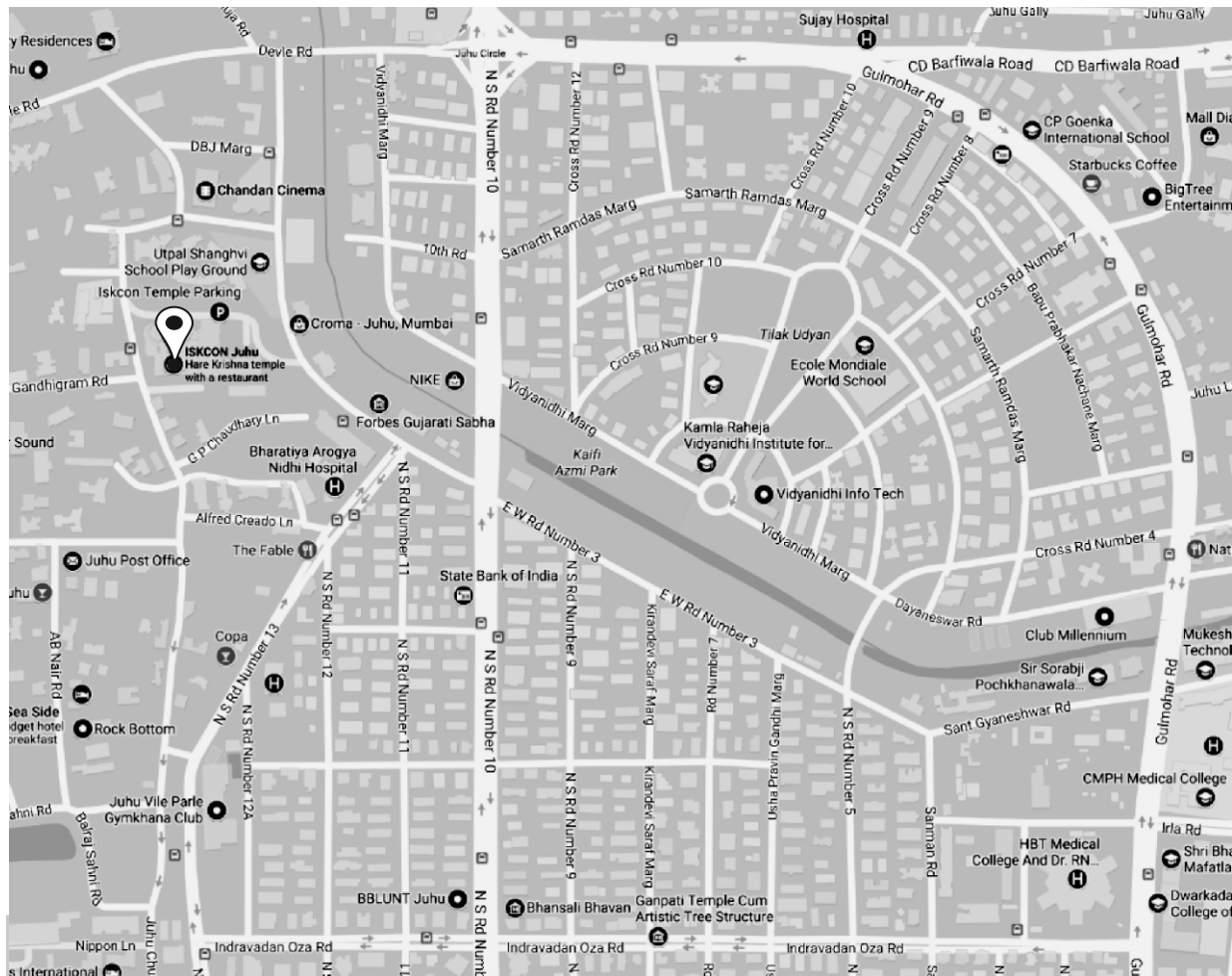
**Date :** August 28, 2017

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

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



## AGM ROUTE MAP



### AGM VENUE

### STERLING BIOTECH LIMITED

### 31<sup>st</sup> ANNUAL GENERAL MEETING

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,  
 on Saturday, the 30<sup>th</sup> September, 2017 at 10.30 a.m.

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 31<sup>st</sup> Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March 2017.

The Accounting year of the Company in previous year has been changed from January, 2015 -December, 2015 to January, 2015-March, 2016 in line with the provision of the Companies Act, 2013, which prescribe a uniform financial year. Accordingly, previous year's Annual Accounts and Report of the Company are for a period of fifteen months from January 1, 2015 to March 31, 2016. The figures for the previous year of 15 months ended on 31 March 2016, therefore, are not comparable with current year of 12 months ended on March 31, 2017.

### FINANCIAL RESULTS FOR THE ENDED ON 31<sup>st</sup> MARCH, 2017

(₹ in Lacs)

Particulars	Year ended on March 31, 2017	15 Months ended on March 31, 2016
Sales	40,018.95	56,053.13
Total Income	40,416.64	56,838.08
EBIDTA from Operation	1,655.05	7,230.56
Interest	36,979.77	41,478.19
Depreciation	26,354.78	34,514.48
Profit / (Loss) before Tax and Extraordinary item	(61,679.50)	(68,762.11)
Extraordinary items	-	-
Profit / (Loss) before Tax	(61,679.50)	(68,762.11)
Provision for Current Tax	-	-
Provision for Deferred Tax	(20,434.00)	(23,715.00)
Profit / (Loss) after Tax	(41,245.50)	(45,047.11)

**Note:** The Company has prepared the financial statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013. The Company has adopted the Indian Accounting Standards (Ind AS) from 1st April, 2016. The comparative financial information of the Company for a period of fifteen months from January 1, 2015 to March 31, 2016 has also been restated to comply with Ind AS.

### OPERATIONS :

The total income of the Company in the current year has been ₹ 40,416.64 Lacs and in the previous year it was ₹ 56,838.08 Lacs. The finance cost has been ₹ 36,979.77 Lacs and in the previous year it was ₹ 41,478.19 Lacs. The Loss before Tax has been ₹ 61,679.50 Lacs as and in the previous year it was ₹ 68,762.11 Lacs. The loss after tax in the current year has been ₹ 41,245.50 Lacs and in the previous year it was ₹ 45,047.11 Lacs.

### 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 stable thereby the increase in cost could not be passed on to 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 year ended on March 31, 2017 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, 2017 was ₹ 272,170,388 divided into 272,170,388 Equity Shares of ₹ 1/- each and Preference Share Capital as on that date was ₹ 19,125,850,000 divided into 1,912,585,000 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, with a view to mitigate the financial crunch, promoters have funded ₹ 701,350,000 by subscribing to preference shares and the Company has issued and allotted 701,135,000 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 of the Company. During the year no conversion request was received and the outstanding FCCBs as on 31 March 2017 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

**MEETINGS OF THE BOARD:**

Ten (10) Board Meetings were held during the financial year ended 31st March, 2017. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been provided in 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, Managing Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. The Board recommends his reappointment.

**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.

**DEPOSITS:**

During the year ended on March 31, 2017 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, 2017, there were no deposits which were unpaid or unclaimed and due for repayment.

**STATUTORY AUDITORS:**

As per the provisions of the Act, the period of office of M/s. H. S. Hathi & Co., Chartered Accountants, Statutory Auditors of the Company, expires at the conclusion of the ensuing Annual General Meeting.

It is proposed to appoint M/s. Mukesh & Associates, Chartered Accountants, as Statutory Auditors of the Company, for a term of 5 (five) consecutive year. M/s. Mukesh & Associates, Chartered Accountants, have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

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 for the year ended on March 31, 2017 by the Secretarial Auditor M/s. Ramesh Kheradia a Company Secretary in Practice. The Report of Secretarial Audit in form of MR-3 for the year ended on March 31 2017 is attached as Annexure 2 to the Report. Secretarial Auditor gave observation in his report.

**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, 2017, are disclosed as part of the financial statements of your Company for the year under review, as Note 26. Further, pursuant to the provisions of the Act and the SEBI (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 and Section 124 of the Companies Act, 2013 and [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, 2008 amounting to Rs. 40,13,431/- 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 AND 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 year ended on March 31 2017, there were no such orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has adequate internal control procedures commensurate with its size and nature of business. The business control procedures ensure efficient use and protection of Company's resources and compliance with policies, procedures and statutory requirements.

**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 on March 31, 2017 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 as Annexure 3.

**CORPORATE SOCIAL RESPONSIBILITY :**

CSR 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.

**BOARD EVALUATION:**

The Board of Directors have 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 ("SEBI Listing Regulations").

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 SEBI (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 Regulation 34(3) read with Schedule V of the Listing Regulations, 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. 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:**

Pursuance 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 period ended on March 31, 2017 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.

**Place :** Mumbai

**Date :** May 30, 2017

For and on behalf of the Board of Directors

**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 STRUCTURE AND DEVELOPMENTS**

Gelatin is a colorless, flavorless, semi-transparent, and brittle collagen product. It is a protein food product generally derived from the several animal sources. It is used in several applications as a stabilizer, thickener, and gelling agent. Gelatin is normally graded into categories as per its quality and strength, and the unit is named as 'bloom.' A greater bloom number signifies a high quality of gelatin. The color of the gelatin product is depended on the raw material type. The superior quality of gelatin are high molecular weight compounds and with better gel strength.

The global gelatin market is expected to grow at a steady rate and post a CAGR of more than 6% and is projected to exceed 480 thousand metric tons by 2022. The increasing demand for gelatin from cosmetics and personal care applications will drive the growth prospects for the global gelatin market until the end of 2021. The cosmetic and personal care industry increasingly uses gelatin as a stabilizing, viscosity controlling, and cleansing agent. The presence of protein content boosts the preference for the addition of gelatin in various personal care applications such as face creams, shampoos, body lotions, lipsticks, face masks, and sunscreens. Due to the high disposable income of the people, the consumption of cosmetic products is high in various developed as well as developing countries such as the US, the UK, Australia, Canada, France, China, India, Saudi Arabia, and Germany, which will consequently fuel market growth.

According to the market research and analysis, Europe was the largest revenue contributor to the gelatin market during 2016. This is mainly due to the presence of dominant manufacturers in the region. With the increasing number of applications in food and beverage products, the sales of gelatin is likely to increase in Europe and this region will be the major revenue contributor to the market in the coming years as well.

During 2016, the pig skin segment dominated the gelatin market and is expected to witness significant growth during the estimated period as well. Due to factors such as the superior quality of gelatin, the short production process, the need for less amount of water in pre-treatment and extraction, the reduction in water wastage during processing, and a less-time consuming pre-treatment process, the coming years wil witness a significant increase in the demand for gelatin derived from pig skin.

**Gelatin**

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\$ 4.08 billion by 2024. 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, polysaccharides 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**

The food and beverage segment dominated the market during 2016 and is likely to continue its dominance in the coming years as well. The increasing demand for functional food and beverage products such as confectionery, marshmallows, desserts, bakery products, dairy products, pet foods, meat packaging, frosted cereals, cream cheese, cupcakes, candies, pudding, juices, and beverages will be the major factor fueling market growth. Additionally, the use of gelatin in pet foods and other products such as cakes, cottage cheese, ice creams, whipped creams, and cheese spread will also propel the growth of the market in this segment.

### **Raw Material Insights**

Bovine hide-based products are projected to foresee volume growth at 4.9% CAGR from 2016 to 2024. Easy water absorption and significant protein content are expected to promote the usage of the aforementioned raw material over the projected period. 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 5.3% 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 represents the largest market worldwide, 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 forecast to spearhead future growth with the fastest CAGR of 5.0% led by factors such as growing population and robust food production where gelatin is used widely as gelling agent, growing spending on appearance maintenance products among the expanding base of affluent middle class population and the resulting increase in the use of gelatin in cosmetic formulations, and raising prevalence of osteoarthritis and a parallel increase in the consumption gelatin supplements.

### Competitive Insights

Key industry participants include PB Gelatin, Nikita AG, Rousselot, Capsugel Inc. and Sterling. New product development and the establishment of strategic partnerships with buyers are expected to remain critical success factors over the next eight years. 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.

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. India enjoys an important position in the global pharmaceuticals sector.

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size. Branded generics dominate the pharmaceuticals market, constituting nearly 80 per cent of the market share (in terms of revenues).

India's pharmaceutical exports stood at US\$ 16.4 billion in 2016-17 and are expected to grow by 30 per cent over the next three years to reach US\$ 20 billion by 2020.

