

September 30, 2016

SPEED POST & E-MAIL

To,  
Corporate Relationship Dept.,  
**BSE LIMITED,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
**MUMBAI – 400 001**

Script Code : 526725

✓ The Manager, Listing Department,  
**NATIONAL STOCK EXCHANGE OF INDIA LTD.,**  
“Exchange Plaza”, C-1, Block – G,  
Bandra-Kurla Complex, Bandra (E),  
**MUMBAI – 400 051**

NSE Symbol : SANDESH (EQ.)

**Re: Disclosure of Voting Results at the 73<sup>rd</sup> Annual General Meeting, Proceedings of Annual General Meeting and submission of 73<sup>rd</sup> Annual Report of the Company**

Dear Sir / Madam,

Apropos the captioned subject and in furtherance to the Notice of 73<sup>rd</sup> Annual General Meeting of the Company, the 73<sup>rd</sup> Annual General Meeting of the Company was held on Friday, September 30, 2016 at 10:00 AM at Gujarat Law Society Auditorium, G L S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 (Gujarat). In compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Regulations'), please find enclosed herewith the following:

1. Voting Results as required under Regulation 44 of the Regulations along with copy of the Report of the Scrutinizer;
2. Declaration of Voting Results of remote e-voting and poll;
3. Proceedings of Annual General Meeting as required under Regulation 30 read with Part A of Schedule II of the Regulations; and
4. Copy of the Annual Report, in compliance with Regulation 34 of the Regulations, as approved and adopted in the 73<sup>rd</sup> Annual General Meeting as per the provisions of the Companies Act, 2013.

The Voting Results as enclosed herewith are also posted on the website of the Company.

Further, we also like to intimate that following Directors have been appointed / reappointed at the 73<sup>rd</sup> Annual General Meeting:

1. Shri Parthiv F. Patel (DIN 00050211), who was liable to retire by rotation and being eligible offered himself for the reappointment, was duly appointed; and
2. Shri Falgunbhai C. Patel (DIN 00050174) was reappointed as Managing Director of the Company.

We request to take on your record the above.

Thanking you,

Yours sincerely,

For, **THE SANDESH LIMITED**

  
Dhaval Pandya  
COMPLIANCE OFFICER



**ENCL: AS ABOVE**

**CC TO:**

Central Depository Services (India) Limited,  
Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Fort, Mumbai – 400001

**THE SANDESH LIMITED** (CIN : L22121GJ1943PLC000183)

REGD. OFFICE : SANDESH BHAVAN, LAD SOCIETY ROAD, B/H. VASTRAPUR GAM, P.O. BODAKDEV, AHMEDABAD-380 054.

PHONE : (079) 40004319, 40004175, FAX NO. 91-079-40004242. E-mail : [secretarial@sandesh.com](mailto:secretarial@sandesh.com), [cs@sandesh.com](mailto:cs@sandesh.com)

VISIT US : [WWW.SANDESH.COM](http://WWW.SANDESH.COM)

## Format for Voting Results

|                                                                               |                                  |
|-------------------------------------------------------------------------------|----------------------------------|
| Date of the AGM                                                               | 30 <sup>th</sup> September, 2016 |
| Total number of shareholders on record date<br>(Cut-off date: 23.09.2016)     | 4748                             |
| No. of shareholders present in the meeting either in person or through proxy: |                                  |
| Promoters and Promoter Group:                                                 | 06                               |
| Public:                                                                       | 20                               |
| No. of Shareholders attended the meeting through Video Conferencing           | Not applicable                   |
| Promoters and Promoter Group:                                                 |                                  |
| Public:                                                                       |                                  |

### Agenda- wise disclosure (to be disclosed separately for each agenda item):

| Resolution No. 1: To receive, consider, approve and adopt Audited Standalone and consolidated Financial Statement for the year ended March 31, 2016 together with the reports of the Board and Auditors thereon |                |                    |                     |                                         |                          |                        |                                      |                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------|---------------------|-----------------------------------------|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Resolution required: (Ordinary/ Special)                                                                                                                                                                        |                |                    | Ordinary Resolution |                                         |                          |                        |                                      |                                    |
| Whether promoter / promoter group are interested in the agenda / resolution?                                                                                                                                    |                |                    | No                  |                                         |                          |                        |                                      |                                    |
| Category                                                                                                                                                                                                        | Mode of Voting | No. of shares held | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|                                                                                                                                                                                                                 |                | (1)                | (2)                 | (3)=[(2)/(1)]*100                       | (4)                      | (5)                    | (6)=[(4)/(2)]*100                    | (7)=[(5)/(2)]*100                  |
| Promoter and Promoter Group                                                                                                                                                                                     | E-Voting       | 5663017            | 5663017             | 100                                     | 5663017                  | 0                      | 100                                  | 0                                  |
|                                                                                                                                                                                                                 | Poll           |                    | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|                                                                                                                                                                                                                 | Total          | 5663017            | 5663017             | 100                                     | 5663017                  | 0                      | 100                                  | 0                                  |
| Public-Institutions                                                                                                                                                                                             | E-Voting       | 1027               | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|                                                                                                                                                                                                                 | Poll           |                    | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|                                                                                                                                                                                                                 | Total          | 1027               | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
| Public- Non Institutions                                                                                                                                                                                        | E-Voting       | 1905377            | 77523               | 4.07                                    | 77523                    | 0                      | 100                                  | 0                                  |
|                                                                                                                                                                                                                 | Poll           |                    | 525                 | 0.03                                    | 525                      | 0                      | 100                                  | 0                                  |
|                                                                                                                                                                                                                 | Total          | 1905377            | 78048               | 4.10                                    | 78048                    | 0                      | 100                                  | 0                                  |
| Total                                                                                                                                                                                                           |                | 7569421            | 5741065             | 75.85                                   | 5741065                  | 0                      | 100                                  | 0                                  |



| Resolution No. 2: To confirm the Interim Dividend of Rs. 5/- per equity share of Rs. 10/- each paid on Equity Shares of the Company as a Final Dividend for the Financial Year 2015-16 |                |                    |                     |                                         |                          |                        |                                      |                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------|---------------------|-----------------------------------------|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Resolution required: (Ordinary/ Special)                                                                                                                                               |                |                    | Ordinary Resolution |                                         |                          |                        |                                      |                                    |
| Whether promoter / promoter group are interested in the agenda / resolution?                                                                                                           |                |                    | No                  |                                         |                          |                        |                                      |                                    |
| Category                                                                                                                                                                               | Mode of Voting | No. of shares held | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|                                                                                                                                                                                        |                | (1)                | (2)                 | (3)=[(2)/(1)]*100                       | (4)                      | (5)                    | (6)=[(4)/(2)]*100                    | (7)=[(5)/(2)]*100                  |
| Promoter and Promoter Group                                                                                                                                                            | E-Voting       | 5663017            | 5663017             | 100                                     | 5663017                  | 0                      | 100                                  | 0                                  |
|                                                                                                                                                                                        | Poll           |                    | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|                                                                                                                                                                                        | Total          | 5663017            | 5663017             | 100                                     | 5663017                  | 0                      | 100                                  | 0                                  |
| Public-Institutions                                                                                                                                                                    | E-Voting       | 1027               | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|                                                                                                                                                                                        | Poll           |                    | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|                                                                                                                                                                                        | Total          | 1027               | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
| Public- Non Institutions                                                                                                                                                               | E-Voting       | 1905377            | 77523               | 4.07                                    | 77523                    | 0                      | 100                                  | 0                                  |
|                                                                                                                                                                                        | Poll           |                    | 525                 | 0.03                                    | 525                      | 0                      | 100                                  | 0                                  |
|                                                                                                                                                                                        | Total          | 1905377            | 78048               | 4.10                                    | 78048                    | 0                      | 100                                  | 0                                  |
| Total                                                                                                                                                                                  |                | 7569421            | 5741065             | 75.85                                   | 5741065                  | 0                      | 100                                  | 0                                  |

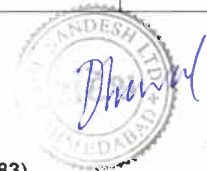
| Resolution No. 3: To appoint a Director in place of Shri Parthiv F. Patel (DIN 00050211) who retires by rotation and being eligible, offers himself for re-appointment |                |                    |                     |                                         |                          |                        |                                      |                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------|---------------------|-----------------------------------------|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Resolution required: (Ordinary/ Special)                                                                                                                               |                |                    | Ordinary Resolution |                                         |                          |                        |                                      |                                    |
| Whether promoter / promoter group are interested in the agenda / resolution?                                                                                           |                |                    | Yes                 |                                         |                          |                        |                                      |                                    |
| Category                                                                                                                                                               | Mode of Voting | No. of shares held | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|                                                                                                                                                                        |                | (1)                | (2)                 | (3)=[(2)/(1)]*100                       | (4)                      | (5)                    | (6)=[(4)/(2)]*100                    | (7)=[(5)/(2)]*100                  |
| Promoter and Promoter Group                                                                                                                                            | E-Voting       | 5663017            | 5663017             | 100                                     | 5663017                  | 0                      | 100                                  | 0                                  |
|                                                                                                                                                                        | Poll           |                    | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|                                                                                                                                                                        | Total          | 5663017            | 5663017             | 100                                     | 5663017                  | 0                      | 100                                  | 0                                  |
| Public-Institutions                                                                                                                                                    | E-Voting       | 1027               | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|                                                                                                                                                                        | Poll           |                    | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|                                                                                                                                                                        | Total          | 1027               | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
| Public- Non Institutions                                                                                                                                               | E-Voting       | 1905377            | 77523               | 4.07                                    | 75423                    | 2100                   | 97.29                                | 2.71                               |
|                                                                                                                                                                        | Poll           |                    | 525                 | 0.03                                    | 525                      | 0                      | 100.00                               | 0.00                               |
|                                                                                                                                                                        | Total          | 1905377            | 78048               | 4.10                                    | 75948                    | 2100                   | 97.31                                | 2.69                               |
| Total                                                                                                                                                                  |                | 7569421            | 5741065             | 75.85                                   | 5738965                  | 2100                   | 99.96                                | 0.04                               |

| Resolution No. 4: To ratify appointment of M/s. Manubhai & Shah LLP(LLPIN: AAG-0878) (Formerly known as Manubhai & Co.), (Firm Registration No.106041W / W100136), Chartered Accountants as Auditors of the Company and fixing their remuneration |                |                    |                     |                                         |                          |                        |                                      |                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------|---------------------|-----------------------------------------|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Resolution required: (Ordinary/ Special)                                                                                                                                                                                                          |                |                    | Ordinary Resolution |                                         |                          |                        |                                      |                                    |
| Whether promoter / promoter group are interested in the agenda / resolution?                                                                                                                                                                      |                |                    | No                  |                                         |                          |                        |                                      |                                    |
| Category                                                                                                                                                                                                                                          | Mode of Voting | No. of shares held | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|                                                                                                                                                                                                                                                   |                | (1)                | (2)                 | (3)=[(2)/(1)]*100                       | (4)                      | (5)                    | (6)=[(4)/(2)]*100                    | (7)=[(5)/(2)]*100                  |
| Promoter and Promoter Group                                                                                                                                                                                                                       | E-Voting       | 5663017            | 5663017             | 100                                     | 5663017                  | 0                      | 100                                  | 0                                  |
|                                                                                                                                                                                                                                                   | Poll           |                    | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|                                                                                                                                                                                                                                                   | Total          | 5663017            | 5663017             | 100                                     | 5663017                  | 0                      | 100                                  | 0                                  |
| Public-Institutions                                                                                                                                                                                                                               | E-Voting       | 1027               | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|                                                                                                                                                                                                                                                   | Poll           |                    | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|                                                                                                                                                                                                                                                   | Total          | 1027               | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
| Public- Non Institutions                                                                                                                                                                                                                          | E-Voting       | 1905377            | 77523               | 4.07                                    | 75423                    | 2100                   | 97.29                                | 2.71                               |
|                                                                                                                                                                                                                                                   | Poll           |                    | 525                 | 0.03                                    | 525                      | 0                      | 100.00                               | 0.00                               |
|                                                                                                                                                                                                                                                   | Total          | 1905377            | 78048               | 4.10                                    | 75948                    | 2100                   | 97.31                                | 2.69                               |
| Total                                                                                                                                                                                                                                             |                | 7569421            | 5741065             | 75.85                                   | 5738965                  | 2100                   | 99.96                                | 0.04                               |

| Resolution No. 5: Re-appointment of Shri Falgunbhai C. Patel (DIN 00050174), as the Managing Director of the Company |                |                    |                     |                                         |                          |                        |                                      |                                    |
|----------------------------------------------------------------------------------------------------------------------|----------------|--------------------|---------------------|-----------------------------------------|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Resolution required: (Ordinary/ Special)                                                                             |                |                    | Ordinary Resolution |                                         |                          |                        |                                      |                                    |
| Whether promoter / promoter group are interested in the agenda / resolution?                                         |                |                    | Yes                 |                                         |                          |                        |                                      |                                    |
| Category                                                                                                             | Mode of Voting | No. of shares held | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|                                                                                                                      |                | (1)                | (2)                 | (3)=[(2)/(1)]*100                       | (4)                      | (5)                    | (6)=[(4)/(2)]*100                    | (7)=[(5)/(2)]*100                  |
| Promoter and Promoter Group                                                                                          | E-Voting       | 5663017            | 5663017             | 100                                     | 5663017                  | 0                      | 100                                  | 0                                  |
|                                                                                                                      | Poll           |                    | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|                                                                                                                      | Total          | 5663017            | 5663017             | 100                                     | 5663017                  | 0                      | 100                                  | 0                                  |
| Public-Institutions                                                                                                  | E-Voting       | 1027               | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|                                                                                                                      | Poll           |                    | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|                                                                                                                      | Total          | 1027               | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
| Public- Non Institutions                                                                                             | E-Voting       | 1905377            | 77523               | 4.07                                    | 75423                    | 2100                   | 97.29                                | 2.71                               |
|                                                                                                                      | Poll           |                    | 525                 | 0.03                                    | 525                      | 0                      | 100.00                               | 0.00                               |
|                                                                                                                      | Total          | 1905377            | 78048               | 4.10                                    | 75948                    | 2100                   | 97.31                                | 2.69                               |
| Total                                                                                                                |                | 7569421            | 5741065             | 75.85                                   | 5738965                  | 2100                   | 99.96                                | 0.04                               |

All the above mentioned Resolutions were passed with the requisite majority.

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**THE SANDESH LIMITED** (CIN : L22121GJ1943PLC000183)

REGD. OFFICE : SANDESH BHAVAN, LAD SOCIETY ROAD, B/H. VASTRAPUR GAM, P.O. BODAKDEV, AHMEDABAD-380 054.  
 PHONE : (079) 40004319, 40004175, FAX NO. 91-079-40004242. E-mail : secretarial@sandesh.com, cs@sandesh.com  
 VISIT US : WWW.SANDESH.COM

93, Surdhara Bungalows, Opp. Sarathi-III, Drive-in Road, Ahmedabad - 380 054.  
Cell. :98791 04118 E-mail : jignesh@gujoil.com

### CONSOLIDATED SCRUTINIZERS' REPORT (For Remote E-voting & for Physical Ballot)

To,

**Shri Falgunbhai C. Patel**

Chairman & Managing Director

**(Chairman of 73<sup>rd</sup> Annual General Meeting)**

**THE SANDESH LIMITED**

(CIN: L22121GJ1943PLC000183)

'Sandesh Bhavan', Lad Society Road,

B/h. Vastrapur Gam, P.O. Bodakdev,

Ahmedabad-380054 (Gujarat-India)

**Consolidated Report of the Scrutinizer on remote e-voting and voting through Ballot Paper conducted pursuant to the provisions of sections 108 and 109 of the Companies Act, 2013 read with Rules 20 and 21 of the Companies (Management and Administration) Rules, 2014 at the 73<sup>rd</sup> Annual General Meeting of The Sandesh Limited**

Dear Sir,

1. I, Jignesh A. Maniar, Practicing Company Secretary and the proprietor of M/s. Jignesh A. Maniar & Associates, Company Secretaries, having address at 93, Surdhara Bungalows, Opp. Sarathi-III, Drive-in-Road, Ahmedabad-380054 (Gujarat), appointed as the Scrutinizer by the Board of Directors of The Sandesh Limited (**the Company**, for short) for the purpose of scrutinizing the voting through e-voting process under the provisions of



sections 108 of the Companies Act, 2013 read with Rule 20(4)(xii) of the Companies (Management and Administration) Rules, 2014, as amended and in force, and also for the purpose of scrutinizing the voting through ballot papers under the provisions of section 109 of the Companies Act, 2013 read with Rule 21(2) of the Companies (Management and Administration) Rules, 2014, as amended and in force, at the 73<sup>rd</sup> Annual General Meeting of the Company, on the resolutions contained in the Notice dated May 30, 2016 of the 73<sup>rd</sup> Annual General Meeting of the Company, held on Friday, September 30, 2016 at 10:00 A.M. at Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 (Gujarat-India).

2. The Management of the Company is responsible to ensure the compliance with the requirements of the provisions of the Companies Act, 2013 and the Rules relating to e-voting and voting by ballot papers on the Resolutions contained in the Notice to the 73<sup>rd</sup> Annual General Meeting of the Company. My responsibility as a scrutinizer for the e-voting process and for voting through ballot papers at the 73<sup>rd</sup> Annual General Meeting is restricted to preparing a Scrutinizer's Report of the votes cast "*in favor*" or "*against*" the Resolutions stated in Notice of the Annual General Meeting, based on the reports generated from the remote e-voting system provided by the Central Depository Services Limited, (**CSDL**, for short) and voting through ballot papers conducted at the 73<sup>rd</sup> Annual General Meeting.
3. The Company has made arrangements with CSDL for providing a system of voting by the Members electronically through remote e-voting.
4. The Company has also provided voting facility to the Members of the



Company, who were present at the 73<sup>rd</sup> Annual General Meeting and who had not already cast their votes through remote e-voting facility, to vote through ballot paper.

5. The Members of the Company holding shares as on the cut-off date (Friday, September 23, 2016) were entitled to vote on the resolutions as contained in the Notice of the 73<sup>rd</sup> Annual General Meeting.
6. I have issued separate Scrutinizer's Reports dated Friday, September 30, 2016 i.e. (i) on voting by Electronic means (i.e. Remote e-voting) which commenced from Tuesday, September 27, 2016 (9:00 A.M.) and ended on Thursday, September 29, 2016 (5:00 P.M.), and (ii) on voting through ballot papers, on the resolutions contained in the Notice to the 73<sup>rd</sup> Annual General Meeting of the Company.
7. After conclusion of voting by ballot papers at the 73<sup>rd</sup> Annual General Meeting, the votes cast thereat were counted, where after the votes cast under remote e-voting facility were unblocked by me in the presence of two witnesses, Mr. Ashish Patel and Mr. Mahendra Patel, who were not in the employment of the Company.
8. As requested by the Management of the Company, I submit herewith Consolidated Scrutinizer's Report on the results of e-voting together with that of voting by ballot papers, stating total votes, invalid votes, votes in favour of the Resolutions (Number & percentage) and the votes against the Resolutions (Number & percentage) as under:



# Jignesh A. Maniar & Associates

COMPANY SECRETARIES

93, Surdhara Bungalows, Opp. Sarathi-III, Drive-in Road, Ahmedabad - 380 054  
Cell. :98791 04118 E-mail : jignesh@gujoil.com

| S. N. | Item                                                                                                                                                                                                                            | Type of Resolution | Mode of voting | Total Valid Vote Cast | In favour              |                      | Against              |                    | Invalid / Abstain   |                   |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------|-----------------------|------------------------|----------------------|----------------------|--------------------|---------------------|-------------------|
|       |                                                                                                                                                                                                                                 |                    |                |                       | No. of Votes in favour | % of votes in favour | No. of Votes Against | % of votes against | No. of Shareholders | No. of votes cast |
| 1     | To receive, consider, approve and adopt Audited Standalone and consolidated Financial Statement for the year ended March 31, 2016 together with the reports of the Board and Auditors thereon                                   | Ordinary           | E-voting       | 5740540               | 5740540                | 100%                 | NIL                  | NIL                | NIL                 | NIL               |
|       |                                                                                                                                                                                                                                 |                    | Poll           | 525                   | 525                    | 100%                 | NIL                  | NIL                | 1                   | 10                |
|       |                                                                                                                                                                                                                                 |                    | Total          | 5741065               | 5741065                | 100%                 | NIL                  | NIL                | 1                   | 10                |
| 2     | To confirm the Interim Dividend of Rs. 5/- per equity share of Rs. 10/- each paid on Equity Shares of the Company as a Final Dividend for the Financial Year 2015-16                                                            | Ordinary           | E-voting       | 5740540               | 5740540                | 100%                 | NIL                  | NIL                | NIL                 | NIL               |
|       |                                                                                                                                                                                                                                 |                    | Poll           | 525                   | 525                    | 100%                 | NIL                  | NIL                | 1                   | 10                |
|       |                                                                                                                                                                                                                                 |                    | Total          | 5741065               | 5741065                | 100%                 | NIL                  | NIL                | 1                   | 10                |
| 3     | To appoint a Director in place of Shri Parthiv F. Patel (DIN 00050211) who retires by rotation and being eligible, offers himself for re-appointment.                                                                           | Ordinary           | E-voting       | 5740540               | 5738440                | 99.96%               | 2100                 | 0.04%              | NIL                 | NIL               |
|       |                                                                                                                                                                                                                                 |                    | Poll           | 525                   | 525                    | 100%                 | NIL                  | NIL                | 1                   | 10                |
|       |                                                                                                                                                                                                                                 |                    | Total          | 5741065               | 5738965                | 99.96%               | 2100                 | 0.04%              | 1                   | 10                |
| 4     | To ratify appointment of M/s. Manubhai & Shah LLP(LLPIN: AAG-0878) (Formerly known as Manubhai & Co.), (Firm Registration No.106041W / W100136), Chartered Accountants as Auditors of the Company and fixing their remuneration | Ordinary           | E-voting       | 5740540               | 5738440                | 99.96%               | 2100                 | 0.04%              | NIL                 | NIL               |
|       |                                                                                                                                                                                                                                 |                    | Poll           | 525                   | 525                    | 100%                 | NIL                  | NIL                | 1                   | 10                |
|       |                                                                                                                                                                                                                                 |                    | Total          | 5741065               | 5738965                | 99.96%               | 2100                 | 0.04%              | 1                   | 10                |
| 5     | Re-appointment of Shri Falgunbhai C. Patel (DIN 00050174), as the Managing Director of the Company                                                                                                                              | Ordinary           | E-voting       | 5740540               | 5738440                | 99.96%               | 2100                 | 0.04%              | NIL                 | NIL               |
|       |                                                                                                                                                                                                                                 |                    | Poll           | 525                   | 525                    | 100%                 | NIL                  | NIL                | 1                   | 10                |
|       |                                                                                                                                                                                                                                 |                    | Total          | 5741065               | 5738965                | 99.96%               | 2100                 | 0.04%              | 1                   | 10                |



# Jignesh A. Maniar & Associates

COMPANY SECRETARIES

93, Surdhara Bungalows, Opp. Sarathi-III, Drive-in Road, Ahmedabad - 380 054  
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9. It is further submitted that I found One invalid vote and 11 Members who were present in the Annual General Meeting but abstained from voting.
10. The electronic data and all other relevant records relating to remote e-voting is under my safe custody and will be handed over to the Company Secretary of the Company for preserving safely after the Chairman of the Meeting considers, approves and signs the Minutes of the 73<sup>rd</sup> Annual General Meeting of the Company.

Thanking you,

Yours faithfully,

FOR, JIGNESH A. MANIAR & ASSOCIATES  
COMPANY SECRETARIES (C.P. No. : 6996)



JIGNESH A. MANIAR (F.C.S. No. : 3468)  
PROPRIETOR

Place: Ahmedabad

Date: September 30, 2016

For THE SANDESH LIMITED

CHAIRMAN & MANAGING DIRECTOR

**73<sup>RD</sup> ANNUAL GENERAL MEETING HELD ON 30<sup>TH</sup> SEPTEMBER, 2016**

**Declaration of Result of Remote e-voting and Poll**

Pursuant to the provisions of section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and in force, and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/S. THE SANDESH LIMITED ("**the Company**" for short) had provided remote e-voting facility to the Members to enable them to cast their vote electronically on the resolutions proposed in the notice of 73<sup>rd</sup> Annual General Meeting ("**AGM**" for short). The remote e-voting was open from 9:00 A.M. on 27<sup>th</sup> September, 2016 upto 5:00 P.M. on 29<sup>th</sup> September, 2016.

Pursuant to the General Circular No. 20/2014 of the Ministry of Corporate Affairs, dated 17<sup>th</sup> June, 2014 voting by show of hands as per section 107 of the Companies Act, 2013 is not allowed in case where Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) relating to the e-voting facility is applicable. The Company has provided the remote e-Voting facility and Ballot Papers to the Members to exercise their right to vote on the business items as stated in the Notice of AGM.

The Board of Directors had appointed Mr. Jignesh A. Maniar, Practicing Company Secretary of M/s. Jignesh A. Maniar & Associates, Company Secretaries, Ahmedabad, as Scrutinizer for e-voting and poll. The Scrutinizer has carried out the scrutiny of all the electronic votes received till 5:00 P.M. on 29<sup>th</sup> September, 2016 and on the poll at AGM and submitted his reports on remote e-voting and also on poll on 30<sup>th</sup> September, 2016 respectively. The Reports of the Scrutinizer are enclosed herewith.

**Page no. 1 of 3**



**THE SANDESH LIMITED** (CIN : L22121GJ1943PLC000183)

REGD. OFFICE : SANDESH BHAVAN, LAD SOCIETY ROAD, B/H. VASTRAPUR GAM, P.O. BODAKDEV, AHMEDABAD-380 054.  
PHONE : (079) 40004319, 40004175, FAX NO. 91-079-40004242. E-mail : [secretarial@sandeshtime.com](mailto:secretarial@sandeshtime.com), [cs@sandeshtime.com](mailto:cs@sandeshtime.com)  
VISIT US : [WWW.SANDESH.COM](http://WWW.SANDESH.COM)

The consolidated Report as per the Scrutinizer's above mentioned Reports is as under:

|   | Item                                                                                                                                                                                                                             | Type of Resolution | Mode of voting | Total Valid Vote Cast | In favour              |                      | Against              |                    | Invalid / Abstain   |                   |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------|-----------------------|------------------------|----------------------|----------------------|--------------------|---------------------|-------------------|
|   |                                                                                                                                                                                                                                  |                    |                |                       | No. of Votes in favour | % of votes in favour | No. of Votes Against | % of votes against | No. of Shareholders | No. of votes cast |
| 1 | To receive, consider, approve and adopt Audited Standalone and consolidated Financial Statement for the year ended March 31, 2016 together with the reports of the Board and Auditors thereon                                    | Ordinary           | E-voting       | 5740540               | 5740540                | 100%                 | NIL                  | NIL                | NIL                 | NIL               |
|   |                                                                                                                                                                                                                                  |                    | Poll           | 525                   | 525                    | 100%                 | NIL                  | NIL                | 1                   | 10                |
|   |                                                                                                                                                                                                                                  |                    | Total          | 5741065               | 5741065                | 100%                 | NIL                  | NIL                | 1                   | 10                |
| 2 | To confirm the Interim Dividend of Rs. 5/- per equity share of Rs. 10/- each paid on Equity Shares of the Company as a Final Dividend for the Financial Year 2015-16                                                             | Ordinary           | E-voting       | 5740540               | 5740540                | 100%                 | NIL                  | NIL                | NIL                 | NIL               |
|   |                                                                                                                                                                                                                                  |                    | Poll           | 525                   | 525                    | 100%                 | NIL                  | NIL                | 1                   | 10                |
|   |                                                                                                                                                                                                                                  |                    | Total          | 5741065               | 5741065                | 100%                 | NIL                  | NIL                | 1                   | 10                |
| 3 | To appoint a Director in place of Shri Parthiv F. Patel (DIN 00050211) who retires by rotation and being eligible, offers himself for re-appointment.                                                                            | Ordinary           | E-voting       | 5740540               | 5738440                | 99.96%               | 2100                 | 0.04%              | NIL                 | NIL               |
|   |                                                                                                                                                                                                                                  |                    | Poll           | 525                   | 525                    | 100%                 | NIL                  | NIL                | 1                   | 10                |
|   |                                                                                                                                                                                                                                  |                    | Total          | 5741065               | 5738965                | 99.96%               | 2100                 | 0.04%              | 1                   | 10                |
| 4 | To ratify appointment of M/s. Manubhai & Shah LLP (LLPIN: AAG-0878) (Formerly known as Manubhai & Co.), (Firm Registration No.106041W / W100136), Chartered Accountants as Auditors of the Company and fixing their remuneration | Ordinary           | E-voting       | 5740540               | 5738440                | 99.96%               | 2100                 | 0.04%              | NIL                 | NIL               |
|   |                                                                                                                                                                                                                                  |                    | Poll           | 525                   | 525                    | 100%                 | NIL                  | NIL                | 1                   | 10                |
|   |                                                                                                                                                                                                                                  |                    | Total          | 5741065               | 5738965                | 99.96%               | 2100                 | 0.04%              | 1                   | 10                |
| 5 | Re-appointment of Shri Falgunbhai C. Patel (DIN 00050174), as the Managing Director of the Company                                                                                                                               | Ordinary           | E-voting       | 5740540               | 5738440                | 99.96%               | 2100                 | 0.04%              | NIL                 | NIL               |
|   |                                                                                                                                                                                                                                  |                    | Poll           | 525                   | 525                    | 100%                 | NIL                  | NIL                | 1                   | 10                |
|   |                                                                                                                                                                                                                                  |                    | Total          | 5741065               | 5738965                | 99.96%               | 2100                 | 0.04%              | 1                   | 10                |



Based on the Reports of the Scrutinizer, all Resolutions as set out in the Notice of 73<sup>rd</sup> AGM have been duly approved by the Members with the requisite majority.

**For & on behalf of,  
THE SANDESH LIMITED**



**SHRI FALGUNBHAI C. PATEL**

(DIN: 00050174)

(Chairman of 73<sup>rd</sup> Annual General Meeting)

C/o. 'Sandesh Bhavan', Lad Society Road,  
B/h. Vastrapur Gam, P.O. Bodakdev,  
Ahmedabad-380054 (Gujarat-India)

Date: 30.09.2016

Place: Ahmedabad

**Page no. 3 of 3**

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**THE SANDESH LIMITED** (CIN : L22121GJ1943PLC000183)

REGD. OFFICE : SANDESH BHAVAN, LAD SOCIETY ROAD, B/H. VASTRAPUR GAM, P.O. BODAKDEV, AHMEDABAD-380 054.

PHONE : (079) 40004319, 40004175, FAX NO. 91-079-40004242. E-mail : [secretarial@sandesh.com](mailto:secretarial@sandesh.com), [cs@sandesh.com](mailto:cs@sandesh.com)

VISIT US : [WWW.SANDESH.COM](http://WWW.SANDESH.COM)

**SUMMARY OF PROCEEDINGS OF THE 73<sup>RD</sup> ANNUAL GENERAL MEETING OF THE SANDESH LIMITED UNDER REGULATION 30 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

**Meeting day, date & time:** Friday, September 30, 2016 at 10.00 A.M.

**Venue of AGM:** Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 (Gujarat-India)

**Chairman:** Shri Falgunbhai C. Patel, Chairman & Managing Director

Shri Falgunbhai C. Patel, Chairman & Managing Director of Annual General Meeting welcomed the Members and other invitees to the 73<sup>rd</sup> Annual General Meeting (AGM) of the Company. He introduced the following dignitaries present on the dias:

|                          |                      |
|--------------------------|----------------------|
| Shri Sudhirbhai Nanavati | Independent Director |
| Shri Parthiv F. Patel    | Managing Director    |

The Chairman informed the Members that due to pre-occupation, the other Directors of the Company could not attend AGM.

The requisite quorum being present and that the Meeting was validly constituted, the Chairman called AGM to an order. The Chairman also acknowledged the presence of the Statutory Auditors and Secretarial Auditors at AGM.

The statutory registers, proxies and original minutes of the General Meetings were available during AGM for the purpose of inspection by the Members.

With the consent of the Members present, the Notice convening AGM, as circulated to the Members, was taken as read. The Chairman informed that there was no qualifications, or adverse remarks in the Auditor's Report that require reading of the Auditor's Report in terms of the provisions of section 145 of the Companies Act, 2013.

Thereafter, the Chairman briefed the Members present about the performance of the Company including the accomplishments and success achieved during the Financial Year 2015-16. The Chairman then invited the Members to ask queries, if any, on the Financial Statements laid before the Meeting for approval and adoption. Thereafter, the Members asked questions mainly about the performance of the Company during last financial year and future profitability of the Company. The Chairman provided clarifications to the queries raised by the Members of the Company on various aspects.

The Chairman further informed the Members present that the Company had provided remote e-voting facility to the Members of the Company in order to cast their votes electronically. He further declared that poll would be conducted for all the Resolutions to enable voting by the Members attending AGM. The Chairman mentioned that the Members who had already cast their vote using remote e-voting facility provided by the Company were not eligible to cast their votes again at AGM. The Company Secretary explained the process to exercise voting rights through Poll at AGM. Thereafter, the Chairman ordered the Poll on the Resolutions set out at Item Nos. 1 to 5 of the Notice of AGM and requested all Members to cast their votes at AGM.



.....Continued from Page No. 1

The following items of businesses, as per the Notice of AGM dated May 30, 2016 were taken up for voting at AGM:

## ORDINARY BUSINESS:

1. To receive, consider, approve and adopt:
  - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended **March 31, 2016**, together with the Reports of Directors and Auditors thereon.
  - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended **March 31, 2016**, together with the Reports of Auditors thereon.
2. To confirm the Interim Dividend of **Rs. 5/-** per equity share of Rs. 10/- each paid on Equity Shares of the Company as a Final Dividend for the Financial Year **2015-16**.
3. To appoint a Director in place of **Shri Parthiv F. Patel (DIN 00050211)** who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of the Statutory Auditors and fix their remuneration.

## SPECIAL BUSINESS:

5. Re-appointment of **Shri Falgunbhai C. Patel (DIN 00050174)**, as the Managing Director of the Company.

The Board of Directors of the Company had appointed M/s. Jignesh A. Maniar & Associates, Practicing Company Secretaries as the Scrutinizer to supervise the e-voting and physical ballot process. The Chairman authorised Shri Dhaval Pandya, Company Secretary to declare the results of voting on his behalf.

The Members of the Company thereafter cast their votes by way of poll on the Resolutions. The Chairman announced that voting results of remote e-voting and poll along with the Scrutinizer's Report would be placed on the Company's website and Central Depository Services (India) Limited's website and the same would be communicated to Stock Exchanges within 48 hours from the conclusion of AGM. He also informed that Voting Results would be available at the Registered Office of the Company. Thereafter, AGM concluded with a vote of thanks to the Chair and to the Members present at AGM.

For & on behalf of,  
THE SANDESH LIMITED



**SHRI FALGUNBHAI C. PATEL**  
(DIN: 00050174)

(Chairman of 73<sup>rd</sup> Annual General Meeting)  
C/o. 'Sandesh Bhavan', Lad Society Road,  
B/h. Vastrapur Gam, P.O. Bodakdev,  
Ahmedabad-380054 (Gujarat-India)

Date: 30.09.2016  
Place: Ahmedabad

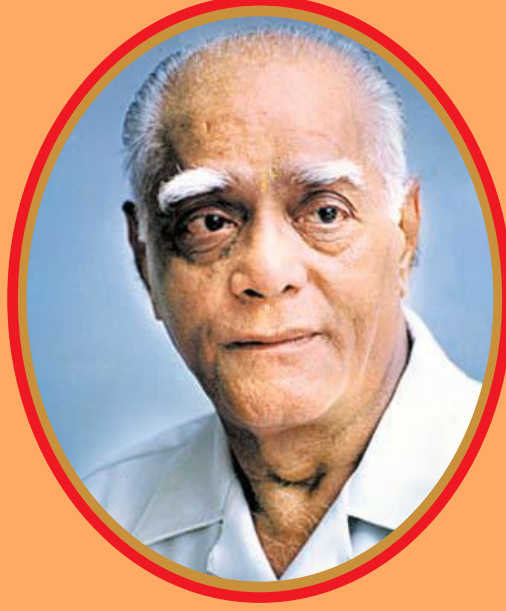


SEVENTY THIRD  
ANNUAL REPORT  
2 0 1 5 - 1 6

**THE SANDESH LIMITED**

 NEWS PAPER | TV CHANNEL  
DIGITAL | OUTDOOR

Late Shri Chimanbhai Patel  
(1918 - 1995)



विहाय कामान्यः सर्वान्पुमांश्चरति निस्पृहः।  
निर्भमो निरङ्कारः स शान्तिमधिगच्छति॥

श्रीमद् भगवद्गीता (२-७१)

He who abandons all desires  
and acts free from longing, without  
any sense of mineness or  
egotism he attains peace.

Dr. Radhakrishnan

## About Us

The best way to predict change is to create it. For over 90 years the Sandesh Group has been creating change with powerful ideas.

Starting its journey in 1923, today Sandesh is Gujarat's largest and most influential media house. It has been redefining journalism with equanimity and courage and has been plotting the path for others to follow. Today this heritage and expertise represents the irrepressible spirit and definitive voice of journalism. The Sandesh Limited has been ushering change with its powerful presence across the media spectrum including print, broadcast, digital, activations and outdoor solutions.

### **A strong foothold across the Media landscape:**

#### **Sandesh Newspaper:**

Published from Gujarat & Maharashtra, Sandesh is the largest Gujarati media company with 7 editions across Gujarat and Mumbai. Every day Sandesh delivers a tradition that is a unique synthesis of views, information and upright journalism. Every story is infused with unparalleled authenticity and neutrality, empowering readers with the most knowledgeable and analytical news coverage.

#### **Sandesh Television:**

The region's fastest growing 24x7 Gujarati News Channel, Sandesh News reaches out to the most affluent and powerful Gujarati Audience. As news breakers we identify facts, get after the truth and deliver the inside stories from events, wherever they occur. Armed with a team of over 100 reporters across the country and state-of-the-art technology, we are a fiercely independent media house, who dives in, goes that extra mile and gets results.

#### **Sandesh Digital:**

The powerful ethos of Sandesh in the Print & TV landscape, is now creating ripples in the digital domain. Harnessing its power as the future of communication, we are leaping ahead by expanding and connecting our digital community to information in real time. We are among the first to launch a Gujarati news App in India, and have an expanding digital presence of over 5 million followers across all platforms.

#### **Sandesh Magazine and Weekly Publication:**

Sandesh has been enriching the lives of its readers with supplements that directly address the issues related to them. "Agro Sandesh" and "Stree" are stellar examples being published and circulated across Gujarat. They respectively provide relevant and enriching content to the farmers and women in Gujarat so that they can take informed decisions for themselves and lead more empowered lives.

#### **Out Of Home (OOH) media solutions:**

Sandesh's Out Of Home (OOH) media solutions in the name of "Spotlight", focuses on innovatively and effectively enhancing the brand message by going beyond just grabbing eyeballs, and creating a lasting buzz around the brand.