**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.

Central Government has also formed a 14 member committee to pursue vegetable grade capsules leading to uncertainty for pharma grade gelatin manufactured from bones.

## **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 myelocyticleukemias.
- 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 the year 2016-17 are as under:

- The company achieved a turnover (including other income) of ₹ 40,417 Lacs.
- EBITDA from operations is ₹1,655 Lacs.
- The finance cost is ₹ 36,980 Lacs leading to Loss before tax of ₹ 61,680 Lacs.
- After reducing the deferred tax, the loss after tax is ₹ 41,245 Lacs.
- Net worth as at 31st March 2017 stands at ₹ 127,609 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 801 Employees as on Balance sheet date.

**WAY FORWARD**

Way forward the company looks forward to improve in marketing set-up to reach to wider range of customers world-wise, diversify product portfolio of pharma products through in-house research and to capitalize on the increasing demand. The Company also looks forward to take 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. Various steps are taken by the Company to reduce its finance Cost and look forward to reduce its bank loans / debts. The combined effect of all these factors are expected to be favorable for overall operations of the Company in the next few years.

For and on behalf of the Board of Directors

Place : Mumbai

Date : May 30, 2017

**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 ended on March 31, 2017**

[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 Member(s)  
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 as ended on March 31, 2017 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 as ended on March 31, 2017 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;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - i. 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 notices were 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 decisions were carried out through assenting members, 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 has 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.

This report is to be read with Annexure attached herewith

Practising Company Secretary

**Ramesh Kheradia**

**Place :** Vadodara

FCS No. 5859

**Date :** May 30, 2017

C P No.:2614

**"Annexure- A"**

To,  
The Members  
Sterling Biotech Limited

My Secretarial Audit report of May 30, 2017 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I 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. My 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.

Practising Company Secretary

**Ramesh Kheradia**

**Place :** Vadodara

FCS No. 5859

**Date :** May 30, 2017

C P No.:2614

**(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. COMPANYS' 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 Director	DIN	Category	No of Board Meetings during the year		Last AGM Attended Yes/No	Directorship in other Companies	No. of Committee	
				Held	Attended			As a Member	As a Chairman
1	Mr. Nitin Sandesara	00255496	Chairman & Executive Director	10	9	Yes	16	-	-
2	Mr. Chetan Sandesara	00255671	Executive Director	10	10	Yes	19	-	-
3	Mr. Rajbhushan Dixit	00025484	Independent Director	10	10	Yes	5	6	4
4	Mr. Vilas Joshi	00507833	Independent Director	10	10	No	9	2	-
5	Mr. Priyadarshanbhai Mehta	01392227	Independent Director	10	9	No	8	2	-
6	Mrs. Mayuriben Patel	00090549	Woman Independent Director	10	10	No	12	2	-

**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 entity, 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.

**A. BOARD MEETING**

During the period ended on March 31, 2017, ten Board Meetings were held on the following dates;

Sr. No	Board Meeting(s)	Sr. No	Board Meeting(s)	Sr. No	Board Meeting(s)
1	02-Apr-16	5	14-Sep-16	9	06-Mar-17
2	22-Apr-16	6	14-Dec-16	10	27-Mar-17
3	30-May-16	7	19-Jan-17		
4	02-Sep-16	8	14-Feb-17		

**B. SEPARATE MEETING OF INDEPENDENT DIRECTORS**

During the year, a separate meeting of the Independent Directors was held on March 27, 2017 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 have 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 Disclosure Requirement).

- **Composition of Audit Committee**

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

The Audit Committee met five (5) times during the year i.e. on May 30, 2016, September 14, 2016, December 14, 2016, February 14, 2017 and March 27, 2017. The maximum gap between two meetings was not more than 120 days.

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

- 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.
- 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 utilization 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 of 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	Independent Director	1	1
Mr. Vilas Joshi	Member	Independent Director	1	1
Mr. Priyadarshanbhai Mehta	Member	Independent Director	1	1

The Nomination and Remuneration Committee met one (1) time during the financial year 2016-17 i.e. on March 27, 2017.

● **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 Requirements) Regulations, 2015.

● **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. Rajbhushan Dixit	Chairman	Independent Director	1	1
Mr. Vilas Joshi	Member	Independent Director	1	1
Mr. Priyadarshanbhai Mehta	Member	Independent Director	1	1

The Stakeholders Relationship Committee met one (1) time during the financial year 2016-17 i.e. on March 27, 2017.

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	3
Disposed off during the financial year	3
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 SEBI (Listing Regulations and Disclosures Requirements) 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		
	30 <sup>th</sup> AGM	29 <sup>th</sup> AGM	28 <sup>th</sup> AGM
Date	September 30, 2016	June 30, 2015	June 30, 2014
Start Timing	10:30 AM	10:30 AM	10:30 AM
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.		
Resolution Passed			
Ordinary Resolution			
1. Adoption of Account as on	March 31, 2016	December 31, 2014	December 31, 2013
2. Re-appointment of Director Retires by Rotation	Nitin Sandesara Chetan Sandesara	Vilas Joshi Priyadarshanbhai Mehta	Rajbhushan Dixit Narendrabhai Patel
3. Appointment of Auditor	M/s. H.S.Hathi & Co., Chartered Accountant		
Special Resolution			
4. Appointment of Director	- Ms. Mayuri Patel Independent Director	Shri Chetan Sandesara, Jt. Managing Director	
5. Approval For	Issue of unlisted 8 % redeemable cumulative non-participating non-convertible preference shares carrying no voting right	Issue of unlisted 8 % redeemable cumulative non-participating non-convertible preference shares carrying no voting right	Increase in foreign direct investment limit
			Increase in Borrowing Limits
			Increase in Mortgage Charges,etc Limits
		For change of Accounting year	Increase and re-classification of the authorized share capital of the company and amendment to the memorandum of association

- 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/>) and NSE through NEAPS online Portal ([www.connect2nse.com/LISTING/](http://www.connect2nse.com/LISTING/)). 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 2016-17, 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 SEBI (LODR) Regulations, 2015.

**Whistle Blower Policy / Vigil Mechanism**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the SEBI (LODR)

Regulations, 2015 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>31<sup>st</sup> Annual General Meeting is scheduled on;</b>
Date	Saturday, September 30, 2017
Time 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
<b>b</b>	<b>Financial Year</b>
Tentative calendar of the Board Meetings for consideration of quarterly results for the financial year 2017-18 A twelve month period begins from April 01, 2017 to March 31, 2018.	
Financial Reporting for	
Quarter ending on June 30, 2017	on or before August 14, 2017
Half Year ending on September 30, 2017	on or before November 14, 2017
Quarter ending on December 31, 2017	on or before February 14, 2018
Year Ending on March 31, 2018	on or before May 30, 2018
<b>c</b>	<b>Book Closure/Record Date</b>
September 23, 2017 to September 30, 2017 (Both days Inclusive)	
<b>d</b>	<b>Listing on Stock Exchange</b>
Name of Stock Exchange	Code/Symbol
BSE Limited (BSE) (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 2017-2018 has been paid to BSE Limited and National Stock Exchange of India Limited.	

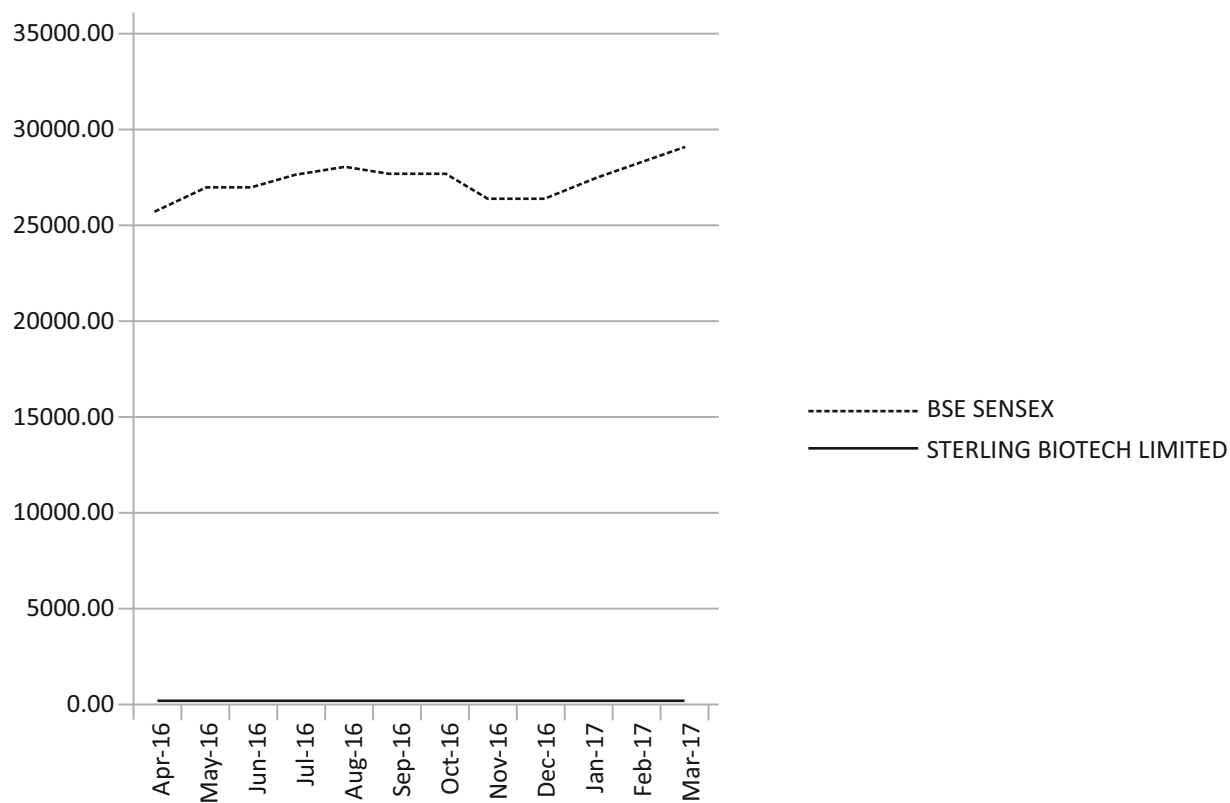
<b>e</b>	<b>Custodial Fees</b>	
	Company has paid Custodial fee for the year 2017-2018 to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).	
<b>f</b>	<b>Stock Code</b>	
	BSE	512299
	ISIN	INE324C01038
	CIN	L51900MH1985PLC035738
<b>g</b>	<b>Market 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      Low Price</b>
	Apr-16	4.32      3.92
	May-16	4.05      3.20
	Jun-16	4.26      2.95
	Jul-16	5.14      4.00
	Aug-16	4.78      3.71
	Sep-16	4.50      3.52
	Oct-16	4.28      3.90
	Nov-16	4.09      3.20
	Dec-16	4.35      3.40
	Jan-17	4.10      3.52
	Feb-17	5.22      3.72
	Mar-17	4.54      3.90



**h Performance in comparison to broad-based indices**

The performance of the Company's shares relative to the BSE index is given in the chart below;

Month	SBL	BSE SENSEX
Apr-16	3.98	25,606.62
May-16	3.22	26,667.96
Jun-16	4.26	26,999.72
Jul-16	4.62	28,051.86
Aug-16	4.07	28,452.17
Sep-16	3.92	27,865.96
Oct-16	4.09	27,930.21
Nov-16	3.55	26,652.81
Dec-16	3.53	26,626.46
Jan-17	3.71	27,655.96
Feb-17	4.44	28,743.32
Mar-17	4.30	29,620.50



i	Registrar and Share Transfer Agent	
	Name	Link Intime India Private Limited
	Address	C-101, 1 <sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India
	Tel No.	022-25946970-78,25963838,25960320
	E Mail	rnt.helpdesk@linkintime.co.in
	Website	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 summary of Shareholding as on March 31, 2017				
Sr No	Category	Nos of Shareholders	Nos of Equity Shares	%
1	Promoters	37	70,526,090	25.910
2	Foreign Institutional Investor	2	14,022,293	5.150
3	Foreign Portfolio Investors	2	20,419,065	7.500
4	Clearing Member	130	5,195,913	1.910
5	Public	32,769	79,387,588	29.170
6	Bodies Corporate	429	44,102,057	16.200
7	Mutual Funds/Banks	6	12,358	0.005
8	Global Depository Receiptants	1	25,716,861	9.450
9	Others	1,118	12,788,163	4.700
<b>Total</b>		<b>34,494</b>	<b>272,170,388</b>	<b>100.000</b>

Distribution of Shareholding as on March 31, 2017					
Sr No	Nos of Share Held	As on Beginning of the year April 01, 2016		At the end of the year March 31, 2017	
		Number of Shareholders	Number of Share Held	Number of. Shareholders	Number of Share Held
1	1-5000	32,488	28,629,217	31,935	28,746,318
2	5001 - 10000	1,228	9,632,546	1,264	9,866,391
3	10001 - 20000	533	7,822,614	584	8,584,955
4	20001 - 30000	234	5,844,361	240	6,041,760
5	30001 - 40000	87	3,147,250	76	2,740,027
6	40001 - 50000	87	4,058,818	97	4,541,954
7	50001 - 100000	136	9,840,466	142	10,445,335
8	100001 and above	161	203,195,116	156	201,203,648
<b>Total</b>		<b>34,954</b>	<b>272,170,388</b>	<b>34,494</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, 2017, 95.79 % of the Company's equity shares are held in dematerialized 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:

4,286,143 GDRs representing in aggregate 25,716,861 Equity Shares of ₹ 1/- each.