## 73<sup>rd</sup> ANNUAL REPORT (FINANCIAL YEAR 2015-2016)

### BOARD OF DIRECTORS:

|                          |                                |
|--------------------------|--------------------------------|
| Shri Falgunbhai C. Patel | (Chairman & Managing Director) |
| Shri Parthiv F. Patel    | (Managing Director)            |
| Smt. Pannaben F. Patel   | (Director)                     |
| Shri Yogeshbhai Jani     | (Whole Time Director)          |
| Shri Mukeshbhai Patel    | (Independent Director)         |
| Shri Sudhirbhai Nanavati | (Independent Director)         |
| Shri Shreyasbhai Pandya  | (Independent Director)         |
| Shri Sandeepbhai Singhi  | (Independent Director)         |

### CHIEF FINANCIAL OFFICER:

Mr. Sanjay Kumar Tandon

### COMPANY SECRETARY:

Mr. Dhaval Pandya

### CORPORATE IDENTIFICATION NUMBER:

CIN: L22121GJ1943PLC000183

### WEBSITE OF THE COMPANY:

www.sandesh.com

### STATUTORY AUDITORS:

Manubhai & Shah LLP, Chartered Accountants  
(Formerly known as Manubhai & Shah)

### SECRETARIAL AUDITORS:

M/s. Jignesh A. Maniar & Associates,  
Practicing Company Secretaries

### REGISTERED OFFICE OF THE COMPANY:

THE SANDESH LIMITED  
'Sandesh Bhavan', Lad Society Road,  
B/h. Vastrapur Gam, P.O. Bodakdev,  
Ahmedabad-380054 (Gujarat-India)  
Telephone No. (079) 40004000  
Fax No.: (079) 40004242  
Email ID: investorsgrievance@sandesh.com

### REGISTRAR & TRANSFER AGENT:

MCS Share Transfer Agent Limited  
having its regional office at  
201, Shatdal Complex, 2<sup>nd</sup> Floor,  
Ashram Road, Ahmedabad-380009 (Gujarat-India)  
Telephone No. (079) 26580461/62/63 Fax No. (079) 26581296  
Email ID: mcssta@rediffmail.com, mcsahmd@gmail.com

### BANKERS:

Yes Bank Limited

### 73<sup>rd</sup> ANNUAL GENERAL MEETING

#### : Date :

Friday, the 30<sup>th</sup> day of September, 2016

#### : Venue :

Gujarat Law Society Auditorium, G.L.S. College Campus,  
Opp. Law Garden, Ellisbridge, Ahmedabad -380006 (Gujarat).

#### : Time :

10:00 a.m.

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## NOTICE

NOTICE is hereby given that **73<sup>rd</sup> ANNUAL GENERAL MEETING** of the Members of “**THE SANDESH LIMITED**” (CIN: L22121GJ1943PLC000183) will be held on **Friday, the 30<sup>th</sup> day of September, 2016 at 10:00 A.M. at Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006** (Gujarat-India) to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider, approve and adopt:
  - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2016, together with the Reports of Directors and Auditors thereon.
  - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016, together with the Reports of Auditors thereon.
2. To confirm the Interim Dividend of ₹ 5/- per equity share of ₹ 10/- each paid on Equity Shares of the Company as a Final Dividend for the Financial Year 2015-16.
3. To appoint a Director in place of Shri Parthiv F. Patel (DIN 00050211) who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of the Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Manubhai & Shah LLP (LLPIN: AAG-0878) (Formerly known as Manubhai & Shah.), (Firm Registration No.106041W/W100136) Chartered Accountants, Ahmedabad, the retiring Statutory Auditors of the Company, who hold office up to the date of this Annual General Meeting and have confirmed their eligibility to be appointed as Auditors in terms of the provisions of section 141 of the Act and the relevant Rules and offered themselves for re-appointment, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at such remuneration, out-of-pocket, travelling expenses, etc. as may be incurred by them for the purpose of Audit, as may be decided by the Board of Directors of the Company and the said Auditors;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and/or Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

### SPECIAL BUSINESS:

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

Re-appointment of Shri Falgunbhai C. Patel (DIN 00050174), as the Managing Director of the Company:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 of the Companies Act, 2013 read with Schedule V thereto and also read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, provisions of the Article 86 of the Articles of Association of the Company and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof) and in terms of the approval by the Nomination and Remuneration Committee of the Board of Directors of the Company, the reappointment of Shri Falgunbhai C. Patel be and is hereby approved as the Managing Director of the Company for a further period of five years with effect from 1<sup>st</sup> April, 2017 on the following terms as to the remuneration and other conditions as set out in the draft Agreement laid before the Meeting and initialed by the Chairman of the meeting for the purpose of the identification:

- 1) Salary of ₹ 6,50,000/- (Rupees Six Lacs Fifty thousand only) per month.
- 2) Perquisites to be allowed in addition to salary and commission as under:
  - (A) i) The Company shall provide equipments, appliances, furniture, fixtures and furnishing at residence of the Managing Director at the cost of the Company. The Company shall reimburse expenses of Gas, Electricity, Water, etc.  
The expenditure of these, valued in accordance with Income Tax Rules.
  - ii) Medical expenses for self and family including insurance premia shall be reimbursed by the Company in accordance with the Policy of the Company.
  - iii) The Company shall reimburse Leave Travel Fare for the Managing Director and his family once in a year.
  - iv) The Company shall pay personal accident insurance premia in accordance with the Policy of the Company. These perquisites shall be subject to a ceiling of an amount equal to the annual salary.

Shri Falgunbhai C. Patel shall also be given the following perquisites, which shall not be included in the computation of the ceiling on remuneration specified in Schedule V of the Companies Act, 2013.
- (B) i) The Company shall contribute 12% of the salary to the Provident Fund or such percentage as may be specified from time to time.

- ii) The Company shall contribute towards Pension/Superannuation Fund provided that such contribution together with contribution to Provident Fund shall not exceed the limit laid down under the Income-Tax Act or any statutory modification thereof.

The Contribution to the Provident Fund, Pension/Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent this either singly or put together are not taxable under the Income tax Act, 1961.

- iii) The Company shall pay Gratuity in accordance with the applicable statutory provisions and in terms of the Policy of the Company.
- (C) i) The Company shall provide a car with driver at the entire cost of the Company for office work.
- ii) The Company shall provide telephone at the residence of Managing Director at the entire cost of the Company.
- iii) The Managing Director shall be entitled to privilege leave in accordance with the Policy of the Company. The Managing Director shall be entitled to en-cash the un-availed leave at the end of his tenure.

### 3) COMMISSION :

The Managing Director shall be paid commission in addition to the salary and perquisites mentioned above in a manner that the total remuneration including commission shall be 10% of the Net profit of the Company computed in the manner laid down in section 197 of the Companies Act, 2013.

The remuneration referred to above is subject to the limit of 10% of the Net profit of the Company for the Managing Director and subject further to the overall limit of 11% of the net profit of the Company for all the Directors including Managing Director and whole-time Director of the Company taken together.

- 4) In case of absence or inadequacy of profits in the financial years during the tenure of Shri Falgunbhai C. Patel, the Company will be entitled to salary, perquisites and other allowances as the minimum remuneration subject to the limits prescribed in Section 197 read with Section II of Part II of the Schedule V of the Companies Act, 2013, are payable.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to enhance, enlarge, alter or vary the scope and quantum or remuneration, allowances and perquisites and other terms & conditions of the Appointment of Shri Falgunbhai C. Patel, as the Board in its absolute discretion deem fit and is acceptable to Shri Falgunbhai C. Patel, within the limits specified in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments, modifications, re-enactments made thereof from time to time by the Company in this behalf;

**RESOLVED FURTHER THAT** after obtaining the approval of the Members of the Company at ensuing General Meeting of the Company for the said re-appointment, the Company do execute an Agreement with Shri Falgunbhai C. Patel for his re-appointment as a Managing Director of the Company on the above terms and that any one of the Directors of the Company do execute the said Agreement on behalf of the Company and that the Common Seal of the Company if required be affixed to the engrossment of the Agreement in presence of the said Director of the Company and be countersigned by the Company Secretary of the Company;

**RESOLVED FURTHER THAT** any of the Directors of the company and the Company Secretary of the Company, be and are hereby severally authorised to do all incidental and consequential tasks in order to give effect to the above resolution and to file necessary form with the Registrar of the Companies."

Registered Office:  
"Sandesh Bhavan", Lad Society Road,  
B/h. Vastrapur Gam, P. O. Bodakdev,  
Ahmedabad-380054  
Date : May 30, 2016  
Place : Ahmedabad

By Order of the Board of Directors,  
**For, THE SANDESH LIMITED**

**Dhaval Pandya**  
**COMPANY SECRETARY**

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies / bodies corporate, etc., must be supported by an appropriate resolution / authority together with specimen signature, as applicable.
3. As per the provisions of section 105 of the Companies Act, 2013 and relevant Rules made thereunder, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three (3) days of notice in writing is given to the Company.

5. Corporate Members intending to authorize its representatives to attend the Annual General Meeting are requested to submit the Company at its Registered Office, a certified true copy of the Board Resolution or authorization document authorizing its representative to attend and vote on their behalf at the Annual General Meeting.
6. The businesses set out in the Notice of this Annual General Meeting will be transacted through electronic voting system. The Company is providing facility for voting by electronic means. Instructions and other information regarding e-voting are given in this Notice under Note No. 26. The Company will also send communication relating to e-voting which inter alia will contain details about User ID and password along with a copy of this Notice to the Members of the Company, separately.
7. Additional information pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting is furnished and forms part of this Notice. The said Directors have furnished necessary consents / declarations for their appointment / re-appointment.
8. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business under Item No. 5 to be transacted at the Annual General Meeting is annexed hereto.
9. Copies of all documents referred to in the Notice are available for inspection at the Registered Office of the Company during normal business hours on all working days upto and including the date of the Annual General Meeting of the Company.
10. The Register of Members and the Share Transfer Book of the Company will remain closed from Friday, 23.09.2016 to Friday, 30.09.2016 (both days inclusive).
11. The Ministry of Corporate Affairs has notified the Investor Education and Protection Fund (Uploading of Information Regarding Unpaid and Unclaimed Amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The concerned Members are requested to verify the details of their unclaimed amounts, if any, from the said website and write to the Company or the Registrar & Transfer Agent before the same is due for transfer to the Investor Education and Protection Fund.
12. The Company has transferred the unpaid or unclaimed dividends declared up to Financial Year 2007-08, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 30, 2015 (date of last Annual General Meeting) on the website of the Company ([www.sandesh.com](http://www.sandesh.com)), as also on the website of the Ministry of Corporate Affairs.
13. Members seeking any information with regard to the accounts are requested to write to the Company Secretary at least ten (10) days in advance of the Annual General Meeting, to enable the Company to keep the information ready.
14. Members are requested to (a) Bring their attendance slip along with copy of the Annual Report for the meeting, (b) Send to their depository participant, ECS bank mandate form, to ensure safe and prompt receipt of dividend, if any. This is to avoid fraudulent encashment of dividend warrants, (c) Note that all correspondence relating to share transfers, transmission, change of address, duplicate share certificate and related matters may be addressed to the Registrar and Transfer Agents of the Company, viz. MCS Share Transfer Agent Limited, having its regional office at 201, Shatdal Complex, 2<sup>nd</sup> Floor, Ashram Road, Ahmedabad-380009 (Gujarat). Telephone No. (079) 26580461/ 26580462 / 26580463, Fax No. (079) 26581296, Email ID: [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com) & [mcsahmd@gmail.com](mailto:mcsahmd@gmail.com), and (d) Quote their DP ID No. /Client ID No. or folio number in all their correspondence.
15. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
16. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website [www.sandesh.com](http://www.sandesh.com).
17. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent of the Company, for consolidation into a single folio.
18. Annual Report for Financial Year 2015-16 along with the Notice of Annual General Meeting, attendance slip and proxy form is being sent by electronic mode to all the shareholders who have registered their email ids with the depository participants/ Registrar and Share Transfer Agent unless any Member has requested for the physical copy. Members who have not registered their email ids, physical copies of the Annual Report 2015-16 along with the Notice of Annual General Meeting, attendance slip and proxy form are being sent by the permitted mode. Members may further note that the said documents will also be available on the Company's website [www.sandesh.com](http://www.sandesh.com) and at [www.cdslindia.com](http://www.cdslindia.com) for download. Physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during the business hours on the working days. For any communication, the Members may also send requests to the email address of the Company viz. [investorsgrievance@sandesh.com](mailto:investorsgrievance@sandesh.com).
19. Pursuant to section 101 of the Companies Act, 2013 and the Rules made thereunder, the Company is allowed to send communication to the Members electronically. We, thus, request you to kindly register / update your Email ID with your respective depository participant and the Company's Registrar and Share Transfer Agent (in case of physical shares) and make this initiative a success.

20. Members holding shares in physical form are requested to consider converting their holdings into dematerialized form to eliminate risks associated with physical shares and better management of the securities. Members can write to the Company's Registrar and Share Transfer Agent in this regard.
21. The Members are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in demat mode and with the Registrar and Share Transfer Agent for physical shares.
22. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested under section 189 of the Companies Act, 2013, will be available for inspection at the Annual General Meeting.
23. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent / the Company.
24. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. However, the Members are entitled to receive such communication in physical form, upon making a request for the same, by post at free of cost.
25. The Members may note that due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the Auditorium / venue.
26. **VOTING THROUGH ELECTRONIC MEANS:**

The business as set out in the Notice of the Annual General Meeting may be transacted through electronic voting system. In compliance with provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Standard 2 of the Secretarial Standards on General Meetings and in compliance with Regulation 44 of the Listing Regulations, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its members to enable them to cast their votes electronically.

The Company has made necessary arrangements with Central Depository Services (India) Limited (CDSL) to facilitate the Members to cast their votes from a place other than venue of the Annual General Meeting (remote e-voting). The facility for voting shall be made available at the Annual General Meeting through polling paper and the Members attending the Annual General Meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the Annual General Meeting. Please note that the voting through electronic means is optional for the Members of the Company.

A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories, as on the cut-off date (stated hereinafter), shall be entitled to avail the facility of remote e-voting or voting at the Annual General Meeting. Persons who are not the Members of the Company as on the cut-off date should treat this Notice for information purpose only.

The Notice will be displayed on the website of the Company [www.sandesh.com](http://www.sandesh.com) and on the website of CDSL.

The Members who have casted their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting, but shall not be entitled to cast their vote again.

The Members whose names appear in the Register of Members or in the List of Beneficial Owners prior to commencement of the Book Closure Date are entitled to vote on the Resolutions set forth in the Notice of the Annual General Meeting. Eligible Members who have acquired shares after the dispatch of the Annual Report and holding shares as on the cut-off date may approach the Company for issuance of the USER ID and Password for exercising their right to vote by electronic means.

**The Members of the Company are requested to follow the instructions below to cast their votes through e-voting:**

- i. The remote e-voting period begins at 09:00 A.M. on Tuesday, September 27, 2016 and ends at 05:00 P.M. on Thursday, September 29, 2016. During this period, the Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 23, 2016 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders – Log In.
- iv. Now Enter your User ID
  - a. For CDSL : 16 digits beneficiary ID,
  - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had earlier 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.

vii. If you are a first time user follow the steps given below:

|                                                        | <b>For Members holding shares in Demat Form and Physical Form</b>                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAN                                                    | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li> </ul>  |
| Dividend Bank Details<br><b>OR</b> Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or Company, please enter the Member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul> |

viii. After entering these details appropriately, click on "SUBMIT" tab.

- ix. The Members holding shares in physical form will then directly reach the Company selection screen. However, the Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that respective 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.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant The Sandesh Limited on which you choose to vote.
- xii. 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.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii. If a demat account holder has forgotten the login password then he / she should enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**xix. Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](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 linked in the login 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 the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

**Contact details:**

Name: Mr. Mehboob Lakhani

Designation: Assistant Manager

Address: Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Fort, Mumbai – 400001

Email id: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) Phone number: 18002005533

A Member can opt for only one mode of voting i.e. either through remote e-voting or voting at the Annual General Meeting. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail.

The Company has appointed M/s. Jignesh A. Maniar & Associates, Practicing Company Secretaries, Ahmedabad (C.P. No.: 6996 & F.C.S. No.: 3468), to act as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and shall make, not later than three (3) days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the Meeting shall be announced by the Chairman or any other person authorised by him immediately after the results are declared.

The results declared along with the Scrutinizer's report, will be posted on the website of the Company [www.sandesh.com](http://www.sandesh.com) and on the website of CDSL and will be displayed on the Notice Board of the Company at its Registered Office immediately after the declaration of the result by the Chairman or any other person authorised by him and communicated to the Stock Exchanges.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting, i.e. Friday, September 30, 2016.

Registered Office:  
"Sandesh Bhavan", Lad Society Road,  
B/h. Vastrapur Gam, P. O. Bodakdev,  
Ahmedabad-380054  
Date : May 30, 2016  
Place : Ahmedabad

By Order of the Board of Directors,  
**For, THE SANDESH LIMITED**

**Dhaval Pandya**  
**COMPANY SECRETARY**

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

The following Statement sets out all the material facts relating to the Special Business mentioned in the accompanying Notice of the Annual General Meeting:

##### **ITEM NO. 5:**

Shri Falgunbhai C. Patel is a Managing Director of the Company. His present five years term as the Managing Director of the Company expires on March 31, 2017. He is also the Chairman of the Company. Shri Falgunbhai C. Patel and his family are the Promoters of the Company. He has been associated with the Company for the more than forty one years. He has a vast experience in the field of journalism and management of the newspapers, journals, magazines besides investments, finance, treasury and general administrative functions of the Company. He was appointed as a Director of the Company in the year 1974. Then after considering his performance, he was appointed as Managing Director of the Company from the year 1978.

The shareholders of the Company at 68<sup>th</sup> Annual General Meeting of the members of Company held on August 05, 2011 approved the re-appointment of Shri Falgunbhai C. Patel as Managing Director of the Company for a period of five years with effect from April 01, 2012.

It is therefore proposed to re-appoint Shri Falgunbhai C. Patel as the Managing Director of the Company for a further period of five (5) years from April 1, 2017 on the prevailing terms and conditions, including payment of remuneration, as may be determined by the Board of Directors, which shall be within the limits prescribed under the provisions of the Companies Act, 2013 read with Schedule V as set out in the resolution and draft Agreement. Shri Falgunbhai C. Patel satisfies all the conditions as set out in Part - I of Schedule V to the Companies Act, 2013 as also the conditions set out under sub-section (3) of section 196 of the Companies Act, 2013 for being eligible for his appointment. The remuneration payable to Shri Falgunbhai C. Patel is within the permissible limits specified by the Companies Act, 2013 and is also commensurate with his responsibilities of heading the Company with the diversified businesses and the magnitude of the operations of the Company. He is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. The Managing Director shall also be a Key Managerial Personnel under Section 203 of the Companies Act, 2013. Shri Falgunbhai C. Patel is not liable to retire by rotation. He is also the Chairman of the Corporate Social Responsibility Committee of the Board of the Company. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be in the interest of the Company. The Board of Directors of the Company, at their meeting held on May 30, 2016 has, while considering his expertise, long lasting experience and exposure in the field of media and the responsibilities being shouldered by him as well as his association with the Company and also the recommendation of the Nomination & Remuneration Committee, subject to the approval of the Members of the Company in the Annual General Meeting, re-appointed Shri Falgunbhai C. Patel as the Managing Director of the Company for a period of five (5) years from April 01, 2017 to March 31, 2022 on the following terms and conditions :-

- 1) Salary of ₹ 6,50,000/- (Rupees Six Lacs Fifty thousand only) per month.
- 2) Perquisites to be allowed in addition to salary and commission as under:
  - (A) i) The Company shall provide equipments, appliances, furniture, fixtures and furnishing at residence of the Managing Director at the cost of the Company. The Company shall reimburse expenses of Gas, Electricity, Water, etc.

The expenditure of these, valued in accordance with Income Tax Rules.

- ii) Medical expenses for self and family including insurance premia shall be reimbursed by the Company in accordance with the Policy of the Company.
- iii) The Company shall reimburse Leave Travel Fare for the Managing Director and his family once in a year.
- iv) The Company shall pay personal accident insurance premia in accordance with the Policy of the Company. These perquisites shall be subject to a ceiling of an amount equal to the annual salary.

Shri Falgunbhai C. Patel shall also be given the following perquisites, which shall not be included in the computation of the ceiling on remuneration specified in Schedule V of the Companies Act, 2013.

- (B) i) The Company shall contribute 12% of the salary to the Provident Fund or such percentage as may be specified from time to time.
  - ii) The Company shall contribute towards Pension/Superannuation Fund provided that such contribution together with contribution to Provident Fund shall not exceed the limit laid down under the Income-Tax Act or any statutory modification thereof.
- The Contribution to the Provident Fund, Pension/Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent this either singly or put together are not taxable under the Income tax Act, 1961.
- iii) The Company shall pay Gratuity in accordance with the applicable statutory provisions and in terms of the Policy of the Company.
- (C) i) The Company shall provide a car with driver at the entire cost of the Company for office work.
  - ii) The Company shall provide telephone at the residence of Managing Director at the entire cost of the Company.
  - iii) The Managing Director shall be entitled to privilege leave in accordance with the Policy of the Company. The Managing Director shall be entitled to en-cash the un-availed leave at the end of his tenure.

### 3) **COMMISSION:**

The Managing Director shall be paid commission in addition to the salary and perquisites mentioned above in a manner that the total remuneration including commission shall be 10% of the Net profit of the Company computed in the manner laid down in section 197 of the Companies Act, 2013.

The remuneration referred to above is subject to the limit of 10% of the Net profit of the Company for the Managing Director and subject further to the overall limit of 11% of the net profit of the Company for all the Directors including Managing Director and whole-time Director of the Company taken together.

- 4) In case of absence or inadequacy of profits in the financial years during the tenure of Shri Falgunbhai C. Patel, the Company will be entitled to salary, perquisites and other allowances as the minimum remuneration subject to the limits prescribed in section 197 read with Section II of Part II of the Schedule V of the Companies Act, 2013, are payable.

The particulars set out hereinabove may be treated as an abstract of the terms of Agreement between the Company and Shri Falgunbhai C. Patel, Chairman and Managing Director pursuant to the provisions of the Companies Act, 2013.

In compliance with the provisions of sections 196 and 197 read with Schedule V to the Companies Act, 2013 the re-appointment of Shri Falgunbhai C. Patel as the Managing Director is being placed before the Members of the Company for their approval. A brief resume of Shri Falgunbhai C. Patel, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst the Directors inter-se as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided herein below.

The copies of the relevant resolution and the draft Agreement referred to herein above, containing, inter alia, the principal terms & conditions of the re-appointment is available for inspection by the members of the Company between 11:00 a.m. to 01:00 p.m. on any working day at the Registered Office of the Company

None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Falgunbhai C. Patel, his son Shri Parthiv F. Patel, her spouse and Smt. Pannaben F. Patel and their relatives, is concerned or interested, financial or otherwise, in the passing of the resolution mentioned in Item No. 5. The Board recommends the resolution for the approval by the Members of the Company.

Registered Office:  
 "Sandesh Bhavan", Lad Society Road,  
 B/h. Vastrapur Gam, P. O. Bodakdev,  
 Ahmedabad-380054  
 Date : May 30, 2016  
 Place : Ahmedabad

By Order of the Board of Directors,  
**For, THE SANDESH LIMITED**

**Dhaval Pandya**  
**COMPANY SECRETARY**

**PARTICULARS OF THE DIRECTOR/S SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

**(A) A brief resume of Shri Parthiv F. Patel being re-appointed at the ensuing Annual General Meeting:**

| Name                                                                                              | Shri Parthiv F. Patel                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director Identification No.                                                                       | DIN 00050211                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Date of Birth                                                                                     | 26/07/1982                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Age                                                                                               | 34 Years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Date of appointment                                                                               | 14/03/2002                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Brief resume, qualification, experience and nature of expertise in specific functional areas      | Shri Parthiv F. Patel is the Managing Director of the Company. He has been associated with the Company for more than fourteen years. He was appointed as Director of the Company in the year 2002 and has been handling the management and control of the organization, remarkably since then. He has gained a rich experience in the field of management of print media and electronic media besides investments, finance and general administrative functions of the Company. He shoulders the whole gamut of new projects & up-gradation of all departments of the Company under his dynamic leadership and industrious nature. |
| Educational Qualification                                                                         | B.A. with Business Finance from United Kingdom                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Name of the listed entities along with Other Companies in which the person holds the directorship | Directorship in Listed Entities: NIL<br>Directorship in other companies:<br>1. Autumnleaf Estates Private Limited (CIN: U45201GJ2008PTC052953)<br>2. Satlon Enterprise Private Limited (CIN : U51101GJ1981PTC 004642)<br>3. Sandesh Digital Private Limited (CIN: U22100GJ2015PTC 083461)<br>4. Suramya Chemicals Private Limited (CIN: U24200GJ2015 PTC 083767)<br>5. Sarvatra Chemicals Private Limited (CIN: U24233GJ2015 PTC 083895)                                                                                                                                                                                           |
| Membership / Chairmanship of Committees of other Boards                                           | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Disclosure of relation-ships between directors inter-se                                           | Shri Parthiv F. Patel is the son of Shri Falgunbhai C. Patel (Chairman and Managing Director of the Company) and Smt. Pannaben F. Patel (Director). Except the aforesaid, none of the other Directors, Manager or Key Managerial Personnel is related to Shri Parthiv F. Patel.                                                                                                                                                                                                                                                                                                                                                    |
| Shareholding in the company                                                                       | 11,89,100 Equity Shares of ₹ 10/- each (15.71%)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Last salary drawn                                                                                 | ₹ 60 Lacs per annum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Number of Meetings of the Board attended during the year                                          | 5 (Five)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

**(B) A brief resume of Shri Falgunbhai C. Patel being re-appointed at the ensuing Annual General Meeting:**

| Name                                                                                                                                            | Shri Falgunbhai C. Patel                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director Identification No.                                                                                                                     | (DIN 00050174)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Date of Birth                                                                                                                                   | 11/01/1956                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Age                                                                                                                                             | 60 Years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Date of Appointment                                                                                                                             | 27/11/1974                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Brief resume, qualification, experience and nature of expertise in specific functional areas                                                    | He is Chairman & Managing Director of The Sandesh Limited with more than forty one years of experience in Print Media Administration and Management. Under his stewardship "Sandesh" a leading Gujarati Newspaper charted out a dynamic trail of achievements by having independent editions from Ahmedabad, Baroda, Surat, Rajkot, Bhavnagar, Bhuj and Mumbai.                                                                                                                                             |
| Educational Qualification                                                                                                                       | B.Com & Advance Management, Management Studies from USA                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Name of the listed entities along with Other Companies in which the person holds the directorship and the membership of Committees of the Board | Directorship in Listed Entities: NIL<br>Directorship in other companies:<br>1. Dhanali Stock Holdings Private Limited (CIN: U99999GJ1991PTC016664)<br>2. Autumnleaf Estates Private Limited (CIN: U45201GJ2008PTC052953)<br>3. Satlon Enterprise Private Limited (CIN: U51101GJ1981PTC004642)<br>4. Sandesh Digital Private Limited (CIN: U22100GJ2015PTC083461)<br>5. Suramya Chemicals Private Limited (CIN: U24200GJ2015PTC083767)<br>6. Sarvatra Chemicals Private Limited (CIN: U24233GJ2015PTC083895) |
| Membership / Chairperson of Board Committees                                                                                                    | Chairman - Corporate Social Responsibility Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Disclosure of relation-ships between directors inter-se                                                                                         | Shri Falgunbhai C. Patel is spouse of Smt. Pannaben F. Patel who is the director of the Company and father of Shri Parthiv F. Patel, who is the Managing Director of the Company Except the aforesaid, none of the other Directors, Manager or Key Managerial Personnel is related to Shri Falgunbhai C. Patel.                                                                                                                                                                                             |
| Shareholding in the company                                                                                                                     | 3,86,350 Equity Shares of ₹ 10/- each (5.10%)                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Last salary drawn                                                                                                                               | ₹ 78 Lacs per annum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| The number of Meetings of the Board attended during the year                                                                                    | 5 (Five)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

Registered Office:  
"Sandesh Bhavan", Lad Society Road,  
B/h. Vastrapur Gam, P. O. Bodakdev,  
Ahmedabad-380054  
Date : May 30, 2016  
Place : Ahmedabad

By Order of the Board of Directors,  
**For, THE SANDESH LIMITED**

**Dhaval Pandya**  
**COMPANY SECRETARY**

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING

**Venue of AGM :** Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 (Gujarat-India)

**Land Mark :** Opposite 'Law Garden'



**BOARD'S REPORT**

To the Members,  
**The Sandesh Limited**

Your Directors have pleasure in presenting the 73<sup>rd</sup> Annual Report and the Audited Financial Statement for the Financial Year ended March 31, 2016. Consolidated performance of the Company and its subsidiary has been referred to wherever required.

**1. Financial Highlights:**

(₹ In Lacs)

| Particulars                                                                                                                                     | Standalone |          | Consolidated |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------|--------------|-----------|
|                                                                                                                                                 | 2015-2016  | 2014-15  | 2015-2016    | 2014-2015 |
| <b>Revenue from operations</b>                                                                                                                  | 37126.39   | 34488.84 | 37245.60     | ---       |
| <b>Gross Profit of the Company before providing for</b>                                                                                         | 14488.78   | 10321.86 | 14524.43     | ---       |
| Less :                                                                                                                                          |            |          |              |           |
| Depreciation                                                                                                                                    | 771.11     | 797.80   | 771.11       | ---       |
| Taxation                                                                                                                                        | 4297.67    | 2883.25  | 4310.07      | ---       |
| Managing Directors' Remunerations                                                                                                               | 1357.01    | 937.20   | 5357.01      | ---       |
| <b>Net Profit</b>                                                                                                                               | 8062.99    | 5703.61  | 8086.24      | ---       |
| Add : Last year's carried forward balance                                                                                                       | 668.72     | 2329.52  | 668.72       | ---       |
| <b>APPROPRIATION</b>                                                                                                                            |            |          |              |           |
| Interim dividend on equity shares                                                                                                               | 378.47     | 0.00     | 378.47       | ---       |
| Proposed Dividend                                                                                                                               | 0.00       | 302.78   | ---          | ---       |
| Taxation                                                                                                                                        | 77.05      | 61.53    | 77.05        | ---       |
| Transfer to General Reserve                                                                                                                     | 7000.00    | 7000.00  | 7000.00      | ---       |
| <b>Balance carried forwarded to Balance Sheet</b>                                                                                               | 1276.19    | 668.72   | 1299.44      | ---       |
| <b>DIVIDEND</b>                                                                                                                                 |            |          |              |           |
| 50 % on 7569421 Equity Shares of ₹10/- each<br>(Interim Dividend for the F.Y.2015-16)<br>(Last year 40% on 7569421 Equity Shares of ₹10/- each) | 378.47     | 302.78   | 378.47       | ---       |

**2. Review of Operations and the state of the Company's affairs:**

During the year under review on Standalone basis, the income from operations has increased by 7.65% i.e. from ₹ 34488.84 Lacs to ₹ 37126.39 Lacs, as compared to the previous Financial Year. Circulation revenue increased by 11.85% i.e. ₹ 1048.19 Lacs during the year from ₹ 8844.84 Lacs to ₹ 9893.03 Lacs. Advertisement Revenue increased by 11.91% i.e. ₹ 2418.47 Lacs during the year from ₹ 20835.23 Lacs to ₹ 23316.70 Lacs.

There are no material changes and commitments have occurred after the close of the financial year till the date of this Report, which affect the financial position of the Company. The state of affairs of the Company is presented as part of 'Management Discussion and Analysis Report' forming part of this Report.

**3. Interim Dividend & transfer to Reserve:**

Your Directors, in their meeting held on March 09, 2016, declared on Interim Dividend of 50% (₹ 5.00 per Equity Share of ₹10/- each), during the Financial Year ended March 31, 2016. (In previous Financial Year, the dividend was declared @ 40% i.e. ₹ 4.00 per equity share of ₹ 10/- each). The interim dividend payment had an outflow of ₹ 455.52 Lacs including Dividend Tax. Your Directors did not recommend a final dividend.

Further, The Company proposes to transfer ₹ 7000.00 Lacs to the general reserve out of the amounts available for appropriation and an amount of ₹ 1276.19 Lacs is proposed to be retained in the profit and loss account.

**4. Transfer of Amounts to Investor Education and Protection Fund:**

Dividend for the Financial Year 2007-08 became due and was transferred to the Investor Education and Protection Fund. The unpaid / unclaimed dividend for the financial year 2008-09 will be due for transfer to the "Investor Education & Protection Fund" as required under the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

**5. Directors' Responsibility Statement:**

Your Company's Directors make the following statement pursuant to Section 134(3)(c) and in terms of sub-section (5) of Section 134 of the Companies Act, 2013 (the Act), which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed to the extent applicable to the Company and there are no material departures in the adoption of the applicable Accounting Standards;

- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts on a going concern basis; and
- (e) The Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively
- (f) The Board of Directors has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 6. Board independence:

The provisions of section 149(6) of the Companies Act, 2013 (hereinafter referred to as “the Act”) and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) provide the definition of ‘independent director’ and based on the confirmations received from the Independent Directors of the Company under the provisions of section 149(7) of the Act and on evaluation of the relationships disclosed, the following Non-Executive Directors are considered as Independent Directors:

- a) Shri Mukeshbhai Patel (DIN 00053892)
- b) Shri Sandeepbhai Singhi (DIN 01211070)
- c) Shri Shreyasbhai Pandya (DIN 00050244)
- d) Shri Sudhirbhai Nanavati (DIN 00050236)

#### 7. Board Meetings, Board of Directors, Key Managerial Personnel & Committees of Directors:

##### a) Board meetings:

The Board of Directors of the Company met Five (5) times during the Financial Year 2015-16 and the gap intervening between two (2) meetings of the Board of Directors is as prescribed in the applicable provisions of the Act. The ‘Corporate Governance Report’ contains the details of the Board Meetings held during the Financial Year under review.

##### b) Appointment & Re-appointment:

Pursuant to provisions of section 152(6) of the Act and the Articles of Association of the Company, Shri Parthiv F. Patel (DIN 00050211) retires by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting of the Company.

Your Directors recommend that the resolutions relating to the appointment of Shri Parthiv F. Patel (who is liable to retire by rotation), as Director and re-appointment of Shri Falgunbhai C. Patel (DIN 00050174) as Chairman & Managing Director eligible for re-appointment be passed. Pursuant to the Regulation 36(3) of Listing Regulations, brief resumes of both the said Directors are furnished along with the Explanatory Statement to the Notice to the Annual General Meeting of the Company.

##### c) Declarations from Independent Directors:

The Company has received necessary declaration from each Independent Director of the Company under the provisions of section 149(7) of the Act, that they meet the criteria of independence as laid down in section 149(6) of the Act and applicable provisions of Listing Regulations.

##### d) Familiarization Program for Independent Directors:

In compliance with the requirements of Listing Regulations, the Independent Directors have been familiarized on the Board of the Company by the functional heads of various departments of the Company which includes detailed presentations on the vision and mission of the Company, its operations, business plans, technologies and also future outlook of the entire industry. Details of familiarization programs extended to the Non-executive & Independent Directors are also disclosed on the Company website from time to time at: <http://sandesh.com/ir/Details%20of%20familiarization%20programmes.pdf>.

##### e) Resignation, Cessations and Changes in Directors and Key Managerial Personnel:

None of the Directors and Key Managerial Personnel of the Company has resigned during the financial year under review except the appointment of Shri Yogesh Jani (DIN 06495782) was made as on August 11, 2015 as Whole-time Director of the Company.

##### f) Details of remuneration to directors:

The information relating to remuneration of the Directors as required under the provisions of section 197(12) of the Act, is given in **Annexure D**.

**g) Board Committees:**

The Company has constituted the following Committees of the Board of Directors:

1. Audit Committee;
2. Stakeholders Relationship Committee;
3. Corporate Social Responsibility Committee;
4. Nomination and Remuneration Committee; and
5. Executive Committee

The Report of Corporate Governance contains the details of the composition of each of the above Committees, their respective role and responsibilities.

**h) Nomination and Remuneration Policy:**

In terms of the sub-section (3) and (4) of section 178 of the Act and Regulation 19(4) read with Part D of Schedule II of the Listing Regulations, the Board of your Company has, on recommendation of the Nomination & Remuneration Committee, framed and adopted a policy for selection and appointment of directors, senior management and their remuneration. The contents of the said policy are provided in the Report of Corporate Governance.

**i) Annual Performance evaluation by the Board:**

Pursuant to the provisions of the Act read with Rules made thereunder and as provided in Schedule IV to the Act and applicable regulations of Listing Regulations, the Nomination and Remuneration Committee and the Board has carried out an annual evaluation of its performance, the Directors individually as well as the evaluation of the working of its Committees and the findings were shared individually with the Board Members as well as the Chairman of the Company. Further, the Board has carried out an annual performance evaluation of its Independent Directors and the Independent Directors have also evaluated the performance of the Chairman and other non-independent Directors. Your Directors express their satisfaction with the evaluation process and the manner in which the evaluation was carried out has been explained in the Report of Corporate Governance Report forming part of this Report.

**j) Subsidiary Company, joint ventures and associate companies:**

The Company has one (1) wholly-owned subsidiary as on March 31, 2016. There are no joint venture companies or associate companies during the Financial Year under review. During the Financial Year, M/s. Sandesh Digital Private Limited (CIN: U22100GJ2015PTC083461) has become wholly-owned subsidiary of the Company. The said company is engaged in providing news on multiple digital platforms, mobile advertisements and to aggregate and provide news / videos on the multiple digital platforms. There has been no material change in the nature of the business of the Subsidiary. Pursuant to provisions of section 129(3) of the Act, read with applicable rules of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiary in Form AOC-1 as Annexure F is attached to the Financial Statements of the Company. Further, pursuant to the provisions of section 136(1) of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiary, are available on the website of the Company. The separate audited financial statements in respect of the subsidiary shall be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. The Company has framed a policy for determining material subsidiaries, which has been posted on the Company's website [www.sandesh.com](http://www.sandesh.com).

**8. Consolidated Financial Statements:**

The Consolidated Financial Statements of the Company prepared in accordance with the applicable Accounting Standards form part of this Annual Report. The financial statement of a Subsidiary Company of the Company is not attached along with the financial statements of the Company. The separate audited financial statement of the Subsidiary Company (M/s. Sandesh Digital Pvt. Ltd.) of the Company is also placed on the website of the Company at weblink:

[http://sandesh.com/ir/audited%20financial%20statement\\_Sandesh%20Digital.pdf](http://sandesh.com/ir/audited%20financial%20statement_Sandesh%20Digital.pdf).

The Company Secretary will make these documents available upon receipt of a request from any Member of the Company interested in obtaining the same. These documents will also be available for inspection at the Registered Office of your Company during working hours up to the date of ensuing Annual General Meeting.

**9. Corporate Governance:**

A Report on Corporate Governance along with a certificate regarding the compliance of conditions of corporate governance as stipulated under Para E of Schedule V of the Listing Regulations forms a part of this Annual Report. Your Company has been practicing the principles of good corporate governance. A detailed report on corporate governance is available as a separate section in this Annual Report. The certificate of M/s. Jignesh A. Maniar & Associates, Practicing Company Secretaries, Ahmedabad, regarding compliance with the conditions stipulated under Listing Regulations is provided separately under this Annual Report.

**10. Audit Committee and its Recommendations:**

The Audit Committee has been constituted in accordance with the provisions of the Act and the Rules made thereunder and also in compliance with the provisions of Listing Regulations and more details on the Committee are provided in the Report on Corporate Governance. During the financial year under review, all the recommendations of the Audit Committee were accepted by the Board of Directors of the Company. The Composition of the Audit Committee is as described in the Report on Corporate Governance.

**11. Auditors and Audit Reports:****a) Statutory Auditors:**

The Company's statutory auditors M/s. Manubhai & Shah LLP (LLPIN: AAG-0878) (Formerly known as Manubhai & Shah) (Firm Registration No.106041W/W100136) Chartered Accountants, Ahmedabad who retire at the ensuing Annual General Meeting, have confirmed their eligibility and willingness to accept office, if their appointment is ratified. The Company has received a certificate from M/s. Manubhai & Shah LLP, the Statutory Auditors to the effect that their appointment, if made, would be in accordance with the limits specified under the Act, and that, they meet the criteria of independence. The proposal for their re-appointment is included in the Notice of Annual General Meeting sent herewith. The Audit Committee and the Board of Directors recommend the appointment of M/s. Manubhai & Shah LLP, the Statutory Auditors, subject to annual ratification by the Shareholders at every Annual General Meeting and at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee.

**b) Auditors' Report:**

The notes of the financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditors' Report for the Financial Year 2015-16 does not contain any qualification, reservation or adverse remarks. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the Financial Year under review. Further, your Directors have reviewed the Auditor's Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors as provided under section 134 of the Act.

**c) Secretarial Auditors & Secretarial Audit Report:**

Pursuant to the provisions of section 204 of the Act and applicable rules of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit has been carried out by M/s. Jignesh A. Maniar & Associates, Practicing Company Secretaries, Ahmedabad. The Report of the Secretarial Audit in Form MR-3 for the Financial Year ended March 31, 2016 is annexed as **Annexure A** to this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report. The Board has reviewed the Secretarial Auditor's Report and the observations and comments, appearing in the said Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors as provided under section 134 of the Act.

**12. Human resource initiatives and industrial relations:**

We treat our employees as most valuable assets. Your Company aims to align human resource practices with business goals. Performance Management system enables a holistic approach to the issue of managing performance and does not limit to only an appraisal. Your Company takes pride of its highly motivated and committed team of employees. The employees performed to their full potential and contributed to the growth and development of the Company.

**13. Particulars of Employees:**

The information required pursuant to the provisions of section 197 (12) of the Act read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as **Annexure D** to this Report.

**14. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow:**

The particulars as prescribed under section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out in **Annexure C**.

**15. Management Discussion and Analysis Report:**

A detailed chapter on 'Management Discussion and Analysis' pursuant to the Regulation 34 of Listing Regulations, is annexed and forms part of this Annual Report.

**16. Material changes and commitments affecting the financial position of the Company:**

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

**17. Corporate Social Responsibility Initiatives:**

Your Company has constituted a Corporate Social Responsibility Committee. The Committee is constituted to manage and overview the Corporate Social Responsibility programs of the Company. The Corporate Social Responsibility Policy as approved by the Board is available at the website of the Company at the link: <http://sandesh.com/ir/CSR%20Policy.pdf>. The Annual Report on Corporate Social Responsibility activities is annexed herewith as **Annexure B**.

**18. Insider Trading Regulations:**

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has formulated a code of conduct for regulating, monitoring and reporting of trading in shares of the Company by the insiders. The Company has adopted a code of conduct for prohibition of insider trading in order to regulate trading in the shares of the Company by the Directors, Connected Persons and designated employees of the Company. The Company has also prescribed a code of fair disclosure and conduct and code for prevention of insider trading. Both the said codes are in accordance with the said Regulations. The said Codes have been uploaded on the website of the Company.

**19. Borrowing:**

The Company has been sanctioned limit of ₹ 10500 Lacs which is inclusive of cash credit, letter of credit and buyers credit. However, your Company uses the borrowed funds very judiciously and it uses its internal cash generations to invest in the business.

**20. Credit Rating:**

For the Financial Year 2015-16 under review, the credit rating agency "Credit Analysis and Research Limited" has reaffirmed rating of CARE AA- (Double A Minus) assigned to the long term bank facilities. Further, it has reaffirmed the CARE A1+ (A one Plus) rating assigned to short term facilities.

**21. Insurance:**

All the significant properties and insurable interest of the Company, including building, plant and machinery and stocks are adequately insured.

**22. Risk Management:**

The Board of Directors of the Company has framed and adopted a policy on Risk Management of the Company. The Company has identified various risks and also has mitigation plans for each risk identified and it has a comprehensive Risk Management system which ensures that all risks are timely defined and mitigated in accordance with the Risk Management Policy.

**23. Internal Control Systems and adequacy of Internal Financial Controls:**

Your Company has an adequate system of the internal controls to ensure that all its assets are protected against loss from unauthorized use or disposition and further that those transactions are authorised, promptly recorded and reported correctly. Your Company has implemented an effective framework for Internal Financial Controls in terms of the provisions stipulated under the explanation to section 134(5)(e) of the Act. The Board is of the opinion that the Company has an effective Internal Financial Controls which is commensurate with the size and scale of the business operations of the Company for the Financial Year ended on March 31, 2016. Adequate internal financial controls with respect to financial statements are in place. The Company has documented policies and guidelines for this purpose. Its Internal Control System has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

The internal audit and the management review supplement the process implementation of effective internal control. The Audit Committee of the Board deals with accounting matters, financial reporting and internal controls and regularly interacts with the Statutory Auditors, Internal Auditors and Management in dealing with matters within its terms of reference. No reportable material weakness in the design or implementation was observed during the financial year under review.

**24. Vigil Mechanism / Whistle Blower Policy:**

The Board has approved and established a Whistle Blower Policy for the Directors and employees of the Company to report their genuine concerns and its details are explained in the Report on the Corporate Governance. The Whistle Blower Policy is available on the website of the Company to report any genuine concerns about unethical behavior, any actual or suspected fraud or violation of Company's Code of Conduct.

**25. Code of Conduct:**

Your Directors have laid down the Code of Conduct for all Board Members and the members of the senior management of the Company. The said Code is also placed on the website of the Company. All Board Members and the members of the senior management of the Company have affirmed compliance with the said Code for the financial year under review. The Certificate from the Chairman & Managing Director affirming compliance of the said Code by all the Board Members and the members of senior management of the Company, to whom the Code is applicable, is attached to the Corporate Governance Report.

**26. Extract of Annual Return:**

Pursuant to the provisions of section 92(3) of the Act, the extract of the Annual Return (MGT-9) is annexed herewith as **Annexure E** as a part of this Report.

**27. Litigation:**

There was no material litigation outstanding as on March 31, 2016 and the details of pending litigation including tax matters are disclosed in the Financial Statements.

**28. Particulars of Loans, Guarantees and Investments u/s 186 of the Companies Act:**

The particulars of loans and guarantees given and the investments made under the provisions of section 186 of the Act are given separately in the Financial Statements of the Company read with the Notes to Accounts which may be read in conjunction with this Report.

**29. Particulars of contracts or arrangements with related parties referred to in section 188(1) in the prescribed form:**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All related party transactions are placed before the Audit Committee as also the Board for review and approval.

In line with the provisions of the Act and Listing Regulations, the Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions and abridged Related Party Transactions Policy is uploaded on the Company's website and can be accessed at: <http://sandesh.com/ir/RPT%20Policy.pdf>. During the Financial Year under review, there were no material related party transactions. The Register under section 189 of the Act is maintained and particulars of transactions are entered in the Register, wherever applicable. Further, suitable disclosure as required by the applicable Accounting Standards has been given in the Notes to the Financial Statements. As there were no materially significant related party transactions entered into by the Company with the related parties during the financial year under review, the details of the related party transactions as required under section 134(3)(h) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, as prescribed in Form AOC-2 of the said Rules is not applicable to the Company.

### 30. Listing Fees:

The Company confirms that it has paid the annual listing fees for the Financial Year 2016-17 to BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

### 31. Listing Agreement:

The Securities Exchange Board of India (SEBI), on September 2, 2015, issued Listing Regulations with the aim to consolidate and streamline the provisions of Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from December 1, 2015. Accordingly, all listed entities were required to enter into the Uniform Listing Agreement within six months from the effective date. Accordingly, the Company has entered into Uniform Listing Agreement with BSE Limited and also with National Stock Exchange of India Limited.

### 32. Statutory Disclosures:

The Company has made disclosures in this Report for the items prescribed in section 134(3) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014 to the extent the transactions took place on those items during the financial year under review. Further, no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the Financial Year under review:

- a) **Public Deposits (Deposit from the public falling within the ambit of section 73 of the Act and the Rules made thereof):** The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.
- b) **Issue of equity shares with differential rights as to dividend, voting or otherwise:** The Authorised Share Capital of the Company comprises of 1500000 equity shares of ₹ 10/- each. The paid up equity share capital of the Company as on March 31, 2016 was ₹ 756.94 Lacs comprising of 7569421 equity shares of ₹ 10/- each. During the Financial Year under review, the Company has not issued shares with differential voting rights as to dividend, voting or otherwise.
- c) **Issue of shares (including sweat equity shares) to employees of the Company under any scheme:** Your Company has not issued any shares including sweat equity shares to employees of the company under any scheme during the Financial Year under review.
- d) **Neither the Managing Director(s) nor the Whole-time Director(s) of the Company receive any remuneration or commission from its subsidiary:** There is no disclosure required as to receipt of remuneration or commission by the Managing Director(s) / Whole Time Director(s) from a subsidiary of the Company.
- e) **Details of significant and material orders passed by the Regulators / Courts / Tribunals impacting the going concern status and the Company's operations in future:** There are no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.
- f) **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWWA):** The Company has adopted a policy in accordance with the provisions of SHWWA and the Rules thereunder and all employees are covered under the said Policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment. During the Financial Year under review, there were no cases filed pursuant to SHWWA and rules made thereof.

### 33. Acknowledgment:

Your Directors place on record their sincere appreciation of all the employees of the Company for their valuable contribution and dedicated service. Your Directors express their sincere thanks to the esteemed readers, viewers and customers of the Company for their continued patronage. Your Directors also immensely thank all the shareholders, bankers, investors, agents, business associates, service providers, vendors and all other stakeholders for their continued and consistent support to the Company during the Financial Year.

For and on behalf of the Board of Directors,

**Falgunbhai C. Patel**  
Chairman & Managing Director  
(DIN 00050174)

Date : May 30, 2016  
Place : Ahmedabad  
Encl.: Annexure A to Annexure F

**ANNEXURE A TO THE BOARD'S REPORT**
**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
**(For the Financial Year ended March 31, 2016)**

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

To,  
The Members,  
**THE SANDESH LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by THE SANDESH LIMITED (CIN: L22121GJ1943PLC000183) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 ('Audit Period') according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, 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, 1992 / 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 *(Not applicable as the Company has not issued any further share capital during the Audit Period)*;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 *(Not applicable to the Company during the Audit Period)*;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not applicable as the Company did not issue and listed any debt securities and any other such securities during the Audit Period)*;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(Not applicable to the Company during the Audit Period)*; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(Not applicable to the Company during the Audit Period)*;
- vi. The following laws are applicable specifically to the Company and we report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, and according to the information and explanations provided by the management of the Company, the Company has complied with:
  - a) The Press & Registration of Books Act, 1867 and Rules made thereunder;
  - b) The Delivery of Books and Newspapers (Public Libraries) Act, 1954;
  - c) Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 and Rules made thereunder;

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

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective from 1<sup>st</sup> July, 2015.
- ii. The Listing Agreements (till November 30, 2015) entered into by the Company with the BSE Limited and National Stock Exchange of India Limited pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the period commencing 1<sup>st</sup> December 2015 to 31<sup>st</sup> March 2016

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

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. *The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act..*

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

All decisions at Board Meetings and Committee Meetings of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We 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.

We further report that during the Audit Period there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For, Jignesh A. Maniar & Associates**  
Company Secretaries  
(C.P. No. : 6996)

**Jignesh A. Maniar**  
(F.C.S. No. : 3468)  
Proprietor

**Place :** Ahmedabad

**Date :** 30.05.2016

Note: This report is to be read with our letter of even date which is annexed as 'Annexure' and forms an integral part of this report.

**'ANNEXURE A'**

To

The Members,

**THE SANDESH LIMITED**

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

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

**For, Jignesh A. Maniar & Associates**  
Company Secretaries  
(C.P. No. : 6996)

**Jignesh A. Maniar**  
(F.C.S. No. : 3468)  
Proprietor

**Place :** Ahmedabad

**Date :** 30.05.2016

**ANNEXURE B TO THE BOARD'S REPORT**  
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**  
[Pursuant to Clause (o) of Sub-section (3) of Section 134 of the Companies Act, 2013  
read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

**1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

The Board of Directors (the 'Board' for short) of the Company has adopted a CSR Policy, which includes (a) The Company will promote education; provide preventive healthcare & sanitation, create livelihoods for community; support the community in times of natural calamities, provide monetary support to the deserving students; (b) the Company will implement CSR programmes through the employees of the Company or through external implementing agencies. The Company will ensure proper monitoring and reporting of the CSR activities undertaken by it.

The CSR policy is available on the Company's website: [www.sandesh.com](http://www.sandesh.com)

CSR Policy is stated herein below:

Web Link: <http://sandesh.com/ir/CSR%20Policy.pdf>

**2. The Composition of the CSR Committee:**

| <u>Name</u>               | <u>Designation</u>            |
|---------------------------|-------------------------------|
| 1 Shri Falgunbhai Patel   | Chairman                      |
| 2 Smt. Pannaben Patel     | Member                        |
| 3 Shri Mukeshbhai Patel   | Member (Independent Director) |
| 4 Shri Shreyasbhai Pandya | Member (Independent Director) |

**3. Average net profit of the company for last three financial years: ₹ 7472.01 Lacs**

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

The Company is required to spend ₹ 149.44 Lacs towards CSR activities.

**5. Details of CSR spent during the financial year:**

- Total amount to be spent for the financial year: ₹149.44 Lacs
- Amount unspent, if any: ₹149.44 Lacs
- Manner in which the amount spent during the financial year is detailed below: Not applicable

**6. During the year, the Company has created a program and monitoring mechanism, which will ensure that CSR initiatives are sustainable and beneficial to the community in the long run. The Company has detailed out the pre-implementation activities for the identified CSR programs. Hence, an action and corresponding expenditures on CSR programs may start from the next financial year.**

**7. CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and the Policy of the Company.**

**Place :** Ahmedabad  
**Date :** May 30, 2016

**Falgunbhai C. Patel**  
Chairman of CSR Committee  
(DIN 00050174)

**Parthiv F. Patel**  
Managing Director  
(DIN 00050211)

## ANNEXURE C TO THE BOARD'S REPORT

Information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as provided under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014:

**(A) CONSERVATION OF ENERGY**

- 1) **Steps taken or impact on conservation of energy:** Though the operations of the Company are not energy intensive, efforts are made for conservation of energy on an on-going basis. The Company is not using DG set but uses alternate power lines if Mains failure. The Company has installed capacitor banks and filters for improvement in power factor. It has also installed UPS CTP machines / Computers / Image Setters on state power. Other energy conservation measures taken during the financial year under review includes optimization of operations of the compressors and standby power not used when machines were not in use. The energy conservation initiatives have resulted in improvement of power factor.
- 2) **Steps taken for utilization of alternate sources of energy:** The Company has commenced use of LED lights to reduce energy consumption. Further, the Company has installed high efficiency lighting fixtures and old high power consumption light fittings have been replaced by low power consumption light fittings.
- 3) **Capital Investment on energy conservation equipments:** NIL

**(B) TECHNOLOGY ABSORPTION**

- 1) Efforts made towards technology absorption : Not Applicable
- 2) Benefits derived : Not Applicable
- 3) Details of technology imported in last three years : Not Applicable
  - a. Details of technology imported : Not Applicable
  - b. Year of import : Not Applicable
  - c. Whether the technology been fully absorbed : Not Applicable
  - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : Not Applicable
- 4) Expenditure incurred on Research and Development : Not Applicable

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the Financial Year, the foreign exchange earned in terms of actual inflows was ₹ 56.60 Lacs, whereas the foreign exchange in terms of actual outflows was ₹ 6.93 Lacs.

For and on behalf of the Board of Directors

**Date :** May 30, 2016  
**Place :** Ahmedabad

**Falgunbhai C. Patel**  
 Chairman & Managing Director  
 (DIN 00050174)

**ANNEXURE D TO THE BOARD'S REPORT  
Remuneration Details**

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- 1. The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

| <b>Name of the Director</b> | <b>Ratio of each Director to the median remuneration of the employee</b> |
|-----------------------------|--------------------------------------------------------------------------|
| Shri Falgunbhai C. Patel    | 218.27                                                                   |
| Shri Parthiv F. Patel       | 217.87                                                                   |
| Shri Yogesh Jani            | 2.07                                                                     |

- 2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2015-16:**

| <b>Name of the Director, Chief Financial Officer and the Company Secretary</b> | <b>% increase in the remuneration in the financial year</b> |
|--------------------------------------------------------------------------------|-------------------------------------------------------------|
| Shri Falgunbhai C. Patel (Director)                                            | 45.23                                                       |
| Shri Parthiv F. Patel (Director)                                               | 44.35                                                       |
| Shri Yogesh Jani (WTD)                                                         | —                                                           |
| Shri Sanjay Kumar Tandon (KMP)                                                 | 7.85                                                        |
| Shri Dhaval Pandya (KMP)                                                       | 15.71                                                       |

- 3. The percentage increase in the median remuneration of employees in the financial year:** 14.64%
- 4. The number of permanent employees on the rolls of Company:** 515 as on March 31, 2016
- 5. The explanation on the relationship between average increase in remuneration and Company performance:** The average increase in remuneration is closely linked to and driven by achievement of annual corporate goals and overall business, financial and operational performance of the Company.
- 6. Comparison of the remuneration of the key managerial personnel against the performance of the Company:** The total remuneration of key managerial personnel's increased by 44.27% in the financial year 2015-16 whereas during the year under review, the Company registered a profit after tax of ₹ 8062.99 Lacs as compared to profit of ₹ 5703.61 Lacs in the previous year.
- 7. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

| <b>Particulars</b>                | <b>March 31, 2016</b> | <b>March 31, 2015</b> | <b>% Change</b> |
|-----------------------------------|-----------------------|-----------------------|-----------------|
| Share Price (NSE) in ₹            | 701.25                | 501                   | —               |
| Market Capitalization (₹ in Lacs) | 53080.56              | 37922.80              | 39.97           |
| Share Price (BSE) In ₹            | 698.75                | 502.25                | —               |
| Market Capitalization (₹ in Lacs) | 52891.33              | 38017.42              | 39.12           |
| Price Earnings Ratio (NSE)        | 6.56                  | 6.65                  | (1.28)          |
| Price Earnings Ratio (BSE)        | 6.54                  | 6.67                  | (1.87)          |

- 8. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:** The Company came out with Initial Public Offer of 1966600 equity shares of ₹ 10/- each in year 1994 at a premium of ₹ 90/- per share. The market price of the share as on March 31, 2016 was ₹ 698.75 (Closing price) on BSE Limited and ₹ 701.25 (Closing price) on the National Stock Exchange of India Limited. The increase in price is approximately 601%, apart from the dividend received by the shareholders. The Company has not made any public offer in the Financial Year under review.
- 9. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
- Average increase in remuneration of employees excluding KMPs : 13%.
  - Average increase in remuneration of KMPs : 44%
  - Increase in salary of KMP is decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.
- 10. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:** During the year under review, the Company registered a profit after tax of ₹ 8062.99 Lacs as compared to profit after tax of ₹ 5703.61 Lacs in the previous year and the increase in remuneration of each Key Managerial personnel is detailed above.
- 11. The key parameters for any variable component of remuneration availed by the Directors:** The Executive Directors' remuneration does not contain any variable component and the Non-Executive Directors are not entitled to remuneration in any form other than the sitting fees for the Board meetings attended by them.
- 12. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:** There was no employee receiving remuneration higher than the highest paid Director during the financial year under review.
- 13. Affirmation that the remuneration is as per the Remuneration Policy of the Company:** It is confirmed that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

**Falgunbhai C. Patel**  
Chairman & Managing Director  
(DIN 00050174)

Date : May 30, 2016  
Place : Ahmedabad

**ANNEXURE E TO THE BOARD'S REPORT**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2016**  
**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1)**  
**of the Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS :**

|      |                                                                           |   |                                                                                                                                                                                                                                                                                              |
|------|---------------------------------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i)   | CIN                                                                       | : | L22121GJ1943PLC000183                                                                                                                                                                                                                                                                        |
| ii)  | Registration Date                                                         | : | MARCH 11, 1943                                                                                                                                                                                                                                                                               |
| iii) | Name of the Company                                                       | : | THE SANDESH LIMITED                                                                                                                                                                                                                                                                          |
| iv)  | Category/Sub-Category of the Company                                      | : | Public Limited Company having Share Capital                                                                                                                                                                                                                                                  |
| v)   | Address of the Registered Office and Contact details                      | : | <b>THE SANDESH LIMITED</b><br>SANDESH BHAVAN, LAD SOCIETY ROAD, B/H. VASTRAPUR GAM, P.O. BODAKDEV, AHMEDABAD – 380054 (GUJARAT)<br>Phone No.: +91-079-40004000<br>Email ID: cs@sandesh.com, investorsgrievance@sandesh.com<br>Website: www.sandesh.com                                       |
| vi)  | Whether listed Company                                                    | : | Yes                                                                                                                                                                                                                                                                                          |
| vii) | Name, Address and contact details of Registrar and Transfer Agent, if any | : | <b>MCS Share Transfer Agent Limited</b><br>201, Shatdal Complex, 2 <sup>nd</sup> Floor, Ashram Road, Ahmedabad-380009 (Gujarat)<br>Phone Nos.: +91-079-26580461, 26580462, 26580463<br>Fax No.: +91-079-26581296<br>Email ID: mcssta@rediffmail.com, mcsahmd@gmail.com, mcsstaahmd@gmail.com |

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

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

| SL No | Name & Description of main products / services | NIC Code of the Product /service | % to total turnover of the Company |
|-------|------------------------------------------------|----------------------------------|------------------------------------|
| 1     | Sale of newspapers and other publications      | 58131                            | 29.79                              |
| 2     | Advertisement Revenue                          | 58131                            | 70.21                              |

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

| Sl No | Name & Address of the Company   | CIN/GLN               | HOLDING/ SUBSIDIARY / ASSOCIATE | % of Shares held | Applicable Section |
|-------|---------------------------------|-----------------------|---------------------------------|------------------|--------------------|
| 1.    | SANDESH DIGITAL PRIVATE LIMITED | U22100GJ2015PTC083461 | Wholly-own Subsidiary           | 100%             | 2(87)(i)(ii)       |

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

| Category of Shareholders                                                        | No of Shares held at the beginning of the year (01/04/2015) |               |                |                   | No of Shares held at the end of the year (31/03/2016) |               |                |                   | % 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                                                             | 1777400                                                     | 0             | 1777400        | 23.481            | 1777400                                               | 0             | 1777400        | 23.481            | 0.000                    |
| (b) Central Government                                                          | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| (c) State Government(s)                                                         | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| (d) Bodies Corporate                                                            | 3885617                                                     | 0             | 3885617        | 51.333            | 3885617                                               | 0             | 3885617        | 51.333            | 0.000                    |
| (e) Banks /Financial Institutions                                               | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| (f) Any Other(specify)                                                          | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| <b>SUB-TOTAL (A)(1)</b>                                                         | <b>5663017</b>                                              | <b>0</b>      | <b>5663017</b> | <b>74.814</b>     | <b>5663017</b>                                        | <b>0</b>      | <b>5663017</b> | <b>74.814</b>     | <b>0.000</b>             |
| <b>(2) FOREIGN</b>                                                              |                                                             |               |                |                   |                                                       |               |                |                   |                          |
| (a) NRIs-Individuals                                                            | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| (b) Other – Individuals                                                         | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| (c) Bodies Corporate                                                            | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| (d) Banks/Financial Institution                                                 | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| (e) Any Other (specify)                                                         | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| <b>SUB-TOTAL (A)(2)</b>                                                         | <b>0</b>                                                    | <b>0</b>      | <b>0</b>       | <b>0.000</b>      | <b>0</b>                                              | <b>0</b>      | <b>0</b>       | <b>0.000</b>      | <b>0.000</b>             |
| <b>TOTAL SHAREHOLDING OF PROMOTER(A)=(A)(1)+(A)(2)</b>                          | <b>5663017</b>                                              | <b>0</b>      | <b>5663017</b> | <b>74.814</b>     | <b>5663017</b>                                        | <b>0</b>      | <b>5663017</b> | <b>74.814</b>     | <b>0.000</b>             |
| <b>(B) PUBLIC SHAREHOLDING</b>                                                  |                                                             |               |                |                   |                                                       |               |                |                   |                          |
| <b>(1) INSTITUTIONS</b>                                                         |                                                             |               |                |                   |                                                       |               |                |                   |                          |
| (a) Mutual Funds                                                                | 0                                                           | 500           | 500            | 0.006             | 119                                                   | 500           | 619            | 0.008             | 0.002                    |
| (b) Banks/Financial Institutions                                                | 0                                                           | 0             | 0              | 0.000             | 348                                                   | 0             | 348            | 0.005             | 0.005                    |
| (c) Central Government                                                          | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| (d) State Government(s)                                                         | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| (e) Venture Capital Funds                                                       | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| (f) Insurance Companies                                                         | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| (g) Foreign Institutional Investors                                             | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| (h) Foreign Venture Capital Investors                                           | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| (i) Any Other (specify)                                                         | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| <b>SUB-TOTAL (B)(1)</b>                                                         | <b>0</b>                                                    | <b>500</b>    | <b>500</b>     | <b>0.006</b>      | <b>467</b>                                            | <b>500</b>    | <b>967</b>     | <b>0.013</b>      | <b>0.006</b>             |
| <b>(2) NON-INSTITUTIONS</b>                                                     |                                                             |               |                |                   |                                                       |               |                |                   |                          |
| (a) Bodies Corporate                                                            |                                                             |               |                |                   |                                                       |               |                |                   |                          |
| i) Indian                                                                       | 988559                                                      | 6400          | 994959         | 13.144            | 918139                                                | 23700         | 941839         | 12.443            | (0.702)                  |
| ii) Overseas                                                                    | 0                                                           | 0             | 0              | 0.000             | 0                                                     | 0             | 0              | 0.000             | 0.000                    |
| (b) Individuals –                                                               |                                                             |               |                |                   |                                                       |               |                |                   |                          |
| i) Individual share-holders holding nominal share capital up to ₹1 Lakh         | 433317                                                      | 140552        | 573869         | 7.581             | 496572                                                | 118322        | 614894         | 8.123             | 0.542                    |
| ii) Individual share-holders holding nominal share capital in excess of ₹1 Lakh | 281137                                                      | 11100         | 292237         | 3.861             | 281746                                                | 11100         | 292846         | 3.869             | 0.008                    |
| (c) Others (specify)                                                            |                                                             |               |                |                   |                                                       |               |                |                   |                          |
| i) Hindu Undivided Family                                                       | 22768                                                       | 0             | 22768          | 0.301             | 33906                                                 | 0             | 33906          | 0.448             | 0.147                    |
| ii) Non-Resident Individual                                                     | 18971                                                       | 3100          | 22071          | 0.292             | 18852                                                 | 3100          | 21952          | 0.290             | (0.002)                  |
| <b>SUB-TOTAL (B)(2)</b>                                                         | <b>1744752</b>                                              | <b>161152</b> | <b>1905904</b> | <b>25.179</b>     | <b>1749215</b>                                        | <b>156222</b> | <b>1905437</b> | <b>25.173</b>     | <b>(0.006)</b>           |
| <b>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)</b>                              | <b>1744752</b>                                              | <b>161652</b> | <b>1906404</b> | <b>25.186</b>     | <b>1749682</b>                                        | <b>156722</b> | <b>1906404</b> | <b>25.186</b>     | <b>0.000</b>             |
| <b>(C) Shares held by Custodians for GDRs &amp; ADRs</b>                        | <b>0</b>                                                    | <b>0</b>      | <b>0</b>       | <b>0.000</b>      | <b>0</b>                                              | <b>0</b>      | <b>0</b>       | <b>0.000</b>      | <b>0.000</b>             |
| <b>GRAND TOTAL (A)+(B)+(C)</b>                                                  | <b>7407769</b>                                              | <b>161652</b> | <b>7569421</b> | <b>100.000</b>    | <b>7412699</b>                                        | <b>156722</b> | <b>7569421</b> | <b>100.00</b>     | <b>N.A.</b>              |

**(ii) Shareholding of promoters**

| Sr. No. | Shareholders Name                 | Shareholding at the beginning of the year<br>1 <sup>st</sup> April, 2015 |                                  |                                                  | Shareholding at the end of the year<br>31 <sup>st</sup> March, 2016 |                                  |                                                  | % Change in Shareholding during the year |
|---------|-----------------------------------|--------------------------------------------------------------------------|----------------------------------|--------------------------------------------------|---------------------------------------------------------------------|----------------------------------|--------------------------------------------------|------------------------------------------|
|         |                                   | No. of Shares                                                            | % of total Shares of the Company | % of Shares Pledged / encumbered to total Shares | No. of Shares                                                       | % of total Shares of the Company | % of Shares Pledged / encumbered to total Shares |                                          |
| 1.      | Satlon Enterprise Private Limited | 1890152                                                                  | 24.971                           | NIL                                              | 1890152                                                             | 24.971                           | NIL                                              | 0.000                                    |
| 2.      | Satyesh Prochem LLP               | 1275777                                                                  | 16.854                           | NIL                                              | 1275777                                                             | 16.854                           | NIL                                              | 0.000                                    |
| 3.      | Parthiv Falgunbhai Patel          | 1189100                                                                  | 15.709                           | NIL                                              | 1189100                                                             | 15.709                           | NIL                                              | 0.000                                    |
| 4.      | Scabious Enterprise LLP           | 420831                                                                   | 5.560                            | NIL                                              | 420831                                                              | 5.560                            | NIL                                              | 0.000                                    |
| 5.      | Falgunbhai Chimanbhai Patel       | 386350                                                                   | 5.104                            | NIL                                              | 386350                                                              | 5.104                            | NIL                                              | 0.000                                    |
| 6.      | Saintfoin Enterprise LLP          | 298857                                                                   | 3.948                            | NIL                                              | 298857                                                              | 3.948                            | NIL                                              | 0.000                                    |
| 7.      | Falgunbhai Chimanbhai Patel (HUF) | 185300                                                                   | 2.448                            | NIL                                              | 185300                                                              | 2.448                            | NIL                                              | 0.000                                    |
| 8.      | Ritaben Chimanbhai Patel          | 10350                                                                    | 0.137                            | NIL                                              | 10350                                                               | 0.137                            | NIL                                              | 0.000                                    |
| 9.      | Pannaben Falgunbhai Patel         | 6300                                                                     | 0.083                            | NIL                                              | 6300                                                                | 0.083                            | NIL                                              | 0.000                                    |
|         | <b>TOTAL</b>                      | <b>5663017</b>                                                           | <b>74.814</b>                    | <b>NIL</b>                                       | <b>5663017</b>                                                      | <b>74.814</b>                    | <b>NIL</b>                                       | <b>0.000</b>                             |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

There is no change in the shareholding of the Promoters. (Please refer (ii) above)

**(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

| Sl. No. | Name of Shareholder                | Shareholding at the beginning of the year |                                  | Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease |                           |               |                                  | Cumulative shareholding during the year |                                  |
|---------|------------------------------------|-------------------------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------|---------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                    | No. of Shares                             | % of total Shares of the Company | Date                                                                                                     | Reason                    | No. of Shares | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 1.      | ANWESHA STOCKTRADE PRIVATE LIMITED | 185100                                    | 2.445                            | 01.04.2015                                                                                               | Beginning of the year     |               |                                  | 185100                                  | 2.445                            |
|         |                                    |                                           |                                  | 06.07.2015                                                                                               | Transfer                  | 8200          | 0.108                            | 193300                                  | 2.554                            |
|         |                                    |                                           |                                  | 31.03.2016                                                                                               | At the end of the year    |               |                                  | 193300                                  | 2.554                            |
| 2.      | KAMAL EXPORTS PRIVATE LIMITED      | 175000                                    | 2.312                            | 01.04.2015                                                                                               | Beginning of the year     |               |                                  | 175000                                  | 2.312                            |
|         |                                    |                                           |                                  | ---                                                                                                      | No Change during the year | 0             | N.A.                             | 175000                                  | 2.312                            |
|         |                                    |                                           |                                  | 31.03.2016                                                                                               | At the end of the year    |               |                                  | 175000                                  | 2.312                            |
| 3.      | SOUND FINLEASE PRIVATE LIMITED     | 157600                                    | 2.082                            | 01.04.2015                                                                                               | Beginning of the year     |               |                                  | 157600                                  | 2.082                            |
|         |                                    |                                           |                                  | 30.06.2015                                                                                               | No Change during the year | 10300         | 0.136                            | 167900                                  | 2.218                            |
|         |                                    |                                           |                                  | 31.03.2016                                                                                               | At the end of the year    |               |                                  | 167900                                  | 2.218                            |
| 4.      | REDWOOD HOLDING PRIVATE LIMITED    | 153500                                    | 2.028                            | 01.04.2015                                                                                               | Beginning of the year     |               |                                  | 153500                                  | 2.028                            |
|         |                                    |                                           |                                  | 06.07.2015                                                                                               | Transfer                  | 3000          | 0.040                            | 156500                                  | 2.068                            |
|         |                                    |                                           |                                  | 31.03.2016                                                                                               | At the end of the year    |               |                                  | 156500                                  | 2.068                            |

| Sl. No. | Name of Shareholder                | Shareholding at the beginning of the year |                                  | Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease |                           |               |                                  | Cumulative shareholding during the year |                                  |
|---------|------------------------------------|-------------------------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------|---------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                    | No. of Shares                             | % of total Shares of the Company | Date                                                                                                     | Reason                    | No. of Shares | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 5.      | SEETHA KUMARI                      | 105450                                    | 1.393                            | 01.04.2015                                                                                               | Beginning of the year     |               |                                  | 105450                                  | 1.393                            |
|         |                                    |                                           |                                  | 17.04.2015                                                                                               | Transfer                  | 820           | 0.011                            | 106270                                  | 1.404                            |
|         |                                    |                                           |                                  | 24.04.2015                                                                                               | Transfer                  | 306           | 0.004                            | 106576                                  | 1.408                            |
|         |                                    |                                           |                                  | 15.05.2015                                                                                               | Transfer                  | 898           | 0.012                            | 107474                                  | 1.420                            |
|         |                                    |                                           |                                  | 22.05.2015                                                                                               | Transfer                  | 923           | 0.012                            | 108397                                  | 1.432                            |
|         |                                    |                                           |                                  | 12.06.2015                                                                                               | Transfer                  | 1443          | 0.019                            | 109840                                  | 1.451                            |
|         |                                    |                                           |                                  | 19.06.2015                                                                                               | Transfer                  | 1480          | 0.020                            | 111320                                  | 1.471                            |
|         |                                    |                                           |                                  | 26.06.2015                                                                                               | Transfer                  | 100           | 0.001                            | 111420                                  | 1.472                            |
|         |                                    |                                           |                                  | 10.07.2015                                                                                               | Transfer                  | 2333          | 0.031                            | 113753                                  | 1.503                            |
|         |                                    |                                           |                                  | 24.07.2015                                                                                               | Transfer                  | 84            | 0.001                            | 113837                                  | 1.504                            |
|         |                                    |                                           |                                  | 31.07.2015                                                                                               | Transfer                  | 510           | 0.007                            | 114347                                  | 1.511                            |
|         |                                    |                                           |                                  | 09.10.2015                                                                                               | Transfer                  | 30            | 0.000                            | 114377                                  | 1.511                            |
|         |                                    |                                           |                                  | 31.03.2016                                                                                               | At the end of the year    |               |                                  | 114377                                  | 1.511                            |
| 6.      | PARAMOUNT CLUB LLP                 | 124765                                    | 1.648                            | 01.04.2015                                                                                               | Beginning of the year     |               |                                  | 124765                                  | 1.648                            |
|         |                                    |                                           |                                  | 04.12.2015                                                                                               | Transfer                  | (1765)        | (0.023)                          | 123000                                  | 1.625                            |
|         |                                    |                                           |                                  | 11.12.2015                                                                                               | Transfer                  | (2627)        | (0.035)                          | 120373                                  | 1.590                            |
|         |                                    |                                           |                                  | 18.12.2015                                                                                               | Transfer                  | (296)         | (0.004)                          | 120077                                  | 1.586                            |
|         |                                    |                                           |                                  | 31.12.2015                                                                                               | Transfer                  | (20090)       | (0.265)                          | 99987                                   | 1.321                            |
|         |                                    |                                           |                                  | 08.01.2016                                                                                               | Transfer                  | (33683)       | (0.445)                          | 66304                                   | 0.876                            |
|         |                                    |                                           |                                  | 15.01.2016                                                                                               | Transfer                  | (21637)       | (0.286)                          | 44667                                   | 0.590                            |
|         |                                    |                                           |                                  | 29.01.2016                                                                                               | Transfer                  | (1432)        | (0.019)                          | 43235                                   | 0.571                            |
|         |                                    |                                           |                                  | 05.02.2016                                                                                               | Transfer                  | (2157)        | (0.028)                          | 41078                                   | 1.543                            |
|         |                                    |                                           |                                  | 31.03.2016                                                                                               | At the end of the year    |               |                                  | 41078                                   | 1.648                            |
| 7.      | GOKULESHWAR REALTY PRIVATE LIMITED | 71858                                     | 0.949                            | 01.04.2015                                                                                               | Beginning of the year     |               |                                  | 71858                                   | 0.949                            |
|         |                                    |                                           |                                  | ----                                                                                                     | No Change during the year | 0             | N.A.                             | 71858                                   | 0.949                            |
|         |                                    |                                           |                                  | 31.03.2016                                                                                               | At the end of the year    |               |                                  | 71858                                   | 0.949                            |
| 8..     | HIRAL SHAH                         | 53781                                     | 0.711                            | 01.04.2015                                                                                               | Beginning of the year     |               |                                  | 53781                                   | 0.711                            |
|         |                                    |                                           |                                  | 10.04.2015                                                                                               | Transfer                  | (1200)        | (0.016)                          | 52581                                   | 0.695                            |
|         |                                    |                                           |                                  | 27.11.2015                                                                                               | Transfer                  | (11658)       | (0.154)                          | 40923                                   | 0.541                            |
|         |                                    |                                           |                                  | 31.12.2015                                                                                               | Transfer                  | (7336)        | (0.097)                          | 33587                                   | 0.444                            |
|         |                                    |                                           |                                  | 08.01.2016                                                                                               | Transfer                  | (2044)        | (0.027)                          | 31543                                   | 0.417                            |
|         |                                    |                                           |                                  | 15.01.2016                                                                                               | Transfer                  | (500)         | (0.007)                          | 31043                                   | 0.410                            |
|         |                                    |                                           |                                  | 31.03.2016                                                                                               | At the end of the year    |               |                                  | 31043                                   | 0.410                            |
| 9.      | DIPAKBHAI KARSANDAS MAKHECHA       | 40501                                     | 0.535                            | 01.04.2015                                                                                               | Beginning of the year     |               |                                  | 40501                                   | 0.535                            |
|         |                                    |                                           |                                  | ----                                                                                                     | No Change during the year | 0             | N.A.                             | 40501                                   | 0.535                            |
|         |                                    |                                           |                                  | 31.03.2016                                                                                               | At the end of the year    |               |                                  | 40501                                   | 0.535                            |

| Sl. No. | Name of Shareholder       | Shareholding at the beginning of the year |                                  | Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease |                        |               |                                  | Cumulative shareholding during the year |                                  |
|---------|---------------------------|-------------------------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------|------------------------|---------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                           | No. of Shares                             | % of total Shares of the Company | Date                                                                                                     | Reason                 | No. of Shares | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 10.     | TEJASH FINSTOCK PVT. LTD. | 26080                                     | 0.345                            | 01.04.2015                                                                                               | Beginning of the year  |               |                                  | 26080                                   | 0.345                            |
|         |                           |                                           |                                  | 15.05.2015                                                                                               | Transfer               | (22)          | (0.000)                          | 26058                                   | 0.344                            |
|         |                           |                                           |                                  | 22.05.2015                                                                                               | Transfer               | (98)          | (0.001)                          | 25960                                   | 0.343                            |
|         |                           |                                           |                                  | 29.05.2015                                                                                               | Transfer               | (250)         | (0.003)                          | 25710                                   | 0.340                            |
|         |                           |                                           |                                  | 05.06.2015                                                                                               | Transfer               | (935)         | (0.012)                          | 24775                                   | 0.327                            |
|         |                           |                                           |                                  | 31.07.2015                                                                                               | Transfer               | (24775)       | (0.327)                          | 0                                       | 0.000                            |
|         |                           |                                           |                                  | 25.09.2015                                                                                               | Transfer               | 24775         | 0.327                            | 24775                                   | 0.327                            |
|         |                           |                                           |                                  | 23.10.2015                                                                                               | Transfer               | (2599)        | (0.034)                          | 22176                                   | 0.293                            |
|         |                           |                                           |                                  | 30.10.2015                                                                                               | Transfer               | (22176)       | (0.293)                          | 0                                       | 0.000                            |
|         |                           |                                           |                                  | 25.12.2015                                                                                               | Transfer               | 9961          | 0.132                            | 9961                                    | 0.132                            |
|         |                           |                                           |                                  | 12.02.2016                                                                                               | Transfer               | 750           | 0.010                            | 10711                                   | 0.142                            |
|         |                           |                                           |                                  | 04.03.2016                                                                                               | Transfer               | (1118)        | (0.015)                          | 9593                                    | 0.127                            |
|         |                           |                                           |                                  | 18.03.2016                                                                                               | Transfer               | 1027          | 0.014                            | 10620                                   | 0.140                            |
|         |                           |                                           |                                  | 21.03.2016                                                                                               | Transfer               | 7159          | 0.095                            | 17779                                   | 0.235                            |
|         |                           |                                           |                                  | 31.03.2016                                                                                               | At the end of the year |               |                                  | 17779                                   | 0.235                            |
| 11.     | RAVIRAJ DEVELOPERS LTD    | 8358                                      | 0.110                            | 01.04.2015                                                                                               | Beginning of the year  |               |                                  | 8358                                    | 0.110                            |
|         |                           |                                           |                                  | 17.04.2015                                                                                               | Transfer               | (1078)        | (0.014)                          | 7280                                    | 0.096                            |
|         |                           |                                           |                                  | 24.04.2015                                                                                               | Transfer               | (316)         | (0.004)                          | 6964                                    | 0.092                            |
|         |                           |                                           |                                  | 22.05.2015                                                                                               | Transfer               | 1135          | 0.015                            | 8099                                    | 0.107                            |
|         |                           |                                           |                                  | 29.05.2015                                                                                               | Transfer               | (568)         | (0.008)                          | 7531                                    | 0.099                            |
|         |                           |                                           |                                  | 12.06.2015                                                                                               | Transfer               | (500)         | (0.007)                          | 7031                                    | 0.093                            |
|         |                           |                                           |                                  | 19.06.2015                                                                                               | Transfer               | (3)           | (0.000)                          | 7028                                    | 0.093                            |
|         |                           |                                           |                                  | 17.07.2015                                                                                               | Transfer               | 409           | 0.005                            | 7437                                    | 0.098                            |
|         |                           |                                           |                                  | 21.08.2015                                                                                               | Transfer               | (200)         | (0.003)                          | 7237                                    | 0.096                            |
|         |                           |                                           |                                  | 30.09.2015                                                                                               | Transfer               | 100           | 0.001                            | 7337                                    | 0.097                            |
|         |                           |                                           |                                  | 09.10.2015                                                                                               | Transfer               | 500           | 0.007                            | 7837                                    | 0.104                            |
|         |                           |                                           |                                  | 23.10.2015                                                                                               | Transfer               | 50            | 0.001                            | 7887                                    | 0.104                            |
|         |                           |                                           |                                  | 30.10.2015                                                                                               | Transfer               | 8458          | 0.112                            | 16345                                   | 0.216                            |
|         |                           |                                           |                                  | 27.11.2015                                                                                               | Transfer               | (455)         | (0.006)                          | 15890                                   | 0.210                            |
|         |                           |                                           |                                  | 04.12.2015                                                                                               | Transfer               | 1991          | 0.026                            | 17881                                   | 0.236                            |
|         |                           |                                           |                                  | 31.12.2015                                                                                               | Transfer               | 400           | 0.005                            | 18281                                   | 0.242                            |
|         |                           |                                           |                                  | 08.01.2016                                                                                               | Transfer               | 379           | 0.005                            | 18660                                   | 0.247                            |
|         |                           |                                           |                                  | 15.01.2016                                                                                               | Transfer               | (1732)        | (0.023)                          | 16928                                   | 0.224                            |
|         |                           |                                           |                                  | 22.01.2016                                                                                               | Transfer               | 1947          | 0.026                            | 18875                                   | 0.249                            |
|         |                           |                                           |                                  | 29.01.2016                                                                                               | Transfer               | 1000          | 0.013                            | 19875                                   | 0.263                            |
|         |                           |                                           |                                  | 26.02.2016                                                                                               | Transfer               | 163           | 0.002                            | 20038                                   | 0.265                            |
|         |                           |                                           |                                  | 04.03.2016                                                                                               | Transfer               | 247           | 0.003                            | 20285                                   | 0.268                            |
|         |                           |                                           |                                  | 31.03.2016                                                                                               | At the end of the year |               |                                  | 20285                                   | 0.268                            |