The GDR Facility is terminated with effect from March, 06, 2017, pursuant to termination notice to holders of the GDR issued by the Bank of New York Mellon, in its capacity as depository to the GDR

##### 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 Rs. 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
2. Village Masar, Jambusar Road, Tal. Padra, Dist. Vadodara, Gujarat
3. Sandyanalla, Sholur Gram Panchayat, Ottacamund, Dist. The Nilgiris, Tamilnadu
4. Plot No. 14 & 15 Sterling Multiproduct, Special Economic Zone, Village Sarol, Taluka Jambusar District 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-101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai-400083, 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 of Directors

Place : Mumbai

Date : May 30, 2017

**Nitin Sandesara**

Managing Director  
(DIN: 00255496)

**Chetan Sandesara**

Jt. Managing Director  
(DIN: 00255671)

**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, 2017 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.

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

Place : Mumbai

Date : May 30, 2017

**Nitin Sandesara**

Managing Director  
(DIN: 00255496)

## Certificate on Corporate Governance

To,  
The Member(s)  
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, 2017 as stipulated in Part C of Schedule V of the SEBI (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.**  
Chartered Accountants  
(Firm Registration No. 103596W)

**Place :** Mumbai  
**Date :** May 30, 2017

**HEMANT S. HATHI**  
Proprietor  
Membership No. 037109

**(Annexure- 5 to the Director's Report )****Form No. MGT 9 - EXTRACT OF ANNUAL RETURN****As on Financial Year ended on March 31, 2017**

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management & Administration) Rules, 2014

**I. REGISTRATION AND OTHER DETAILS:**

1	CIN	L51900MH1985PLC035738
2	Registration Date	March 23,1985
3	Name of the Company	Sterling Biotech Limited
4	Category/Sub-Category of the Company	Company Limited by Shares / Indian Non Government Company
5	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
6	Whether Listed Company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent	Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai- 400 083, Maharashtra, India Tel.: +91 22 49186000 Email.: rnt.helpdesk@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated;

Sr. 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	79%
2	Manufacture of allopathic pharmaceutical preparations	21002	21%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

## IV. 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 April 01, 2016)				No. of Shares held at the End of the Year (i.e. As on March 31, 2017)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	6,252,000	-	6,252,000	2.30%	6,252,000	-	6,252,000	2.30%	0.00
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00
c) State Govt. (s)	-	-	-	0.00%	-	-	-	0.00%	0.00
d) Bodies Corporates	64,274,090	-	64,274,090	23.62%	64,274,090	-	64,274,090	23.62%	0.00
e) Bank/FI	-	-	-	0.00%	-	-	-	0.00%	0.00
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00
<b>Sub-total (A) (1)</b>	<b>70,526,090</b>	<b>-</b>	<b>70,526,090</b>	<b>25.91%</b>	<b>70,526,090</b>	<b>-</b>	<b>70,526,090</b>	<b>25.91%</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	0.00	-	-	-	0.00	0.00
b) Other Individuals	-	-	-	0.00	-	-	-	0.00	0.00
c) Bodies Corp.	-	-	-	0.00	-	-	-	0.00	0.00
d) Banks/FI	-	-	-	0.00	-	-	-	0.00	0.00
e) Any other	-	-	-	0.00	-	-	-	0.00	0.00
<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>70,526,090</b>	<b>-</b>	<b>70,526,090</b>	<b>25.91%</b>	<b>70,526,090</b>	<b>-</b>	<b>70,526,090</b>	<b>25.91%</b>	<b>0.00</b>

contd..



Category of Shareholders	No. of Shares held at the Beginning of the Year (i.e. As on April 01, 2016)				No. of Shares held at the End of the Year (i.e. As on March 31, 2017)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	0.00	-	-	-	0.00	0.00
b) Banks/FI	1,003	6,000	7,003	0.00%	6,358	6,000	12,358	0.00%	0.00
C) Cenntal Govt	-	-	-	0.00	-	-	-	0.00	0.00
d) State Govt.(s)	-	-	-	0.00	-	-	-	0.00	0.00
e) Venture Capital Fund	-	-	-	0.00	-	-	-	0.00	0.00
f) Insurance Companies	-	-	-	0.00	-	-	-	0.00	0.00
g) FIIS	-	-	-	0.00	-	-	-	0.00	0.00
h) Foreign Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
i) Foreign Portfolio Investor	34,367,367	-	34,367,367	12.63%	34,441,358	-	34,441,358	12.65%	0.03
j) Others (specify)	-	-	-	0.00	-	-	-	0.00	0.00
<b>Sub - total (B)(1):</b>	<b>34,368,370</b>	<b>6,000</b>	<b>34,374,370</b>	<b>12.63%</b>	<b>34,447,716</b>	<b>6,000</b>	<b>34,453,716</b>	<b>12.66%</b>	<b>0.03</b>
<b>(2) Non Institutions</b>									
<b>a) Bodies corporates</b>									
i) Indian	44,414,946	186,620	44,601,566	16.39%	43,915,437	186,620	44,102,057	16.20%	(018)
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	51,038,422	7,296,153	58,334,575	21.43%	53,569,707	7,274,153	60,843,860	22.36%	0.92
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	18,105,020	-	18,105,020	6.65%	18,543,728	-	18,543,728	6.81%	0.16
<b>c) Others (specify)</b>									
Hindu Undivided Family	3,054,063	-	3,054,063	1.12%	3,157,313	-	3,157,313	1.16%	0.04
Foreign Companies	830	-	830	0.00%	4,483,830	-	4,483,830	1.65%	1.65
Non Resident Indians (Non Repat)	741,457	-	741,457	0.27%	786,581	-	786,581	0.29%	0.02

contd..

Category of Shareholders	No. of Shares held at the Beginning of the Year (i.e. As on April 01, 2016)				No. of Shares held at the End of the Year (i.e. As on March 31, 2017)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non Resident Indians (Repat) Clearing Member	3,942,700 6,330,356	442,500 -	4,385,200 6,330,356	1.61% 2.33%	3,917,939 5,195,913	442,500 -	4,360,439 5,195,913	1.60% 1.91%	(0.01) (0.42)
<b>Sub total (B)(2):</b>	<b>127,627,794</b>	<b>7,925,273</b>	<b>135,553,067</b>	<b>49.80%</b>	<b>133,570,448</b>	<b>7,903,273</b>	<b>141,473,721</b>	<b>51.98%</b>	<b>2.18</b>
<b>Total Public</b>									
<b>Shareholding(B)= (B)(1)+(B)(2)</b>	<b>161,996,164</b>	<b>7,931,273</b>	<b>169,927,437</b>	<b>62.43%</b>	<b>168,018,164</b>	<b>7,909,273</b>	<b>175,927,437</b>	<b>64.64%</b>	<b>2.20</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>31,716,861</b>	<b>-</b>	<b>31,716,861</b>	<b>11.65%</b>	<b>25,716,861</b>	<b>-</b>	<b>25,716,861</b>	<b>9.45%</b>	<b>(2.20)</b>
<b>Grand Total (A+B+C)</b>	<b>264,239,115</b>	<b>7,931,273</b>	<b>272,170,388</b>	<b>100.00%</b>	<b>264,261,115</b>	<b>7,909,273</b>	<b>272,170,388</b>	<b>100.00%</b>	<b>0.00</b>

## ii Shareholding of Promoter

Sr. No.	Shareholders Name	Shareholding at the Beginning of the Year (i.e. As on April 01, 2016)				Shareholding at the End of the Year (i.e. As on March 31, 2017)				% Change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged to total shares	No of shares	% of total shares of the company	% of shares pledged to total shares	No of shares	% of total shares of the company	
1	Nitin Sandesara	1,052,000	0.39%	0.39%	1,052,000	0.39%	0.39%	1,052,000	0.39%	0.00%
2	Chetan Sandesara	5,200,000	1.91%	1.91%	5,200,000	1.91%	1.91%	5,200,000	1.91%	0.00%
3	Aditi Hospitals Pvt. Ltd.	402,842	0.15%	0.15%	402,842	0.15%	0.15%	402,842	0.15%	0.00%
4	Antariksha Capital And Finance (India) Pvt. Ltd.	1,522,451	0.56%	0.56%	1,522,451	0.56%	0.56%	1,522,451	0.56%	0.00%
5	Antariksha Securities Pvt. Ltd.	1,950,000	0.72%	0.72%	1,950,000	0.72%	0.72%	1,950,000	0.72%	0.00%
6	Anula Properties Pvt. Ltd.	3,218,048	1.18%	1.18%	3,218,048	1.18%	1.18%	3,218,048	1.18%	0.00%
7	Blue Mark Mercantile Pvt. Ltd.	326,890	0.12%	0.12%	326,890	0.12%	0.12%	326,890	0.12%	0.00%
8	Bullworth Investrade Pvt. Ltd.	3,321,458	1.22%	0.69%	3,321,458	1.22%	0.69%	3,321,458	1.22%	0.00%
9	Cielport Management Pvt. Ltd.	1,567,300	0.58%	0.58%	1,567,300	0.58%	0.58%	1,567,300	0.58%	0.00%

contd..

Sr. No.	Shareholders Name	Shareholding at the Beginning of the Year (i.e. As on April 01, 2016)			Shareholding at the End of the Year (i.e. As on March 31, 2017)			% Change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged to total shares	No of shares	% of total shares of the company	% of shares pledged to total shares	
10	Coyote Leasing Pvt. Ltd.	1,086,765	0.40%	0.40%	1,086,765	0.40%	0.40%	0.00%
11	Doral Trading Pvt. Ltd.	3,207,570	1.18%	1.18%	3,207,570	1.18%	1.18%	0.00%
12	Eminence Trading Pvt. Ltd.	1,919,000	0.71%	0.71%	1,919,000	0.71%	0.71%	0.00%
13	Helicopter Service Pvt. Ltd.	4,970,220	1.83%	1.08%	4,970,220	1.83%	1.08%	0.00%
14	Hizin Trading Company Pvt. Ltd.	1,244,450	0.46%	0.46%	1,244,450	0.46%	0.46%	0.00%
15	Jaico Textiles Pvt. Ltd.	4,823,620	1.77%	0.00%	4,823,620	1.77%	0.00%	0.00%
16	Jangpriya Investments Pvt. Ltd.	2,242,000	0.82%	0.00%	2,242,000	0.82%	0.00%	0.00%
17	Marut Apparels Pvt. Ltd.	1,885,000	0.69%	0.00%	1,885,000	0.69%	0.00%	0.00%
18	Natasha Investment Company Pvt. Ltd.	3,145,392	1.16%	1.16%	3,145,392	1.16%	1.16%	0.00%
19	Paysan Publishers Pvt. Ltd.	574,000	0.21%	0.21%	574,000	0.21%	0.21%	0.00%
20	Prabal Investrade Pvt. Ltd.	3,927,146	1.44%	0.55%	3,927,146	1.44%	0.55%	0.00%
21	Puja Aqua Farms Pvt. Ltd.	212,778	0.08%	0.08%	212,778	0.08%	0.08%	0.00%
22	Relique Leasfin Pvt. Ltd.	1,640,458	0.60%	0.60%	1,640,458	0.60%	0.60%	0.00%
23	Richmond Investments Pvt. Ltd.	2,435,058	0.89%	0.89%	2,435,058	0.89%	0.89%	0.00%
24	Rollstar Finance And Investment Pvt. Ltd.	2,948,500	1.08%	1.08%	2,948,500	1.08%	1.08%	0.00%
25	Sanyukta Investrade Pvt. Ltd.	2,710,000	1.00%	0.00%	2,710,000	1.00%	0.00%	0.00%
26	Sealord Erections Pvt. Ltd.	1,870,000	0.69%	0.69%	1,870,000	0.69%	0.69%	0.00%
27	Shameek Breweries Pvt. Ltd.	2,813,384	1.03%	1.03%	2,813,384	1.03%	1.03%	0.00%
28	Soham Proteins Pvt. Ltd.	1,596,384	0.59%	0.59%	1,596,384	0.59%	0.59%	0.00%
29	Swadeshi Finvest Pvt. Ltd.	1,406,000	0.52%	0.52%	1,406,000	0.52%	0.52%	0.00%
30	Tarana Exports Pvt. Ltd.	1,646,422	0.60%	0.60%	1,646,422	0.60%	0.60%	0.00%
31	Titanic Investment And Consultants Pvt. Ltd.	1,276,000	0.47%	0.47%	1,276,000	0.47%	0.47%	0.00%
32	Unique Proteins Pvt. Ltd.	2,384,954	0.88%	0.00%	2,384,954	0.88%	0.00%	0.00%
<b>Total</b>		<b>70,526,090</b>	<b>25.91%</b>	<b>18.58%</b>	<b>70,526,090</b>	<b>25.91%</b>	<b>18.58%</b>	<b>0.00%</b>