\* The shares of the Company are traded on a daily basis and hence, the date-wise increase/decrease in shareholding is not indicated. Shareholding is provided on the basis of Benpose received on a weekly basis from Depositories. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

**(v) Shareholding of Directors and Key Managerial Personnel :**

| Sl. No. | Name of Shareholder                    | Shareholding at the beginning of the year |                                  | Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease |                           |               |                                  | Cumulative shareholding during the year |                                  |
|---------|----------------------------------------|-------------------------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------|---------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                        | No. of Shares                             | % of total Shares of the Company | Date                                                                                                     | Reason                    | No. of Shares | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 1.      | Sudhir Indravadan Nanavati (Director)  | 250                                       | 0.003                            | 01.04.2015                                                                                               | Beginning of the year     |               |                                  | 250                                     | 0.000                            |
|         |                                        |                                           |                                  | ---                                                                                                      | No Change during the year | 0             | N.A.                             | 250                                     | 0.000                            |
|         |                                        |                                           |                                  | 31.03.2016                                                                                               | At the end of the year    |               |                                  | 250                                     | 0.000                            |
| 2.      | Mukesh Mangalbhai Patel (Director)     | 0                                         | N.A.                             | 01.04.2015                                                                                               | Beginning of the year     |               |                                  | 0                                       | N.A.                             |
|         |                                        |                                           |                                  | 09.10.2015                                                                                               | Transfer                  | 250           | 0.003                            | 250                                     | 0.003                            |
|         |                                        |                                           |                                  | 31.03.2016                                                                                               | At the end of the year    |               |                                  | 250                                     | 0.003                            |
| 3.      | Shreyas Vishnuprasad Pandya (Director) | 51600                                     | 0.682                            | 01.04.2015                                                                                               | Beginning of the year     |               |                                  | 51600                                   | 0.682                            |
|         |                                        |                                           |                                  | ---                                                                                                      | No Change during the year | 0             | N.A.                             | 51600                                   | 0.682                            |
|         |                                        |                                           |                                  | 31.03.2016                                                                                               | At the end of the year    |               |                                  | 51600                                   | 0.682                            |
| 4.      | Sandeep Mohanraj Singhi (Director)     | 0                                         | N.A.                             | 01.04.2015                                                                                               | Beginning of the year     |               |                                  | 0                                       | N.A.                             |
|         |                                        |                                           |                                  | ---                                                                                                      | No Change during the year | 0             | N.A.                             | 0                                       | N.A.                             |
|         |                                        |                                           |                                  | 31.03.2016                                                                                               | At the end of the year    |               |                                  | 0                                       | N.A.                             |
| 5.      | Sanjay Kumar Tandon, C.F.O. (KMP)      | 0                                         | N.A.                             | 01.04.2015                                                                                               | Beginning of the year     |               |                                  | 0                                       | N.A.                             |
|         |                                        |                                           |                                  | ---                                                                                                      | No Change during the year | 0             | N.A.                             | 0                                       | N.A.                             |
|         |                                        |                                           |                                  | 31.03.2016                                                                                               | At the end of the year    |               |                                  | 0                                       | N.A.                             |
| 6.      | Dhaval Pandya, Company Secretary (KMP) | 0                                         | N.A.                             | 01.04.2015                                                                                               | Beginning of the year     |               |                                  | 0                                       | N.A.                             |
|         |                                        |                                           |                                  | ---                                                                                                      | No Change during the year | 0             | N.A.                             | 0                                       | N.A.                             |
|         |                                        |                                           |                                  | 31.03.2016                                                                                               | At the end of the year    |               |                                  | 0                                       | N.A.                             |

**V. INDEBTEDNESS**

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

(₹ In Lacs)

|                                                            | Secured Loans excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|------------------------------------------------------------|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the Financial Year</b> |                                  |                 |          |                    |
| i) Principal Amount                                        | 529.46                           | 473.37          | -        | 1002.83            |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                  |
| <b>TOTAL (i)+(ii)+(iii)</b>                                | 529.46                           | 473.37          | -        | 1002.83            |
| <b>Change in Indebtedness during the Financial Year</b>    |                                  |                 |          |                    |
| Addition                                                   | 947.17                           | 56.87           | -        | 1004.04            |
| Reduction                                                  | 529.46                           | 52.55           | -        | 582.01             |
| <b>NET CHANGE</b>                                          | 417.71                           | 4.32            | -        | 422.03             |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount                                        | 947.17                           | 473.37          | -        | 1420.54            |
| ii) Interest due but not paid                              | -                                | 4.32            | -        | 4.32               |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                  |
| <b>TOTAL (i)+(ii)+(iii)</b>                                | 947.17                           | 477.69          | -        | 1424.86            |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-Time-Directors and/or Manager :

(₹ In Lacs)

| Sr. No. | Particulars of Remuneration                                                         | Name of MD / Whole-Time-Director/Manager                      |                                              |                                              | Total Amount |
|---------|-------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------|----------------------------------------------|--------------|
|         |                                                                                     | Shri Falgunbhai C. Patel<br>(Chairman &<br>Managing Director) | Shri Parthiv F. Patel<br>(Managing Director) | Shri Yogesh Jani<br>(Whole-Time<br>Director) |              |
| 1.      | Gross Salary                                                                        |                                                               |                                              |                                              |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 | 105.43                                                        | 69.84                                        | 4.32                                         | 179.59       |
|         | (b) Value of perquisites u/s. 17(2) Income-Tax Act, 1961                            | 1.34                                                          | 0.40                                         | 0.00                                         | 1.74         |
|         | (c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961              | 0.00                                                          | 0.00                                         | 0.00                                         | 0.00         |
| 2.      | Stock Option                                                                        | 0.00                                                          | 0.00                                         | 0.00                                         | 0.00         |
| 3.      | Sweat Equity                                                                        | 0.00                                                          | 0.00                                         | 0.00                                         | 0.00         |
| 4.      | Commission                                                                          |                                                               |                                              |                                              |              |
|         | - As % of Profit                                                                    | 575.00                                                        | 605.00                                       | 0.00                                         | 1180.00      |
|         | - Others, specify                                                                   | 0.00                                                          | 0.00                                         | 0.00                                         | 0.00         |
| 5.      | Others, please specify                                                              | 0.00                                                          | 0.00                                         | 0.00                                         | 0.00         |
|         | TOTAL (A)                                                                           | 681.77                                                        | 675.24                                       | 4.32                                         | 1361.33      |
|         | Ceiling as per the Act                                                              | -                                                             | -                                            | -                                            | 1374.54      |

## B. Remuneration to other Directors:

(₹ In Lacs)

| Sr. No. | Particulars of Remuneration                   | Name of Directors   |                          |                       |                         |                        | Total Amount |
|---------|-----------------------------------------------|---------------------|--------------------------|-----------------------|-------------------------|------------------------|--------------|
|         |                                               | Smt. Pannaben Patel | Shri Sudhirbhai Nanavati | Shri Mukeshbhai Patel | Shri Shreyasbhai Pandya | Shri Sandeep M. Singhi |              |
| 1.      | Independent Directors                         |                     |                          |                       |                         |                        |              |
|         | (a) Fee for attending Board Committee Meeting | 0.000               | 0.100                    | 0.000                 | 0.000                   | 0.025                  | 0.125        |
|         | (b) Commission                                | 0.000               | 0.000                    | 0.000                 | 0.000                   | 0.000                  | 0.000        |
|         | (c) Others, please specify                    | 0.000               | 0.000                    | 0.000                 | 0.000                   | 0.000                  | 0.000        |
|         | <b>TOTAL (1)</b>                              | 0.000               | <b>0.100</b>             | 0.000                 | 0.000                   | <b>0.025</b>           | <b>0.125</b> |
| 2.      | Other Non-Executive Directors                 | 0.000               | 0.000                    | 0.000                 | 0.000                   | 0.000                  | 0.000        |
|         | (a) Fee for attending Board Committee Meeting | 0.000               | 0.000                    | 0.000                 | 0.000                   | 0.000                  | 0.000        |
|         | (b) Commission                                | 0.000               | 0.000                    | 0.000                 | 0.000                   | 0.000                  | 0.000        |
|         | (c) Others, please specify                    | 0.000               | 0.000                    | 0.000                 | 0.000                   | 0.000                  | 0.000        |
|         | <b>TOTAL (2)</b>                              | 0.000               | 0.000                    | 0.000                 | 0.000                   | 0.000                  | 0.000        |
|         | <b>TOTAL (B) = (1+2)</b>                      | 0.000               | <b>0.100</b>             | 0.000                 | 0.000                   | <b>0.025</b>           | <b>0.125</b> |
|         | <b>Total Managerial Remuneration</b>          | <b>0.000</b>        | <b>0.100</b>             | <b>0.000</b>          | <b>0.000</b>            | <b>0.025</b>           | <b>0.125</b> |
|         | Overall Ceiling as per the Act                |                     |                          |                       |                         |                        | 1511.99      |

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :**

(₹ In Lacs)

| SN  | Particulars of Remuneration                                                     | Key Managerial Personnel |              | Total        |
|-----|---------------------------------------------------------------------------------|--------------------------|--------------|--------------|
|     |                                                                                 | Company Secretary        | CFO          |              |
| 1.  | Gross Salary                                                                    |                          |              |              |
| (a) | Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 | 8.10                     | 21.30        | 29.40        |
| (b) | Value of perquisites u/s. 17(2) Income-Tax Act, 1961                            | 0.00                     | 0.00         | 0.00         |
| (c) | Profits in lieu of salary under section 17(3) Income-Tax Act, 1961              | 0.00                     | 0.00         | 0.00         |
| 2.  | Stock Option                                                                    | 0.00                     | 0.00         | 0.00         |
| 3.  | Sweat Equity                                                                    | 0.00                     | 0.00         | 0.00         |
| 4.  | Commission                                                                      |                          |              |              |
|     | - As % of Profit                                                                | 0.00                     | 0.00         | 0.00         |
|     | - Others, specify                                                               | 0.00                     | 0.00         | 0.00         |
| 5.  | Others, please specify                                                          | 0.00                     | 0.00         | 0.00         |
|     | <b>TOTAL</b>                                                                    | <b>8.10</b>              | <b>21.30</b> | <b>29.40</b> |

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NONE**

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

For and on behalf of the Board of Directors

 Date : May 30, 2016  
 Place : Ahmedabad

**Falgunbhai C. Patel**  
**Chairman & Managing Director**  
 (DIN 00050174)

## ANNEXURE F TO THE BOARD'S REPORT

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

| 1  | Sl. No.:                                                                                                                     | 1                                                          |
|----|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| 2  | Name of the subsidiary:                                                                                                      | <b>SANDESH DIGITAL PRIVATE LIMITED</b>                     |
| 3  | Reporting period for the subsidiary concerned, if different from the holding Company's reporting period:                     | 8 <sup>th</sup> June, 2015 to 31 <sup>st</sup> March, 2016 |
| 4  | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | N.A.                                                       |
| 5  | Share capital:                                                                                                               | 1,00,000.00                                                |
| 6  | Reserves & surplus:                                                                                                          | 20,44,371.95                                               |
| 7  | Total assets:                                                                                                                | 58,10,245.25                                               |
| 8  | Total Liabilities:                                                                                                           | 36,65,873.30                                               |
| 9  | Investments:                                                                                                                 | 0.00                                                       |
| 10 | Turnover:                                                                                                                    | 1,32,44,830.00                                             |
| 11 | Profit before taxation:                                                                                                      | 32,84,371.95                                               |
| 12 | Provision for taxation:                                                                                                      | 12,40,000.00                                               |
| 13 | Profit after taxation:                                                                                                       | 20,44,371.95                                               |
| 14 | Proposed Dividend:                                                                                                           | 0.00                                                       |
| 15 | Percentage of shareholding:                                                                                                  | 100.00%                                                    |

## Notes:

1. There is/are no other subsidiary/ies which is/are yet to commence operations
2. There is/are no subsidiary/ries which have been liquidated or sold during the year.

## Part "B"

## Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not Applicable

For and on behalf of the Board of Directors

Date : May 30, 2016  
Place : Ahmedabad

**Falgunbhai C. Patel**  
Chairman & Managing Director  
(DIN 00050174)

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Print media is one of the oldest and basic forms of mass communication and the contribution of print media in providing information and transfer of knowledge is remarkable. Even after the advent of electronic media, the print media has not lost its charm or relevance. Print media has the advantage of making a longer impact on the minds of the reader, with more in-depth reporting and analysis.

According to FICCI-KPMG Indian Media and Entertainment Industry Report 2016, As per the Annual Report FY15 published by the Registrar of Newspapers for India, total number of registered publications was 105443 comprising 14984 newspapers (dailies, bi/tri weekly) and 90459 periodicals, as of March 31, 2015. Total number of new registered publications showcased an increase of 3.1%, growing from 5642 in FY14 to 5817 in FY15. The number of new registered publications in Gujarati and Tamil witnessed the highest percentage change between FY14 and FY15, clocking 23.6% and 23.4% growth, respectively. Newspapers continue to account for a major proportion of the overall revenue generated by the print media industry in India. Indian print industry grew at rate of 7.6% in 2015. Having grown by 7.3% in 2015, the print advertisement revenue reached INR 189 billion. The advertisement revenues have grown at CAGR of 8.5% between 2010 and 2015, whereas the circulation revenues have displayed at a CAGR of 7.1% during the corresponding period.

The Company belongs to the Regional Print Media Industry and is a publisher of “SANDESH” a premier Gujarati daily newspaper in Gujarat Region, to carry on the business of editing, printing and publishing newspapers and periodicals. The Company started its first printing facilities at Ahmedabad.

Late Shri Chimanbhai S. Patel acquired the entire business from the original promoter in the year 1958, and had put his efforts to strengthen the activities carried out by “SANDESH”. The editorial policy of the Company has always been based on basic journalistic values of objectivity and has not been influenced by any external forces. Presently, Shri Falgunbhai Patel, Chairman & Managing Director is running the entire business affairs of the Company along with Shri Parthiv F. Patel, Managing Director and a professional team of the Executives of the Company.

The Company has started its printing facilities at Baroda during 1985-86, at Surat during 1989-90, at Rajkot during 1990-91, at Bhavnagar during 1998-99 and at Bhuj during 2010-11 to cater to the semi urban and rural areas. The Company has now total seven editions, six editions from Gujarat and one edition from Mumbai, Maharashtra. The Company has a strong regional franchise, where it enjoys strong readership loyalty.

Besides the Company publishes “Stree”, a magazine and also the periodical “Sandesh Pratyaksha Panchang” which remained popular among the public. A weekly newspaper ‘Agro Sandesh’, specific to the rural community of the State of Gujarat covering the farming, dairy and co-operative sector was successfully launched and which is contributing positively to the development of the farmers of the State of Gujarat and allied agricultural industries.

The Company’s News TV channel ‘Sandesh News’ is immensely popular amongst Gujarati Viewers and it has also won several awards. Further, as a part of its out-of-home advertising activity, the Company has advertisements sites at the major commercial areas in Ahmedabad. The Company is also successfully operating its real estate and finance businesses.

### 2. OPPORTUNITIES AND THREATS

As per FICCI-KPMG Indian Media and Entertainment Industry Report 2016, with the readership being largely limited to the country’s metro and tier-I cities, the trend of English language newspapers dominating the advertising budgets of companies is slowly waning. Advertisers have started increasingly been factoring in the Hindi and vernacular print media segment, as they directly reach customers in prospering tier-II and tier-III cities / regions of the Country.

Newspaper circulation is likely to continue its growth trajectory and this expected growth could largely come from tier-II and tier-III cities, which are also the major consumption markets for sectors such as FMCG, retail, e-commerce resulting in commensurate growth in advertising. Print industry witnessed an 8.2% rise in circulation revenue in 2015, on the back of increased cover prices and rise in circulation figures. Even though circulation has showcased a steady growth, there lies a significant scope for expansion, since a noteworthy gap between ‘can read’ and ‘do read’ categories still exists. Despite the mounting trend of a multitude of newspapers around the world downsizing or transitioning towards digital media, the newspaper space in India is still holding strong. The thriving newspaper market, in parts, is being driven by the increasing readership in smaller towns, where we have seen a noteworthy growth in the young and aspiring population. The growing impetus towards education has led to a stark increase in the national literacy rates over the past several years, propelling newspaper readership in the country. The readership of print media is likely to increase further as the Indian Government is targeting to achieve the universal literacy goal by 2060. Newspapers continued to dominate the print industry in 2015, contributing 95% of total print revenue.

News channels, particularly those airing news in regional languages, have also had a positive impact on newspaper circulation, as people who watch television news often turn to the newspapers to validate the facts and for analysis. Hence, newspapers have continued to hold their ground for being more reliable when compared to news channels.

Hindi and vernacular segments together contributed approximately 64% of total print revenue. The readership of English print is sliding compared to Hindi and vernacular media, which have showcased continuous growth over the last couple of years. Vernacular print media grew at 9% in 2015 and English print media witnesses a slowdown in growth, declining to 4.9% in 2015 from 5.2% in

2014. While digital media has continued to penetrate the English Newspaper subscriber market, regional print markets are still at early stages to witness a radical impact.

The growing income levels and transforming demographics have also spurred the spending power in tier-II and tier-III cities. With the rising literacy level, increasing population and rising demand for region-specific content, the print media is acclimatizing and focusing on delivering content in the readers' native language.

The Company believes that macro factors such as rising literacy and increasing penetration in semi-urban and rural areas are likely to ensure profitable growth for the print media sector. Future growth is largely driven by semi-urban and rural areas on account of increasing commercial activity, higher spending power and rising literacy. With the language print medium dominating in these areas, language newspapers are preferred over English newspapers.

The Company, with its seven editions at different strategic locations, has strongly established its presence across the State of Gujarat and also in Maharashtra. The Company also sees the opportunities in rural and semi-urban areas of Gujarat. The Company is planning to continuously improve the circulation of its newspaper in those areas also and will target higher readership amongst the young, educated and elite mass of the public. The publications of the Company are very popular in the urban areas of the State and it continuously improving the readership in smaller town and villages of the State of Gujarat.

The Company has News and current affair Television channel 'Sandesh News' which is very popular amongst Gujarati Viewers. As per FICCI-KPMG Indian Media and Entertainment Industry Report 2016, the television industry in India is estimated at INR 542 billion in 2015, and is expected to grow at a CAGR of 15 per cent to reach INR 1098 billion in 2020. Subscription revenue is estimated to grow at a CAGR of 15% on account of the increased monetization while advertising revenue growth is also estimated to remain strong, growing at a CAGR of 15%. The number of TV households in India increased to 175 million in 2015, implying a TV penetration of 62%. The number of Cable & Satellite subscribers is estimated to have reached 160 million. TV households are expected to increase to 200 million by 2020, with paid C&S subscriber base expected to grow to 174 million by 2020, representing 87% of TV households. In 2016, the key things to watch for will be the continuation of e-commerce ad spends growth on TV and BARC India TV ratings leading to an impact on ad spends across genres and ad rates among channels within genres. Ad revenue growth for News channels was muted in 2015, coming on the back of an election year and TV industry grew at mid-single digit rates of 5-8%. Smaller brands contribute to only 30% of news advertising pie, over the next few years this could increase to as much as 60-70 % for Hindi and regional news genre. Television is expected to grow at a CAGR of 15.1% as advertising revenues will continue to show robust growth though delays in digitization would mean that subscription growth would be slower than anticipated earlier.

"Sandesh Spotlight" is the OOH wing of the Company which has a vision 'To make an impact in the OOH market by combining Marketing Strength and Futuristic Approach'. The Company had procured various prestigious tenders like Bus Rapid Transit System Bus Shelters, AUDA & Ahmedabad Municipal Corporation. Sandesh Spotlight has properties in the prime locations in the city of Ahmedabad, covering the most prominent junctions and some of the busiest cross roads, and aims at strategically adding more so as to be able to provide its clients with best visibility for their brands; in line with its mission - 'To work as a team with our clients to ensure better mileage and visibility for their brands'. Further, Sandesh Spotlight has been awarded exclusive advertising rights on more than 8000 buses of Gujarat State Road Transport Corporation, which provides a transport facility across the State of Gujarat.

As per FICCI-KPMG Indian Media and Entertainment Industry Report 2016, in 2015, the Out of Home (OOH) industry in India received a boost by a combination of factors including new categories spending on OOH media, E-Commerce and M-Commerce. The current year's growth of 13% was driven mainly by automobile, e-commerce and telecom sectors with the different formats benefitting. The overall spend on OOH out of the total advertising pie was 5.4% which is higher as compared to previous year. As in the earlier years, challenges such as lack of measurement metrics, fragmentation and slow adoption of technology (such as digital OOH) continued to be sore points for the industry.

Better Planning, focused approach for the implementation of strategy and professionalization of the management will help the Company to have a sustained development of its business. Further, looking to the popularity of its newspaper amongst its readers, there seems to be no close threat from its competitors.

### 3. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

#### a) Media:

This is the core business of the Company since its inception. The Company had been able to maintain its business volumes despite stiff competition in the regional media industry. The revenue from the media segment was ₹ 34130.17 Lacs during the Financial Year under review as against ₹ 30812.79 Lacs in previous Financial Year.

#### b) Finance Division:

The Company has been in the Financing business and during the year under review, the segment revenue from Finance Division was ₹ 2983.66 Lacs during the Financial Year under review as against ₹ 3030.75 Lacs in the previous year.

#### c) Real Estate Division:

The Company has been in the Real Estate business and during the year under review, the segment revenue from Real Estate Division was ₹ 110.16 Lacs during the Financial Year under review as against ₹ 295.89 Lacs in the previous year.

#### **4. OUTLOOK, RISKS AND CONCERNS**

The increase in population, literacy rate and reach has led to increased circulation and readership of the newspapers in India. The Company is steadily increasing its geographical presence, which helps improve its circulation and readership of its publications.

The business outlook for the Print Media Industry and the Company looks good. Both readership and circulation of newspapers, especially for vernacular newspapers, is growing in India. Print Media is expected to remain a popular vehicle for advertisers to reach out to a large consumer base in the country.

Rural markets are still attractive in view of the efforts of the Government for improvisation of infrastructure. Indian Media & Entertainment industry is expected to grow at a CAGR of 14.3% to INR 2260 billion by 2020 with advertising revenues expected to grow to INR 994 billion at a CAGR of 15.9%. Print media is expected to grow at 7.8% CAGR due to growth in regional markets with rural demand expected to be strong on the back of multiple government initiatives.

Newsprint is the most important raw material constituting more than 50 per cent of the cost base. Imported newsprint still dominates the Indian print industry. The newsprint price is cyclical and is dependent on various factors. Prices of Newsprint are linked to global demand and they are volatile in nature due to fluctuation in USD. The Company keeps close watch on the development on the Newsprint front. The Company uses imported as well as domestic newsprint and by judicious mix of them, tries to mitigate the high cost impact on the business operations.

The print media business is largely dependent on advertising revenues. The Company has increased cover price of certain editions of the newspaper and it is continuously taking appropriate steps to ensure effective cost management.

For the print media industry, reliable third party readership data is not available and many companies hesitate to rely on IRS data for devising their strategies. The circulation numbers of newspaper alone sometimes are insufficient for advertisers to take an informed decision; still, the circulation numbers certified by the Registrar of Newspapers of India are useful for the advertisers and agencies and the Company enjoys the confidence of its advertisers.

There is intense competition between publication houses for circulation, readership and advertising and this industry is very competitive. The Company is well established and it has better financial resources and it always strives hard to generate higher revenues every year and hence, the Company is able to quickly respond to market changes and consumer sentiments. The Company has competed successfully in the year under review and it believes to continuously compete effectively. The Company is continuously strengthening its market positions, reinforcing its relationships with Agents, Advertisers and providing high quality contents to its readers. The Company's website i.e. "www.sandesh.com" is a very popular website for the Gujarati community.

#### **5. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

The Company's internal control systems are adequate considering size and nature of operations of the Company, to meet regulatory and statutory requirements, assure recording of all transactions and report reliable and timely financial information. The Company has defined risk management framework and it is implemented as an integral part of business processes. The Company has installed ERP system (SAP) for accounting purposes. To counter the adverse fluctuation in the newsprint prices, the Company vigorously keeps watch on its price trends and accordingly plans the consumption of newsprint to ensure efficient operations and better profitability. The Company applies effective mitigation techniques to manage potential risks. Risk management system includes recording, monitoring and controlling internal enterprise business risks and addressing them through informed and objective strategies. Further, the Board of Directors of the Company has adopted a Risk Management Policy and it has identified various risks and also has mitigation plans for each risk identified. Its comprehensive risk management system ensures that all risks are timely defined and mitigated in accordance with the Risk Management Policy. The Audit Committee of the Board of Directors of the Company periodically reviews the internal control system and also internal audit reports issued by the Internal Auditors of the Company.

The Company has formulated a robust whistleblower policy for receiving and redressing complaints of employees. No employee has been denied access to the Audit Committee or its Chairman during the year under review.

#### **6. DEVELOPMENTS ON HUMAN RESOURCE / INDUSTRIAL RELATIONS FRONT**

The Company treats its employees as most valuable assets. The Company aims to align human resource practices with its business goals. The performance management system enables a holistic approach to the issue of managing performance and does not limit to only an appraisal. The total number of permanent employees on the rolls of the Company is 515 on March 31, 2016. The Company takes pride of its highly motivated and committed team of its employees. The employees performed to their full potential and contributed to the growth and development of the Company. During the Financial Year, the industrial relations between the employees and management were calm and composed.

Further, the Company has complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has formed Internal Complaints Committee and also formulated a policy. No complaint was reported during the financial year 2015-2016.

## 7. DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### Summary Financial Information:

| Particulars                      | 2015-16   |               | 2014-15   |               | %       |
|----------------------------------|-----------|---------------|-----------|---------------|---------|
|                                  | ₹ In Lacs | % to Revenues | ₹ In Lacs | % to Revenues |         |
| Revenue from operations          | 37126.39  | 97.94         | 34488.84  | 99.61         | 7.65    |
| Other Income                     | 780.23    | 2.06          | 136.63    | 0.39          | 471.05  |
| Total Revenue                    | 37906.62  | 100           | 34625.47  | 100           | 9.48    |
| EBIDTA                           | 13308.63  | 35.11         | 9811.22   | 28.34         | 35.65   |
| Depreciation / Amortization      | 771.11    | 2.03          | 797.80    | 2.30          | (3.35)  |
| Net interest expenses / (Income) | 177.38    | 0.47          | 431.97    | 1.25          | (58.94) |
| Profit before Tax (PBT)          | 12360.14  | 32.61         | 8581.45   | 24.78         | 44.03   |
| Exceptional items                | 0.52      | 0.00          | 5.41      | 0.02          | —       |
| Profit before Tax (PBT)          | 12360.66  | 32.61         | 8586.86   | 24.80         | 43.95   |
| Income Tax                       | 4297.67   | 11.34         | 2883.25   | 8.33          | 49.06   |
| Profit after tax (PAT)           | 8062.99   | 21.27         | 5703.61   | 16.47         | 41.37   |

### Net Sales and other operating income

Revenue from operations grew by 9.48 % to ₹ 37126.39 Lacs from ₹ 34488.84 Lacs in the previous year.

### EBIDTA

EBIDTA during the year stood at 35.11% compared to 28.34 % in the previous year showing an improvement by 6.77 %.

### Depreciation and amortization

Depreciation and amortization charge during the financial year 2015-16 was ₹ 771.11 Lacs as compared with ₹ 797.80 Lacs during the previous year.

### Net interest expense

Net Interest Expenses amounted to ₹ 177.38 Lacs compared to ₹ 431.97 Lacs during the previous financial year. The decrease in interest expenses is due to better utilization of funds. Average borrowing during the financial year ended March 31, 2016 stood at ₹ 1424.86 Lacs as compared to ₹ 1002.83 Lacs during the previous financial year.

### Income Tax

The income tax charge for the financial year 2015-16 stood at ₹ 4297.67 Lacs compared to ₹ 2883.25 Lacs in financial year 2013-14. Average income tax rate as a percentage of profit before tax is 34.77 % for the financial year 2015-16 as compared to 33.58 % for the financial year 2014-15.

### Net profit after taxes

The net profit after taxes for the financial year 2015-16 was ₹ 8062.99 Lacs compared with ₹ 5703.61 Lacs during the previous financial year, an increase of 41.37 %.

### Capital

There was no change in the equity share capital during the financial year under review. Out of the divisible profits of ₹ 8062.99 Lacs (previous year ₹ 5703.61 Lacs), a sum of ₹ 7000.00 Lacs (previous year ₹ 7000.00 Lacs) was transferred to General Reserve Account.

### Fixed Assets

The net investment in fixed assets during the financial year was ₹ 7260.39 Lacs at the end of FY 2015-16 as compared to ₹ 7076.85 Lacs as at the end of FY 2014-15.

The Company, as planned, is gradually moving upwards in its core business and also strives hard to improvise its strengths to keep its dominance in the existing business and also explore opportunities available in new sectors.

## 8. CAUTIONARY STATEMENT

Readers are cautioned that this discussion and analysis contains forward-looking statements that involve risks and uncertainties. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. The details and information used in this report have been taken from publicly available sources. Any discrepancies in the details or information are incidental and unintentional. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their date. The above discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

## REPORT ON CORPORATE GOVERNANCE FORMING PART OF DIRECTORS' REPORT

### I. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company firmly believes that Good Corporate Governance in any organization needs to be principle-based as well as simple, moral, accountable, responsive and transparent (SMART). The philosophy of the Company is to attain the highest standards of Corporate Governance by ensuring transparency in all its actions & operations and to maximize values of its stakeholders. The Company complies with all the provisions and stipulations laid down in the guidelines on the corporate governance as provided in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"). This philosophy of the Company would ensure that it follows highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and best business practices.

The corporate governance structure formed by the Company includes principles, processes and systems to help the Company to take informed decision making and performance based management and it also supports establishment of culture of integrity and fairness in all transactions. The Company also periodically disclosed compliance with these principles and processes in the transparent manner. The Board of Directors of the Company ("the Board") also supervises the management activities to ensure the effectiveness of the corporate governance which promotes the Board that functions independently and without any influence.

The Securities and Exchange Board of India (SEBI) has notified the Listing Regulations on September 02, 2015, replacing the earlier Listing Agreement with effect from December 01, 2015. The Listing Regulations have incorporated the principles of corporate governance in line with the Organization for Economic Co-operation and Development (OECD) Principles and provide broad principles for periodic disclosures by listed entities in line with the International Organization of Securities Commissions (IOSCO) principles.

In terms of Regulation 34 read with Schedule V of the Listing Regulations, the details of compliance with regards to Corporate Governance for the year ended 31<sup>st</sup> March, 2016 are as follows:

### II. BOARD OF DIRECTORS:

#### 1. Composition, category of Directors, meetings and attendance:

The Board consists of the Directors having varied experience in different areas and acknowledged as leading professionals in their respective fields. The composition of the Board is in conformity with the provisions of the Companies Act, 2013 and the Rules made thereunder ("the Act") and also under the Regulation 17 of the Listing Regulations, Shri Falgunbhai C. Patel, Managing Director, is the Chairman of the Board. The Board of the Company consists of 2 (two) Promoter-Executive Directors, 1 (one) Woman, Promoter-Non-Executive Director, 1 (one) Whole-Time Executive Director and 4 (four) Independent-Non-Executive Directors.

The calendar of the Meetings of the Board is decided in consultation with the Board and the schedule of the Meetings is communicated to all Directors in advance. During the Financial Year under review, total 5 (five) meetings of the Board were held on 26.05.2015, 11.08.2015, 06.11.2015, 11.02.2016 and 09.03.2016. The Company has observed the Corporate Governance provisions of the Act and also of the Listing Regulations for conducting the Board Meetings during the Financial Year under review.

The Board Meetings are held at the Registered Office of the Company and the agenda is circulated in advance and includes draft resolutions & detailed notes on the items to be discussed at the meeting to enable the Directors to take informed decisions. The necessary quorum was present for all the Board Meetings and the previous Annual General Meeting of the Company. The maximum interval between any two Board Meetings was within the maximum allowed gap of one hundred and twenty days. All the relevant information about production, sales, financial results, loan & investments, capital expenditure proposals, share transfers, demat / remat compliance, status of statutory dues payment, etc., are regularly placed before the Board for their review and approval. The Board, on quarterly basis, reviews the compliance reports of the applicable laws submitted by the heads of the respective departments of the Company. The draft minutes of the meeting approved by the Chairman is circulated to all the Directors after the conclusion of the meetings. After each Board Meeting, the Company has established system of follow up, review and reporting on actions taken by the Management on the decisions of the Board and Committees of the Board.

The details of composition of the Board, the categories of the Directors as well as their directorships / memberships in other companies / committees are given below:

| Name of Director         | Category                       | Board Meetings held during the tenure | Board Meetings attended | Attendance at the last AGM held on 30.09.2015 | Other Directorships held (including Pvt. Ltd. Companies) at the year ended | No. of Board Committees of which Chairman/ Member |          |
|--------------------------|--------------------------------|---------------------------------------|-------------------------|-----------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------|----------|
|                          |                                |                                       |                         |                                               |                                                                            | Member                                            | Chairman |
| Shri Falgunbhai Patel    | Promoter, Executive            | 5                                     | 5                       | Yes                                           | 7                                                                          | NIL                                               | 1        |
| Shri Parthiv Patel       | Promoter, Executive            | 5                                     | 5                       | Yes                                           | 6                                                                          | NIL                                               | NIL      |
| Smt. Pannaben Patel      | Promoter, Non-Executive        | 5                                     | 4                       | No                                            | 4                                                                          | 1                                                 | NIL      |
| Shri Sudhirbhai Nanavati | Independent, Non-Executive     | 5                                     | 4                       | No                                            | 1                                                                          | 1                                                 | 2        |
| Shri Mukeshbhai Patel    | Independent, Non-Executive     | 5                                     | 5                       | Yes                                           | 6                                                                          | 3                                                 | 5        |
| Shri Shreyasbhai Pandya  | Independent, Non-Executive     | 5                                     | 5                       | No                                            | 3                                                                          | 4                                                 | NIL      |
| Shri Sandeepbhai Singhi  | Independent, Non-Executive     | 5                                     | 1                       | No                                            | 1                                                                          | 3                                                 | NIL      |
| Shri Yogesh Jani         | Whole-Time-Director, Executive | 3                                     | 1                       | Yes                                           | NIL                                                                        | NIL                                               | NIL      |

Yes – Attended, No – Not Attended

Smt. Pannaben Patel, Director is the spouse of Shri Falgunbhai Patel, Chairman & Managing Director of the Company. Shri Parthiv Patel, Managing Director is son of Shri Falgunbhai C. Patel. Except Shri Falgunbhai Patel, Shri Parthiv Patel and Smt. Pannaben Patel, none of the other director/s is/are related to any director/s of the Company. The nature of employment of Shri Falgunbhai Patel, Chairman & Managing Director and Shri Parthiv F. Patel, Managing Director is contractual.