## iii Change in Promoter's Shareholding

Sr. No.	Particulars	Shareholding at the Beginning of the Year (i.e. As on April 01, 2016)		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)			Shareholding at the End of the Year (i.e. As on March 31, 2017)	
		No of shares	% of total shares of the company	Date	Increase/ (Decrease)	Change in No of shares	No.of shares	% of total shares of the company
		Nil						

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

Sr. No.	Name of the Shareholders	Shareholding at the Beginning of the Year (i.e. As on April 01, 2016)		Date	Increase/ (Decrease)	Increase/ (Decrease) in No of shares	Cumulative Share holding during the year		Shareholding at the End of the Year (i.e. As on March 31, 2017)	
		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	31,716,861	11.65	13-May-2016	(Decrease)	(3,000,000)	28,716,861	10.55%	25,716,861	9.45%
2	Albula Investment Fund Ltd	15,963,234	5.87	03-Jun-2016	(Decrease)	(3,000,000)	25,716,861	9.45%		
3	Lotus Global Investments Ltd -ADR/GDR	13,948,302	5.12	-	-	0	15,963,234	5.87%	15,963,234	5.87%
4	Amin Technology Services Private Limited	4,787,263	1.76	01 Apr 2016	Increase	900,000	13,948,302	5.12%	13,948,302	5.12%
5	Traub Automatics Private Limited	5,538,316	2.03	-	-	0	5,687,263	2.09%	5,687,263	2.09%
6	Bank J Safra Sarasin Ltd	0	0.00%	13 May 2016	Increase	3,000,000	5,538,316	2.03%	5,538,316	2.03%
				20 May 2016	(Decrease)	(518,000)	3,000,000	1.10%	4,483,000	1.65%
				27 May 2016	(Decrease)	(271,829)	2,482,000	0.91%		
				03 Jun 2016	Increase	2,858,829	2,210,171	0.81%		
				10 Jun 2016	(Decrease)	(90,000)	5,069,000	1.86%		
				17 Jun 2016	(Decrease)	(374,000)	4,979,000	1.83%		
				24 Jun 2016	(Decrease)	(122,000)	4,605,000	1.69%		
							4,483,000	1.65%		

contd..

Sr. No.	Name of the Shareholders	Shareholding at the Beginning of the Year (i.e. As on April 01, 2016)		Date	Increase/ (Decrease)	Increase/ (Decrease) in No of shares	Cumulative Share holding during the year		Shareholding at the End of the Year (i.e. As on March 31, 2017)	
		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
7	Elara India Opportunities Fund Limited	4,455,831	1.64	-	-	0	4,455,831	1.64%	4,455,831	1.64%
8	Softstar Mercantile Company Pvt. Ltd.	3,868,305	1.42	-	-	0	3,868,305	1.42%	3,868,305	1.42%
9	Arcadia Share & Stock Brokers Pvt Ltd	3,556,592	1.31	08 Apr 2016	(Decrease)	(2,050)	3,554,542	1.31%	3,583,033	1.32%
				15 Apr 2016	(Decrease)	(1,030)	3,553,512	1.31%		
				22 Apr 2016	(Decrease)	(6,000)	3,547,512	1.30%		
				29 Apr 2016	(Decrease)	(27,309)	3,520,203	1.29%		
				20 May 2016	Increase	625	3,520,828	1.29%		
				27 May 2016	(Decrease)	(425)	3,520,403	1.29%		
				03 Jun 2016	Increase	3,500	3,523,903	1.29%		
				10 Jun 2016	Increase	5,450	3,529,353	1.30%		
				17 Jun 2016	Increase	8,897	3,538,250	1.30%		
				24 Jun 2016	Increase	19,000	3,557,250	1.31%		
				30 Jun 2016	Increase	49,000	3,606,250	1.32%		
				01 Jul 2016	Increase	1,500	3,607,750	1.33%		
				08 Jul 2016	Increase	3,503	3,611,253	1.33%		
				15 Jul 2016	(Decrease)	(900)	3,610,353	1.33%		
				22 Jul 2016	Increase	400	3,610,753	1.33%		
				29 Jul 2016	(Decrease)	(4,700)	3,606,053	1.32%		
				19 Aug 2016	Increase	50	3,606,103	1.32%		
				26 Aug 2016	Increase	1,000	3,607,103	1.33%		
				09 Sep 2016	Increase	1,450	3,608,553	1.33%		
				16 Sep 2016	Increase	10,000	3,618,553	1.33%		
				23 Sep 2016	(Decrease)	(10,000)	3,608,553	1.33%		
				30 Sep 2016	(Decrease)	(2,000)	3,606,553	1.33%		
				07 Oct 2016	Increase	2,000	3,608,553	1.33%		

contd..

Sr. No.	Name of the Shareholders	Shareholding at the Beginning of the Year (i.e. As on April 01, 2016)		Date	Increase/ (Decrease)	Increase/ (Decrease) in No of shares	Cumulative Share holding during the year		Shareholding at the End of the Year (i.e. As on March 31, 2017)	
		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
				28 Oct 2016	(Decrease)	(55,320)	3,553,233	1.31%		
				11 Nov 2016	Increase	9,500	3,562,733	1.31%		
				18 Nov 2016	Increase	422	3,563,155	1.31%		
				25 Nov 2016	Increase	3,120	3,566,275	1.31%		
				02 Dec 2016	Increase	450	3,566,725	1.31%		
				09 Dec 2016	(Decrease)	(593)	3,566,132	1.31%		
				16 Dec 2016	(Decrease)	(772)	3,565,360	1.31%		
				23 Dec 2016	(Decrease)	(2,907)	3,562,453	1.31%		
				30 Dec 2016	Increase	32,380	3,594,833	1.32%		
				06 Jan 2017	(Decrease)	(890)	3,593,943	1.32%		
				13 Jan 2017	Increase	2,790	3,596,733	1.32%		
				20 Jan 2017	Increase	2,000	3,598,733	1.32%		
				27 Jan 2017	(Decrease)	(2,630)	3,596,103	1.32%		
				03 Feb 2017	(Decrease)	(10,870)	3,585,233	1.32%		
				10 Feb 2017	(Decrease)	(18,000)	3,567,233	1.31%		
				17 Feb 2017	(Decrease)	(6,200)	3,561,033	1.31%		
				24 Feb 2017	Increase	9,000	3,570,033	1.31%		
				03 Mar 2017	Increase	18,000	3,588,033	1.32%		
				17 Mar 2017	(Decrease)	(5,000)	3,583,033	1.32%		
10	Jittal Financial Services Private Limited	32,55,952	1.20	-	-	0	32,55,952	1.20%	32,55,952	1.20%

v Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of Director & Key Managerial Personnel	Shareholding at the Beginning of the Year (i.e. As on April 01, 2016)		Date	Increase/ (Decrease)	Increase/ (Decrease) in No of shares	Cumulative Share holding during the year		Shareholding at the End of the Year (i.e. As on March 31, 2017)	
		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%



**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	25,442,327,930	34,639,681,125	-	60,082,009,055
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>34,746,265,671</b>	-	<b>66,610,089,879</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	3,689,923,862	957,812,677	-	4,647,736,539
Reduction	498,872,316	488,536,214	-	987,408,530
<b>Net Change</b>	<b>3,191,051,546</b>	<b>469,276,463</b>	-	<b>3,660,328,009</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	25,714,318,896	34,770,391,411	-	60,484,710,307
ii) Interest due but not paid	9,079,412,713	445,150,723	-	9,524,563,436
iii) Interest accrued but not due	261,144,145	-	-	261,144,145
<b>Total (i+ii+iii)</b>	<b>35,054,875,754</b>	<b>35,215,542,134</b>	-	<b>70,270,417,888</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration To Managing Director, Whole Time Director and/or Manager:

Sr.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	-	2,400,000	2,400,000	
	(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>2,400,000</b>	<b>2,400,000</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.			

## B. Remuneration To Other Directors:

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

## C. Remuneration To Key Managerial Personnel Other Than MD / Manager / WTD:

Sr.No	Particulars of Remuneration	Key Managerial Personnel				Total
		MD	CFO	WTD	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	-	-	-	-	
	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	-	-	-	-	
Total		-	-	-	-	

**VII. 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 Punishment Compounding			NIL		
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding			NIL		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding			NIL		

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

**Place :** Mumbai  
**Date :** May 30, 2017

**Nitin Sandesara**      **Chetan Sandesara**  
Managing Director      Jt. Managing Director  
(DIN: 00255496)      (DIN: 00255671)

**(Annexure- 6 to the Director's 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.

**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 ( ₹ in Lacs)**

a. Earned: ₹ 4507.02 million

b. Used: ₹ 1,711.9 million

For and on behalf of the Board of Directors

**Place :** Mumbai

**Date :** May 30, 2017

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

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

## INDEPENDENT AUDITOR'S REPORT

To the Member(s)

**Sterling Biotech Limited**

### Report on the Ind AS Financial Statements

I have audited the accompanying Ind AS Financial Statements of **Sterling Biotech Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit & Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended on that date and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Ind AS 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 Ind AS Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements.

**Opinion**

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid Ind AS 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 31st March, 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the for the period ended on that date.

**Other matter**

The comparative financial information of the Company for the period ended 31 March 2016 and the transition date opening balance sheet as at 1 January 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared 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 Companies (Accounts) Rules, 2014, which were audited by me, on which I expressed an opinion dated May 30, 2016 and February 28, 2015, respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by me.

My opinion is not qualified in respect of the above matter.

**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 it appears from my examination of those books;
  - c) The Balance Sheet, Statement of Profit & Loss (including other comprehensive income), Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In my opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued there under,;
  - e) On the basis of written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director;
  - 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 Ind AS 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.
  - iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of account maintained by the Company. Refer note no. 9 to the Ind AS financial statements.

**For H. S. HATHI & CO.**

Chartered Accountants  
(Firm Registration No. 103596W)

**HEMANT S. HATHI**

Proprietor  
Membership No. 037109

**Place :** Mumbai

**Date :** May 30, 2017

## 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) According to the information and explanations given to me, the Company has granted loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the companies Act, 2013, in respect of which:
  - (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) According to the information and explanations given to me, the Company has not accepted any deposit 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 I 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, 2017 for a period of more than six months from the date they became payable.

- (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
State Sales Tax/Vat and CST	Sales Tax	13,894,892	2001-2002	Supreme Court
State Sales Tax/Vat and CST	Sales Tax	14,358,662	2002-2003	Supreme Court
State Sales Tax/Vat and CST	Sales Tax	1,417,651	2003-2004	Supreme Court
The Central Excise Act, 1944	Excise Duty	43,093,913	2008-2009	Commissioner of Central Excise
The Central Excise Act, 1944	Excise Duty	15,362,946	2009-2010	Commissioner of Central Excise
The Central Excise Act, 1944	Excise Duty	11,636,753	2009-2010	Commissioner of Central Excise
The Central Excise Act, 1944	Excise Duty	21,773,984	2010-2011	Commissioner of Central Excise
The Central Excise Act, 1944	Excise Duty	19,835,655	2011-2012	Commissioner of Central Excise
The Central Excise Act, 1944	Excise Duty	14,293,983	2011-2012 to 2012-2013	Commissioner of Central Excise
The Central Excise Act, 1944	Excise Duty	11,647,766	2012-2013 to 2013-2014	Commissioner of Central Excise
The Central Excise Act, 1944	Excise Duty	19,822,934	2013-2014	Commissioner of Central Excise
The Central Excise Act, 1944	Excise Duty	20,967,416	2014-2015	Commissioner of Central Excise
The Central Excise Act, 1944	Excise Duty	20,154,465	2005-2006 to 2008-2009	Commissioner of Central Excise
The Central Excise Act, 1944	Service Tax and Penalty	583,644	2005-2006 to 2008-2009	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Service Tax and Penalty	168,442	2008-2009 to 2009-2010	Assistant Commissioner of Central Excise

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	Service Tax and Penalty	26,074	2010-2011 to 2011-2012	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Show Cause for GTA	392,926	2008-2009 to 2011-2012	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Service Tax and Penalty	103,522	2011-2012 to 2012-2013	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Service Tax and Penalty	101,030	2012-2013 to 2013-2014	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Service Tax and Penalty	288,966	2013-2014 to 2014-2015	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Service Tax and Penalty	221,124	2014-2015 to 2015-2016	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Service Tax and Penalty	98,297	2015-2016	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Service Tax and Penalty	2,075,866	2008-2009 to 2013-2014	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Service Tax and Penalty	14,017	2012-2013 to 2013-2014	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Service Tax and Penalty	38,556	2013-2014 to 2014-2015	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Service Tax and Penalty	36,434	2014-2015 to 2015-2016	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Service Tax and Penalty	8,112	2015-2016	Assistant Commissioner of Central Excise

Name of the Statute	Nature of the dues	Amount unpaid	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1944 - Service Tax	Service Tax and Penalty	7,416,000	2013-2014	Joint Commissioner of Central Excise
The Finance Act, 1944 - Service Tax	Service Tax and Penalty	148,863	2015-2016	Deputy Commissioner of Central Excise

- (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 31.03.2017	Overdue for more than 90 days	Overdue for less than 90 days
Allahabad Bank	60.50	55.18	5.32
Andhra Bank	51.60	43.01	8.58
Bank of Baroda	100.27	92.50	7.76
Bank of India	81.72	74.40	7.32
Bank of Maharashtra	28.36	25.75	2.61
Catholyic Syrian Bank	0.88	-	0.88
HDFC Bank Ltd	1.60	-	1.60
IDBI Bank Ltd	55.10	52.95	2.15
Indian Overseas Bank	102.97	88.43	14.55
JM Financial ARC co pvt Ltd	10.02	6.23	3.79
Laxmi Vilas Bank	10.15	8.64	1.51
LIC of India	639.03	617.71	21.32
Oriental Bank of Commerce	11.86	11.01	0.85
Punjab National Bank	110.68	97.63	13.05
State Bank of India	281.08	275.55	5.53
Syndicate Bank	232.89	224.63	8.26
UCO Bank	393.94	378.06	15.88
Vijaya Bank	7.07	5.79	1.28
<b>TOTAL</b>	<b>2,179.70</b>	<b>2,057.45</b>	<b>122.25</b>

- (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 during the year 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 Ind AS 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 year 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 H. S. HATHI & CO.**

Chartered Accountants

(Firm Registration No. 103596W)

**HEMANT S. HATHI**

Proprietor

Membership No. 037109

**Place :** Mumbai

**Date :** May 30, 2017

## **Annexure 'B' to the Independent Auditor's 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, 2017 in conjunction with my audit of the standalone Ind AS Financial Statements of the Company for the 12 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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, 2017, 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.

**For H. S. HATHI & CO.**

Chartered Accountants

(Firm Registration No. 103596W)

**HEMANT S. HATHI**

Proprietor

Membership No. 037109

**Place :** Mumbai

**Dated :** May 30, 2017



**BALANCE SHEET AS AT MARCH 31, 2017**

Particulars	Note	As at 31 March 2017 ₹ Lacs	As at 31 March 2016 ₹ Lacs	As at 01 January 2015 ₹ Lacs
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	272,629.18	296,455.46	327,384.21
Capital work-in-progress	3	244,230.25	244,974.77	227,012.67
Financial assets				
Investments	4	158,207.12	155,243.63	136,648.39
Deferred tax assets (net)	5	37,958.27	18,007.56	(1,558.13)
Other non-current assets	6	14,142.80	16,238.03	18,857.07
		<b>727,167.62</b>	<b>730,919.45</b>	<b>708,344.21</b>
<b>Current Assets</b>				
Inventories	7	70,330.16	71,753.03	63,456.54
Financial assets				
Trade receivables	8	4,332.82	4,225.27	18,055.92
Cash and cash equivalents	9	1,692.81	1,663.88	1,765.92
Other current assets	10	31,985.80	27,460.53	22,793.32
		<b>108,341.59</b>	<b>105,102.71</b>	<b>106,071.71</b>
<b>Total assets</b>		<b>835,509.21</b>	<b>836,022.16</b>	<b>814,415.92</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	11	2,721.70	2,721.70	2,720.48
Other Equity	12	124,887.44	163,652.62	194,188.56
<b>Total Equity</b>		<b>127,609.14</b>	<b>166,374.32</b>	<b>196,909.04</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
Borrowings	13	399,151.90	416,607.33	336,797.30
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings	13	95,820.30	93,243.88	110,845.82
Trade Payables	14	3,789.80	2,233.49	2,469.06
Other Financial Liabilities	13	207,731.17	156,249.69	164,922.49
Other Current Liabilities	14	1,406.89	1,313.45	2,472.21
		<b>308,748.17</b>	<b>253,040.51</b>	<b>280,709.58</b>
<b>Total liabilities</b>		<b>707,900.07</b>	<b>669,647.84</b>	<b>617,506.89</b>
<b>Total equity and liabilities</b>		<b>835,509.21</b>	<b>836,022.16</b>	<b>814,415.92</b>

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

**For H.S.Hathi & Co.**

Chartered Accountants,  
Firm Regn.No.103596W

**Hemant S. Hathi**

Proprietor  
Membership No. 037109

**Place : Mumbai**

**Dated : May 30, 2017**

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

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

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

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

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	Note	Year ended 31 March 2017 ₹ Lacs	15 Months ended 31 March 2016 ₹ Lacs
Revenue from operations	16	40,018.95	56,053.13
Other income		397.70	784.95
<b>Total income (I)</b>		<b>40,416.64</b>	<b>56,838.08</b>
<b>Expenses</b>			
Cost of raw material and components consumed	17	25,860.60	44,437.31
Change in inventories of finished goods and work-in-progress	18	1,485.48	(8,993.27)
Excise Duty on sale of goods		3,176.39	3,654.11
Employee benefits expense	19	5,440.69	6,610.86
Finance costs		36,979.77	41,478.19
Depreciation & amortisation	20	26,354.78	34,514.48
Other expenses	21	2,798.43	3,898.51
<b>Total expenses (II)</b>		<b>102,096.15</b>	<b>125,600.19</b>
<b>Profit/(Loss) before exceptional item and tax (I-II)</b>		<b>(61,679.50)</b>	<b>(68,762.11)</b>
Less : Extraordinary Item		-	-
<b>Profit/(Loss) before tax</b>		<b>(61,679.50)</b>	<b>(68,762.11)</b>
Tax expense			
- Current tax		-	-
- Deferred tax		(20,434.00)	(23,715.00)
<b>Total tax expense</b>		<b>(20,434.00)</b>	<b>(23,715.00)</b>
<b>Profit/(Loss) for the period</b>		<b>(41,245.50)</b>	<b>(45,047.11)</b>
Other Comprehensive Income			
Items that will not to be reclassified to profit or loss			
Net (loss)/gain on FVTOCI of equity securities		2,963.61	18,588.27
Income tax effect		(483.29)	(4,149.32)
<b>Net other comprehensive income not to be reclassified to profit or loss</b>		<b>2,480.32</b>	<b>14,438.95</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>(38,765.19)</b>	<b>(30,608.15)</b>
Earning per equity share [Face value of Rs.1/- each]	22		
- Basic		(15.15)	(16.55)
- Diluted		(9.52)	(10.40)

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

**For H.S.Hathi & Co.**

Chartered Accountants,  
Firm Regn.No.103596W

**Hemant S. Hathi**

Proprietor  
Membership No. 037109

**Place : Mumbai**

**Dated : May 30, 2017**

**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 CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

## a. Equity share capital

Particulars	Numbers	Rupees
<b>Equity shares of ₹ 1/- each</b>	<b>No. in lacs</b>	<b>₹ Lacs</b>
<b>Authorised</b>		
At 01 January 2015	5,000.00	5,000.00
At 31 March 2016	5,000.00	5,000.00
At 31 March 2017	5,000.00	5,000.00
<b>Issued and Subscribed</b>		
At 01 January 2015	2,757.72	2,757.72
Issue of share capital (Note 11)	1.22	1.22
At 31 March 2016	2,758.94	2,758.94
At 31 March 2017	2,758.94	2,758.94
<b>Paid up (fully paid)</b>		
At 01 January 2015	2,720.48	2,720.48
Issue of share capital (Note 11)	1.22	1.22
At 31 March 2016	2,721.70	2,721.70
<b>At 31 March 2017</b>	<b>2,721.70</b>	<b>2,721.70</b>

## b. Other Equity

	Reserves and Surplus			Items of OCI	Total Other Equity
	Share Premium	Debenture Redemption Reserve	Retained earnings	FVTOCI reserve	
<b>For the year ended 31 March 2017</b>					
<b>As at 01 April 2016</b>	<b>100,133</b>	<b>4,982</b>	<b>(49,064)</b>	<b>107,601</b>	<b>163,653</b>
Profit for the year	-	-	(41,246)	-	(41,246)
Other comprehensive income	-	-	-	2,480	2,480
Total comprehensive income	-	-	(41,246)	2,480	(38,765)
Issue of share capital	-	-	-	-	-
<b>As at 31 March 2017</b>	<b>100,133</b>	<b>4,982</b>	<b>(90,310)</b>	<b>110,082</b>	<b>124,887</b>
<b>For the period ended 31 March 2016</b>					
<b>As at 01 January 2015</b>	<b>100,061</b>	<b>4,982</b>	<b>(4,017)</b>	<b>93,163</b>	<b>194,189</b>
Profit for the period	-	-	(45,047)	-	(45,047)
Other comprehensive income	-	-	-	14,439	14,439
Total comprehensive income	-	-	(45,047)	14,439	(30,608)
Issue of share capital	72	-	-	-	72
<b>As at 31 March 2016</b>	<b>100,133</b>	<b>4,982</b>	<b>(49,064)</b>	<b>107,601</b>	<b>163,653</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	Note	Year ended 31 March 2017 ₹ Lacs	15 Months ended 31 March 2016 ₹ Lacs
<b>A) Cash flow from operating activities:</b>			
Net Profit before taxation and exceptional items		(61,679.50)	(68,762.11)
Adjustments for			
- Depreciation/amortisation		26,354.78	34,514.48
- Interest expenses		36,979.77	41,478.19
<b>Operating profit before working capital changes</b>		<b>1,655.05</b>	<b>7,230.56</b>
Movement in working capital :			
(Increase)/Decrease in Trade Receivables		(107.55)	13,830.65
(Increase)/Decrease in Other Receivables		(4,525.27)	(4,667.21)
(Increase)/Decrease in Inventory		1,422.87	(8,296.49)
Increase/(Decrease) in Trade Payable (Current Liabilities)		1,649.75	(723.38)
		94.85	7,374.14
Direct Tax		-	(670.95)
<b>Net cash flow (used in)/from operating activities</b>	<b>(A)</b>	<b>94.85</b>	<b>6,703.19</b>
<b>B) Cash flows from investing activities</b>			
Sales / (Purchase) of fixed assets		(4,927.79)	(8,438.52)
Sales / (Purchase) of investments		0.12	(6.97)
<b>Net cash flow used in investing activities</b>	<b>(B)</b>	<b>(4,927.67)</b>	<b>(8,445.49)</b>
<b>C) Cash flows from financing activities</b>			
Proceeds from Issue of Preference Shares		5,856.50	34,720.84
Proceeds from Share Premium on issue of shares		-	0.00
Proceeds/(Repayment) of long term borrowings		35,755.49	24,386.36
Proceeds/(Repayment) of short term borrowings		229.53	(15,988.75)
Interest paid		(36,979.77)	(41,478.19)
Dividend & Dividend Tax		-	-
<b>Net cash (used in)/from financing activities</b>	<b>(C)</b>	<b>4,861.75</b>	<b>1,640.26</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(A+B+C)</b>	<b>28.93</b>	<b>(102.04)</b>
Cash and cash equivalents at the beginning of the year		1,663.88	1,765.92
<b>Cash and cash equivalents at the end of the year</b>		<b>1,692.81</b>	<b>1,663.88</b>

## Notes:

1. The Cash flow has been prepared under the Indirect Method as set out in Ind AS-7 on Cash Flow statement.
2. Figures in bracket represents Cash Outflow.