## 2) Relationship Inter-se:-

The following Directors of the Company are related to each other in the manner mentioned below:

| Sr. No. | Name of Directors     | Relationship Inter-se                                           |
|---------|-----------------------|-----------------------------------------------------------------|
| 1.      | Shri Falgunbhai Patel | Father of Shri Parthiv Patel and husband of Smt. Pannaben Patel |
| 2.      | Shri Parthiv Patel    | Son of Shri Falgunbhai Patel and Smt. Pannaben Patel            |
| 3.      | Smt. Pannaben Patel   | Wife of Shri Falgunbhai Patel and mother of Shri Parthiv Patel  |

Number of Directorship held in other companies includes all companies, whether listed or unlisted and excludes other bodies corporate and professional bodies. The limits on directorships of Independent Directors and Executive Directors are within the permissible limits. None of the Director is a Member of more than ten Committees or Chairman of more than five Committees across all companies. The Company has issued formal letters of appointment to its Independent Directors appointed at the Annual General Meeting held on September 30, 2014, and the terms and conditions of said Letter are published on the website of the Company. The maximum tenure of Independent Directors is in accordance with the Act. Personal shareholding of the Non-Executive Directors is as follows:

| Sr. No. | Name of the Director     | No. of Equity shares(as on 31/03/2016) |
|---------|--------------------------|----------------------------------------|
| 1.      | Shri Sudhirbhai Nanavati | 250                                    |
| 2.      | Shri Mukeshbhai Patel    | 250                                    |
| 3.      | Shri Shreyasbhai Pandya  | 51600                                  |
| 4.      | Smt. Pannaben Patel      | 6300                                   |
| 5.      | Shri Sandeepbhai Singhi  | Nil                                    |

## 3. Familiarization Program for Independent Directors:

The Familiarization Program for the Independent Directors of the Company has been adopted by the Board pursuant to the Regulation 25 of the Listing Regulations. The aim of the Familiarization Program is to enable the Independent Directors to perceive the business of the Company and give them opportunity to contribute significantly to the Company by providing the insights into the affairs of the Company.

The Familiarization Program for the Independent Directors is administered and monitored by the Nomination and Remuneration Committee of the Board. A letter of appointment is provided at the time of appointment of an Independent Director which, inter alia, shall explain the role, functions, duties and responsibilities expected of him as a Director of the Company. Further, the Company conducts an introductory familiarization program which inter alia includes roles, rights and responsibilities and also

strategies, operations and functions of the Company. The Managing Director and the functional heads of various departments of the Company frequently conduct programs and give presentations to familiarize the Independent Directors on the vision and mission of the Company, its operations, administration and management, business plans, strategies, technologies and also future outlook of the entire industry, on an ongoing basis and such programs and presentations are made regularly to the Board / Independent Directors. The details of the familiarization programs extended to the Non-executive and the Independent Directors are also disclosed on the Company website from time to time at:  
<http://sandesh.com/ir/Details%20of%20familiarization%20programmes.pdf>.

#### **4. Evaluation:**

Pursuant to the provisions of the Act and pursuant to applicable regulations of the Listing Regulations, the Nomination and Remuneration Committee / the Board carries out the evaluation of its performance, the Directors individually as well as the evaluation of the working of its Committees and the findings will be shared individually with the Board Members as well as the Chairman of the Company.

During the Financial Year under review, in terms of the provisions of the Act and the Listing Regulations, the Nomination and Remuneration Committee and the Board has carried out an annual evaluation of its performance, the Directors individually as well as the evaluation of the working of its Committees and the findings were shared individually with the Board Members as well as the Chairman of the Company. Further, the Board has carried out an annual performance evaluation of its Independent Directors and the Independent Directors have also evaluated the performance of the Chairman and other non-independent Directors. The evaluation of the performance was on the basis of the criteria like culture and dynamics of the Board, quality of Board Members, key responsibilities of the Board Members, contribution of the Board Members, effectiveness of the process and functioning of the Board / its Committees. Evaluation of Independent Directors was based on defined parameters which include level of engagement and participation in business decisions, functional knowledge and skill-set, awareness of the risk profile of the industry, quality of feedback and suggestions, etc. A structured questionnaire was prepared covering the various criteria of competencies and the responses were evaluated by the Nomination and Remuneration Committee as well as the Board. Its findings were shared individually with the Board Members as well as the Chairman of the Company and the results reflected high satisfactory performance of Board and Committee Members.

### **III. COMMITTEES OF THE BOARD:**

The Board of the Company has constituted the following Committees and each Committee has their terms of reference as a Charter. The Chairman of each Committee along with the other Members of the Committee and if required other Members of the Board, decide the agenda, frequency and the duration of each meeting of that Committee. The Board of the Company has constituted the following Committees of the Board:

- i. Audit Committee;
- ii. Nomination and Remuneration Committee;
- iii. Stakeholders Relationship Committee;
- iv. Corporate Social Responsibility Committee; and
- v. Executive Committee

The terms of reference of the Committees of the Board are determined and amended by the Board from time to time.

#### **A. AUDIT COMMITTEE:**

Terms of Reference of the Audit Committee are mentioned hereunder:

##### **Terms of reference:**

The Audit Committee of the Board is constituted in terms of provisions of the Act and in accordance with the requirements of the Listing Regulations. The Audit Committee reports to the Board and is primarily responsible for:

- a) 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;
- b) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. 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;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. significant adjustments made in the financial statements arising out of audit findings;
  - v. compliance with listing and other legal requirements relating to financial statements;
  - vi. disclosure of any related party transactions;
  - vii. modified opinion(s) in the draft audit report;
- e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- f) 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;
- g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- h) approval or any subsequent modification of transactions of the Company with related parties;
- i) scrutiny of inter-corporate loans and investments;
- j) valuation of undertakings or assets of the Company, wherever it is necessary;
- k) evaluation of internal financial controls and risk management systems;
- l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) 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;
- n) discussion with internal auditors of any significant findings and follow up there on;
- o) 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;
- p) 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;
- q) 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;
- r) to review the functioning of the whistle blower mechanism;
- s) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Committee.

Further, the Audit Committee mandatorily reviews the following information:

- a) management discussion and analysis of financial condition and results of operations;
- b) statement of significant related party transactions (as defined by the Committee), submitted by management;
- c) management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) internal audit reports relating to internal control weaknesses; and
- e) the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Committee.
- f) statement of deviations:
  - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of LODR.
  - ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of LODR.

Further, in terms of the provisions of section 177 of the Act and applicable Rules made thereunder, the terms of reference for the Audit Committee also include:

- a) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- b) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c) examination of the financial statement and the auditors' report thereon;
- d) approval or any subsequent modification of transactions of the company with related parties;
- e) scrutiny of inter-corporate loans and investments;
- f) valuation of undertakings or assets of the company, wherever it is necessary;
- g) evaluation of internal financial controls and risk management systems;
- h) monitoring the end use of funds raised through public offers and related matters.

#### **Composition, meetings and attendance:**

The constitution of Audit Committee is in compliance with the provisions of section 177 of the Act, the rules made thereunder and in terms of Regulation 18 of the Listing Regulations.

The Audit Committee consists of Shri Mukeshbhai Patel, who is the Chairman of the Committee, Shri Sudhirbhai Nanavati, Shri Shreyasbhai Pandya and Shri Sandeepbhai Singhi, as the Committee Members. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

During the year under review total 5 (Five) meetings of the Audit Committee were held on 26.05.2015, 11.08.2015, 06.11.2015, 11.02.2016 and 09.03.2016. The attendance of the Members of the Audit Committee is as under:

| Sr. No. | Name of the Members      | Date-wise attendance of Audit Committee Meeting during the F.Y 2015-2016 |            |            |            |            |
|---------|--------------------------|--------------------------------------------------------------------------|------------|------------|------------|------------|
|         |                          | 26.05.2015                                                               | 11.08.2015 | 06.11.2015 | 11.02.2016 | 09.03.2016 |
| 1.      | Shri Mukeshbhai Patel    | Yes                                                                      | Yes        | Yes        | Yes        | Yes        |
| 2.      | Shri Sudhirbhai Nanavati | Yes                                                                      | Yes        | Yes        | Yes        | No         |
| 3.      | Shri Shreyasbhai Pandya  | Yes                                                                      | Yes        | Yes        | Yes        | Yes        |
| 4.      | Shri Sandeepbhai Singhi  | No                                                                       | No         | No         | Yes        | No         |

Yes – Attended, No – Not Attended

The Statutory Auditors, the Internal Auditors, the Finance & Accounts Head and the Managing Directors of the Company usually invited to attend the meetings of the Audit Committee. All Committee Members are financially literate and have accounting and financial management expertise. Shri Mukeshbhai Patel, Independent Director, who is the Chairman of the Audit Committee, was present at the previous Annual General Meeting to answer the queries of the shareholders of the Company.

#### **B. NOMINATION AND REMUNERATION COMMITTEE:**

In compliance with the provisions of section 178 of the Act and applicable rules made thereunder and in terms of the provisions of Regulation 19 of the Listing Regulations, the Board has constituted the "Nomination and Remuneration Committee" ("NRC"). Terms of Reference of NRC are mentioned hereunder:

##### **Terms of reference:**

The terms of reference of Nomination and Remuneration Committee includes the following:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal,
- To carry out evaluation of every director's performance,
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees,
- To formulate criteria for evaluation of performance of Independent Directors and the Board of Directors,
- To devise a Policy on diversity of Board of Directors, and
- To recommend whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

##### **Composition, meetings and attendance:**

Nomination and Remuneration Committee of the Board presently consists of four (4) Independent and Non-Executive Directors viz. Shri Sudhirbhai Nanavati, who is the Chairman of the Committee, Shri Mukeshbhai Patel, Shri Shreyasbhai Pandya and Shri Sandeepbhai Singhi, as the Members of the Committee. The Minutes of the Committee was noted at the meeting of the Board of the Company. The decisions regarding the remuneration of the Executive Directors are taken by the Nomination and Remuneration Committee and placed before the Board for its approval subject to consent from the members. The Company Secretary of the Company acts as the Secretary to the Committee.

During the year under review total 4 (four) meetings of NRC were held on 26.05.2015, 11.08.2015, 06.11.2015 and 11.02.2016. The attendance of the Members of NRC is as under:

| Sr. No. | Name of the Members      | Date-wise attendance of Nomination and Remuneration Committee Meeting during the F.Y 2015-2016 |            |            |            |
|---------|--------------------------|------------------------------------------------------------------------------------------------|------------|------------|------------|
|         |                          | 26.05.2015                                                                                     | 11.08.2015 | 06.11.2015 | 11.02.2016 |
| 1.      | Shri Sudhirbhai Nanavati | Yes                                                                                            | Yes        | Yes        | Yes        |
| 2.      | Shri Mukeshbhai Patel    | Yes                                                                                            | Yes        | Yes        | Yes        |
| 3.      | Shri Shreyasbhai Pandya  | Yes                                                                                            | Yes        | Yes        | Yes        |
| 4.      | Shri Sandeepbhai Singhi  | No                                                                                             | No         | No         | Yes        |

Yes – Attended, No – Not Attended

##### **Remuneration Policy:**

In terms of the provisions of section 178(4) of the Act, the Board of the Company has, on recommendation of NRC, framed and adopted a policy for selection and appointment of directors, senior management and their remuneration.

The Company has formulated and adopted the Policy with an aim to create an effective performance work culture in the Company which enables it to attract, retain and motivate the employees to achieve the targets of the Company. The remuneration

is paid by the Company by way of salary, perquisites, allowances and commission to the managing directors of the Company. The Committee decides annual increments within the stipulated pay scale and the commission payable out of the profits for the financial year within the ceilings prescribed under the Act based on the performance of the managing directors and also of the Company.

During the financial year under review, the Company paid sitting fees to its Independent Directors for attending meetings of the Board as mentioned in this Report. The Company has not paid any commission to the Independent / non-executive Directors.

#### **Nomination and remuneration policy of the Company:**

In terms of the provisions of the section 178 of the Companies Act, 2013, applicable rules made thereunder (*the Act*, for short) and also the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the Board of Directors the Company is required to constitute a Nomination and Remuneration Committee (the Committee, for short). Accordingly, a Nomination and Remuneration Committee is constituted and this Policy is formulated in compliance with the provisions of section 178 of the Act read along with the applicable rules thereto and the applicable provisions of LODR.

#### **APPLICABILITY OF THE POLICY:**

- a) Directors (Executive, Non-Executive and Independent)
- b) Key Managerial Personnel
- c) Senior Management Personnel
- d) Other employees as may be decided by the Nomination and Remuneration Committee

Words and expressions used and not defined in this Policy but defined in the Act, the rules made thereunder and LODR, shall have the meanings respectively assigned to them in those legislation.

#### **OBJECTIVE & ROLE OF THE COMMITTEE:**

The objectives of the Committee are:

- a) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,
- b) Recommend to the Board their appointment and removal, and
- c) Carry out evaluation of every director's performance.

The role of committee shall, inter-alia, include the following:

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- c) devising a policy on diversity of board of directors;
- d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Act provides that the Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

This Policy is formulated to ensure that:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### **COMPOSITION OF THE COMMITTEE:**

- a) The Committee shall consist of three (3) or more non-executive Directors out of which not less than one-half shall be Independent Directors.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013, the Rules made thereunder and the provisions of LODR and also as and when it deems fit to reconstitute the Committee.
- c) Minimum two (2) Members shall constitute a quorum for the meeting of the Committee.
- d) Composition, names of Members and Chairmanship of the Committee shall be disclosed in Annual Report.

#### **CHAIRMAN AND SECRETARY OF THE COMMITTEE:**

- a) The Chairman of the Committee shall be an Independent Director.

- b) The chairperson of the Company may be appointed as a member of the Nomination and Remuneration Committee but shall not chair the Committee.
- c) In the absence of the Chairman in a meeting of the Committee, the Members of the Committee present at such meeting shall choose one amongst them to act as a Chairman.
- d) The Chairman of the Committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.
- e) The Committee shall regularly report to the Board and it shall review and reassess the adequacy of its Charter periodically and recommend any proposed changes to the Board for approval.
- f) The Company Secretary of the Company shall act as a secretary for the meetings of the Committee.

#### **POLICY FOR APPOINTMENT & REMOVAL:**

Criteria for appointment and qualifications of Directors, Key Managerial Personnel & Senior Management employees, includes:

1. In accordance with the applicable provisions of the Companies Act, 2013, applicable regulations of LODR, other applicable laws and also extant Human Resource Policy of the Company, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or senior management level and recommend to the Board his / her appointment.
2. The Committee has discretion to decide adequacy of qualification, expertise and experience possessed for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director or Executive Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the Committee beyond the age of seventy years with the approval of the shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
4. A whole-time Key Managerial Personnel of the Company shall not hold office in more than one company, except in its subsidiary company, at the same time. However, whole time Key Managerial Personnel can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

The Committee has discretion to consider and fix the criteria for appointment / selection of the most suitable candidates for the Company.

#### **QUALIFICATIONS, INDEPENDENCE & EVALUATION:**

##### **A. Appointment of Directors including Independent Directors:**

The Committee shall formulate criteria for determining qualifications, skills, expertise, qualities, positive attributes required to be a director of the Company. The committee shall develop and recommend various criteria to be considered for appointment / reappointment of a director for approval of the Board of the Company. Such criteria shall be beneficial to the Company and the qualities and expertise required for achieving targets of the Company in changing business environment shall also be considered. The Committee shall consider the following criteria:

- a) Applicable provisions of the Act, Rules made thereunder and applicable regulations of LODR.
- b) Persons of integrity, eminence and knowledge in business /profession / public service;
- c) Financial literacy;
- d) Experience in media industry;
- e) Other qualifications and experience to help the Company to achieve its objectives;

##### **B. Identification process:**

The committee shall identify persons who are qualified to become directors and who can satisfy the prescribed criteria. The process of identification will include meeting, ascertaining and screening candidates for appointment as a director. The existing Board members shall also continuously satisfy the criteria set by the Committee.

##### **C. Recommendation of appointment for approval of Board:**

If the candidate is able to satisfy the criteria laid down by the Committee, the Committee shall recommend appointment of such person for approval of the Board, after completion of the selection process.

The Committee may recommend the candidates to the Board when:

- a) any vacancy in the Board is required to be filled due to resignation or retirement of any Board Member, or
- b) any vacancy arisen out of annual performance evaluation of the Board, or
- c) any vacancy as a result of end of tenure in accordance with the Act, Rules made thereunder and in terms of applicable regulations of LODR, or
- d) any change required in the Board on account of its diversity policy, or
- e) any change required by the law.

**D. Positive attributes of Directors / Independent Directors:**

Directors to:

- a) Demonstrate integrity, trustworthiness and ability to handle situations of conflict
- b) Update their knowledge and skills with the latest developments in legal provisions, in the media industry and also in the market conditions in which the Company operates;
- c) Devote sufficient time and attention to the business and to address issues proactively;
- d) Take independent judgment on issues of business strategy, risk management, key appointments and code of conduct;
- e) Develop an effective relationship with Board Members and the senior management;
- f) Protect the interests of the Company, its stakeholders and employees;

Independent Directors of the Company shall also meet the requirements of the Act read with the Rules made thereunder and provisions of the relevant regulations of LODR, as in force and as amended from time to time.

**E. Standards of Independence:**

The Committee shall lay down criteria to evaluate the independence of Directors for recommending to the Board for appointment / reappointment. A Director is independent if he /she does not have a direct or indirect material pecuniary relationship with the Company, including its affiliates or any member of senior management. Also, the candidate shall be evaluated based on the criteria provided under the applicable provisions of the Act read with Rules thereon and LODR. In addition to applying these guidelines, the Board will consider all other relevant facts and circumstances in making its determination relating to an independence of a Director.

**F. Evaluation of performance and Independence Review Procedures:**

The Committee shall determine a process for evaluating the performance of every Board Member, the Committees of the Board and the Board on an annual basis. The Committee shall also review its own performance on an annual basis. The Committee may also take the support of external experts for this purpose.

1. Annual Evaluation: The Board will determine the independence for the independent director on an annual basis upon the declaration made by such independent director.
2. Determination of Director's Independence: The Board shall determine independence of candidate to the position of independent director prior to appointment in case his/her appointment is considered between two Annual General Meetings of the Company.
3. Change of Independent Status: Each director shall inform the Board with respect to any change in his / her independent status.

**G. Evaluation of performance of executive directors and determination of remuneration:**

The Committee shall evaluate the performance of the managing director/s by setting key result areas and performance parameters at the beginning of each financial year and it shall ensure that the said performance objectives are aligned with the present and future goals of the Company. The Committee shall consider and recommend the remuneration of the managing director or whole-time director for approval of the Board and Members of the Company. The remuneration may include basic salary, benefits, allowances, perquisites, commission, etc. The Committee shall also ensure that the remuneration is in accordance with applicable law and has an adequate balance between fixed and variable component.

**H. Criteria for appointment of KMP/Senior Management**

The Committee shall lay down criteria like qualifications, expertise and experience required for senior management positions like managing director & CEO, CFO and Company Secretary of the Company. The Committee may make recommendation to the Board for the appointment/ reappointment and any change required to the senior management positions of the Company. Key Managerial Personnel / Senior Management shall:

- a) Possess the requisite qualifications, expertise and experience to effectively discharge assigned responsibilities;
- b) Comply with the provisions of the Code of Conduct & Ethics
- c) Practice professionalism
- d) Encourage transparent working environment; and
- e) Establish an effective leadership, build teams and include team members to achieving targets of the Company;

On an annual basis, the Committee shall evaluate the performance of the senior management of the Company. The Committee shall also ensure that the remuneration to the key managerial persons and senior management involves a balance between fixed and variable/ incentive pay reflecting short term and long term performance objectives.

**I. Criteria for making payments to Non-Executive Directors:**

The Committee may determine a commission payable to the non-executive directors after taking into their contribution to the decision making at Board / Committee Meetings, active participation and time spent as well as providing strategic inputs and supporting highest level of Corporate Governance and Board effectiveness. Commission, if decided to be paid, shall be within the overall limits prescribed in the Act and as may be fixed by the Members of the Company.

The payment of commission to the Non-Executive Directors of the Company who are neither in the whole time employment nor managing directors shall be approved by the shareholders of the Company. The Committee and the Board shall, in accordance with the approval of the shareholders of the Company, determine the manner and extent up to which the commission shall be paid to the Non-Executive Directors. Further, the following is the criteria for remuneration:

- a) Sitting Fees up to ₹ 1 Lac for each meeting of the Board or any Committee thereof, attended.
- b) Commission, if approved by the Board and the shareholders of the Company to be paid to the Non-Executive Directors, on the basis of participation in the meetings of Board and Audit Committee at the rate within the prescribed limits of the Act and the Rules made thereunder.
- c) Payment of Commission, if payable, to be made annually on determination of profits of the Company for particular financial year.
- d) Directors may be reimbursed for the expenses incurred for attending any meeting of the Board or Committees thereof, and which may arise from performance of any special assignments given by the Board.

#### **TERM / TENURE:**

The Nomination and Remuneration Committee of the Company will ensure that remuneration and terms of employment are competitive and help the Company to attract and retain competent employees.

The Committee will ensure that remuneration package shall be reasonable and sufficient to attract, retain and motivate the employees. The Committee will also consider the performance objectives appropriate to the objectives of the Company. The Committee will also see that the policy ensures that remuneration is linked with the attainment of performance targets assigned to employees.

Executive Remuneration will be recommended by the Committee for approval by the Board of Directors. There will be annual evaluation of performance. The Committee may also consult with the management of the Company as and when required. The details of remuneration of the Board of Directors and Key Managerial Personnel of the Company will be disclosed in the annual financial statements of the Company.

#### **SUCCESSION PLANNING:**

The objective of the succession planning is that the Company is well prepared for either planned changes or unplanned changes. Planning for succession for all critical positions of the Company involves assessment of opportunities, challenges and threats and also an evaluation of expertise, talent and skills that would be required in future. The Nomination and Remuneration Committee will develop plan for effective succession to the Board and senior level management, which the Board will review from time to time. The said Committee will endeavor to develop a talent pool of candidates for different critical positions which may be considered to fill the gap in the positions at Board level and Senior Management level. Process for planning for succession may include identification of internal candidates, motivation and development plans for internal candidates, and also identification of external candidates. The Committee will formulate an emergency succession contingency plan for unforeseen events like death, disability, resignations, etc. The Committee will try to ensure that a talent pool is established to ensure continuity of leadership for all critical positions in the Company at all times.

#### **REVIEW OF POLICY AND REPORTING:**

The Committee will review the Policy as and when required, which will include an assessment of the effectiveness of the Policy. The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

The Board may, as and when required by the Committee, assess the adequacy of this Policy and make any necessary or desirable amendments to ensure it remains consistent with the objectives and applicable law.

The Committee shall report to the Board on all matters arising at the Committee Meetings and, where applicable, shall present the Committee's recommendations to the Board for its approval.

In case of any conflict between the provisions of this Policy and LODR or the Companies Act, 2013 or any other statutory enactments, the provisions of LODR or the Companies Act, 2013 or other statutory enactments, shall prevail over this Policy.

This Policy is formulated taking in view extant provisions of the LODR / the Companies Act, 2013 / other applicable statutory enactments. In case of any confusion or doubt with respect to any provision of this Policy or as and when the Committee / Board deems necessary to review this Policy or its provisions, the Committee / Board will take an appropriate decision. Further, this Policy and its provisions are subject to any modification, revision, replacement, variation, deletion, addition or amendment in accordance with the regulatory amendments and guidelines as may be issued / imposed by SEBI or any other competent authority, from time to time.

#### **Remuneration to Executive Directors:**

NRC shall, inter-alia, evaluate the performance of the Executive Directors and the remuneration payable to the Executive Directors and Senior Management employees of the Company. Shri Falgunbhai C. Patel is the Chairman & Managing Director, Shri Parthiv F. Patel is the Managing Director and Shri Yogesh Jani is the Whole-time Director on the Board of the Company. Based on the recommendation of Nomination and Remuneration Committee, the Board approves the remuneration payable to the aforesaid Directors within the ceiling fixed by the shareholders as per the respective resolutions passed at their General Meetings. The Company has entered into agreements with Shri Falgunbhai C. Patel (the term of appointment is from April 01, 2012 to March 31, 2017), Shri Parthiv F. Patel (the term of appointment is from August 01, 2013 to July 31, 2018) and Shri Yogesh Jani (the term of appointment is from August 11, 2015 to August 10, 2020) for their respective employment for a period

as mentioned in their respective agreement. Either the Company or Shri Falgunbhai C. Patel / Shri Parthiv F. Patel is entitled to terminate the agreement by giving not less than six months' notice in writing to the other party. Either the Company or Shri Yogesh Jani is entitled to terminate the agreement by giving not less than two months' notice in writing to the other party. The Board, on the recommendation of Nomination and Remuneration Committee, proposed the re-appointment of Shri Falgunbhai C. Patel as the Chairman and Managing Director for a further period of five years for the approval of the shareholders at the ensuing Annual General Meeting. Details of remuneration paid/payable to the Executive Directors of the Company during the year ended March 31, 2016 are given below:

(Amount ₹ in Lacs)

| Name of the Directors | Salary | Commission* | Perquisites & Allowances | Sitting Fee | Total Remuneration |
|-----------------------|--------|-------------|--------------------------|-------------|--------------------|
| Shri Falgunbhai Patel | 105.43 | 575.00      | 1.34                     | 0.00        | 681.77             |
| Shri Parthiv Patel    | 69.84  | 605.00      | 0.40                     | 0.00        | 675.24             |
| Smt. Pannaben Patel   | 0.00   | 0.00        | 0.00                     | 0.00        | 0.00               |
| Shri Yogesh Jani      | 4.32   | 0.00        | 0.00                     | 0.00        | 4.32               |

\*Payable in Financial Year 2016-2017

#### Stock Option:

The Company has no stock option scheme relating to its shares for its directors or employees and no severance fees are paid to any Director of the Company during the financial year under review.

#### Remuneration to Non-Executive Directors:

The remuneration, commission, sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act for the time being in force or as may be recommended by the Nomination and Remuneration Committee and approved by the Board and the members of the Company. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Listing Regulations.

The Company has no pecuniary relationship or transactions with its Non-executive and Independent Directors other than payment of sitting fees to them for attending Board meetings. Details of the sitting fees paid to the Independent Directors for the financial year **2015-16** are as under:

| Name of the Directors    | Sitting Fee (₹ in Lacs) |
|--------------------------|-------------------------|
| Shri Sudhirbhai Nanavati | 0.100                   |
| Shri Mukeshbhai Patel    | —                       |
| Shri Shreyasbhai Pandya  | —                       |
| Shri Sandeepbhai Singhi  | 0.025                   |

#### Remuneration to Senior Management Employees:

The Human Resource department and the Management carry out the performance review of the senior management employees of the Company. The performance review includes following up with the appraisal procedures and also other criteria such as key result areas, fixed and variable pay, perquisites and retirement benefits.

#### C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Stakeholders Relationship Committee of the Board of the Company has been constituted and functioning in pursuance of the provisions of Regulation 20 of the Listing Regulations read with section 178 of the Act. The Committee looks into redressing the stakeholders' grievances / complaints. The Company has a designated E-mail ID i.e. [investorsgrievance@sandesh.com](mailto:investorsgrievance@sandesh.com) for the redressal of complaints / grievances of the stakeholders which is also displayed on the website of the Company.

#### Terms of Reference:

The functions of Stakeholders Relationship Committee, inter alia, include the following:

- To consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends,
- To expedite the process of share transfers,
- To ensure that Registrar and Share Transfer Agent attends to share transfer formalities as prescribed in terms of applicable laws from time to time,

#### Composition, meetings and attendance:

Stakeholders Relationship Committee of the Board presently consists of four (4) Independent Non-Executive Directors viz. Shri Sudhirbhai Nanavati, who is the Chairman of the Committee, Shri Mukeshbhai Patel, Shri Shreyasbhai Pandya and Shri Sandeepbhai Singhi, as the Members of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

During the year under review, 4 (Four) meetings of the Stakeholders Relationship Committee were held on 26.05.2015, 11.08.2015, 06.11.2015 and 11.02.2016. The Minutes of the Committee are reviewed by the Board at its Meeting. The attendance of the Members of the Stakeholders Relationship Committee is as follows:

|    |                          | <b>Date-wise attendance of Stakeholders Relationship Committee Meeting during the F.Y 2015-2016</b> |                   |                   |                   |
|----|--------------------------|-----------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
|    |                          | <b>26.05.2015</b>                                                                                   | <b>11.08.2015</b> | <b>06.11.2015</b> | <b>11.02.2016</b> |
| 1. | Shri Sudhirbhai Nanavati | Yes                                                                                                 | Yes               | Yes               | Yes               |
| 2. | Shri Mukeshbhai Patel    | Yes                                                                                                 | Yes               | Yes               | Yes               |
| 3. | Shri Shreyasbhai Pandya  | Yes                                                                                                 | Yes               | Yes               | Yes               |
| 4. | Shri Sandeepbhai Singhi  | No                                                                                                  | No                | No                | Yes               |

Yes – Attended, No – Not Attended

The number of the complaints / grievances received and resolved to the satisfaction of the stakeholders during the Financial Year under review is as under:

| <b>Sr.No.</b> | <b>Particulars</b>                                                                                                     | <b>Status of Complaints</b> |
|---------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 1.            | No. of complaints received from the shareholders during the financial year from 01.04.2015 to 31.03.2016               | 17                          |
| 2.            | No. of complaints resolved to the satisfaction of shareholders during the financial year from 01.04.2015 to 31.03.2016 | 17                          |
| 3.            | No. of complaints pending at the end of the year as on 31.03.2015                                                      | Nil                         |
| 4.            | No. of complaints pending at the end of the year as on 31.03.2016                                                      | Nil                         |
| 5.            | No. of pending transfer as on 31.03.2016                                                                               | Nil                         |

There was no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty / strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters during the last three years.

**Compliance Officer:** The Company Secretary is designated as a Compliance Officer pursuant to Regulation 6 of the Listing Regulations.

#### **D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):**

The Board has constituted the CSR Committee as per the requirements of the Act and Rules made thereunder.

##### **Terms of Reference:**

The Terms of Reference of CSR Committee includes, to frame CSR Policy and review it from time to time to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and Rules made thereunder and to provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

Following is the terms of reference of CSR Committee:

1. To formulate and recommend CSR Policy to the Board;
2. To recommend the amount of expenditure to be incurred; and
3. To monitor CSR Policy.

##### **Composition, meetings and attendance:**

In compliance with the provisions of section 135 of the Act and Rules made thereunder, the Board of the Company has constituted the CSR Committee. The Committee has 4 (four) Members comprising of 2 (two) Non-Executive and Independent Director, 1 (one) Promoter and Non-Executive Director and the Chairman of the Committee is Promoter and Executive Director. During the year under review, 4 (four) Meetings of the CSR Committee were held on 26.05.2015, 11.08.2015, 06.11.2015 and 11.02.2016. The Minutes of the Committee are reviewed by the Board at its Meeting. The attendance of the Members of the CSR Committee is as follows:

|    |                         |          | <b>Date-wise attendance of Corporate Social Responsibility Committee Meeting during the F.Y 2015-2016</b> |                   |                   |                   |
|----|-------------------------|----------|-----------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
|    |                         |          | <b>26.05.2015</b>                                                                                         | <b>11.08.2015</b> | <b>06.11.2015</b> | <b>11.02.2016</b> |
| 1. | Shri Falgunbhai Patel   | Chairman | Yes                                                                                                       | Yes               | Yes               | Yes               |
| 2. | Shri Mukeshbhai Patel   | Member   | Yes                                                                                                       | Yes               | Yes               | Yes               |
| 3. | Shri Shreyasbhai Pandya | Member   | Yes                                                                                                       | Yes               | Yes               | Yes               |
| 4. | Smt. Pannaben Patel     | Member   | Yes                                                                                                       | Yes               | Yes               | Yes               |

**E. EXECUTIVE COMMITTEE:**

The Board has constituted this Committee with an objective to aid the Board in handling and dealing with the matters which, in the opinion of the Board, should not be postponed until the next scheduled meeting of the Board or its other Committee. The Committee, having delegated authority, performs all those functions which the Board assigns to it. The Committee has overall responsibility for review and follow up on the action taken on the Board decisions and also attend to any other responsibility as may be entrusted by the Board to investigate any activity within terms of reference.

**Composition, meetings and attendance:**

Executive Committee presently consists of three (3) Executive Directors viz. Shri Falgunbhai C. Patel, who is the Chairman of the Committee, Shri Parthiv F. Patel and Shri Yogesh Jani, as the Members of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee. The Board has constituted Executive Committee on May 30, 2016 and there was no meeting held during the Financial Year 2015-16.

**IV. INDEPENDENT DIRECTORS' MEETING:**

During the financial year under review, the Independent Directors on the Board of the Company met on February 11, 2016, inter alia, to:

- a) review the performance of non-independent directors and the Board as a whole;
- b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; and
- c) assess 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 their duties.

All the Independent Directors were present at the said Meeting.

**V. DISCLOSURES:****a) Related Party Transactions:**

In line with the provisions of the Act and under Regulation 23 of the Listing Regulations, the Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. During the Financial Year under review, there were no material related party transactions. All related party transactions are placed before the Audit Committee as also the Board for review and approval; and the interested Directors neither participate in the discussions, nor did they vote on such matters, when such matters came up for approval. Further, suitable disclosure as required by the Accounting Standards has been given in the Notes to the Financial Statements. The Board of the Company has approved a Policy for related party transactions which has been uploaded on the Company's website at the following link: <http://sandesh.com/ir/RPT%20Policy.pdf>.

None of the Non-Executive Directors - Independent Directors have any pecuniary material relationship or transactions with the Company for the year ended March 31, 2016, and have given undertakings to that effect.

**b) Accounting Treatment:-**

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India. The Company has followed all relevant Accounting Standards specified under section 133 of the Act read together with Rule 7 of the Companies (Accounts) Rules, 2014 while preparing Financial Statements.

**c) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:-**

No penalty, or stricture was imposed by the Stock Exchanges or SEBI or any other authority during the last 3 (three) years.

**d) Whistle Blower Policy:**

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with the requirements under the Act and the Listing Regulations. The said policy provides that the employees can report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct and also provides for adequate safeguards to the whistle blowers against any victimization or vindictive practices like. The Policy also ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern and no employee has been denied access to the Audit Committee. On a quarterly basis, the Audit Committee review the concerns raised under the policy and track them for closure as per the policy. During the financial year under review no complaint was received to be referred to the Audit Committee and no person was denied access to the Audit Committee.

**e) Compliance with the Mandatory Requirements of the Listing Regulations:**

The Company has complied with all the mandatory requirements pertaining to the corporate governance as prescribed under the Listing Regulations and it has also obtained a certificate affirming the compliance with the provisions of the Listing Regulations from M/s. Jignesh A. Maniar & Associates, Practicing Company Secretaries, Ahmedabad and the same is also attached to this Report. The Board also reviews adoption of non-mandatory requirements under provisions of the Listing Regulations when called for.

**f) Disclosure regarding appointment or re-appointment of Directors:**

The particulars about the brief resume and other information for the Directors seeking appointment / re-appointment as required to be disclosed are provided as annexure to the Notice convening this Annual General Meeting.

**g) Code of Conduct:**

The Board has laid down the Code of Conduct for all Board Members and Members of Senior Management of the Company. The said Code is also placed on the website of the Company. The Certificate from the Chairman & Managing Director affirming compliance of the said Code by all the Board Members and Members of Senior Management of the Company, to whom the Code is applicable, is separately attached to this Report.

**h) Prohibition of Insider Trading:**

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, which is effective from 15<sup>th</sup> May, 2015, the Board has formulated a Code of Conduct for regulating, monitoring and reporting of trading by insiders. The Board has also adopted a code of practices and procedures of fair disclosures of unpublished price sensitive information. The rationale behind the code is to prohibit trading in shares of the Company by specified persons, while in possession of 'undisclosed price sensitive information'. All specified persons are restricted from dealing in the shares of the Company during 'restricted periods' notified by the Company from time to time. The said codes have been uploaded on the website of the Company. Following is the details of the shares held by the Directors of the Company as at March 31, 2016:

| Sr. No. | Name of the Director              | No. of Equity shares<br>(as on 31/03/2016) | Details of shares bought / sold<br>during financial year 2015-16 |
|---------|-----------------------------------|--------------------------------------------|------------------------------------------------------------------|
| 1.      | Shri Falgunbhai Patel             | 386350                                     | Nil                                                              |
| 2.      | Falgunbhai Chimanbhai Patel (HUF) | 185300                                     | Nil                                                              |
| 3.      | Shri Parthiv Patel                | 1189100                                    | Nil                                                              |
| 4.      | Shri Sudhirbhai Nanavati          | 250                                        | Nil                                                              |
| 5.      | Shri Mukeshbhai Patel             | 250                                        | 250 (Bought)                                                     |
| 6.      | Shri Shreyasbhai Pandya           | 51600                                      | Nil                                                              |
| 7.      | Smt. Pannaben Patel               | 6300                                       | Nil                                                              |
| 8.      | Shri Sandeepbhai Singhi           | Nil                                        | Nil                                                              |

**i) Subsidiary companies:**

In compliance with the Listing Regulations, the Company has framed a 'Policy for determining Material Subsidiary' in order to determine the materiality of its unlisted subsidiaries. The said policy is placed on the Company's website and can be accessed at: [http://sandesht.com/ir/Policy\\_Material%20Subsidiary.pdf](http://sandesht.com/ir/Policy_Material%20Subsidiary.pdf). As per the Listing Regulations and the said Policy, the Company did not have any material subsidiary during the Financial Year under review.

The Audit Committee of the Board periodically reviews the financial statements and general working of subsidiary company and in particular, the investments made by the subsidiary company. The Management of the Company also periodically brings to the attention of the Board of the Company, a statement of all significant transactions and arrangements, if any, entered into by the subsidiary company. Further, the minutes of the board meetings of the subsidiary company noted at the Board Meetings of the Company.

**j) Governance by the Management:**

- Management Discussion and Analysis Report:** As required by provisions of the Listing Regulations, the Management Discussion and Analysis is provided separately in this Annual Report.
- Material financial and commercial transactions:** No material financial and commercial transactions that may have a potential conflict with the interest of the Company at large were reported to the Company during the Financial Year under review. Senior Management of the Company has made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.

**k) Reconciliation of Share Capital Audit:**

The 'Reconciliation of Share Capital Audit' was undertaken on a quarterly basis. A qualified practicing Company Secretary carried out audit to reconcile the total admitted capital with the Depositories and the total issued and listed share capital. The total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with the Depositories.

**l) Secretarial Audit**

During the financial year under review, the Secretarial Audit was conducted as required under the provisions of section 204 of the Act and rules framed thereunder. M/s. Jignesh A. Maniar & Associates, Practicing Company Secretaries, Ahmedabad has conducted the audit and the Secretarial Audit Report is annexed to the Directors' Report.

**m) CEO / CFO's Certification:**

The Managing Director and the Chief Financial Officer have certified to the Board, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under the Listing Regulations, for the Financial Year ended March 31, 2016.

**n) Unclaimed Shares:**

Pursuant to regulation 39 of the Listing Regulations, the reminder letters were sent to the shareholders whose shares remain unclaimed from the Company. Based on their response, such shares will be transferred to “unclaimed suspense account” as per the provisions of Schedule VI of the Listing Regulations. The Board of the Company has approved the proposal to open unclaimed suspense account. The information of unclaimed shares is hereby given: (a) Aggregate number of shareholders and the outstanding shares at the beginning of the year: Total 31050 equity shares (total 115 shareholders) (b) Number of shareholders who approached the Company during the year: Total 2550 shares (Total 7 shareholders) (c) Number of shareholders to whom shares were released during the year: Total 2550 shares (Total 7 shareholders) (d) Aggregate number of shareholders and the outstanding shares at the end of the year: Total 28500 shares (total 108 shareholders) (e) Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Total 28500 shares (total 108 shareholders)

**o) Compliance with Mandatory Requirements:**

The Company has complied with the mandatory corporate governance requirements under the Listing Regulations. The Company confirms compliance with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-Regulation (2) of regulation 46 of the Listing Regulations.

**p) The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II under the Part E of the Listing Regulations:**

- i. The Board:** As per para A of Part E of Schedule II of the Listing Regulations, a non-executive Chairman of the Board may be entitled to maintain a Chairman's Office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties. The Chairman of the Company is an Executive Director and hence, this provision is not applicable.
- ii. Shareholders Rights:** The Company displays the quarterly and half yearly results on its web site and also publishes the results in widely circulated newspapers. The Company also makes available the voting results of the shareholders' meetings on its website, and reports the same to Stock Exchanges. The quarterly and half yearly results are not sent to each household of the shareholders.
- iii. Modified opinion(s) in audit report:** The Company's financial statements for the Financial Year 2015-16 do not contain any modified audit opinion.
- iv. Separate posts of Chairperson and Chief Executive Officer:** Shri Falgunbhai C. Patel is the Chairman and Managing Director of the Company. However, there is no separate post of a Chief Executive Officer in the Company.
- v. Reporting of Internal Auditor:** In its internal audit structure, the Company has engaged experienced chartered accountants' firm. There is a system of monthly internal audit reporting, reviewing and monitoring. Surprise audits are also conducted to ensure effective adherence to the established processes, internal controls and internal audit mechanism on real-time basis. The Internal Auditors of the Company reports to the Audit Committee of the Board of the Company.