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

**For H.S.Hathi & Co.**

Chartered Accountants,  
Firm Regn.No.103596W

**Hemant S. Hathi**

Proprietor

Membership No. 037109

**Place : Mumbai**

**Dated : May 30, 2017**

**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 YEAR ENDED MARCH 31, 2017

### 1. Corporate Information

Sterling Biotech Limited ('The Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 applicable in India. The Equity shares of the Company are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at 43, Atlanta Building, Nariman Point, Mumbai - 400 021, Maharashtra, India.

The Company is engaged in the manufacturing of Pharma Grade Gelatine & Di-Calcium Phosphate and other Pharma products. The Company has presence in both domestic and international markets.

These financial statements were approved by the Company's Board of Directors and authorised for issue on 30 May 2017.

### 2. Significant Accounting Policies

#### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the period ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. The date of transition to Ind AS is 01 January 2015. Refer to note 27 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value: ? Land and buildings classified as property, plant and equipment, ? Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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 Significant Accounting Judgments, Estimates and Assumptions

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 Property, Plant and Equipment**

All the property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and net of 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. Freehold land is not depreciated.

Subsequent expenditures related to an item of property, plant and equipment 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 property, plant and equipment 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 property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

For the transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipments recognised as of 01 January 2015 (transition date) measured as per the previous GAAP and used that carrying value as deemed cost as of the transition date.

**2.4 Depreciation / Amortisation**

Depreciation is provided on pro-rata basis on the Straight Line Method (SLM) over the estimated useful lives of property, plant and equipments 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 property, plant and equipments, 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 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 of non-financial assets**

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 and sales tax.

**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 undiscovered 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 and is reflected under the appropriate heads of account. 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 require 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 Financial Instruments**

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

**(i) Financial Assets****a) Initial Recognition and Measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**b) Subsequent Measurement**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

**c) Derecognition**

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

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset

**d) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company follows 'Simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. net cash shortfalls), discounted at the original EIR.

Equity instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

**(ii) Financial Liabilities**

**a) Initial Recognition and Measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**b) Subsequent Measurement**

The measurement of financial liabilities depends on their classification, as described below:

Loans & Borrowings - After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

**c) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**d) Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.19 Fair Value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: In the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability

**2.20 Change in Accounting Year**

The Company had accounting year ending on December 31 every year till December 31, 2014. Pursuant to Section 2(41) of the Companies Act, 2013, the Company was required to change the accounting year from December to March. Therefore the previous financial statements were prepared for a period of fifteen months starting from 01 January 2015 and ended on 31 March 2016. Accordingly, the figures for the present financial year are not comparable to those of the pervious financial period.

## 3. Property, Plant and Equipment

Particulars	Land & Development	Leasehold Land	Buildings	Plant & machinery	Office Equipments & Furniture	Vehicles	Total
<b>Cost</b>							
As at 01 January 2015	3,414.90	6,377.90	35,307.87	278,376.24	1,857.50	2,049.79	327,384.21
Additions	-	-	113.87	728.31	53.80	83.37	979.34
Disposals	-	-	-	0.75	-	14.90	15.65
<b>As at 31 March 2016</b>	<b>3,414.90</b>	<b>6,377.90</b>	<b>35,421.74</b>	<b>279,103.80</b>	<b>1,911.29</b>	<b>2,118.26</b>	<b>328,347.90</b>
Additions	-	-	5.63	321.79	21.51	96.08	445.02
Disposals	-	-	-	-	-	39.61	39.61
<b>As at 31 March 2017</b>	<b>3,414.90</b>	<b>6,377.90</b>	<b>35,427.37</b>	<b>279,425.59</b>	<b>1,932.80</b>	<b>2,174.74</b>	<b>328,753.31</b>
<b>Depreciation</b>							
As at 01 January 2015	-	-	-	-	-	-	-
For the year	-	117.80	2,131.48	28,374.53	763.95	507.69	31,895.44
Disposals	-	-	-	0.03	-	2.97	3.01
<b>As at 31 March 2016</b>	<b>-</b>	<b>117.80</b>	<b>2,131.48</b>	<b>28,374.50</b>	<b>763.95</b>	<b>504.72</b>	<b>31,892.44</b>
For the year	-	67.31	1,706.96	21,618.73	507.94	358.60	24,259.55
Disposals	-	-	-	-	-	27.85	27.85
<b>As at 31 March 2017</b>	<b>-</b>	<b>185.11</b>	<b>3,838.44</b>	<b>49,993.23</b>	<b>1,271.89</b>	<b>835.47</b>	<b>56,124.13</b>
<b>Net Book Value</b>							
As at 01 January 2015	3,414.90	6,377.90	35,307.87	278,376.24	1,857.50	2,049.79	327,384.21
As at 31 March 2016	3,414.90	6,260.11	33,290.26	250,729.30	1,147.35	1,613.55	296,455.46
<b>As at 31 March 2017</b>	<b>3,414.90</b>	<b>6,192.79</b>	<b>31,588.93</b>	<b>229,432.36</b>	<b>660.92</b>	<b>1,339.28</b>	<b>272,629.18</b>

contd..

<b>Net Book Value</b>	<b>As at 31 March 2017 ₹ Lacs</b>	<b>As at 31 March 2016 ₹ Lacs</b>	<b>As at 01 January 2015 ₹ Lacs</b>
Property, Plant and Equipment	272,629.18	296,455.46	327,384.21
Capital Work in Progress	244,230.25	244,974.77	227,012.67

#### 4. Non-current Investments

<b>Particulars</b>	<b>As at 31 March 2017 ₹ Lacs</b>	<b>As at 31 March 2016 ₹ Lacs</b>	<b>As at 01 January 2015 ₹ Lacs</b>
<b>Investments at FVTOCI</b>			
Investments in Mutual Funds	168.99	124.34	132.84
Investments in Shares (Quoted)	56.76	41.18	42.19
Investments in Shares (Un-quoted)	157,980.81	155,077.43	136,472.68
National Savings Certificate	0.56	0.68	0.68
<b>Total</b>	<b>158,207.12</b>	<b>155,243.63</b>	<b>136,648.39</b>

#### 5. Deferred Tax Asset (net)

<b>Particulars</b>	<b>As at 31 March 2017 ₹ Lacs</b>	<b>As at 31 March 2016 ₹ Lacs</b>	<b>As at 01 January 2015 ₹ Lacs</b>
Deferred Tax Asset/(Liability)	69,185.99	48,751.99	25,036.99
Deferred Tax Liability recognised in FVTOCI	(31,227.72)	(30,744.43)	(26,595.11)
<b>Total</b>	<b>37,958.27</b>	<b>18,007.56</b>	<b>(1,558.13)</b>

#### 6. Other Non-current assets

<b>Particulars</b>	<b>As at 31 March 2017 ₹ Lacs</b>	<b>As at 31 March 2016 ₹ Lacs</b>	<b>As at 01 January 2015 ₹ Lacs</b>
Opening Balance	16,238.03	18,857.07	-
Add : Capitalised during the period	-	-	20,952.30
Less : Amortised during the period	2,095.23	2,619.04	2,095.23
<b>Closing Balance</b>	<b>14,142.80</b>	<b>16,238.03</b>	<b>18,857.07</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 (SO<sub>2</sub>), 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 ₹ 20,952.30 Lacs will be carried forward for 10 years and will be amortised over such period.

## 7. Inventories

Particulars	As at 31 March 2017 ₹ Lacs	As at 31 March 2016 ₹ Lacs	As at 01 January 2015 ₹ Lacs
Raw Materials	1,057.38	914.81	1,233.91
Stock in Process	67,266.73	68,969.24	60,469.73
Stores & Spares parts	698.13	778.09	1,155.77
Finished Goods	1,307.92	1,090.89	597.14
<b>Total</b>	<b>70,330.16</b>	<b>71,753.03</b>	<b>63,456.54</b>

## 8. Trade Receivables (Unsecured, Considered Good)

Particulars	As at 31 March 2017 ₹ Lacs	As at 31 March 2016 ₹ Lacs	As at 01 January 2015 ₹ Lacs
Outstanding for a period exceeding six months from the date they are due for payment	5.46	8.40	30.11
Other receivables	4,327.36	4,216.87	18,025.81
<b>Total</b>	<b>4,332.82</b>	<b>4,225.27</b>	<b>18,055.92</b>

**9. Cash and Bank Balances**

Particulars	As at 31 March 2017 ₹ Lacs	As at 31 March 2016 ₹ Lacs	As at 01 January 2015 ₹ Lacs
Cash and cash equivalents			
Cash on hand	27.44	32.25	23.67
Balances with banks			
In Current Account	1,235.83	1,226.20	1,081.67
In Fixed Deposits	429.54	405.44	660.58
<b>Total</b>	<b>1,692.81</b>	<b>1,663.88</b>	<b>1,765.92</b>
<b>Details of Specified Bank Notes (SBN)</b>	<b>SBN</b>	<b>Other Denomination Notes</b>	<b>Total</b>
	₹	₹	₹
Closing Cash in Hand as on November 08, 2016	802,000	366,529	1,168,529
Add: Permitted receipts*	-	3,934,772	3,934,772
Less: Permitted payments	802,000	3,297,669	4,099,669
Less: Amount deposited in Bank	-	-	-
<b>Closing Cash in Hand as on December 30, 2016</b>	<b>-</b>	<b>1,003,632</b>	<b>1,003,632</b>

\* All receipts shown above are based on withdrawal from various bank accounts across India.

**10. Other current assets**

Particulars	As at 31 March 2017 ₹ Lacs	As at 31 March 2016 ₹ Lacs	As at 01 January 2015 ₹ Lacs
Deposits	580.80	592.41	552.27
Balance with Excise & Other Government Authorities	1,128.75	1,115.70	953.97
Advance recoverable in cash or kind or for value to be received	30,276.25	25,752.42	21,287.08
<b>Total</b>	<b>31,985.80</b>	<b>27,460.53</b>	<b>22,793.32</b>

**11. Equity Share Capital**

	No. in Lacs	₹ Lacs
<b>Authorised Share Capital</b>		
<b>Equity share of ₹ 1/- each</b>		
At 01 January 2015	5,000.00	5,000.00
Increase/(decrease) during the period	-	-
At 31 March 2016	5,000.00	5,000.00
Increase/(decrease) during the year	-	-
<b>At 31 March 2017</b>	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued and Subscribed</b>		
<b>Equity share of ₹ 1/- each</b>		
At 01 January 2015	2,757.72	2,757.72
Increase/(decrease) during the period	1.22	1.22
At 31 March 2016	2,758.94	2,758.94
Increase/(decrease) during the year	-	-
<b>At 31 March 2017</b>	<b>2,758.94</b>	<b>2,758.94</b>
<b>Paid-up (fully paid)</b>		
<b>Equity share of ₹ 1/- each</b>		
At 01 January 2015	2,720.48	2,720.48
Increase/(decrease) during the period	1.22	1.22
At 31 March 2016	2,721.70	2,721.70
Increase/(decrease) during the year	-	-
<b>At 31 March 2017</b>	<b>2,721.70</b>	<b>2,721.70</b>

**Rights, preferences and restrictions attached to 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.

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at 31 March 2017		As at 31 March 2016	
	No. in Lacs	% holding	No. in Lacs	% holding
<b>Equity shares of ₹ 1/- each fully paid</b>				
Albula Investment Fund Limited	159.63	5.87%	159.63	5.87%
Lotus Global Investments Ltd-Adr/Gdr	139.48	5.12%	139.48	5.12%

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.



**12. Other Equity**

Particulars	As at 31 March 2017 ₹ Lacs	As at 31 March 2016 ₹ Lacs	As at 01 January 2015 ₹ Lacs
Share Premium Account	100,133.08	100,133.08	100,060.87
Debenture Redemption Reserve	4,982.14	4,982.14	4,982.14
Retained Earnings	19,772.21	58,537.40	89,145.55
<b>Total</b>	<b>124,887.44</b>	<b>163,652.62</b>	<b>194,188.56</b>

Refer statement of change in other equity for movement in components of other equity.

**13. Borrowings**

Particulars	As at 31 March 2017 ₹ Lacs	As at 31 March 2016 ₹ Lacs	As at 01 January 2015 ₹ Lacs
<b>Non-Current borrowings</b>			
<b>Secured</b>			
(Secured by way of first charge on Fixed Assets of the company, on pari passu basis)			
Term Loans from Banks	77,513.15	76,309.87	3,075.21
External Commercial Borrowings			
a) ECB 2009 aggregating USD Nil (31 March 2016: USD Nil)	-	-	16,387.03
b) ECB 2010 aggregating USD Nil (31 March 2016: USD 32,428,000)	-	21,510.43	39,207.27
<b>Unsecured</b>			
Foreign Currency Convertible Bonds	130,378.75	133,383.52	127,445.14
Zero Coupon Convertible Bonds due 2019 (Aggregating to USD 201,082,000 (31 March 2016: USD 201,082,000)			
8% Redeemable Cumulative Non-Participating Non-Convertible Preference Shares carrying no voting rights of ₹ 10/- each	191,258.50	184,245.00	150,682.66
Preference Share application money pending allotment	1.50	1,158.50	-
<b>Total</b>	<b>399,151.90</b>	<b>416,607.33</b>	<b>336,797.30</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/MCLR). 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 guarantees 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 7 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 continuous 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 summery of 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 of the Company. 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.
7. 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 at par 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 ₹ 36,064 Lacs.

Particulars	As at 31 March 2017 ₹ Lacs	As at 31 March 2016 ₹ Lacs	As at 01 January 2015 ₹ Lacs
<b>Current borrowings</b>			
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)	50,408.44	52,985.17	73,983.14
Interest accrued and due on working capital borrowings	22,697.81	19,891.55	14,882.33
Short Term Loans from Banks	22,714.06	20,367.17	21,980.36
<b>Total</b>	<b>95,820.30</b>	<b>93,243.88</b>	<b>110,845.82</b>

1. 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/MCLR). 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 Promoter Directors of the Company.
2. Interest rate on the Short Term Loans from Banks repayable during 2016 and 2015 vary in the range of 13.25% to 15% p.a.

Particulars	As at 31 March 2017 ₹ Lacs	As at 31 March 2016 ₹ Lacs	As at 01 January 2015 ₹ Lacs
<b>Other Financial Liabilities</b>			
Current maturities of long term borrowings [Including interest accrued and due]			
Term Loans from Banks	39,079.49	14,386.35	34,463.64
Redeemable Non-Convertible Debentures	63,902.59	55,568.22	46,992.49
External Commercial Borrowings			
a) ECB 2009 aggregating USD 42,699,794 (March 31, 2016: USD 40,466,713)	27,685.95	26,842.74	35,209.40
b) ECB 2010 aggregating USD 106,819,911 (March 31, 2016: USD 75,535,864)	69,260.53	50,105.13	38,898.08
Derivative Loss payable	7,802.61	9,347.24	9,358.87
<b>Total</b>	<b>207,731.17</b>	<b>156,249.69</b>	<b>164,922.49</b>

**14. Trade payables and Other Current Liabilities**

Particulars	As at 31 March 2017 ₹ Lacs	As at 31 March 2016 ₹ Lacs	As at 01 January 2015 ₹ Lacs
Trade payables	3,789.80	2,233.49	2,469.06
Other current liabilities	1,406.89	1,313.45	2,472.21
<b>Total</b>	<b>5,196.69</b>	<b>3,546.94</b>	<b>4,941.27</b>

**15. Contingent Liabilities (to the extent not provided for)**

Particulars	As at 31 March 2017 ₹ Lacs	As at 31 March 2016 ₹ Lacs	As at 01 January 2015 ₹ Lacs
Estimated amount of contracts remaining to be executed on capital account	108.47	304.66	92.43
Claims against the Company not acknowledged as debts			
(i) Excise Duty & Service Tax	4,090.39	3,367.75	2,883.15
(ii) Sales Tax	296.71	296.71	296.71
(iii) Income Tax	6,078.40	6,081.44	3.03

**16. Revenue**

Particular	Year ended 31 March 2017 ₹ Lacs	15 Months ended 31 March 2016 ₹ Lacs
Sale of Finished goods	40,018.95	56,053.13
<b>Revenue from operations</b>	<b>40,018.95</b>	<b>56,053.13</b>

**17. Cost of material consumed**

Particular	Year ended 31 March 2017 ₹ Lacs	15 Months ended 31 March 2016 ₹ Lacs
Opening Stock	1,692.90	2,389.68
Add: Purchases	25,923.21	43,740.53
	27,616.11	46,130.21
Less: Closing Stock	1,755.51	1,692.90
<b>Total</b>	<b>25,860.60</b>	<b>44,437.31</b>

**18. Changes in inventory of finished goods and work-in-progress**

Particular	Year ended 31 March 2017 ₹ Lacs	15 Months ended 31 March 2016 ₹ Lacs
Inventory at the end of the period		
Finished goods	1,307.92	1,090.89
Work-in-progress	67,266.73	68,969.24
	68,574.65	70,060.13
Inventory at the beginning of the period		
Finished goods	1,090.89	597.14
Work-in-progress	68,969.24	81,422.03
	70,060.13	82,019.16
Less : transferred to other Non-current Assets	-	20,952.30
	70,060.13	61,066.86
<b>(Increase)/decrease in inventory</b>	<b>1,485.48</b>	<b>(8,993.27)</b>

**19. Employee benefits expense**

Particular	Year ended 31 March 2017 ₹ Lacs	15 Months ended 31 March 2016 ₹ Lacs
Salaries, Wages & Bonus	4,899.32	5,956.64
Contribution to Provident Fund & Other funds	257.19	269.73
Staff Welfare expenses	284.18	384.49
<b>Total</b>	<b>5,440.69</b>	<b>6,610.86</b>
Managerial Remuneration (included above) <b>Salary (including Bonus)</b>	<b>24.00</b>	<b>30.00</b>

**20. Depreciation and amortisation**

Particular	Year ended 31 March 2017 ₹ Lacs	15 Months ended 31 March 2016 ₹ Lacs
Depreciation on fixed assets	24,259.55	31,895.44
Amortisation of Non-current Assets	2,095.23	2,619.04
<b>Total</b>	<b>26,354.78</b>	<b>34,514.48</b>

**21. Other expenses**

Particular	Year ended 31 March 2017 ₹ Lacs	15 Months ended 31 March 2016 ₹ Lacs
Repair & Maintenance: Buildings	7.74	42.38
Repair & Maintenance: Plant & Machinery	662.47	1,047.97
Travelling & Conveyance	418.30	519.46
Telephone & Telex	65.31	81.99
Printing & Stationery	27.51	41.36
Postage, Telegram & Courier	15.77	19.84
Office Expenses	1,198.26	1,478.25
Selling & Distribution Expenses	403.08	667.25
<b>Total</b>	<b>2,798.43</b>	<b>3,898.51</b>
Auditors Remuneration (Included in Office expenses)		
Audit Fees	4.00	4.00
Tax Audit Fees	1.50	1.50
Taxation and other matters	2.00	2.00
Service Tax	1.13	1.09
<b>Total</b>	<b>8.63</b>	<b>8.59</b>

**22. Earnings per share (EPS)**

Particular	Year ended 31 March 2017 ₹ Lacs	15 Months ended 31 March 2016 ₹ Lacs
a. Total Loss for the period	(41,245.50)	(45,047.11)
b. Nominal value of each Equity share (₹)	1.00	1.00
c. Weighted average No. of Equity Shares for Basic EPS	2,721.70	2,721.70
d. Basic Earnings per Share (₹) (a/c)	(15.15)	(16.55)
e. Weighted average No. of Equity Shares for Diluted EPS	4,330.36	4,330.36
f. Diluted Earnings per Share (₹) (a/e)	(9.52)	(10.40)

**23. Foreign Currency Earnings and Expenditure**

Particular	Year ended 31 March 2017 ₹ Lacs	15 Months ended 31 March 2016 ₹ Lacs
a. FOB value of Exports	4,507.02	12,191.08
b. CIF Value of Imports	142.08	136.27
c. Other Expenditure	1,569.82	96.87

**24. Segmental Reporting**

The company's operations fall under single segment and there are no reportable segments in accordance with Ind AS 108 on 'Operating Segments'.

**25. Financial Instruments****25.1 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

**25.2 Categorization of Financial Instruments**

Particulars	As at 31 March 2017 ₹ Lacs	As at 31 March 2016 ₹ Lacs	As at 01 January 2015 ₹ Lacs
<b>(i) Financial Assets</b>			
(a) Investments at FVTOCI (note 4)	158,207.12	155,243.63	136,648.39
(b) Measured at Amortised Cost			
Trade receivables (note 8)	4,332.82	4,225.27	18,055.92
Cash and cash equivalents (note 9)	1,692.81	1,663.88	1,765.92
Other current assets (note 10)	31,985.80	27,460.53	22,793.32
	<b>38,011.43</b>	<b>33,349.68</b>	<b>42,615.17</b>
<b>(ii) Financial Liabilities</b>			
Measured at Amortised Cost			
Borrowings (Non-current) (note 13)	399,151.90	416,607.33	336,797.30
Borrowings (Current) (note 13)	95,820.30	93,243.88	110,845.82
Trade Payables (note 14)	3,789.80	2,233.49	2,469.06
Other Financial Liabilities (note 13)	207,731.17	156,249.69	164,922.49
Other Current Liabilities (note 14)	1,406.89	1,313.45	2,472.21
	<b>707,900.07</b>	<b>669,647.84</b>	<b>617,506.89</b>

**25.3 Financial Risk Management Objectives**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of the financial markets and seek to minimize the potential adverse effects on its financial performance.

**(i) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such commodity price risk. Financial instruments affected by market risk includes trade receivables, deposits and current investments.

**(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company have long term debt obligation hence highly affected by interest rates fluctuations. The mark to market valuation of its portfolio is impact by fluctuation of the interest rates.

**(iii) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. The Company has an international business and some part of its sales are in foreign currencies which exposes to changes in foreign exchange rates. Fluctuating rupee can



impact the realisation of its receivables. The maximum export sales are done on advance payment basis and outstanding export receivable are not insignificant. However, the foreign currency loans will have a significant impact on the Company's foreign currency risk.

**(iv) Commodity Price Risk**

The Company is affected by the price volatility of its key raw materials. Its operating activities requires a continuous supply of key material for manufacturing of Gelatine and pharma products. The Company's procurement department continuously monitor the fluctuation in price and take necessary action to minimise its price risk exposure.

**(v) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its treasury operation. The Company majorly sells its goods on advance payment basis and hence not subject to credit risk for its receivables.

**(vi) Liquidity Risk**

As of March 31, 2017, the Company has working capital of ₹103,144.90 lacs (current assets of ₹ 108,341.59 lacs including cash and cash equivalents of ₹ 1,692.81 lacs). The Company has outstanding bank borrowings of ₹ 303,551.48 lacs as working capital borrowings, short term loans and current maturities of long term loans. Accordingly, the high liquidity risk is perceived.

**25.4 Fair Value Measurement**

The management assessed that fair value of loans, cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

- i) The fair value of unquoted instruments are evaluated by the Company based on parameters such as interest rates and its investments rating.
- ii) The fair values of the quoted instruments are based on price quotations at the reporting date.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

**26. Related Party Disclosure****A. Names of Related Parties and relationship****i) Details of Key Management Personnel**

Mr. Nitin J. Sandesara	Managing Director
Mr. Chetan J. 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 Ltd.  
 Sterling Exploration & Energy Production Co. Ltd.  
 Sterling Oil Exploration & Energy Production Co. Ltd.