**VI. MEANS OF COMMUNICATION:**

- |                                                                     |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) Quarterly results                                                | : | The quarterly, half-yearly and yearly financial results are published in daily English and daily Gujarati newspapers within the prescribed timelines. The Company also informs BSE & NSE in a timely manner about the price sensitive information and any other matter which in its opinion is material and relevant to the shareholders. The Company also complies with the Listing Regulation by filing of its financial results with BSE & NSE. The Company's results are also displayed on the website of the Company. |
| b) Newspapers wherein results normally published                    | : | In English daily – The Economic Times / The Financial Express / Business Standard & in Regional Daily (Gujarati) “Sandesh”                                                                                                                                                                                                                                                                                                                                                                                                 |
| c) Any website, where displayed                                     | : | BSE Limited ( <a href="http://www.bseindia.com">www.bseindia.com</a> ), National Stock Exchange of India Ltd. ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and The Sandesh Limited ( <a href="http://www.sandesh.com">www.sandesh.com</a> )                                                                                                                                                                                                                                                                  |
| d) Whether it also displays official news release                   | : | As and when called for                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| e) Presentations made to institutional investors or to the analysts | : | Not Applicable for the Financial Year under review                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

**VII. GENERAL SHAREHOLDER INFORMATION:****A. Annual General Meeting**

- i. Date :** September 30, 2016
- ii. Time :** 10:00 A.M.
- iii. Venue :** Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 (Gujarat-India)

In terms of the provisions of section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company has extended e-voting facility for the shareholders to enable them to cast their votes electronically on the proposed resolutions in the Notice of Annual General Meeting, instead of voting in the Annual General Meeting. Instructions for e-voting are listed under the segment "Notes" in the Notice of Annual General Meeting. Those of the shareholders, who cannot attend Annual General Meeting in person, can appoint a proxy to represent them in Annual General Meeting, for which the Shareholder needs to fill in a proxy form and send it to the Company in the manner stipulated in Notes in the Notice of Annual General Meeting.

The details of last three Annual General Meetings of the Company are as under:

| No. of AGM       | Financial Year | Date       | Time       | Venue at                                                                                              | Special Resolution passed                                                                                                                                                                                                                                                                          |
|------------------|----------------|------------|------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 72 <sup>nd</sup> | 2014-2015      | 30.09.2015 | 10:00 a.m. | Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 | Not applicable                                                                                                                                                                                                                                                                                     |
| 71 <sup>st</sup> | 2013-14        | 26.09.2014 | 10:00 a.m. | Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 | 1. Increase in borrowing limits<br>2. Adoption of a new Article of Association<br>3. Change in terms of appointment of Shri Parthiv F. Patel, Managing Director                                                                                                                                    |
| 70 <sup>th</sup> | 2012-13        | 05.09.2013 | 10:00 a.m. | Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 | 1. Appointment with remuneration of Shri Yogesh Jani, as a Whole-Time-Director of the Company.<br>2. Re-appointment with revised remuneration of Shri Parthiv Patel as a Managing Director of the Company.<br>3. Alteration of the Articles of Association by deleting Article 99 in its entirety. |

No Extra Ordinary General Meeting was held during the Financial Year 2015-16. During the Financial Year under review, no resolution has been passed through the exercise of postal ballot.

**B. Financial Year:** Financial Year of the Company is for a period of twelve (12) months from 1<sup>st</sup> April to 31<sup>st</sup> March. Following is key financial reporting dates for the financial year 2016-17 (tentative):

- First quarter Results : on or before August 14, 2016
- Half yearly Results : on or before November 14, 2016
- Third quarter Results : on or before February 14, 2017
- Audited Results for F.Y. 2016-17 : on or before May 30, 2017

**C. Date of Book Closure:** 23.09.2016 to 30.09.2016 (both days inclusive)

**D. Dividend Payment Date:** The Board has not recommended a final dividend for Financial Year 2015-16.

**E. The name and address of each stock exchanges at which the Company's securities are listed and confirmation about payment of annual listing fee to each of such Stock Exchanges:**

- BSE Limited: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
- National Stock Exchange of India Limited: "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai-400051

The Company has paid annual listing fees for the Financial Year 2016-17 to the above stock exchanges.

**F. Stock Code:**

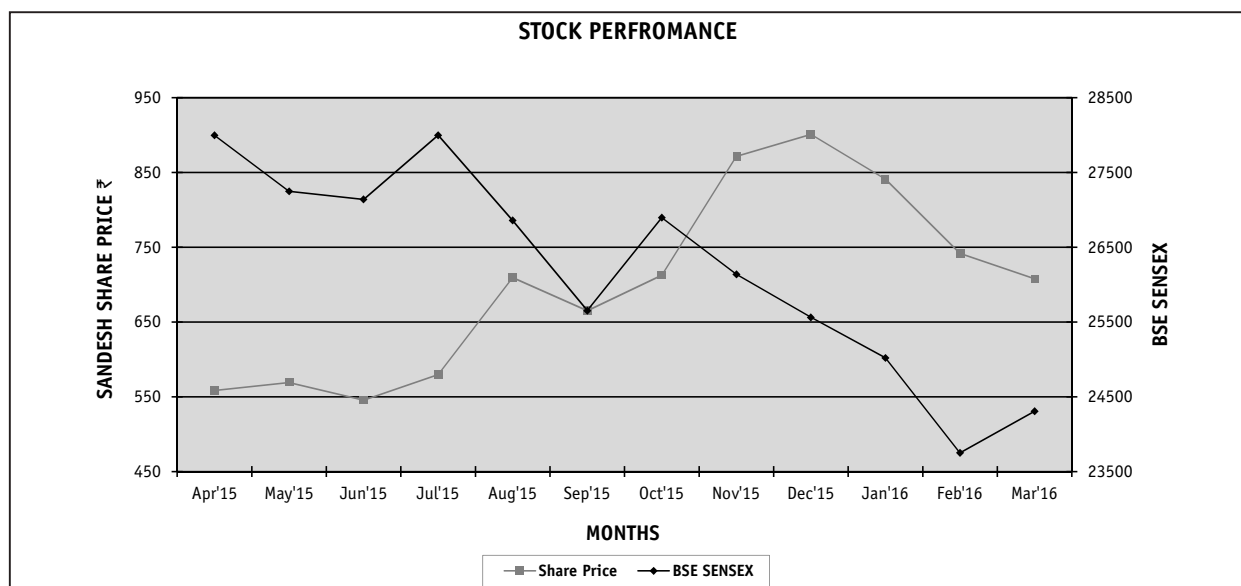
- BSE Limited: Scrip No. : 526725
- National Stock Exchange of India Limited: Symbol : SANDESH (EQ.)
- ISIN Number: INE583B01015

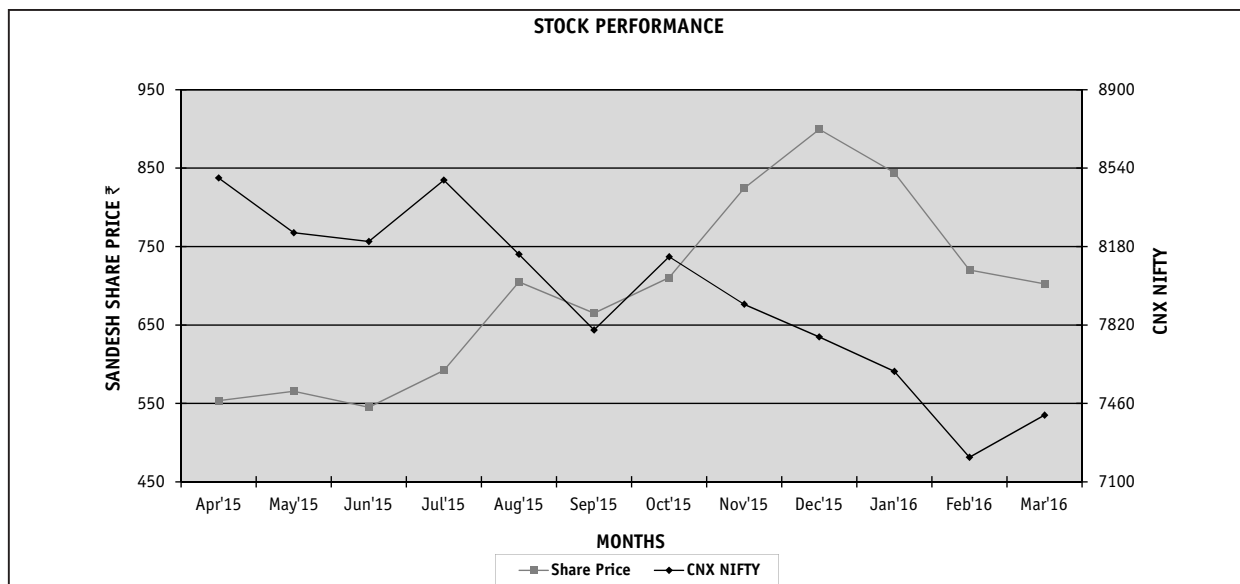
**G. Market Price Data:**

Market price data and volume of the shares of the Company traded in BSE Limited and NSE during the Financial Year 2015-16 are as under:

| Month      | Share price of<br>The Sandesh Limited at Listed Stock Exchanges |               |                            |                                |               |                            | S&P BSE SENSEX |          | CNX NIFTY (NSE) |         |
|------------|-----------------------------------------------------------------|---------------|----------------------------|--------------------------------|---------------|----------------------------|----------------|----------|-----------------|---------|
|            | BSE<br>(Scrip Code : 526725)                                    |               |                            | NSE<br>[Symbol – SANDESH(EQ.)] |               |                            |                |          |                 |         |
|            | Highest<br>(₹)                                                  | Lowest<br>(₹) | No. of<br>Shares<br>traded | Highest<br>(₹)                 | Lowest<br>(₹) | No. of<br>Shares<br>traded | Highest        | Lowest   | Highest         | Lowest  |
| Apr. 2015  | 625.00                                                          | 492.00        | 23380                      | 630.00                         | 477.00        | 74444                      | 29094.61       | 26897.54 | 8844.80         | 8144.75 |
| May 2015   | 629.00                                                          | 509.25        | 26027                      | 624.90                         | 506.25        | 39391                      | 28071.16       | 26423.99 | 8489.55         | 7997.15 |
| Jun. 2015  | 583.75                                                          | 507.00        | 15265                      | 585.00                         | 505.00        | 31454                      | 27968.75       | 26307.07 | 8467.15         | 7940.30 |
| Jul. 2015  | 649.00                                                          | 510.00        | 22035                      | 654.40                         | 530.00        | 36141                      | 28578.33       | 27416.39 | 8654.75         | 8315.40 |
| Aug. 2015  | 811.00                                                          | 607.50        | 63175                      | 809.00                         | 601.00        | 124182                     | 28417.59       | 25298.42 | 8621.55         | 7667.25 |
| Sept. 2015 | 713.00                                                          | 617.00        | 23315                      | 717.90                         | 612.35        | 47199                      | 26471.82       | 24833.54 | 8055.00         | 7539.50 |
| Oct. 2015  | 780.00                                                          | 645.00        | 27888                      | 776.00                         | 645.00        | 45962                      | 27618.14       | 26168.71 | 8336.30         | 7930.65 |
| Nov. 2015  | 1010.00                                                         | 733.00        | 41762                      | 948.85                         | 700.05        | 86703                      | 26824.30       | 25451.42 | 8116.10         | 7714.15 |
| Dec. 2015  | 995.00                                                          | 807.00        | 61039                      | 987.00                         | 811.60        | 145977                     | 26256.42       | 24867.73 | 7979.30         | 7551.05 |
| Jan. 2016  | 931.75                                                          | 750.00        | 64997                      | 939.90                         | 748.55        | 197119                     | 26197.27       | 23839.76 | 7972.55         | 7241.50 |
| Feb. 2016  | 828.50                                                          | 655.00        | 20770                      | 825.00                         | 615.15        | 73832                      | 25002.32       | 22494.61 | 7600.45         | 6825.80 |
| Mar. 2016  | 760.00                                                          | 655.50        | 14554                      | 755.00                         | 650.10        | 48386                      | 25479.62       | 23133.18 | 7777.60         | 7035.10 |

(The above information is compiled from the data available from the websites of BSE and NSE)

**H. Performance in comparison to broad-based indices such as BSE S&P Sensex, NSE CNX Nifty, Index, etc.:**




**Cautionary statement:** Historical stock price performance shown in the above graphs should not be considered as indicative of potential future stock price performance of the Company.

- I. Registrar and Transfer Agent:** MCS Share Transfer Agent Limited, having its regional office at 201, Shatdal Complex, 2<sup>nd</sup> Floor, Ashram Road, Ahmedabad-380009 (Gujarat). Telephone No. (079) 26580461/ 26580462 / 26580463, Fax No. (079) 26581296, Email ID: mcssta@rediffmail.com & mcsahmd@gmail.com
- J. Share Transfer System:** MCS Share Transfer Agent Limited is the Registrar & Share Transfer Agent for entire functions of the share registry, both for physical transfers as well as issue of duplicate shares, dematerialization, rematerialization, consolidation, split, transmission, name addition or deletion, etc. relating to the shares of the Company. As per the requirements of Regulation 40(9) of the Listing Regulations with the Stock Exchanges, a Company Secretary in practice has certified due compliance of share transfer formalities on half yearly basis.
- K. Distribution of Shareholding as on March 31, 2016:**

| No. of Shares (Range) |           | Held In Physical Form |               | Held In Demat Form |                | Total No. of holders & No. of Shares |               |                |               |
|-----------------------|-----------|-----------------------|---------------|--------------------|----------------|--------------------------------------|---------------|----------------|---------------|
| From                  | To        | No. of Holders        | No. of Shares | No. of Holders     | No. of Shares  | No. of Holders                       | % of Holders  | No. of Shares  | % of Shares   |
| 1                     | 500       | 836                   | 103972        | 3667               | 293297         | 4503                                 | 94.74         | 397269         | 5.25          |
| 501                   | 1000      | 10                    | 7300          | 102                | 76780          | 112                                  | 2.36          | 84080          | 1.11          |
| 1001                  | 2000      | 6                     | 7600          | 54                 | 78865          | 60                                   | 1.26          | 86465          | 1.14          |
| 2001                  | 3000      | 3                     | 8250          | 17                 | 45863          | 20                                   | 0.42          | 54113          | 0.72          |
| 3001                  | 4000      | 0                     | 0             | 10                 | 34330          | 10                                   | 0.21          | 34330          | 0.45          |
| 4001                  | 5000      | 0                     | 0             | 9                  | 41884          | 9                                    | 0.19          | 41884          | 0.55          |
| 5001                  | 10000     | 1                     | 8200          | 11                 | 77567          | 12                                   | 0.25          | 85767          | 1.13          |
| 10001                 | 50000     | 2                     | 21400         | 10                 | 236711         | 12                                   | 0.25          | 258111         | 3.41          |
| 50001                 | 100000    | 0                     | 0             | 3                  | 194508         | 3                                    | 0.06          | 194508         | 2.57          |
| 100001                | And Above | 0                     | 0             | 12                 | 6332894        | 12                                   | 0.25          | 6332894        | 83.66         |
| <b>TOTAL</b>          |           | <b>858</b>            | <b>156722</b> | <b>3895</b>        | <b>7412699</b> | <b>4753</b>                          | <b>100.00</b> | <b>7569421</b> | <b>100.00</b> |

**L. Dematerialization of shares and liquidity:**

As on March 31, 2016, total 3895 shareholders were holding 7412699 equity shares out of total 7569421 equity shares in Dematerialized Form, which constitute 97.93% of the total Share Capital of the Company. Promoters of the Company hold their 100% shareholding in Dematerialized Form. The Shares of your company are regularly traded on BSE and NSE.

**M. Categories of Shareholding as on March 31, 2016:**

| Sr. No.            | Category                                                                                                           | No. of shares in Demat form | No. of shares in Physical form | Total No. of Shares held | % of Total shareholding | Total No. of shareholders |
|--------------------|--------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------|--------------------------|-------------------------|---------------------------|
| 1.                 | Promoters                                                                                                          | 5663017                     | —                              | 5663017                  | 74.814                  | 12                        |
| 2.                 | Mutual Fund /UTI                                                                                                   | 119                         | 500                            | 619                      | 0.008                   | 2                         |
| 3.                 | Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institution, Non-Government Institutions) | 348                         | —                              | 348                      | 0.005                   | 1                         |
| 4.                 | Foreign Institutional Investors                                                                                    | —                           | —                              | —                        | —                       | —                         |
| 5.                 | Private Corporate Bodies                                                                                           | 918139                      | 23700                          | 941839                   | 12.443                  | 212                       |
| 6.                 | Indian Public (Individual/ HUF)                                                                                    | 812224                      | 129422                         | 941646                   | 12.440                  | 4461                      |
| 7.                 | NRI/ OCBs                                                                                                          | 18852                       | 3100                           | 21952                    | 00.290                  | 65                        |
| 8.                 | GDR                                                                                                                | —                           | —                              | —                        | —                       | —                         |
| <b>GRAND TOTAL</b> |                                                                                                                    | <b>7412699</b>              | <b>156722</b>                  | <b>7569421</b>           | <b>100.000</b>          | <b>4753</b>               |

**N. Outstanding global depository receipts (GDR) or American depository receipts (ADR) or warrants or any convertible instruments, conversion date and likely impact on equity:** Not applicable

**O. Commodity price risk / Foreign Exchange risk / Hedging:** The Company does not trade in commodity market. The Company is not exposed to high foreign exchange risk. The Company does not enter into any long term hedging.

**P. Plant / Press Locations:**

The Company has following press units:

- "Sandesh Bhavan", Lad Society Road, B/h. Vastrapur Gam, P.O. Bodakdev, AHMEDABAD (Gujarat)
- "Satyesh Bhavan", B/h. Jalaram Temple, Bahucharaji Road, Karelbaug, BARODA (Gujarat)
- "Satyesh Bhavan", Dakoriya Mill Compound, Near Gurudev Petrol Pump, Khatodara GIDC, Bamroli Road, SURAT (Gujarat)
- "Sandesh Bhavan", OPP. Sat Hanuman, Navagam, Rajkot-Ahmedabad Highway, RAJKOT (Gujarat)
- "Satyesh Bhavan", Ruvapari Road, BHAVANAGAR (Gujarat)
- Godown No. 3, Gujarat State Warehousing Corporation, Near Atmaram Circle & Bajaj Showroom, Bhuj Madhapar Road, BHUJ (Gujarat)

**Q. Address for correspondence:**

Stakeholders are requested to correspond with the Company at the following address:

- The Sandesh Limited, "Sandesh Bhavan", Lad Society Road, B/h. Vastrapur Gam, P.O. Bodakdev, Ahmedabad-380054 (Gujarat). Phone Nos.: 079-40004175, 40004319 Fax No.: 079-40004242, Email: investors@grievance@sandesh.com
- Registrar & Share Transfer Agent: MCS Share Transfer Agent Limited, having its regional office at 201, Shatdal Complex, 2<sup>nd</sup> Floor, Ashram Road, Ahmedabad-380009 (Gujarat). Telephone No. (079) 26580461/ 26580462 / 26580463, Fax No. (079) 26581296, Email ID: mcssta@rediffmail.com & mcsahmd@gmail.com

**For and on behalf of the Board**

Place : Ahmedabad  
Date : 30.05.2016

**Falgunbhai C. Patel**  
**Chairman & Managing Director**  
(DIN: 00050174)

**DECLARATION SIGNED BY THE MANAGING DIRECTOR STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT:**

*(In terms of Regulations 26(3) and 34(3) read with Schedule V of the Listing Regulations)*

This is to confirm that the Company has adopted a Code of Conduct of Board of Directors and Senior Management, which is available on the Company's website. I confirm that the Company has in respect of the Financial Year ended March 31, 2016, received from the Members of the Board and Senior Management Personnel, a declaration of compliance with the Code of Conduct of Board of Directors and Senior Management as applicable to them.

Place : Ahmedabad  
Date : 30.05.2016

**Falgunbhai C. Patel**  
**Chairman & Managing Director**  
(DIN: 00050174)

**C.E.O./C.F.O. CERTIFICATION**
*(In terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015)*

To,

The Board of Directors

**THE SANDESH LIMITED**

(CIN: L22121GJ1943PLC000183)

'Sandesh Bhavan', Lad Society Road,

B/h. Vastrapur Gam, P.O. Bodakdev,

Ahmedabad-380054 (Gujarat-India)

We, Falgunbhai C. Patel, Chairman & Managing Director and Sanjay Kumar Tandon, Chief Financial Officer of the Company certify that:

1. We have reviewed financial statements and the cash flow statement for the Financial Year ended **March 31, 2016** and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated, wherever applicable, to the Auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For, **THE SANDESH LIMITED**

For, **THE SANDESH LIMITED**

**Shri Falgunbhai Patel**

**Shri Sanjay Kumar Tandon**

Chairman & Managing Director

Chief Financial Officer

(DIN: 00050174)

Place : Ahmedabad

Date : 30.05.2016

**PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of

**THE SANDESH LIMITED**

(CIN: L22121GJ1943PLC000183)

'Sandesh Bhavan', Lad Society Road,

B/h. Vastrapur Gam, P.O. Bodakdev,

Ahmedabad-380054 (Gujarat-India)

We have examined the compliance of conditions of Corporate Governance by **THE SANDESH LIMITED ('the Company')** for the year ended **March 31, 2016**, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges for the period from April 01, 2015 to November 30, 2015 and as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the 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 our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement / Listing Regulations, as applicable.

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

For, **Jignesh A. Maniar & Associates**  
**Company Secretaries**  
**(C.P. No. : 6996)**

**Jignesh A. Maniar**  
**(F.C.S. No. : 3468)**  
**Proprietor**

Date : 30.05.2016

Place : Ahmedabad

**STANDALONE  
AND  
CONSOLIDATED  
FINANCIAL STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT

**To**  
**The Members of**  
**THE SANDESH LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **The Sandesh Limited** ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We 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 thereunder.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- (g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For, Manubhai & Shah LLP**  
**Chartered Accountants**  
**ICAI Firm Registration No. 106041W/W100136**

**Place : Ahmedabad**  
**Date : May 30, 2016**

**(K. B. Solanki)**  
**Partner**  
**Membership No.110299**

**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

**1. In respect of fixed assets:**

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

**2. In respect of Inventories:**

The inventories have been physically verified by the management at reasonable intervals and no material discrepancies noticed.

**3. In respect of loans granted to parties covered in the register maintained u/s 189 of the Act:**

The Company has granted loan to one company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

- In our opinion, terms and conditions of the loan were not prejudicial to the interest of the Company
- The loan is interest free and repayable on demand.
- As the amount is repayable on demand, there are no overdue amounts in respect of the loan.

**4. In respect of compliance of section 185 and 186 of the Act:**

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

**5. In respect of deposits:**

The Company has not accepted any deposits.

**6. In respect of maintenance of cost records:**

The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

**7. In respect of statutory dues:**

- According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.
- According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable as applicable were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, service tax, duty of customs, value added tax and cess which have not been deposited on account of any dispute.

The particulars of dues of income tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

| Name of Statute      | Nature of dues | ₹ in lacs | Period to which F.Y. the amount relates | Forum where the dispute is pending |
|----------------------|----------------|-----------|-----------------------------------------|------------------------------------|
| Income Tax Act, 1961 | Income Tax     | 15.88     | 2012 – 13                               | Commissioner of Income Tax         |
| Income Tax Act, 1961 | Income Tax     | 1.89      | 2008 – 09                               | Commissioner of Income Tax         |

**8. In respect of dues to financial institutions / banks / debentures:**

The Company has not defaulted in the repayment of dues to the bank. The company did not borrow from financial institutions and issue debentures.

**9. In respect of money raised by way of public offer and application of term loan:**

The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and no fresh term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

**10. In respect of fraud:**

According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

**11. In respect of managerial remuneration in accordance with Section 197 of the Act:**

According to the information and explanations given to us and based on our examination of the records of the Company, 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.

**12. In respect of Nidhi company:**

In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

**13. In respect of transactions with related parties in compliance of section 177 and 188 of the Act and its disclosures:**

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

**14. In respect of preferential allotment or private placement of shares or debentures:**

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

**15. In respect of non-cash transactions with directors or persons:**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

**16. In respect of company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934:**

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For, Manubhai & Shah LLP**  
Chartered Accountants  
ICAI Firm Registration No. 106041W/W100136

Place : Ahmedabad  
Date : May 30, 2016

**(K. B. Solanki)**  
Partner  
Membership No.110299

**ANNEXURE –B TO THE INDEPENDENT AUDITOR’S REPORT**

The Annexure referred to in Independent Auditor’s Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

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

We have audited the internal financial controls over financial reporting of **The Sandesh Limited** (“the Company”) as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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 Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

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

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

**Inherent Limitations of Internal Financial 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 our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, Manubhai & Shah LLP**  
**Chartered Accountants**  
**ICAI Firm Registration No. 106041W/W100136**

**Place : Ahmedabad**  
**Date : May 30, 2016**

**(K. B. Solanki)**  
**Partner**  
**Membership No.110299**

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

| Particulars                                                                          | Note No. | As at<br>March 31, 2016<br>₹ in Lacs | As at<br>March 31, 2015<br>₹ in Lacs |
|--------------------------------------------------------------------------------------|----------|--------------------------------------|--------------------------------------|
| <b>A Equity and Liabilities</b>                                                      |          |                                      |                                      |
| <b>I Shareholders' Funds</b>                                                         |          |                                      |                                      |
| a Share Capital                                                                      | 2        | 756.94                               | 756.94                               |
| b Reserves and Surplus                                                               | 3        | 52 277.70                            | 44 670.23                            |
|                                                                                      |          | <b>53 034.64</b>                     | <b>45 427.17</b>                     |
| <b>II Non-Current Liabilities</b>                                                    |          |                                      |                                      |
| a Deferred Tax Liability ( Net )                                                     | 4        | 375.13                               | 442.07                               |
| b Other Long Term Liabilities                                                        | 5        | 907.53                               | 807.47                               |
| c Long Term Provisions                                                               | 6        | 201.96                               | 167.23                               |
|                                                                                      |          | <b>1 484.62</b>                      | <b>1 416.77</b>                      |
| <b>III Current Liabilities</b>                                                       |          |                                      |                                      |
| a Short Term Borrowings                                                              | 7        | 1 424.86                             | 1 002.83                             |
| b Trade Payables                                                                     | 8        |                                      |                                      |
| Total outstanding dues of micro enterprise and small enterprise                      |          | 0.00                                 | 0.00                                 |
| Total outstanding dues of creditors other than micro enterprise and small enterprise |          | 832.87                               | 702.12                               |
| c Other Current Liabilities                                                          | 9        | 6 806.07                             | 5 978.11                             |
| d Short Term Provisions                                                              | 10       | 146.51                               | 338.67                               |
|                                                                                      |          | <b>9 210.31</b>                      | <b>8 021.73</b>                      |
| <b>Total</b>                                                                         |          | <b>63 729.57</b>                     | <b>54 865.67</b>                     |
| <b>B ASSETS</b>                                                                      |          |                                      |                                      |
| <b>I Non Current Assets</b>                                                          |          |                                      |                                      |
| <b>a Fixed Asset</b>                                                                 | 11       |                                      |                                      |
| i Tangible Assets                                                                    |          | 7 204.39                             | 7 020.85                             |
| ii Intangible Assets                                                                 |          | 56.00                                | 56.00                                |
| iii Capital work-in-progress                                                         |          | 31.73                                | 71.02                                |
| b Non Current Investments                                                            | 12       | 21 229.61                            | 15 880.22                            |
| c Long Term Loans and Advances                                                       | 13       | 310.89                               | 4 957.66                             |
| d Other Non Current asset                                                            | 14       | 7 790.50                             | 6 151.24                             |
|                                                                                      |          | <b>36 623.12</b>                     | <b>34 136.99</b>                     |
| <b>II Current Asset</b>                                                              |          |                                      |                                      |
| a Current Investment                                                                 | 15       | 4 056.53                             | 1 181.73                             |
| b Inventories                                                                        | 16       | 2 330.40                             | 6 059.56                             |
| c Trade Receivables                                                                  | 17       | 6 318.67                             | 5 644.55                             |
| d Cash and Bank Balances                                                             | 18       | 12 475.92                            | 2 088.02                             |
| e Short Term Loans and Advances                                                      | 19       | 1 924.93                             | 5 754.82                             |
|                                                                                      |          | <b>27 106.45</b>                     | <b>20 728.68</b>                     |
| <b>Total</b>                                                                         |          | <b>63 729.57</b>                     | <b>54 865.67</b>                     |

Statement of Significant Accounting Policies  
Notes form an Integral Part of Accounts

1  
2 to 35

As per our report of even date attached

For and on behalf of the Board,

**For, Manubhai & Shah LLP**

Chartered Accountants

**ICAI Firm Registration No. : 106041W/W100136**

**K.B. SOLANKI**

Partner

Membership No. 110299

Place : Ahmedabad

Dated : May 30, 2016

**Falgunbhai Patel**

Chairman & Managing Director  
(DIN: 00050174)

**Sanjay Kumar Tandon**

Chief Financial Officer

Place : Ahmedabad

Dated : May 30, 2016

**Parthiv Patel**

Managing Director  
(DIN: 00050211)

**Dhaval Pandya**

Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

| Particulars                                                | Note No. | For the year<br>2015-16<br>₹ in Lacs | For the year<br>2014-15<br>₹ in Lacs |
|------------------------------------------------------------|----------|--------------------------------------|--------------------------------------|
| I Revenue From Operations                                  | 20       | 37 126.39                            | 34 488.84                            |
| II Other Income                                            | 21       | 780.23                               | 136.63                               |
| <b>III Total Revenue (I + II)</b>                          |          | <b>37 906.62</b>                     | <b>34 625.47</b>                     |
| <b>IV Expenses ::</b>                                      |          |                                      |                                      |
| a Cost of Material Consumed                                | 22       | 12 527.27                            | 13 540.02                            |
| b Purchase of Stock in Trade                               | 23       | 14.70                                | 416.95                               |
| c Employee Benefits Expense                                | 24       | 3 329.50                             | 2 649.40                             |
| d Finance Cost                                             | 25       | 177.38                               | 431.97                               |
| e Depreciation and Amortisation Expenses                   |          | 771.11                               | 797.80                               |
|                                                            |          | 771.11                               | 797.80                               |
| f Other Expenses                                           | 26       | 8 726.52                             | 8 207.88                             |
| <b>Total Expenses</b>                                      |          | <b>25 546.48</b>                     | <b>26 044.02</b>                     |
| <b>V Profit before exceptional item and tax (III - IV)</b> |          | <b>12 360.14</b>                     | <b>8 581.45</b>                      |
| VI Exceptional Items                                       | 27       | 0.52                                 | 5.41                                 |
| <b>VII Profit Before Tax</b>                               |          | <b>12 360.66</b>                     | <b>8 586.86</b>                      |
| <b>VIII Tax Expenses ::</b>                                |          |                                      |                                      |
| a Current Tax                                              |          | 4 370.00                             | 2 997.00                             |
| b Adjustment of Previous Year taxes                        |          | ( 5.39)                              | ( 31.59)                             |
| c Deferred Tax                                             |          | ( 66.94)                             | ( 82.16)                             |
| <b>Total Tax Expense</b>                                   |          | <b>4 297.67</b>                      | <b>2 883.25</b>                      |
| <b>IX Profit for the Year (VII - VIII)</b>                 |          | <b>8 062.99</b>                      | <b>5 703.61</b>                      |
| <b>X Earnings per Equity Share:</b>                        |          |                                      |                                      |
| Basic- ₹ Per Share                                         | 28       | 106.52                               | 75.35                                |
| Diluted - ₹ Per Share                                      |          | 106.52                               | 75.35                                |
| Statement of Significant Accounting Policies               | 1        |                                      |                                      |
| Notes form an Integral Part of Accounts                    | 2 to 35  |                                      |                                      |

As per our report of even date attached

For and on behalf of the Board,

**For, Manubhai & Shah LLP**

Chartered Accountants

ICAI Firm Registration No. : 106041W/W100136

**K.B. SOLANKI**

Partner

Membership No. 110299

Place : Ahmedabad

Dated : May 30, 2016

**Falgunbhai Patel**Chairman & Managing Director  
(DIN: 00050174)**Sanjay Kumar Tandon**

Chief Financial Officer

Place : Ahmedabad

Dated : May 30, 2016

**Parthiv Patel**Managing Director  
(DIN: 00050211)**Dhaval Pandya**

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

| Particulars                                            | For the year<br>2015-16<br>₹ In Lacs | For the year<br>2014-15<br>₹ In Lacs |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>          |                                      |                                      |
| <b>NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS</b>   | 12 360.66                            | 8 586.86                             |
| <b>Adjustments for</b>                                 |                                      |                                      |
| Depreciation                                           | 771.11                               | 797.80                               |
| Loss/(Profit) of Sale/Discard of Fixed Assets          | (0.52)                               | (5.41)                               |
| Dividend Income                                        | (0.11)                               | (1.64)                               |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b> | 13 131.14                            | 9 377.61                             |
| <b>Adjustments for</b>                                 |                                      |                                      |
| Trade and Other Receivables                            | (674.12)                             | (528.09)                             |
| Inventories                                            | (1 206.21)                           | (2 911.64)                           |
| Payables                                               | 1 094.51                             | (420.04)                             |
| Other Assets                                           | (1 639.25)                           | (1 614.66)                           |
| Loans & Advances                                       | 8 476.67                             | 4 312.61                             |
| <b>CASH GENERATED FROM OPERATIONS</b>                  | 19 182.74                            | 8 215.79                             |
| Direct Taxes Paid                                      | (4 193.36)                           | (2 725.16)                           |
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>         | 14 989.38                            | 5 490.63                             |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>          |                                      |                                      |
| Purchase of Fixed Assets                               | (916.96)                             | (1 081.52)                           |
| Sale of Fixed/Discarded Assets                         | 2.07                                 | 12.91                                |
| Purchase of Investment                                 | (3 288.81)                           | (1 175.34)                           |
| Sale of Investment                                     | 0.00                                 | 4.89                                 |
| Dividend Income                                        | 0.11                                 | 1.64                                 |
| <b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>         | (4 203.59)                           | (2 237.42)                           |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>          |                                      |                                      |
| Short term borrowings (Net)                            | 422.04                               | (4 613.04)                           |
| Dividend Paid(including Dividend Distribution Tax)     | (819.93)                             | (354.23)                             |
| <b>NET CASH FLOW IN FINANCING ACTIVITIES</b>           | (397.89)                             | (4 967.27)                           |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>       | 10 387.90                            | (1 714.06)                           |
| <b>CASH AND CASH EQUIVALENTS AS ON 31.3.2015</b>       | 2 088.02                             | 3 802.08                             |
| <b>CASH AND CASH EQUIVALENTS AS ON 31.3.2016</b>       | 12 475.92                            | 2 088.02                             |

**Notes:**

- Cash equivalents includes Cash & Bank Balances
- The Cash flow has been prepared under the "Indirect Method" set out in Accounting Standard-3 "Cash Flow Statement"

As per our report of even date attached

For and on behalf of the Board,

**For, Manubhai & Shah LLP**

Chartered Accountants

**ICAI Firm Registration No. : 106041W/W100136**
**K.B. SOLANKI**

Partner

Membership No. 110299

Place : Ahmedabad

Dated : May 30, 2016

**Falgunbhai Patel**

Chairman & Managing Director  
(DIN: 00050174)

**Sanjay Kumar Tandon**

Chief Financial Officer

Place : Ahmedabad

Dated : May 30, 2016

**Parthiv Patel**

Managing Director  
(DIN: 00050211)

**Dhaval Pandya**

Company Secretary

**1. SIGNIFICANT ACCOUNTING POLICIES :****1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The Company maintains its accounts on accrual basis following the historical cost convention except for the revaluation of certain fixed assets and in accordance with generally accepted accounting principles [“GAAP”] , including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

**2 USE OF ESTIMATES:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make 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 results of operations during the reporting period end. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

**3 RECOGNITION OF INCOME :**

- (a) Advertisement revenue is recognised as and when advertisement is published/displayed/aired and is disclosed net of trade discounts and service tax.
- (b) Sale of newspaper, magazine, waste paper and scrap is recognised when the significant risk and rewards of ownership have passed on to the buyers and is disclosed net of sales return and discounts.
- (c) Sale of real estate is recognised when the significant risks and rewards of ownership have passed on to the customer.
- (d) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (e) Dividend income is recognised when the right to receive the dividend is established.

**4 FIXED ASSETS & DEPRECIATION:**

- (a) Land and Buildings acquired up to 31-03-1994 are stated at revalued amount less accumulated depreciation.
- (b) All Other Fixed Assets are stated at historical cost less accumulated depreciation.
- (c) Cost includes all expenditure incurred to bring the assets to its present location and condition.
- (d) Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- (e) Depreciation in respect of additions to Machineries from 01-04-1992 is provided on straight line method and in respect of all other fixed assets on written down method.
- (f) Depreciation in respect of addition and deletion of assets during the year is provided based on the actual number of days for which assets remained in use.
- (g) Value of Tenancy rights is assessed at each balance sheet date for any impairment loss.
- (h) Assets which are not ready for their intended use are disclosed under Capital Work-in -Progress.

**5 IMPAIRMENT OF ASSETS :**

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- (a) the provision for impairment loss required, if any, or
- (b) the reversal required in respect of impairment loss recognised in previous periods, if any

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

## 6 INVENTORIES :

Inventories are valued after providing for obsolescence, as under:-

- (a) Raw Materials, Stores, Gift articles and Finished goods. : At lower of cost or net realisable value. However, material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
- (b) Work in progress
  - 1) Publication : At lower of cost or net realisable value.
  - 2) Construction : At lower of cost or net realisable value.
- (c) Trading Goods
  - 1) Shares/Units : At cost or fair value, which ever is lower.
  - 2) Other : At lower of cost or net realisable value.

## 7 INVESTMENTS :

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investment.

Long term investments are stated at cost. Provision is made for diminution in value, other than of temporary nature, of such investment.

Current investments are stated at lower of cost and fair value determined on an individual investment basis.

## 8 FOREIGN CURRENCY TRANSACTIONS :

Transactions of foreign currency are recorded at the exchange rate as applicable at the date of transactions. Monetary Assets / Liabilities outstanding at the close of the financial year are stated at the contracted and / or appropriate exchange rate at the close of the year and the gain / loss is credited / charged to Statement of Profit & Loss Account.

## 9 EMPLOYEE BENEFITS :

- (a) Short term employee benefits are charged off in the year in which the related services are rendered.

- (b) **Defined Contribution Plan :**

Contribution to Provident Fund and Pension Fund Scheme are paid in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.

- (c) **Defined Benefit Plan :**

Liabilities in respect of post employment benefit (gratuity) have been determined at present value of the amount payable towards contribution based on actuarial valuation made by an independent actuary as at the balance sheet date. The actuarial gains or losses are recognised immediately in the Statement of profit and loss account.

The Company makes contributions to a trust to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company.

## 10 SEGMENT ACCOUNTING :

Segment accounting policies are in line with the accounting policies of the Company, In addition, the following specific accounting policies have been followed for segment reporting:

- (a) Segment revenue includes sales & other income directly identifiable with/allocable to the segment, including inter segment revenue.

- (b) Expenses that are directly identifiable with/allocable to segments are considered for determining the Segment Result.
- (c) Income/Expense which relate to the Company as a whole and not allocable to segments are included in "Unallocable Corporate Income/Expense".
- (d) Segment assets & liabilities include those directly identifiable with the respective segments.
- (e) Unallocable corporate assets and liabilities represent the assets & liabilities that relate to the Company as a whole and not allocable to any segment.