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

Particular	Nature of transaction	Year ended 31 March 2017 ₹ Lacs	15 Months ended 31 March 2016 ₹ Lacs
1 Mr. Chetan J. Sandesara	Remuneration	24.00	30.00
2 Sterling SEZ and Infrastructure Limited	Loans & Advances Maximum amount outstanding	- 0.78	- 30,473.91
3 Sterling Port Limited	Loans & Advances Maximum amount outstanding	0.51 (367.70)	- 7,659.59
4 Sterling Oil Resources Limited	Loans & Advances Maximum amount outstanding	- (1,217.00)	(1,217.00) (8,090.82)
5 PMT Machines Limited	Loans & Advances Maximum amount outstanding	- (465.00)	- -

Particular	Nature of transaction	Year ended 31 March 2017 ₹ Lacs	15 Months ended 31 March 2016 ₹ Lacs
6 Sterling SEZ and Infrastructure Limited	Investment	4,875.00	4,875.00
7 Sterling Oil Resources Limited		500.00	500.00
8 Sterling Port Limited		9,900.00	9,900.00
9 Atlantic Bluewater Services Pvt. Ltd.		4.97	4.97
10 British Oil & Gas Exploration Pvt. Ltd.		5.46	5.46
11 Sterling Exploration & Energy Production Co. Ltd.		6.97	6.97
12 Sterling SEZ and Infrastructure Limited	Preference Share Capital (incl. Appln Money)	22,928.50	17,918.50
13 Sterling Port Limited		138,240.00	137,395.00
14 PMT Machines Limited		30,090.00	30,090.00

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, on pari-passu basis with existing charge holders.

## 27. First time Adoption Reconciliations

The Company has prepared the opening balance sheet as per Ind AS as of January 01, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

### Deemed Cost of Property, Plant and Equipment and Intangible Assets

The Company has elected to continue with the carrying value of all its property, plant and equipments recognised as of January 01, 2015 (transition date) measured as the previous GAAP and used that carrying value as deemed cost as of the transition date.

## 27.1 Effect of Ind AS Adoption on the Balance Sheet as at March 31, 2016 and January 01, 2015

₹ Lacs

Particulars	Foot Note	Previous GAAP		Adjustments		Ind AS	
		As at 31 March 2016	As at 01 January 2015	As at 31 March 2016	As at 01 January 2015	As at 31 March 2016	As at 01 January 2015
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	3	295,837.11	327,384.21	618.35	-	296,455.46	327,384.21
Capital work-in-progress		244,974.77	227,012.67	-	-	244,974.77	227,012.67
Financial assets							
Investments	2	16,897.72	16,890.75	138,345.92	119,757.65	155,243.63	136,648.39
Deferred tax assets (net)	2	47,547.99	25,036.99	(29,540.43)	(26,595.11)	18,007.56	(1,558.13)
Other non-current assets		16,238.03	18,857.07	-	-	16,238.03	18,857.07
<b>Current Assets</b>		<b>621,495.61</b>	<b>615,181.68</b>	<b>109,423.84</b>	<b>93,162.53</b>	<b>730,919.45</b>	<b>708,344.21</b>
Inventories		71,753.03	63,456.54	-	-	71,753.03	63,456.54
Financial assets							
Trade receivables		4,225.27	18,055.92	-	-	4,225.27	18,055.92
Cash and cash equivalents		1,663.88	1,765.92	-	-	1,663.88	1,765.92
Other current assets		27,460.53	22,793.32	-	-	27,460.53	22,793.32
		105,102.71	106,071.71	-	-	105,102.71	106,071.71
<b>Total assets</b>		<b>726,598.33</b>	<b>721,253.39</b>	<b>109,423.84</b>	<b>93,162.53</b>	<b>836,022.16</b>	<b>814,415.92</b>

contd..

Particulars	Foot Note	Previous GAAP		Adjustments		Ind AS	
		As at 31 March 2016	As at 01 January 2015	As at 31 March 2016	As at 01 January 2015	As at 31 March 2016	As at 01 January 2015
<b>Equity and liabilities</b>							
<b>Equity</b>							
Share capital	4	186,966.70	153,403.14	(184,245.00)	(150,682.66)	2,721.70	2,720.48
Other Equity	2, 3	54,228.78	101,026.03	109,423.84	93,162.53	163,652.62	194,188.56
Share Application Money	4	1,158.50	-	(1,158.50)	-	-	-
<b>Total Equity</b>		<b>242,353.99</b>	<b>254,429.17</b>	<b>(75,979.66)</b>	<b>(57,520.13)</b>	<b>166,374.32</b>	<b>196,909.04</b>
<b>Non-current liabilities</b>							
<b>Financial Liabilities</b>							
Borrowings	4	231,203.83	186,114.64	185,403.50	150,682.66	416,607.33	336,797.30
Current liabilities							
Financial Liabilities							
Borrowings		93,243.88	110,845.82	-	-	93,243.88	110,845.82
Trade Payables		2,233.49	2,469.06	-	-	2,233.49	2,469.06
Other Financial Liabilities		156,249.69	164,922.49	-	-	156,249.69	164,922.49
Other Current Liabilities		1,313.45	2,472.21	-	-	1,313.45	2,472.21
		<b>253,040.51</b>	<b>280,709.58</b>	-	-	<b>253,040.51</b>	<b>280,709.58</b>
<b>Total liabilities</b>		<b>484,244.34</b>	<b>466,824.23</b>	<b>185,403.50</b>	<b>150,682.66</b>	<b>669,647.84</b>	<b>617,506.89</b>
<b>Total equity and liabilities</b>		<b>726,598.33</b>	<b>721,253.39</b>	<b>109,423.84</b>	<b>93,162.53</b>	<b>836,022.16</b>	<b>814,415.92</b>

**27.2 Effect of Ind AS Adoption on the Statement of Profit and Loss for the year ended March 31, 2016**

(₹ in Lacs)

Particulars	Foot Note	Previous GAAP	Adjustments	Ind AS
Revenue from operations	5	52,399.02	3,654.11	56,053.13
Other income		784.95	-	784.95
<b>Total income (I)</b>		<b>53,183.97</b>	<b>3,654.11</b>	<b>56,838.08</b>
<b>Expenses</b>				
Cost of raw material and components consumed		44,437.31	-	44,437.31
Change in inventories of finished goods and work-in-progress		(8,993.27)	-	(8,993.27)
Excise Duty on sale of goods	5	-	3,654.11	3,654.11
Employee benefits expense		6,610.86	-	6,610.86
Other expenses		3,898.51	-	3,898.51
Depreciation & amortisation	3	35,132.83	(618.35)	34,514.48
Finance costs		41,478.19	-	41,478.19
<b>Total expenses (II)</b>		<b>122,564.43</b>	<b>3,035.76</b>	<b>125,600.19</b>
<b>Profit/(Loss) before exceptional item and tax (I-II)</b>		<b>(69,380.46)</b>	<b>618.35</b>	<b>(68,762.11)</b>
Less : Extraordinary Item		-	-	-
<b>Profit/(Loss) before tax</b>		<b>(69,380.46)</b>	<b>618.35</b>	<b>(68,762.11)</b>
Tax expense				
- Current tax		-	-	-
- Deferred tax		(22,511.00)	(1,204.00)	(23,715.00)
<b>Total tax expense</b>		<b>(22,511.00)</b>	<b>(1,204.00)</b>	<b>(23,715.00)</b>
<b>Profit/(Loss) for the period</b>		<b>(46,869.46)</b>	<b>1,822.35</b>	<b>(45,047.11)</b>
<b>Other Comprehensive Income</b>				
Items that will not to be reclassified to profit or loss				
Net (loss)/gain on FVTOCI of equity securities	6	-	18,588.27	18,588.27
Income tax effect	6	-	(4,149.32)	(4,149.32)
<b>Net other comprehensive income not to be reclassified to profit or loss</b>		<b>-</b>	<b>14,438.95</b>	<b>14,438.95</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>(46,869.46)</b>	<b>16,261.31</b>	<b>(30,608.15)</b>

**Foot Notes to effect of Ind AS Adoption on the Balance sheet as at March 31, 2016 and January 01, 2015 and the statement of Profit and Loss for the year ended March 31, 2016.**

- 1 Previous GAAP figures have been regrouped/rearranged wherever necessary to make them comparable in line with Ind AS.
- 2 Under Indian GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value

of investments. Under Ind AS, the Company has designated such investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes.

- 3 The Company has elected to continue with the carrying value of all its property, plant and equipments recognised as of January 01, 2015 (transition date) measured as the previous GAAP and used that carrying value as deemed cost as of the transition date. Accordingly, for the year ended on 31 March 2016, decrease in depreciation was credited in the statement of profit and loss.
- 4 The Company has issues 8% redeemable cumulative non-participating non-convertible preference shares. The preference shares carry fixed cumulative dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity. Under Ind AS, non-convertible preference shares including share application money are recognised into financial liability. Thus the preference share capital is reduced from share capital with a corresponding increase in borrowings as liability component.
- 5 Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased with a corresponding increase in operating expense.
- 6 Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.
- 7 The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

## 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 period figures

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

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

**For H.S.Hathi & Co.**

Chartered Accountants,  
Firm Regn.No.103596W

**Hemant S. Hathi**

Proprietor

Membership No. 037109

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

**Nitin Sandesara**

Managing Director  
(DIN:00255496)

**Rajbhushan Dixit**

Director  
(DIN:00025484)

**Chetan Sandesara**

Jt.Managing Director  
(DIN:00255671)

**Place : Mumbai**

**Dated : May 30, 2017**

## STERLING BIOTECH LIMITED

CIN : L51900MH1985PLC035738

**Registered Office:** 43, Atlanta Building, Nariman Point, Mumbai - 400 021, Maharashtra, India  
**Tel No:** +91-22- 66306732 | **E Mail :** 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]

31<sup>st</sup> Annual General Meeting Saturday, September 30, 2017 at 10:30 a.m.

**Name of the Member(s) :** \_\_\_\_\_

**Registered Address :** \_\_\_\_\_

**E Mail ID :** \_\_\_\_\_

**Folio No. :** \_\_\_\_\_

**Client ID\* :** \_\_\_\_\_

**DP ID\* :** \_\_\_\_\_

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

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

**1. Name** \_\_\_\_\_

**Address** \_\_\_\_\_

**E-Mail ID** \_\_\_\_\_

**Signature** \_\_\_\_\_, or failing him

**2. Name** \_\_\_\_\_

**Address** \_\_\_\_\_

**E-Mail ID** \_\_\_\_\_

**Signature** \_\_\_\_\_, or failing him

**3. Name** \_\_\_\_\_

**Address** \_\_\_\_\_

**E-Mail ID** \_\_\_\_\_

**Signature** \_\_\_\_\_



as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **31<sup>st</sup> Annual General Meeting of the Company, to be held on Saturday, the 30th day of September, 2017 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 Year ended on March 31, 2017 and the Reports of the Board of Directors and Auditors thereon.
2	Appointment of 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 M/s. Mukesh & Associates Chartered Accountants (Firm Registration No.106599W), as the Statutory Auditors of the Company and to fix their remuneration
<b>Special Business</b>	
4	To Issue of unlisted 8 % Redeemable Cumulative Non-Participating Non- Convertible preference shares carrying no voting rights.

Signed ..... this .....day of ..... 2017.

\_\_\_\_\_  
Signature of Shareholder(s)

\_\_\_\_\_  
Signature of Proxyholder(s)

Affix ₹1  
Revenue Stamp  
with Proxy's  
Signature

**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 - 400 021, Maharashtra, India  
**Tel No:** +91-22- 66306732 | **E Mail :** sterlingbiotech@stergel.com | **Website :** www.sterlingbiotech.in

### ATTENDANCE SLIP

31<sup>st</sup> Annual General Meeting  
Saturday, September 30, 2017 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 **31<sup>st</sup> Annual General Meeting** of the Company held on Saturday, the 30<sup>th</sup> day of September 2017 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.

\_\_\_\_\_  
**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.





**STERLING BIOTECH LIMITED****Registered Office:**

43, Atlanta Building, Nariman Point,  
Mumbai - 400 021, Maharashtra, India

**Website :** [www.sterlingbiotech.in](http://www.sterlingbiotech.in)