#### **11 INCOME TAXES :**

- (a) Income tax charge or credit comprises current tax and deferred tax charge or credit.
- (b) Current tax is provided at current tax rates based on assessable income.
- (c) Deferred tax asset/liability are recognised at the tax rates and tax laws that have been enacted or substantively enacted by Balance Sheet date based on the tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current tax provision. Deferred tax assets are recognised, if there is a reasonable certainty of realisation. Deferred tax effects are reviewed at each Balance Sheet Dates.

#### **12 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS :**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

#### **13 BORROWING COST:**

Borrowing costs attributable to the acquisition and construction of assets are capitalized as part of the cost of such assets up to the date when such asset is ready for its intended use. Other borrowing cost are treated as revenue expenditure.

#### **14 LEASES:**

Leases are classified as operating leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets. Operating lease payments are expensed with reference to lease terms and other considerations.

#### **15 GENERAL:**

Accounting Policies not specifically referred to are consistent with generally accepted accounting practice.

**Notes to Financial Statements:**

| Note No. | Particulars                                                 | As at<br>March 31, 2016<br>₹ in Lacs | As at<br>March 31, 2015<br>₹ in Lacs |
|----------|-------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>2</b> | <b>Share Capital</b>                                        |                                      |                                      |
| (a)      | Authorized :                                                |                                      |                                      |
|          | 1,50,00,000 (P.Y. 1,50,00,000) Equity Shares of ₹ 10/- each | 1 500.00                             | 1 500.00                             |
| (b)      | Issued & Subscribed:                                        |                                      |                                      |
|          | 75,69,421(P.Y. 75,69,421) Equity shares of ₹ 10/- each      | 756.94                               | 756.94                               |
| (c)      | Paid up :                                                   |                                      |                                      |
|          | 75,69,421 (P.Y. 75,69,421) Equity Shares of ₹ 10/- each     | 756.94                               | 756.94                               |

(d) Rights, Preferences and Restrictions :

- The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share.
- Dividends, if any, is declared and paid in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend.
- The Board of Directors had declared interim dividend @ ₹ 5/- per equity share of ₹ 10/- each (i.e. 50%) for the Financial Year 2015-16. Having declared Interim dividends, Board of Directors has not recommended a Final dividend for the Financial Year 2015-16
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

e 9,60,000 Equity shares were bought back in the financial year 2012-13.

f Details of shareholders holding more than 5 per cent shares :

| Sr. No. | Name of the Shareholder           | As at March 31, 2016 |                      | As at March 31, 2015 |                      |
|---------|-----------------------------------|----------------------|----------------------|----------------------|----------------------|
|         |                                   | No. of<br>Shares     | % of<br>Shareholding | No. of<br>shares     | % of<br>Shareholding |
| 1       | Falgunbhai Chimanbhai Patel       | 3 86 350             | 5.10%                | 3 86 350             | 5.10%                |
| 2       | Parthiv Falgunbhai Patel          | 11 89 100            | 15.71%               | 11 89 100            | 15.71%               |
| 3       | Satlon Enterprise Private Limited | 18 90 152            | 24.97%               | 18 90 152            | 24.97%               |
| 4       | Satyesh Prochem LLP               | 12 75 777            | 16.85%               | 12 75 777            | 16.85%               |
| 5       | Scabious Enterprise LLP           | 4 20 831             | 5.56%                | 4 20 831             | 5.56%                |

g Reconciliation of number of shares outstanding: (in Nos.)

| Particulars                                 | As at March<br>31, 2016 | As at March<br>31, 2015 |
|---------------------------------------------|-------------------------|-------------------------|
| Equity Shares at the beginning of the year  | 75 69 421               | 75 69 421               |
| Add: issued during the year                 | 0                       | 0                       |
| <b>Equity Shares at the end of the year</b> | <b>75 69 421</b>        | <b>75 69 421</b>        |

| Note No. | Particulars                                                                        | As at<br>March 31, 2016<br>₹ in Lacs | As at<br>March 31, 2015<br>₹ in Lacs |
|----------|------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>3</b> | <b>Reserves and Surplus</b>                                                        |                                      |                                      |
| a        | Capital Reserve                                                                    |                                      |                                      |
|          | As per Last Balance Sheet                                                          | 0.44                                 | 0.44                                 |
|          |                                                                                    | 0.44                                 | 0.44                                 |
| b        | Securities Premium Reserve                                                         |                                      |                                      |
|          | As per Last Balance Sheet                                                          | 1 316.63                             | 1 316.63                             |
|          |                                                                                    | <b>1 316.63</b>                      | <b>1 316.63</b>                      |
| c        | Revaluation Reserve                                                                |                                      |                                      |
|          | As per Last Balance Sheet                                                          | 99.65                                | 99.65                                |
|          | Less : Difference of depreciation on revalued figures & book value of Fixed Assets | 0.00                                 | 0.00                                 |
|          |                                                                                    | <b>99.65</b>                         | <b>99.65</b>                         |
| d        | General Reserve                                                                    |                                      |                                      |
|          | As per Last Balance Sheet                                                          | 42 584.79                            | 35 584.79                            |
|          | Add : Transferred from Statement of Profit and Loss                                | 7 000.00                             | 7 000.00                             |
|          |                                                                                    | <b>49 584.79</b>                     | <b>42 584.79</b>                     |
| e        | Surplus in the Statement of Profit and Loss                                        |                                      |                                      |
|          | As per last Balance Sheet                                                          | 668.72                               | 2 329.52                             |
|          | Add: Profit for the year                                                           | 8 062.99                             | 5 703.61                             |
|          | Less: Appropriations made during the year                                          |                                      |                                      |
|          | Proposed Dividend                                                                  | 0.00                                 | 302.78                               |
|          | Interim Dividend                                                                   | 378.47                               | 0.00                                 |
|          | Tax on Dividend                                                                    | 77.05                                | 61.63                                |
|          | Transfer to General Reserve                                                        | 7 000.00                             | 7 000.00                             |
|          |                                                                                    | 1 276.19                             | 668.72                               |
|          |                                                                                    | <b>52 277.70</b>                     | <b>44 670.23</b>                     |
| <b>4</b> | <b>Deferred Tax Liability ( Net )</b>                                              |                                      |                                      |
| a        | <b>Deferred Tax Liabilities:</b>                                                   |                                      |                                      |
|          | Related to Fixed assets                                                            | 464.30                               | 512.80                               |
| b        | <b>Deferred Tax Assets :</b>                                                       |                                      |                                      |
|          | Disallowance under the Income Tax Act, 1961                                        | 89.17                                | 70.73                                |
| c        | <b>Net Deferred Tax Liability (a – b)</b>                                          | <b>375.13</b>                        | <b>442.07</b>                        |
| <b>5</b> | <b>Other Long Term Liabilities</b>                                                 |                                      |                                      |
|          | Deposits from Agents and Others                                                    | 907.53                               | 807.47                               |
|          |                                                                                    | <b>907.53</b>                        | <b>807.47</b>                        |

| Note No.  | Particulars                                                                                                                                                                                           | As at<br>March 31, 2016<br>₹ in Lacs | As at<br>March 31, 2015<br>₹ in Lacs |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>6</b>  | <b>Long-Term Provisions</b>                                                                                                                                                                           |                                      |                                      |
|           | <b>Provision For Employee Benefits.</b>                                                                                                                                                               |                                      |                                      |
|           | Gratuity                                                                                                                                                                                              | 201.96                               | 167.23                               |
|           |                                                                                                                                                                                                       | <b>201.96</b>                        | <b>167.23</b>                        |
| <b>7</b>  | <b>Short-Term Borrowings</b>                                                                                                                                                                          |                                      |                                      |
| <b>a</b>  | <b>Loans From Banks Payable on Demand (Secured)</b>                                                                                                                                                   |                                      |                                      |
| i         | Working Capital Loan                                                                                                                                                                                  | 947.17                               | 529.46                               |
|           |                                                                                                                                                                                                       | <b>947.17</b>                        | <b>529.46</b>                        |
|           | The working capital loan is secured against charge over all movable assets of the company                                                                                                             |                                      |                                      |
| <b>b</b>  | <b>Loans and Advances from related parties (unsecured)</b>                                                                                                                                            |                                      |                                      |
| i         | From Directors                                                                                                                                                                                        | 477.69                               | 473.37                               |
|           |                                                                                                                                                                                                       | <b>477.69</b>                        | <b>473.37</b>                        |
|           |                                                                                                                                                                                                       | <b>1 424.86</b>                      | <b>1 002.83</b>                      |
| <b>8</b>  | <b>Trade Payables</b>                                                                                                                                                                                 |                                      |                                      |
|           | Trade Payables                                                                                                                                                                                        |                                      |                                      |
|           | Total outstanding dues of micro enterprise and small enterprise                                                                                                                                       | 0.00                                 | 0.00                                 |
|           | Total outstanding dues of creditors other than micro enterprise and small enterprise                                                                                                                  | 832.87                               | 702.12                               |
|           |                                                                                                                                                                                                       | <b>832.87</b>                        | <b>702.12</b>                        |
|           | i Trade payables include ₹ NIL (Previous year ₹ NIL) due to creditors registered with the company as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (MSME).          |                                      |                                      |
|           | ii No interest is paid / payable during the year to Micro, Small and Medium Enterprises.                                                                                                              |                                      |                                      |
|           | iii The above information has been determined to the extent such parties could be identified on the basis of information available with the Company regarding the status of suppliers under the MSME. |                                      |                                      |
| <b>9</b>  | <b>Other Current Liabilities</b>                                                                                                                                                                      |                                      |                                      |
| a         | Advance From Customer                                                                                                                                                                                 | 1 787.53                             | 1 738.78                             |
| b         | Unpaid Dividend                                                                                                                                                                                       | 53.82                                | 53.22                                |
| c         | Statutory Dues                                                                                                                                                                                        | 94.68                                | 39.86                                |
| d         | Other Liabilities                                                                                                                                                                                     | 4 870.04                             | 4 146.25                             |
|           |                                                                                                                                                                                                       | <b>6 806.07</b>                      | <b>5 978.11</b>                      |
| <b>10</b> | <b>Short Term Provisions</b>                                                                                                                                                                          |                                      |                                      |
| a         | Provision for Employee Benefits                                                                                                                                                                       | 25.72                                | 24.72                                |
| b         | Proposed Dividend                                                                                                                                                                                     | 0.00                                 | 302.78                               |
| c         | Tax on dividend                                                                                                                                                                                       | 0.00                                 | 61.63                                |
| d         | Income Tax (Net of provision)                                                                                                                                                                         | 120.79                               | ( 50.46)                             |
|           |                                                                                                                                                                                                       | <b>146.51</b>                        | <b>338.67</b>                        |

## 11 Fixed Assets

(₹ in Lacs)

| Particulars              | Gross Block               |           |           |                            | Depreciation               |                 |                       |                            | Net Block                  |                            |
|--------------------------|---------------------------|-----------|-----------|----------------------------|----------------------------|-----------------|-----------------------|----------------------------|----------------------------|----------------------------|
|                          | As On<br>April 1,<br>2015 | Additions | Deduction | As On<br>March 31,<br>2016 | Up To<br>March 31,<br>2015 | For the<br>Year | Sales /<br>Adjustment | Up To<br>March 31,<br>2016 | As On<br>March 31,<br>2016 | As On<br>March 31,<br>2015 |
| (A) Tangible Asset       |                           |           |           |                            |                            |                 |                       |                            |                            |                            |
| Land                     | 1 343.71                  | 0.00      | 0.00      | 1 343.71                   | 0.00                       | 0.00            | 0.00                  | 0.00                       | 1 343.71                   | 1 343.71                   |
| Building                 | 3 088.86                  | 81.47     | 0.00      | 3 170.33                   | 1 242.78                   | 86.70           | 0.00                  | 1 329.48                   | 1 840.85                   | 1 846.08                   |
| Plant & Machineries      | 8 708.45                  | 394.86    | 15.42     | 9 087.89                   | 5 225.87                   | 439.69          | 15.07                 | 5 650.49                   | 3 437.40                   | 3 482.58                   |
| Electric Fittings        | 233.49                    | 2.41      | 0.00      | 235.90                     | 185.53                     | 11.60           | 0.00                  | 197.13                     | 38.77                      | 47.96                      |
| Furniture                | 246.44                    | 33.92     | 9.04      | 271.32                     | 157.74                     | 27.20           | 8.65                  | 176.29                     | 95.03                      | 88.70                      |
| Office Equipments        | 195.95                    | 30.01     | 2.77      | 223.19                     | 141.97                     | 30.17           | 2.58                  | 169.56                     | 53.63                      | 53.98                      |
| Motor Vehicles           | 612.59                    | 413.58    | 19.37     | 1 006.80                   | 454.75                     | 175.75          | 18.70                 | 611.80                     | 395.00                     | 157.84                     |
|                          | 14 429.49                 | 956.25    | 46.60     | 15 339.14                  | 7 408.64                   | 771.11          | 45.00                 | 8 134.75                   | 7 204.39                   | 7 020.85                   |
| (B) Intangible Assets    |                           |           |           |                            |                            |                 |                       |                            |                            |                            |
| Tenancy Right            | 56.00                     | 0.00      | 0.00      | 56.00                      | 0.00                       | 0.00            | 0.00                  | 0.00                       | 56.00                      | 56.00                      |
| Total (A+B)              | 14 485.49                 | 956.25    | 46.60     | 15 395.14                  | 7 408.64                   | 771.11          | 45.00                 | 8 134.75                   | 7 260.39                   | 7 076.85                   |
| Previous Year            | 13 473.82                 | 1 035.11  | 23.44     | 14 485.49                  | 6 626.90                   | 797.80          | 16.05                 | 7 408.64                   | 7 706.85                   |                            |
| Capital Work In Progress | 71.02                     | 571.66    | 610.95    | 31.73                      | 0.00                       | 0.00            | 0.00                  | 0.00                       | 31.73                      | 71.02                      |

## 12 Non Current Investments (Long Term Investments)

| Note No. | Particulars                                                                                                                | Face Value<br>(in ₹) | No. of Share<br>or Bonds | As at<br>March 31, 2016<br>₹ in Lacs | As at<br>March 31, 2015<br>₹ in Lacs |
|----------|----------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------|--------------------------------------|--------------------------------------|
| a        | <b>In Equity Shares - Trade Investments</b>                                                                                |                      |                          |                                      |                                      |
|          | <b>Fully Paid Equity Shares (Unquoted)</b>                                                                                 |                      |                          |                                      |                                      |
|          | Hindustan Samachar Co-Op Society Limited                                                                                   | 10                   | 10                       | 0.01                                 | 0.01                                 |
|          | Press Trust of India Limited                                                                                               | 15                   | 15                       | 0.01                                 | 0.01                                 |
|          | Sandesh Digital Private Limited - Wholly Owned Subsidiary                                                                  | 10                   | 10 000                   | 1.00                                 | 0.00                                 |
| b        | <b>Other Than Trade Investments</b>                                                                                        |                      |                          |                                      |                                      |
|          | <b>Fully Paid Equity Shares (Unquoted)</b>                                                                                 |                      |                          |                                      |                                      |
|          | Applewoods Estate Private Limited (Class A)                                                                                | 10                   | 1 58 168                 | 3 444.41                             | 3 444.41                             |
|          | Manekchowk Co-Op Bank Limited                                                                                              | 25                   | 1 624                    | 0.41                                 | 0.41                                 |
|          | <b>Non Current Investment in Equity Shares</b>                                                                             |                      |                          | 3 445.84                             | 3 444.84                             |
| c        | <b>Debentures &amp; Other Securities (Unquoted)</b>                                                                        |                      |                          |                                      |                                      |
|          | Applewoods Estate Private Limited-15.5%-FCCD-A                                                                             | 100                  | 41 48 825                | 4 149.12                             | 4 149.12                             |
|          | Applewoods Estate Private Limited-15.5%-FCCD-B                                                                             | 100                  | 76 04 815                | 8 211.25                             | 8 211.25                             |
|          |                                                                                                                            |                      |                          | 12 360.37                            | 12 360.37                            |
| d        | <b>In Government Securities (Unquoted)</b>                                                                                 |                      |                          |                                      |                                      |
|          | National Saving Certificates<br>( Deposited with Sales Tax Authorities )                                                   |                      |                          | 0.01                                 | 0.01                                 |
| e        | <b>Investment In Properties*</b>                                                                                           |                      |                          | 5 423.39                             | 75.00                                |
|          | *Non-Current Investment includes ₹ 4 935.37 Lacs of<br>immovable properties transferred from inventory during<br>the year. |                      |                          |                                      |                                      |
|          |                                                                                                                            |                      |                          | <b>21 229.61</b>                     | <b>15 880.22</b>                     |
|          | Aggregate cost of unquoted investments                                                                                     |                      |                          | 15 806.21                            | 15 805.21                            |

| Note No. | Particulars                                                                                                                                                                                                                                        |                |                | As at          | As at          |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|          |                                                                                                                                                                                                                                                    |                |                | March 31, 2016 | March 31, 2015 |
|          |                                                                                                                                                                                                                                                    |                |                | ₹ in Lacs      | ₹ in Lacs      |
| 13       | Long Term Loans and Advances (Unsecured, considered good)                                                                                                                                                                                          |                |                |                |                |
| a        | Security Deposits                                                                                                                                                                                                                                  |                |                | 279.27         | 442.85         |
| b        | Capital Advance *                                                                                                                                                                                                                                  |                |                | 31.62          | 264.81         |
| c        | Advance For Project                                                                                                                                                                                                                                |                |                | 0.00           | 4 250.00       |
|          |                                                                                                                                                                                                                                                    |                |                | 310.89         | 4 957.66       |
|          | 13.1 * Capital Advance given to related parties                                                                                                                                                                                                    |                |                | 31.62          | 82.62          |
| 14       | Other Non Current Asset (Unsecured, considered good)                                                                                                                                                                                               |                |                |                |                |
| a        | Interest Receivable (from related parties)                                                                                                                                                                                                         |                |                | 7 790.50       | 6 150.86       |
| b        | Prepaid License fees                                                                                                                                                                                                                               |                |                | 0.00           | 0.38           |
|          |                                                                                                                                                                                                                                                    |                |                | 7 790.50       | 6 151.24       |
| 15       | Current Investment                                                                                                                                                                                                                                 |                |                |                |                |
|          | Particulars                                                                                                                                                                                                                                        | No. of Units   | No. of Units   |                |                |
|          |                                                                                                                                                                                                                                                    | March 31, 2016 | March 31, 2015 |                |                |
| a        | In Mutual Fund-Unquoted                                                                                                                                                                                                                            |                |                |                |                |
|          | Baroda Pioneer Liquid Fund-Plan A,B Growth                                                                                                                                                                                                         | 43 566.843     | 15 728.694     | 750.00         | 250.34         |
|          | HDFC Cash Management Fund Saving Plan Growth                                                                                                                                                                                                       | 19 639.431     | 0.000          | 575.00         | 0.00           |
|          | Reliance Liquid Fund-Treasury Plan-Direct Growth Plan                                                                                                                                                                                              | 15 194.230     | 0.000          | 550.00         | 0.00           |
|          | AXIS Liquid Fund Direct Growth                                                                                                                                                                                                                     | 33 305.450     | 0.000          | 550.00         | 0.00           |
|          | LIC Liquid Fund Direct Growth Plan                                                                                                                                                                                                                 | 1 833.622      | 0.000          | 50.14          | 0.00           |
|          | Religare Invesco Liquid Fund-Direct Plan-Growth                                                                                                                                                                                                    | 5 640.025      | 13 159.110     | 100.00         | 250.00         |
|          | SBI Premier Liquid Fund-Direct Plan-Growth                                                                                                                                                                                                         | 19 253.216     | 9 108.709      | 450.00         | 200.00         |
|          | ICICI Short Term Growth Plan                                                                                                                                                                                                                       | 44 657.171     | 0.000          | 100.00         | 0.00           |
|          | IDFC Cash Fund Growth Direct                                                                                                                                                                                                                       | 23 438.887     | 0.000          | 425.00         | 0.00           |
|          | UTI-Liquid Cash Plan-Institutional-Direct Plan-Growth                                                                                                                                                                                              | 29 999.403     | 2 184.440      | 500.00         | 50.00          |
|          | UTI-Liquid Cash Plan-Institutional-Growth                                                                                                                                                                                                          | 0.000          | 8 764.391      | 0.00           | 325.00         |
|          | UTI-Money Market Fund-Institutional Plan-Growth                                                                                                                                                                                                    | 0.000          | 6 422.853      | 0.00           | 100.00         |
|          | Investment In Mutual Fund                                                                                                                                                                                                                          |                |                | 4 050.14       | 1 175.34       |
| b        | Fully Paid Up Shares (Quoted)                                                                                                                                                                                                                      |                |                |                |                |
|          | MOIL Limited                                                                                                                                                                                                                                       | 10             | 1703           | 6.39           | 6.39           |
|          |                                                                                                                                                                                                                                                    |                |                | 4 056.53       | 1 181.73       |
|          | Aggregate cost of quoted investments #                                                                                                                                                                                                             |                |                | 6.39           | 6.39           |
|          | Aggregate cost of unquoted investments                                                                                                                                                                                                             |                |                | 4 050.14       | 1175.34        |
|          | Aggregate market value of quoted investments                                                                                                                                                                                                       |                |                | 3.71           | 4.70           |
|          | # The Management is of the view that the shortfall of ₹ 2.68 lacs (previous year ₹1.69 lacs) between the aggregate cost price and aggregate market value of quoted investments is temporary and hence no provision is required in respect thereof. |                |                |                |                |
| 16       | Inventories                                                                                                                                                                                                                                        |                |                |                |                |
| a        | Raw Materials                                                                                                                                                                                                                                      |                |                | 1 785.35       | 619.46         |
| b        | Stores and Spares                                                                                                                                                                                                                                  |                |                | 286.97         | 219.83         |
| c        | Stock-in-trade (in respect of goods acquired for trading)*                                                                                                                                                                                         |                |                | 258.08         | 5 220.27       |
|          |                                                                                                                                                                                                                                                    |                |                | 2 330.40       | 6 059.56       |
|          | * During the year ₹ 4935.37 Lacs of Inventories transferred to Investment in Properties                                                                                                                                                            |                |                |                |                |
| 17       | Trade Receivables (Unsecured , considered good)                                                                                                                                                                                                    |                |                |                |                |
| a        | Outstanding for a period exceeding six months                                                                                                                                                                                                      |                |                |                |                |
|          | Considered Good                                                                                                                                                                                                                                    |                |                | 312.12         | 551.53         |
|          | Doubtful                                                                                                                                                                                                                                           |                |                | 0.00           | 0.00           |
|          |                                                                                                                                                                                                                                                    |                |                | 312.12         | 551.53         |
| b        | Other - Considered Good                                                                                                                                                                                                                            |                |                |                |                |
|          | Considered Good                                                                                                                                                                                                                                    |                |                | 6 006.55       | 5 093.02       |
|          | Doubtful                                                                                                                                                                                                                                           |                |                | 0.00           | 0.00           |
|          |                                                                                                                                                                                                                                                    |                |                | 6 006.55       | 5 093.02       |
|          |                                                                                                                                                                                                                                                    |                |                | 6 318.67       | 5 644.55       |
|          | Less : Provision for Doubtful Debts                                                                                                                                                                                                                |                |                | 0.00           | 0.00           |
|          |                                                                                                                                                                                                                                                    |                |                | 6 318.67       | 5 644.55       |

| Note Particulars<br>No.                                                                                                                                               | As at<br>March 31, 2016<br>₹ in Lacs | As at<br>March 31, 2015<br>₹ in Lacs |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>18 Cash and Bank Balances</b>                                                                                                                                      |                                      |                                      |
| a Cash on Hand                                                                                                                                                        | 46.47                                | 66.29                                |
| b Balance with Bank                                                                                                                                                   |                                      |                                      |
| in current accounts #                                                                                                                                                 | 1 767.73                             | 1 527.17                             |
| in fixed deposits*                                                                                                                                                    | 10 661.72                            | 494.56                               |
|                                                                                                                                                                       | <b>12 475.92</b>                     | <b>2 088.02</b>                      |
| # Includes Unclaimed Dividend of ₹53.82 Lacs (Previous Year ₹ 53.42 Lacs)                                                                                             |                                      |                                      |
| * Includes fixed deposit of ₹ 5638.62 Lacs (Previous Year ₹ 478.20 Lacs) under lien with the bank                                                                     |                                      |                                      |
| Includes fixed deposit of ₹5 219.09 Lacs (Previous Year ₹ 294.34 Lacs) maturing after 12 months from balance sheet date                                               |                                      |                                      |
| <b>19 Short term loans and advances (Unsecured, considered good)</b>                                                                                                  |                                      |                                      |
| a Loan and Advance to Wholly Owned Subsidiary                                                                                                                         | 16.00                                | 0.00                                 |
| b Others loan and advances (includes ₹ Nil (Previous Year ₹ 1200 lacs) secured against Equitable Mortgage and ₹Nil (Previous Year ₹ 500 Lacs) secured against shares) | 1 324.00                             | 4 024.00                             |
| c Advances recoverable in cash or in kind                                                                                                                             | 532.73                               | 1 725.52                             |
| d Balance with tax authorities                                                                                                                                        | 52.20                                | 5.30                                 |
|                                                                                                                                                                       | <b>1 924.93</b>                      | <b>5 754.82</b>                      |

| Note Particulars<br>No.                         | For the year<br>2015-16<br>₹ in Lacs | For the year<br>2014-15<br>₹ in Lacs |
|-------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>20 Revenue From Operations</b>               |                                      |                                      |
| <b>a Turnover (Net of discounts)</b>            |                                      |                                      |
| i Sale of Publications*                         | 9 893.03                             | 8 844.84                             |
| ii Revenue from Advertisements                  | 23 316.70                            | 20 835.23                            |
| iii Other Income                                | 685.39                               | 695.89                               |
| iv Bad Debt Recovery                            | 203.04                               | 189.63                               |
| v Provision/Liability No Longer Required        | 32.00                                | 247.21                               |
|                                                 | <b>34 130.16</b>                     | <b>30 812.80</b>                     |
| <b>b Other operating revenues</b>               |                                      |                                      |
| i Interest Income                               | 1 161.85                             | 1 208.94                             |
| ii Interest from Bonds/ Debentures              | 1 821.81                             | 1 821.81                             |
| iii Sale of Trading Goods                       | 12.57                                | 645.29                               |
|                                                 | <b>2 996.23</b>                      | <b>3 676.04</b>                      |
| <b>Total ( a + b )</b>                          | <b>37 126.39</b>                     | <b>34 488.84</b>                     |
| <b>* Sale of Publications include sale of :</b> |                                      |                                      |
| Daily Publications                              | 9 733.98                             | 8 695.34                             |
| Other Publications                              | 159.05                               | 149.50                               |
|                                                 | <b>9 893.03</b>                      | <b>8 844.84</b>                      |
| <b>21 Other Income</b>                          |                                      |                                      |
| a Other Interest Income                         | 416.71                               | 0.00                                 |
| b Dividend                                      | 0.11                                 | 1.64                                 |
| c Income From Wind Mill                         | 18.49                                | 15.28                                |
| d Profit on Sale of Conversion of Land          | 3.55                                 | 53.65                                |
| e Profit from sale of Investments               | 202.14                               | 16.81                                |
| f Miscellaneous Income                          | 139.23                               | 49.25                                |
|                                                 | <b>780.23</b>                        | <b>136.63</b>                        |

| Note No.  | Particulars                                    | For the year<br>2015-16<br>₹ in Lacs | For the year<br>2014-15<br>₹ in Lacs |
|-----------|------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>22</b> | <b>Cost of Material Consumed</b>               |                                      |                                      |
|           | Newsprint Consumed                             | 12 527.27                            | 13 540.02                            |
|           |                                                | <b>12 527.27</b>                     | <b>13 540.02</b>                     |
| <b>23</b> | <b>Purchase of Stock in Trade</b>              |                                      |                                      |
|           | Purchases / Cost of Goods Sold: Stock-in-trade |                                      |                                      |
| a         | Real Estate                                    | 8.50                                 | 128.52                               |
| b         | Other Item                                     | 0.00                                 | 276.09                               |
|           |                                                | <b>8.50</b>                          | <b>404.61</b>                        |
|           | Add/(Less): Changes in Inventories             | 6.20                                 | 12.34                                |
|           |                                                | <b>14.70</b>                         | <b>416.95</b>                        |
| <b>24</b> | <b>Employee Benefits Expense</b>               |                                      |                                      |
| a         | Salaries and wages                             | 3 245.77                             | 2 572.19                             |
| b         | Contribution                                   | 78.25                                | 68.94                                |
| c         | Staff Welfare Expenses                         | 5.48                                 | 8.27                                 |
|           | <b>Total</b>                                   | <b>3 329.50</b>                      | <b>2 649.40</b>                      |

24.1 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

#### Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

| Particulars                                                          | For the Year         |                      |
|----------------------------------------------------------------------|----------------------|----------------------|
|                                                                      | 2015-16<br>₹ in Lacs | 2014-15<br>₹ in Lacs |
| Employer's Contribution to Superannuation Fund                       | 10.14                | 10.14                |
| Employer's Contribution to Employee State Insurance Corporation Fund | 5.34                 | 6.73                 |
| Employer's Contribution to Pension Fund                              | 31.94                | 24.56                |
| Employer's Contribution to Provident Fund                            | 30.83                | 27.51                |
| <b>Total</b>                                                         | <b>78.25</b>         | <b>68.94</b>         |

#### Defined Benefit Plan

The Company's gratuity plan is funded. The following table sets out the status of the gratuity plan as required under Accounting Standard 15 "Employee Benefits" and the reconciliation of opening balances of the present value of the defined benefit obligation.

| Particulars                                                 | For the Year         |                      |
|-------------------------------------------------------------|----------------------|----------------------|
|                                                             | 2015-16<br>₹ in Lacs | 2014-15<br>₹ in Lacs |
| <b>i Changes in Present Value of Obligations</b>            |                      |                      |
| Present Value of Obligation as at the beginning of the year | 330.20               | 347.22               |
| Current Service Cost                                        | 24.27                | 22.92                |
| Interest Cost                                               | 19.18                | 32.12                |
| Past Service Cost vested Benefits                           | 0.00                 | 0.00                 |
| Actuarial (gain) / Loss on obligations                      | ( 6.18)              | ( 34.34)             |
| Benefits paid                                               | ( 20.63)             | ( 37.72)             |
| Present value of Obligation as at the end of the year       | <b>346.84</b>        | <b>330.20</b>        |

| Particulars                                             | For the Year         |                      |
|---------------------------------------------------------|----------------------|----------------------|
|                                                         | 2015-16<br>₹ in Lacs | 2014-15<br>₹ in Lacs |
| <b>ii Changes in the fair value of Plan assets:</b>     |                      |                      |
| Fair Value of Plan Assets at the beginning of the year  | 138.27               | 168.98               |
| Expected Return on Plan Assets                          | 6.79                 | 13.52                |
| Expenses Deducted from Fund                             | (0.16)               | 0.00                 |
| Contributions                                           | 0.00                 | 0.00                 |
| Benefits paid                                           | ( 20.63)             | ( 37.72)             |
| Actuarial Gain / (Loss) on Plan Assets                  | ( 5.11)              | ( 6.51)              |
| Fair Value of Plan Assets at the end of the year        | <b>119.16</b>        | <b>138.27</b>        |
| Actual return on plan assets                            | <b>1.68</b>          | <b>7.01</b>          |
| <b>iii The amount recognised in balance sheet:</b>      |                      |                      |
| Present value of Obligation as at the end of the year   | 346.84               | 330.20               |
| Fair Value of Plan Assets at the end of the year        | 119.16               | 138.27               |
| Net Liability recognized in Balance sheet               | 227.68               | 191.93               |
| <b>iv Amount recognised in Profit and Loss Account:</b> |                      |                      |
| Current Service Cost                                    | 24.27                | 22.92                |
| Interest Cost                                           | 19.18                | 32.12                |
| Past Service Cost vested Benefits                       | 0.00                 | 0.00                 |
| Expected Return on Plan Assets                          | ( 6.79)              | ( 13.52)             |
| Net Actuarial (gain) / Loss recognised in the year      | ( 1.08)              | ( 27.83)             |
| Total included in Employee benefit expense              | <b>35.58</b>         | <b>13.69</b>         |

**v Actuarial Gain/(Loss) recognised :**

| Particulars                                     | 2015-16 | 2014-15  | 2013-14  | 2012-13  | 2011-12 |
|-------------------------------------------------|---------|----------|----------|----------|---------|
| Actuarial (Gain)/Loss of the Year-Obligation    | ( 6.18) | ( 34.34) | ( 10.28) | ( 62.22) | 5.99    |
| Actuarial (Gain)/Loss for the year -plan assets | 5.10    | 6.51     | 4.13     | ( 4.51)  | 20.18   |
| Total (Gain)/Loss for the year                  | (1.08)  | (27.83)  | (6.15)   | (66.73)  | 26.17   |

**vi Assumptions:**

| Particulars                            | 2015-16<br>₹ in Lacs | 2014-15<br>₹ in Lacs |
|----------------------------------------|----------------------|----------------------|
| Discount Rate                          | 7.60%                | 7.80%                |
| Expected Rate of Return on Plan Assets | 7.60%                | 8.00%                |
| Salary Escalation                      | 4.00%                | 4.00%                |

**vii Investment Details:**

| Particulars                     | 2015-16       |            | 2014-15       |            |
|---------------------------------|---------------|------------|---------------|------------|
|                                 | ₹ in Lacs     | % Invested | ₹ in Lacs     | % Invested |
| Government of India Securities  | 4.03          | 3.39%      | 6.93          | 5.01%      |
| State Govt Securities           | 60.77         | 51.00%     | 5.89          | 4.26%      |
| Bonds of PSU                    | 18.48         | 15.51%     | 12.38         | 8.95%      |
| Others (Including bank balance) | 35.87         | 30.11%     | 113.06        | 81.77%     |
| <b>Total</b>                    | <b>119.15</b> |            | <b>138.26</b> |            |

The estimates of rate of escalation in salary considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

| Note Particulars<br>No.                                               | For the year<br>2015-16<br>₹ in Lacs | For the year<br>2014-15<br>₹ in Lacs |
|-----------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>25 Finance Cost</b>                                                |                                      |                                      |
| a Interest                                                            |                                      |                                      |
| i To Bank                                                             | 6.66                                 | 272.29                               |
| ii To Directors                                                       | 56.87                                | 110.31                               |
| iii To Other                                                          | 91.42                                | 45.41                                |
| b Foreign Exchange loss                                               | 22.43                                | 3.96                                 |
|                                                                       | <b>177.38</b>                        | <b>431.97</b>                        |
| <b>26 Other Expenses</b>                                              |                                      |                                      |
| a Power and Fuel                                                      | 471.08                               | 439.78                               |
| b Stores and Spares Consumed                                          | 1 948.89                             | 1 979.93                             |
| c Repairs to:-                                                        |                                      |                                      |
| i Buildings                                                           | 35.19                                | 25.24                                |
| ii Machinery                                                          | 59.33                                | 44.94                                |
| iii Other                                                             | 46.35                                | 46.89                                |
|                                                                       | <b>140.87</b>                        | <b>117.07</b>                        |
| d Feature, Newsgathering and Purashkar Expenses                       | 472.13                               | 403.43                               |
| e News Service/LL/Internet and Telephone Expenses                     | 100.53                               | 142.13                               |
| f Insurance                                                           | 29.48                                | 24.00                                |
| g Rent                                                                | 36.88                                | 39.18                                |
| h Rates and Taxes                                                     | 45.50                                | 33.01                                |
| i Audit Fees*                                                         | 12.38                                | 9.07                                 |
| j Bad Debts                                                           | 156.84                               | 171.62                               |
| k License fee, mounting fee & other Expenses                          | 1 332.72                             | 1 466.19                             |
| l Distribution Expenses                                               | 422.21                               | 366.65                               |
| m Selling Expenses                                                    | 2 277.13                             | 1 990.27                             |
| n Miscellaneous Expenses                                              | 1 279.88                             | 1 025.55                             |
|                                                                       | <b>8 726.52</b>                      | <b>8 207.88</b>                      |
| <b>* Payment to the Auditors</b>                                      |                                      |                                      |
| a For Statutory Audit                                                 | 5.15                                 | 3.65                                 |
| b For Certification and other matters                                 | 7.23                                 | 5.42                                 |
|                                                                       | <b>12.38</b>                         | <b>9.07</b>                          |
| <b>27 Exceptional Items</b>                                           |                                      |                                      |
| a (Loss) on sale/discard of assets                                    | 0.00                                 | (0.11)                               |
| b Profit on sale of fixed assets                                      | 0.52                                 | 5.52                                 |
| <b>The net effect (Loss) / Profit on sale /discard of fixed asset</b> | <b>0.52</b>                          | <b>5.41</b>                          |

| Note Particulars<br>No.                                                                                                                              |                                                                       | For the year<br>2015-16<br>₹ in Lacs | For the year<br>2014-15<br>₹ in Lacs |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>28 Earning Per Share:</b>                                                                                                                         |                                                                       |                                      |                                      |
| a                                                                                                                                                    | Net Profit after Tax                                                  | 8 062.99                             | 5 703.61                             |
| b                                                                                                                                                    | Total Weighted Average Number of Shares for Basic and Diluted Earning | 75.69                                | 75.69                                |
| c                                                                                                                                                    | Basic and Diluted Earning per Share in Rupee                          | <b>106.52</b>                        | <b>75.35</b>                         |
| <b>29 a Raw Material consumption :</b>                                                                                                               |                                                                       |                                      |                                      |
|                                                                                                                                                      | Newsprint                                                             | 12 527.27                            | 13 540.02                            |
| <b>b Value of imported and indigenous Raw Materials consumed and percentage thereof to the total consumption. (Including imports through Agents)</b> |                                                                       |                                      |                                      |
|                                                                                                                                                      | Imported                                                              | ₹ in lacs                            | 9 480.88                             |
|                                                                                                                                                      |                                                                       | %                                    | 75.68%                               |
|                                                                                                                                                      | Indigenous                                                            | ₹ in lacs                            | 3 046.39                             |
|                                                                                                                                                      |                                                                       | %                                    | 24.32%                               |
| <b>c Value of Imported and Indigenous Spare Parts and Components consumed and percentage thereof to the total consumption.</b>                       |                                                                       |                                      |                                      |
|                                                                                                                                                      | Imported                                                              | ₹ in lacs                            | 0.00                                 |
|                                                                                                                                                      |                                                                       | %                                    | 0.00                                 |
|                                                                                                                                                      | Indigenous                                                            | ₹ in lacs                            | 1 948.89                             |
|                                                                                                                                                      |                                                                       | %                                    | 100.00%                              |
| <b>d Value of Imports on CIF basis in respect of:</b>                                                                                                |                                                                       |                                      |                                      |
|                                                                                                                                                      | Raw Materials: Newsprint (Including imports through agents)           | 9 093.15                             | 9 096.04                             |
|                                                                                                                                                      | Capital Goods                                                         | 0.00                                 | 8.71                                 |
| <b>e Expenditure in Foreign Currency :-</b>                                                                                                          |                                                                       |                                      |                                      |
|                                                                                                                                                      | Other Expenditure                                                     | 6.93                                 | 21.60                                |
| <b>f Earning in Foreign Currency:-</b>                                                                                                               |                                                                       |                                      |                                      |
|                                                                                                                                                      | Other Income                                                          | 56.60                                | 44.59                                |

| Note Particulars<br>No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | For the year<br>2015-16<br>₹ in Lacs | For the year<br>2014-15<br>₹ in Lacs |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>30 Details Of Trading Activity :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                      |                                      |
| <b>a Equity Shares</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                      |                                      |
| Opening Stock                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 7.39                                 | 295.82                               |
| Sales                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0.00                                 | 349.40                               |
| Adjustment due to accretion/ decretion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 6.20                                 | 12.34                                |
| Closing Stock                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1.19                                 | 7.39                                 |
| <b>b Real Estate</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                      |                                      |
| Opening Stock                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 5 079.13                             | 264.90                               |
| Acquisition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0.00                                 | 4 889.10                             |
| Inventories transferred to Investment in Properties                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | (4 935.37)                           | 0.00                                 |
| Sales                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 12.57                                | 295.89                               |
| Closing Stock                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 138.80                               | 5 079.13                             |
| <b>31 Contingent liabilities and commitments (to the extent not provided for)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                      |                                      |
| <b>a Contingent Liabilities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                      |                                      |
| i Claims against the company not acknowledged as debt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | -                                    | -                                    |
| There are several defamation and other legal cases pending against the Company and its directors. These include criminal and civil cases. The company has also raised counter claims against some of the claimants. The estimated contingency in respect of these cases cannot be ascertained. Based on discussions with the lawyers / solicitors and also the past trend in respect of such cases, the Company believes that there is no present obligation in respect of the above and hence no provision is considered necessary against the same. |                                      |                                      |
| ii Disputed Income tax matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 405.96                               | 447.38                               |
| <b>b Commitments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                      |                                      |
| Estimated amount of contracts remaining to be executed on capital account and not provided for.                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 400.39                               | 289.20                               |

**32 Details of Loan Given, Investment Made and Guarantee given covered under section 186 (4) of the Companies Act, 2013**

Loans given and investments made are given under the respective heads.

Loans have been utilised by the recipient for their business purpose.

There are no corporate guarantees given by the company in respect of loans as at March 31, 2016.

## 33 SEGMENT INFORMATION:

Information about Primary business segments as at / for the year ended:

(₹ in Lacs)

| Particulars                       | Media     |           | Finance   |           | Real Estate |          | Other   |         | Unallocable |           | Eliminations |         | Total     |           |
|-----------------------------------|-----------|-----------|-----------|-----------|-------------|----------|---------|---------|-------------|-----------|--------------|---------|-----------|-----------|
|                                   | 2015-16   | 2014-15   | 2015-16   | 2014-15   | 2015-16     | 2014-15  | 2015-16 | 2014-15 | 2015-16     | 2014-15   | 2015-16      | 2014-15 | 2015-16   | 2014-15   |
| 1 Segment Revenue                 |           |           |           |           |             |          |         |         |             |           |              |         |           |           |
| External Turnover                 | 34 130.17 | 30 812.79 | 2 983.66  | 3 030.75  | 110.16      | 295.89   | 0.00    | 349.41  | 682.63      | 136.63    | 0.00         | 0.00    | 37 906.62 | 34 625.47 |
| Add : Intersegment Turnover       | 0.00      | 0.00      | 0.00      | 0.00      | 0.00        | 0.00     | 0.00    | 0.00    | 0.00        | 0.00      | 0.00         | 0.00    | 0.00      | 0.00      |
| Net Turnover                      | 34 130.17 | 30 812.79 | 2 983.66  | 3 030.75  | 110.16      | 295.89   | 0.00    | 349.41  | 682.63      | 136.63    | 0.00         | 0.00    | 37 906.62 | 34 625.47 |
| 2 Segment Result before Interest  | 8 919.82  | 5 746.21  | 2 662.24  | 2 470.28  | 101.65      | 167.36   | (6.20)  | 60.97   | 682.63      | 136.63    | 0.00         | 0.00    | 12 360.14 | 8 581.45  |
| Less: Interest Expense            | 0.00      | 0.00      | 0.00      | 0.00      | 0.00        | 0.00     | 0.00    | 0.00    | 0.00        | 0.00      | 0.00         | 0.00    | 0.00      | 0.00      |
| Add: Interest Income              | 0.00      | 0.00      | 0.00      | 0.00      | 0.00        | 0.00     | 0.00    | 0.00    | 0.00        | 0.00      | 0.00         | 0.00    | 0.00      | 0.00      |
| Add: Unallocable income           | 0.00      | 0.00      | 0.00      | 0.00      | 0.00        | 0.00     | 0.00    | 0.00    | 0.00        | 0.00      | 0.00         | 0.00    | 0.00      | 0.00      |
| Add: Exceptional Item             | 0.52      | 5.41      | 0.00      | 0.00      | 0.00        | 0.00     | 0.00    | 0.00    | 0.00        | 0.00      | 0.00         | 0.00    | 0.52      | 5.41      |
| Profit Before Tax                 | 8 920.34  | 5 751.62  | 2 662.24  | 2 470.28  | 101.65      | 167.36   | (6.20)  | 60.97   | 682.63      | 136.63    | 0.00         | 0.00    | 12 360.66 | 8 586.86  |
| Current Tax - Income-tax          | 0.00      | 0.00      | 0.00      | 0.00      | 0.00        | 0.00     | 0.00    | 0.00    | 4 370.00    | 2 997.00  | 0.00         | 0.00    | 4 370.00  | 2 997.00  |
| Adjustment of Previous year taxes | 0.00      | 0.00      | 0.00      | 0.00      | 0.00        | 0.00     | 0.00    | 0.00    | (5.39)      | (31.59)   | 0.00         | 0.00    | (5.39)    | (31.59)   |
| Deferred Tax                      | 0.00      | 0.00      | 0.00      | 0.00      | 0.00        | 0.00     | 0.00    | 0.00    | (66.94)     | (82.16)   | 0.00         | 0.00    | (66.94)   | (82.16)   |
| Profit After Tax                  | 8 920.34  | 5 751.62  | 2 662.24  | 2 470.28  | 101.65      | 167.36   | (6.20)  | 60.97   | (3615.04)   | (2746.62) | 0.00         | 0.00    | 8 062.99  | 5 703.61  |
| 3 Other Information               |           |           |           |           |             |          |         |         |             |           |              |         |           |           |
| Segment Assets                    | 18 470.26 | 17 505.96 | 32 161.94 | 23 034.98 | 138.82      | 9 350.96 | 1.19    | 7.39    | 12 957.39   | 4 966.38  | 0.00         | 0.00    | 63 729.60 | 54 865.67 |
| Segment Liability                 | 8 694.91  | 7 587.04  | 1 424.87  | 1 002.84  | 25.43       | 39.38    | 0.00    | 0.00    | 549.75      | 809.24    | 0.00         | 0.00    | 10 694.96 | 9 438.50  |
| Capital Expenditure               | 916.96    | 1 081.52  | 0.00      | 0.00      | 0.00        | 0.00     | 0.00    | 0.00    | 0.00        | 0.00      | 0.00         | 0.00    | 916.96    | 1 081.52  |
| Depreciation                      | 771.11    | 797.80    | 0.00      | 0.00      | 0.00        | 0.00     | 0.00    | 0.00    | 0.00        | 0.00      | 0.00         | 0.00    | 771.11    | 797.80    |

1 The Company has identified three business segments namely Media, Finance &amp; Real Estate.

2 There is no geographical segment

## 34 Related Parties Disclosure:

I (a) Name of Key Management Personnel :

|                                            |                              |
|--------------------------------------------|------------------------------|
| 1 Mr Falgunbhai Patel                      | Chairman & Managing Director |
| 2 Mr Parthiv Patel                         | Managing Director            |
| 3 Mr Yogesh Jani (w.e.f.11th August, 2015) | Whole Time Director          |
| 4 Mr Dhaval Pandya                         | Company Secretary            |
| 5 Mr. Sanjay Kumar Tandon                  | Chief Financial Officer      |

(b) Enterprise over which Key Management Personnel or company having control or significant influence:

|                                                       |                                            |
|-------------------------------------------------------|--------------------------------------------|
| 1 Sandesh Procon LLP                                  | 2 Saintfoin Enterprise LLP                 |
| 3 Scabious Enterprise LLP                             | 4 Satyesh Prochem LLP                      |
| 5 Nilsan Realty LLP *                                 | 6 Satyesh Enterprise LLP*                  |
| 7 FSR Infracon LLP*                                   | 8 Satyesh Developers LLP*                  |
| 9 Satyesh Infrastructures LLP*                        | 10 Satyesh Realty LLP*                     |
| 11 Bhakti Procon LLP*                                 | 12 GSS Realty LLP*                         |
| 13 Lilavati Chimanbhai Patel Charitable Trust*        | 14 Sandesh Charitable Trust*               |
| 15 Satyesh Trust*                                     | 16 Vishnu Lakshmi Trust*                   |
| 17 Sandesh Employee Gratuity Fund*                    | 18 Sandesh Super Annuation Fund*           |
| 19 Satlon Enterprise Private Limited                  | 20 Dhanali Stock Holdings Private Limited* |
| 21 Applewoods Estate Private Limited                  | 22 Autumnleaf Estates Private Limited *    |
| 23 Acquest Estates Private Limited                    | 24 Satyesh Brinechem Private Limited*      |
| 25 Stanford Operations & Maintenance Private Limited* | 26 Suramya Chemicals Private Limited*      |
| 27 Sarvatra Chemicals Private Limited*                |                                            |

\* No transaction during the year with the related parties.

(c) Relatives of Key Managerial Personnel:

|                     |
|---------------------|
| 1 Pannaben F. Patel |
| 2 Ritaben C. Patel  |
| 3 Nishi P. Patel    |

(d) Wholly Owned Subsidiary

|                                   |
|-----------------------------------|
| 1 Sandesh Digital Private Limited |
|-----------------------------------|

**II Particulars of transactions with related parties. The transactions are disclosed in aggregate value for the year:**

(₹ in Lacs)

| Sr. No. | Particulars                                 | KMP      |          | Enterprise over which Key Management Personnel or company having control or significant influence |           | Relatives of Key Managerial Personnel: |         | Wholly Owned Subsidiary |         | Total     |           |
|---------|---------------------------------------------|----------|----------|---------------------------------------------------------------------------------------------------|-----------|----------------------------------------|---------|-------------------------|---------|-----------|-----------|
|         |                                             | 2015-16  | 2014-15  | 2015-16                                                                                           | 2014-15   | 2015-16                                | 2014-15 | 2015-16                 | 2014-15 | 2015-16   | 2014-15   |
| 1       | <b>Loan Transactions</b>                    |          |          |                                                                                                   |           |                                        |         |                         |         |           |           |
|         | Loan Taken                                  | 0.00     | 4 178.16 | 0.00                                                                                              | 45.57     | 0.00                                   | 42.51   | 0.00                    | 0.00    | 0.00      | 4 266.24  |
|         | Loan Repayment                              | 0.00     | 4 502.92 | 0.00                                                                                              | 132.77    | 0.00                                   | 42.05   | 0.00                    | 0.00    | 0.00      | 4 677.74  |
| 2       | Capital Advance                             | 0.00     | 0.00     | 298.52                                                                                            | 232.90    | 0.00                                   | 0.00    | 0.00                    | 0.00    | 298.52    | 232.90    |
| 3       | Advertisement Revenue                       | 0.00     | 0.00     | 40.71                                                                                             | 50.16     | 0.00                                   | 0.00    | 0.00                    | 0.00    | 40.71     | 50.16     |
| 4       | Interest Income                             | 0.00     | 0.00     | 1 821.81                                                                                          | 1 821.81  | 0.00                                   | 0.00    | 0.00                    | 0.00    | 1 821.81  | 1 821.81  |
| 5       | Remuneration Expenses                       | 1 390.74 | 963.95   | 0.00                                                                                              | 0.00      | 4.29                                   | 4.25    | 0.00                    | 0.00    | 1 395.03  | 968.20    |
| 6       | Interest Expenses                           | 37.43    | 89.70    | 0.00                                                                                              | 0.91      | 19.44                                  | 19.70   | 0.00                    | 0.00    | 56.87     | 110.31    |
| 7       | Distribution Expenses                       | 0.00     | 0.00     | 0.00                                                                                              | 344.95    | 0.00                                   | 0.00    | 0.00                    | 0.00    | 0.00      | 344.95    |
| 8       | Purchase of Real Estate                     | 0.00     | 0.00     | 214.07                                                                                            | 2330.93   | 0.00                                   | 0.00    | 0.00                    | 0.00    | 214.07    | 2330.93   |
| 9       | Rent Expenses                               | 0.00     | 0.00     | 9.57                                                                                              | 9.62      | 0.00                                   | 0.00    | 0.00                    | 0.00    | 9.57      | 9.62      |
| 10      | Investment made in Wholly Owned Subsidiary  | 1.00     | 0.00     | 0.00                                                                                              | 0.00      | 0.00                                   | 0.00    | 0.00                    | 0.00    | 1.00      | 0.00      |
| 11      | Sales Promotion                             | 0.00     | 0.00     | 1.11                                                                                              | 0.00      | 0.00                                   | 0.00    | 0.00                    | 0.00    | 1.11      | 0.00      |
| 12      | Maintenance Expense                         | 0.00     | 0.00     | 0.07                                                                                              | 0.00      | 0.00                                   | 0.00    | 0.00                    | 0.00    | 0.07      | 0.00      |
| 13      | License Fees Income                         | 0.00     | 0.00     | 0.00                                                                                              | 0.00      | 0.00                                   | 0.00    | 15.14                   | 0.00    | 15.14     | 0.00      |
| 14      | Security Deposit                            | 0.00     | 0.00     | 145.02                                                                                            | 0.00      | 0.00                                   | 0.00    | 0.00                    | 0.00    | 145.02    | 0.00      |
| 15      | Reimbursement                               | 0.00     | 0.00     | 10.81                                                                                             | 0.00      | 0.00                                   | 0.00    | 0.00                    | 0.00    | 10.81     | 0.00      |
| 16      | Dividend paid                               | 158.47   | 70.43    | 349.71                                                                                            | 155.43    | 1.50                                   | 0.67    | 0.00                    | 0.00    | 509.68    | 226.53    |
| 17      | <b>Balance outstanding:-</b>                |          |          |                                                                                                   |           |                                        |         |                         |         |           |           |
|         | Loan Payable                                | 311.59   | 311.59   | 0.00                                                                                              | 0.00      | 161.77                                 | 161.77  | 0.00                    | 0.00    | 473.36    | 473.36    |
|         | Loan Receivable                             | 0.00     | 0.00     | 0.00                                                                                              | 0.00      | 0.00                                   | 0.00    | 16.00                   | 0.00    | 16.00     | 0.00      |
|         | Investment in Shares and Debenture          | 0.00     | 0.00     | 15 804.78                                                                                         | 15 804.78 | 0.00                                   | 0.00    | 0.00                    | 0.00    | 15 804.78 | 15 804.78 |
|         | Capital Advance                             | 0.00     | 0.00     | 31.62                                                                                             | 82.62     | 0.00                                   | 0.00    | 0.00                    | 0.00    | 31.62     | 82.62     |
|         | Security Deposit                            | 0.00     | 0.00     | 145.02                                                                                            | 0.00      | 0.00                                   | 0.00    | 0.00                    | 0.00    | 145.02    | 0.00      |
|         | Advertisement Revenue Receivable            | 0.00     | 0.00     | 3.31                                                                                              | 2.76      | 0.00                                   | 0.00    | 0.00                    | 0.00    | 3.31      | 2.76      |
|         | Investment made in Wholly Owned Subsidiary  | 0.00     | 0.00     | 0.00                                                                                              | 0.00      | 0.00                                   | 0.00    | 1.00                    | 0.00    | 1.00      | 0.00      |
|         | Interest Receivable                         | 0.00     | 0.00     | 7 790.50                                                                                          | 6 150.86  | 0.00                                   | 0.00    | 0.00                    | 0.00    | 7 790.50  | 6 150.86  |
|         | Remuneration Payable (including commission) | 1 194.10 | 763.76   | 0.00                                                                                              | 0.00      | 0.36                                   | 0.36    | 0.00                    | 0.00    | 1 194.46  | 764.12    |

## III Disclosure of material transactions with Related Party:

| Particulars                                              | 2015-16  | 2014-15  |
|----------------------------------------------------------|----------|----------|
| 1 Loan taken from                                        |          |          |
| a Mr Falgunbhai Patel                                    | 0.00     | 3 518.88 |
| b Mr Parthiv Patel                                       | 0.00     | 659.28   |
| c Satlon Enterprise Private Limited                      | 0.00     | 45.57    |
| 2 Loan repayment to                                      |          |          |
| a Mr Falgunbhai Patel                                    | 0.00     | 3 614.14 |
| b Mr Parthiv Patel                                       | 0.00     | 888.78   |
| c Satlon Enterprise Private Limited                      | 0.00     | 132.77   |
| 3 Loan given to<br>Sandesh Digital Private Limited       | 37.50    | 0.00     |
| 4 Loan repayment from<br>Sandesh Digital Private Limited | 21.50    | 0.00     |
| 5 Capital Advance                                        |          |          |
| Applewoods Estate Private Limited                        | 83.57    | 187.55   |
| Acquest Estate Private Limited                           | 214.95   | 45.35    |
| 6 Advertisement Revenue                                  |          |          |
| Applewoods Estate Private Limited                        | 40.24    | 50.16    |
| 7 Interest Income                                        |          |          |
| Applewoods Estate Private Limited                        | 1 821.81 | 1 821.81 |
| 8 Remuneration Expenses                                  |          |          |
| a Mr Falgunbhai Patel                                    | 681.77   | 469.43   |
| b Mr Parthiv Patel                                       | 675.24   | 467.77   |
| 9 Interest Expenses                                      |          |          |
| a Mr Falgunbhai Patel                                    | 1.15     | 23.54    |
| b Mr Parthiv Patel                                       | 36.29    | 66.16    |
| c Satlon Enterprise Private Limited                      | 0.00     | 0.91     |
| 10 Distribution Expenses                                 |          |          |
| Satlon Enterprise Private Limited                        | 0.00     | 344.95   |
| 11 Rent Expenses                                         |          |          |
| Satlon Enterprise Private Limited                        | 9.57     | 9.62     |
| 12 Sales Promotion                                       |          |          |
| Acquest Estate Private Limited                           | 1.11     | 0.00     |
| 13 Maintenance Expense                                   |          |          |
| Acquest Estate Private Limited                           | 0.07     | 0.00     |
| 14 License Fees Income                                   |          |          |
| Sandesh Digital Private Limited                          | 15.14    | 0.00     |
| 15 Reimbursement                                         |          |          |
| Applewoods Estate Private Limited                        | 10.81    | .00      |

| Particulars                                                                                                                    | 2015-16   | 2014-15   |
|--------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| 16 Dividend paid                                                                                                               |           |           |
| a Mr Parthiv Patel                                                                                                             | 107.02    | 47.56     |
| b Satlon Enterprise Private Limited                                                                                            | 170.11    | 75.61     |
| c Satyesh Prochem LLP                                                                                                          | 114.82    | 51.03     |
| 17 Purchase of Real Estates                                                                                                    |           |           |
| Applewoods Estate Private Limited                                                                                              | 86.99     | 459.91    |
| Acquest Estate Private Limited                                                                                                 | 127.08    | 1871.02   |
| 18 Balance as at 31.03.2016                                                                                                    |           |           |
| a <b>Loan Accepted</b>                                                                                                         |           |           |
| Mr. Falgunbhai Patel                                                                                                           | 9.56      | 9.56      |
| Mr. Parthiv Patel                                                                                                              | 302.03    | 302.03    |
| b <b>Loan Given</b>                                                                                                            |           |           |
| Sandesh Digital Private Limited                                                                                                | 16.00     | 0.00      |
| c <b>Investment</b>                                                                                                            |           |           |
| Applewoods Estate Private Limited                                                                                              | 15 804.78 | 15 804.78 |
| d <b>Capital Advance</b>                                                                                                       |           |           |
| Applewoods Estate Private Limited                                                                                              | 31.62     | 37.27     |
| Acquest Estate Private Limited                                                                                                 | 0.00      | 45.35     |
| e <b>Security Deposit</b>                                                                                                      |           |           |
| Acquest Estate Private Limited                                                                                                 | 132.79    | 0.00      |
| f <b>Advertisement Revenue Receivable</b>                                                                                      |           |           |
| Applewoods Estate Private Limited                                                                                              | 3.31      | 2.76      |
| g <b>Investment made in wholly owned subsidiary</b>                                                                            |           |           |
| Sandesh Digital Private Limited                                                                                                | 1.00      | 0.00      |
| h <b>Interest Receivable</b>                                                                                                   |           |           |
| Applewoods Estate Private Limited                                                                                              | 7 790.50  | 6 150.86  |
| i <b>Remuneration Payable</b>                                                                                                  |           |           |
| Mr Falgunbhai Patel                                                                                                            | 581.50    | 361.50    |
| Mr Parthiv Patel                                                                                                               | 610.00    | 400.00    |
| IV <b>Disclosure requirement as per Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b> |           |           |
| <b>Loan given to wholly owned subsidiary</b>                                                                                   |           |           |
| Sandesh Digital Private Limited                                                                                                |           |           |
| Outstanding Balance at the year end                                                                                            | 16.00     | 0.00      |
| Maximum amount Outstanding during the year                                                                                     | 25.50     | 0.00      |

35 Previous year figures have been re grouped / re classified / re arranged to make them comparable with those of current year's classification.

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To  
The Members of  
The Sandesh Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Sandesh Limited ("the Holding Company") and its subsidiary (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we 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 thereunder.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

- c. The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company and its subsidiary company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and its subsidiary company respectively, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “**Annexure - A**”; 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 and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Group has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
  - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

**For, Manubhai & Shah LLP**  
**Chartered Accountants**  
**ICAI Firm Registration No. 106041W/W100136**

**(K. B. Solanki)**  
**Partner**  
**Membership No.110299**

**Place : Ahmedabad**  
**Date : May 30, 2016**

**ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in Independent Auditor's Report to the members of the Group on the consolidated financial statements for the year ended 31 March 2016, we report that:

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of The Sandesh Limited ("the Holding Company") and its subsidiary company which is company incorporated in India, as of that date.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

**Inherent Limitations of Internal Financial 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 our opinion, the Holding Company and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For, Manubhai & Shah LLP**  
Chartered Accountants  
ICAI Firm Registration No. 106041W/W100136

**(K. B. Solanki)**  
Partner  
Membership No.110299

Place : Ahmedabad  
Date : May 30, 2016

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

| Particulars                                                                          | Note No. | As at<br>March 31, 2016<br>₹ in Lacs |
|--------------------------------------------------------------------------------------|----------|--------------------------------------|
| <b>A Equity and Liabilities</b>                                                      |          |                                      |
| <b>I Shareholders' Funds</b>                                                         |          |                                      |
| a Share Capital                                                                      | 2        | 756.94                               |
| b Reserves and Surplus                                                               | 3        | 52 300.93                            |
|                                                                                      |          | <b>53 057.87</b>                     |
| <b>II Non-Current Liabilities</b>                                                    |          |                                      |
| a Deferred Tax Liability ( Net )                                                     | 4        | 375.13                               |
| b Other Long Term Liabilities                                                        | 5        | 907.53                               |
| c Long Term Provisions                                                               | 6        | 202.22                               |
|                                                                                      |          | <b>1 484.88</b>                      |
| <b>III Current Liabilities</b>                                                       |          |                                      |
| a Short Term Borrowings                                                              | 7        | 1 424.86                             |
| b Trade Payables                                                                     | 8        |                                      |
| Total outstanding dues of micro enterprise and small enterprise                      |          | 0.00                                 |
| Total outstanding dues of creditors other than micro enterprise and small enterprise |          | 848.34                               |
| c Other Current Liabilities                                                          | 9        | 6 807.66                             |
| d Short Term Provisions                                                              | 10       | 149.85                               |
|                                                                                      |          | <b>9 230.71</b>                      |
| <b>Total</b>                                                                         |          | <b>63 773.46</b>                     |
| <b>B ASSETS</b>                                                                      |          |                                      |
| <b>I Non Current Assets</b>                                                          |          |                                      |
| <b>a Fixed Asset</b>                                                                 | 11       |                                      |
| i Tangible Assets                                                                    |          | 7 204.39                             |
| ii Intangible Assets                                                                 |          | 56.00                                |
| iii Goodwill On Consolidation                                                        |          | 2.79                                 |
| iv Capital work-in-progress                                                          |          | 31.73                                |
| b Non Current Investments                                                            | 12       | 21 228.61                            |
| c Long Term Loans and Advances                                                       | 13       | 310.90                               |
| d Other Non Current asset                                                            | 14       | 7 790.50                             |
|                                                                                      |          | <b>36 624.92</b>                     |
| <b>II Current Asset</b>                                                              |          |                                      |
| a Current Investment                                                                 | 15       | 4 056.53                             |
| b Inventories                                                                        | 16       | 2 330.40                             |
| c Trade Receivables                                                                  | 17       | 6 357.96                             |
| d Cash and Bank Balances                                                             | 18       | 12 488.79                            |
| e Short Term Loans and Advances                                                      | 19       | 1 914.86                             |
|                                                                                      |          | <b>27 148.54</b>                     |
| <b>Total</b>                                                                         |          | <b>63 773.46</b>                     |

Statement of Significant Accounting Policies  
Notes form an Integral Part of Accounts

1  
2 to 36

As per our report of even date attached

For and on behalf of the Board,

**For, Manubhai & Shah LLP**

Chartered Accountants

**ICAI Firm Registration No. : 106041W/W100136**

**K.B. SOLANKI**

Partner

Membership No. 110299

Place : Ahmedabad

Dated : May 30, 2016

**Falgunbhai Patel**

Chairman & Managing Director  
(DIN: 00050174)

**Sanjay Kumar Tandon**

Chief Financial Officer

Place : Ahmedabad

Dated : May 30, 2016

**Parthiv Patel**

Managing Director  
(DIN: 00050211)

**Dhaval Pandya**

Company Secretary

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

| Particulars                                                | Note No. | For the year<br>2015-16<br>₹ in Lacs |
|------------------------------------------------------------|----------|--------------------------------------|
| I Revenue From Operations                                  | 20       | 37 245.60                            |
| II Other Income                                            | 21       | 780.23                               |
| <b>III Total Revenue (I + II)</b>                          |          | <b>38 025.83</b>                     |
| <b>IV Expenses ::</b>                                      |          |                                      |
| a Cost of Material Consumed                                | 22       | 12 527.27                            |
| b Purchase of Stock in Trade                               | 23       | 14.70                                |
| c Employee Benefits Expense                                | 24       | 3 362.12                             |
| d Finance Cost                                             | 25       | 178.36                               |
| e Depreciation and Amortisation Expenses                   |          | 771.11                               |
|                                                            |          | 771.11                               |
| f Other Expenses                                           | 26       | 8 776.48                             |
| <b>Total Expenses</b>                                      |          | <b>25 630.04</b>                     |
| <b>V Profit before exceptional item and tax (III - IV)</b> |          | <b>12 395.79</b>                     |
| VI Exceptional Items                                       | 27       | 0.52                                 |
| <b>VII Profit Before Tax</b>                               |          | <b>12 396.31</b>                     |
| <b>VIII Tax Expenses ::</b>                                |          |                                      |
| a Current Tax                                              |          | 4 382.40                             |
| b Adjustment of Previous Year taxes                        |          | ( 5.39)                              |
| c Deferred Tax                                             |          | ( 66.94)                             |
| <b>Total Tax Expense</b>                                   |          | <b>4 310.07</b>                      |
| <b>IX Profit for the Year (VII - VIII)</b>                 |          | <b>8 086.24</b>                      |
| <b>X Earnings per Equity Share:</b>                        |          |                                      |
| Basic- ₹ Per Share                                         | 28       | 106.83                               |
| Diluted - ₹ Per Share                                      |          | 106.83                               |
| Statement of Significant Accounting Policies               | 1        |                                      |
| Notes form an Integral Part of Accounts                    | 2 to 36  |                                      |

As per our report of even date attached

For and on behalf of the Board,

**For, Manubhai & Shah LLP**

Chartered Accountants

**ICAI Firm Registration No. : 106041W/W100136****K.B. SOLANKI**

Partner

Membership No. 110299

Place : Ahmedabad

Dated : May 30, 2016

**Falgunbhai Patel**Chairman & Managing Director  
(DIN: 00050174)**Sanjay Kumar Tandon**

Chief Financial Officer

Place : Ahmedabad

Dated : May 30, 2016

**Parthiv Patel**Managing Director  
(DIN: 00050211)**Dhaval Pandya**

Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

| Particulars                                            | For the year<br>2015-16<br>₹ in Lacs |
|--------------------------------------------------------|--------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>          |                                      |
| NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS          | 12 396.31                            |
| Adjustments for                                        |                                      |
| Depreciation                                           | 771.11                               |
| (Profit) of Sale/Discard of Fixed Assets               | (0.52)                               |
| Dividend Income                                        | (0.11)                               |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b> | 13 166.79                            |
| Adjustments for                                        |                                      |
| Trade and Other Receivables                            | (713.41)                             |
| Inventories                                            | (1 206.21)                           |
| Payables                                               | 1 109.04                             |
| Other Assets                                           | (1 639.25)                           |
| Loans & Advances                                       | 8 486.74                             |
| <b>CASH GENERATED FROM OPERATIONS</b>                  | 19 203.70                            |
| Direct Taxes Paid                                      | (4 202.42)                           |
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>         | 15 001.28                            |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>          |                                      |
| Purchase of Fixed Assets                               | (916.96)                             |
| Sale of Fixed/Discarded Assets                         | 2.07                                 |
| Purchase of Investment                                 | (3 287.81)                           |
| Sale of Investment                                     | 0.00                                 |
| Dividend Income                                        | 0.11                                 |
| <b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>         | (4 202.59)                           |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>          |                                      |
| Short Term Borrowings (Net)                            | 422.01                               |
| (Increase)/Decrease in unsecured loans                 | 0.00                                 |
| Dividend Paid(including Dividend Distribution Tax)     | (819.93)                             |
| <b>NET CASH FLOW IN FINANCING ACTIVITIES</b>           | (397.92)                             |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>       | 10 400.77                            |
| <b>CASH AND CASH EQUIVALENTS AS ON 31.3.2015</b>       | 2 088.02                             |
| <b>CASH AND CASH EQUIVALENTS AS ON 31.3.2016</b>       | 12 488.79                            |

Notes:

- Cash equivalents includes Cash & Bank Balances
- The Cash flow has been prepared under the "Indirect Method" set out in Accounting Standard-3 "Cash Flow Statement"

As per our report of even date attached

For and on behalf of the Board,

**For, Manubhai & Shah LLP**

Chartered Accountants

ICAI Firm Registration No. : 106041W/W100136

**K.B. SOLANKI**

Partner

Membership No. 110299

Place : Ahmedabad

Dated : May 30, 2016

**Falgunbhai Patel**

Chairman & Managing Director  
(DIN: 00050174)

**Sanjay Kumar Tandon**

Chief Financial Officer

Place : Ahmedabad

Dated : May 30, 2016

**Parthiv Patel**

Managing Director  
(DIN: 00050211)

**Dhaval Pandya**

Company Secretary

**1. SIGNIFICANT ACCOUNTING POLICIES :****1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The Company maintains its accounts on accrual basis following the historical cost convention except for the revaluation of certain fixed assets and in accordance with generally accepted accounting principles ["GAAP"] , including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

**2 PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements relate to The Sandesh Limited ('the Company') and its wholly owned subsidiary company. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its wholly owned subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
  - b) The difference between the cost of investment in the wholly owned subsidiary, over the net assets at the time of acquisition of shares in the wholly owned subsidiary is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
  - c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- 3 Investments other than in subsidiary have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".
- 4 **Other significant accounting policies**

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

**Notes to the Consolidated financial Statements for the year ended March 31, 2016**

| Note Particulars<br>No.                                                           | As at<br>March 31, 2016<br>₹ in Lacs |
|-----------------------------------------------------------------------------------|--------------------------------------|
| <b>2 SHARE CAPITAL</b>                                                            |                                      |
| a Authorized :<br>1,50,00,000 (P.Y. 1,50,00,000) Equity Shares of ₹ 10/- each     | 1 500.00                             |
| b Issued & Subscribed :<br>75,69,421(P.Y. 75,69,421)Equity shares of Rs 10/- each | 756.94                               |
| c Paid up :<br>75,69,421 (P.Y. 75,69,421) Equity Shares of ₹ 10/- each            | 756.94                               |

**d Rights, Preferences and Restrictions :**

- The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share.
- Dividends, if any, is declared and paid in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend.
- The Board of Directors had declared interim dividend @ ₹ 5/- per equity share of ₹ 10/- each (i.e. 50%) for the Financial Year 2015-16. Having declared Interim dividends, Board of Directors has not recommended a Final dividend for the Financial Year 2015-16
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**e 9,60,000 Equity shares were bought back in the financial year 2012-13.**
**f Details of shareholders holding more than 5 per cent shares :**

| Sr. No. | Name of the Shareholder           | As at March 31, 2016 |                      |
|---------|-----------------------------------|----------------------|----------------------|
|         |                                   | No. of<br>Shares     | % of<br>Shareholding |
| 1       | Falgunbhai Chimanbhai Patel       | 3 86 350             | 5.10%                |
| 2       | Parthiv Falgunbhai Patel          | 11 89 100            | 15.71%               |
| 3       | Satlon Enterprise Private Limited | 18 90 152            | 24.97%               |
| 4       | Satyesh Prochem LLP               | 12 75 777            | 16.85%               |
| 5       | Scabious Enterprise LLP           | 4 20 831             | 5.56%                |

**g Reconciliation of number of shares outstanding: (in Nos.)**

| Particulars                                 | As at March<br>31, 2016 |
|---------------------------------------------|-------------------------|
| Equity Shares at the beginning of the year  | 75 69 421               |
| Add: issued during the year                 | 0                       |
| <b>Equity Shares at the end of the year</b> | <b>75 69 421</b>        |

| Note Particulars<br>No.                                                                                                                                                                                                   | As at<br>March 31, 2016<br>₹ in Lacs              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| <b>3 Reserves and Surplus</b>                                                                                                                                                                                             |                                                   |
| a Capital Reserve<br>As per Last Balance Sheet                                                                                                                                                                            | 0.44                                              |
|                                                                                                                                                                                                                           | <b>0.44</b>                                       |
| b Securities Premium Reserve<br>As per Last Balance Sheet                                                                                                                                                                 | 1 316.63                                          |
|                                                                                                                                                                                                                           | <b>1 316.63</b>                                   |
| c Revaluation Reserve<br>As per Last Balance Sheet<br>Less : Difference of depreciation on revalued figures & book value of Fixed Assets                                                                                  | 99.65<br>0.00                                     |
|                                                                                                                                                                                                                           | <b>99.65</b>                                      |
| d General Reserve<br>As per Last Balance Sheet<br>Add : Transferred from Statement of Profit and Loss                                                                                                                     | 42 584.79<br>7 000.00                             |
|                                                                                                                                                                                                                           | <b>49 584.79</b>                                  |
| e Surplus in the Statement of Profit and Loss<br>As per last Balance Sheet<br>Add: Profit for the year<br>Less: Appropriations made during the year<br>Interim Dividend<br>Tax on Dividend<br>Transfer to General Reserve | 668.72<br>8 086.22<br>378.47<br>77.05<br>7 000.00 |
|                                                                                                                                                                                                                           | 1 299.42                                          |
|                                                                                                                                                                                                                           | <b>52 300.93</b>                                  |
| <b>4 Deferred Tax Liability ( Net )</b>                                                                                                                                                                                   |                                                   |
| a <b>Deferred Tax Liabilities:</b><br>Related to Fixed assets                                                                                                                                                             | 464.30                                            |
| b <b>Deferred Tax Assets :</b><br>Disallowance under the Income Tax Act, 1961                                                                                                                                             | 89.17                                             |
| c <b>Net Deferred Tax Liability (a – b)</b>                                                                                                                                                                               | <b>375.13</b>                                     |
| <b>5 Other Long Term Liabilities</b>                                                                                                                                                                                      |                                                   |
| Deposits from Agents and Others                                                                                                                                                                                           | 907.53                                            |
|                                                                                                                                                                                                                           | <b>907.53</b>                                     |
| <b>6 Long Term Provisions</b>                                                                                                                                                                                             |                                                   |
| <b>Provision for Employee Benefits</b>                                                                                                                                                                                    |                                                   |
| Gratuity                                                                                                                                                                                                                  | 202.22                                            |
|                                                                                                                                                                                                                           | <b>202.22</b>                                     |

| Note Particulars<br>No.                                                                                                                                                                               | As at<br>March 31, 2016<br>₹ in Lacs |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| <b>7 Short Term Borrowings</b>                                                                                                                                                                        |                                      |
| <b>a Loans from Banks Payable on Demand (Secured)</b>                                                                                                                                                 |                                      |
| i Working Capital Loan                                                                                                                                                                                | 947.17                               |
|                                                                                                                                                                                                       | <b>947.17</b>                        |
| The working capital loan is secured against charge over all movable assets of the company                                                                                                             |                                      |
| <b>b Loans and Advances from related parties (unsecured)</b>                                                                                                                                          |                                      |
| i From Directors                                                                                                                                                                                      | 477.69                               |
|                                                                                                                                                                                                       | <b>477.69</b>                        |
|                                                                                                                                                                                                       | <b>1 424.86</b>                      |
| <b>8 Trade Payables</b>                                                                                                                                                                               |                                      |
| Trade Payables                                                                                                                                                                                        |                                      |
| Total outstanding dues of micro enterprise and small enterprise                                                                                                                                       | 0.00                                 |
| Total outstanding dues of creditors other than micro enterprise and small enterprise                                                                                                                  | 848.34                               |
|                                                                                                                                                                                                       | <b>848.34</b>                        |
| i Trade payables include ₹ NIL (Previous year ₹ NIL) due to creditors registered with the company as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (MSME).          |                                      |
| ii No interest is paid / payable during the year to Micro, Small and Medium Enterprises.                                                                                                              |                                      |
| iii The above information has been determined to the extent such parties could be identified on the basis of information available with the Company regarding the status of suppliers under the MSME. |                                      |
| <b>9 Other Current Liabilities</b>                                                                                                                                                                    |                                      |
| a Advance From Customer                                                                                                                                                                               | 1 787.53                             |
| b Unpaid Dividend                                                                                                                                                                                     | 53.82                                |
| c Statutory Dues                                                                                                                                                                                      | 95.98                                |
| d Other Liabilities                                                                                                                                                                                   | 4 870.33                             |
|                                                                                                                                                                                                       | <b>6 807.66</b>                      |
| <b>10 Short Term Provisions</b>                                                                                                                                                                       |                                      |
| a Provision for Employee Benefits                                                                                                                                                                     | 25.72                                |
| b Income Tax (Net of provision)                                                                                                                                                                       | 124.13                               |
|                                                                                                                                                                                                       | <b>149.85</b>                        |

## 11 Fixed Assets

(₹ in Lacs)

| Particulars                     | Gross Block               |                 |               | Depreciation               |                            |                 |                       | Net Block                  |                            |
|---------------------------------|---------------------------|-----------------|---------------|----------------------------|----------------------------|-----------------|-----------------------|----------------------------|----------------------------|
|                                 | As On<br>April 1,<br>2015 | Additions       | Deduction     | As On<br>March 31,<br>2016 | Up To<br>March 31,<br>2015 | For the<br>Year | Sales /<br>Adjustment | Up To<br>March 31,<br>2016 | As On<br>March 31,<br>2016 |
| <b>(A) Tangible Asset</b>       |                           |                 |               |                            |                            |                 |                       |                            |                            |
| Land                            | 1 343.71                  | 0.00            | 0.00          | 1 343.71                   | 0.00                       | 0.00            | 0.00                  | 0.00                       | 1 343.71                   |
| Building                        | 3 088.86                  | 81.47           | 0.00          | 3 170.33                   | 1 242.78                   | 86.70           | 0.00                  | 1 329.48                   | 1 840.85                   |
| Plant & Machineries             | 8 708.45                  | 394.86          | 15.42         | 9 087.89                   | 5 225.87                   | 439.69          | 15.07                 | 5 650.49                   | 3 437.40                   |
| Electric Fittings               | 233.49                    | 2.41            | 0.00          | 235.90                     | 185.53                     | 11.60           | 0.00                  | 197.13                     | 38.77                      |
| Furniture                       | 246.44                    | 33.92           | 9.04          | 271.32                     | 157.74                     | 27.20           | 8.65                  | 176.29                     | 95.03                      |
| Office Equipments               | 195.95                    | 30.01           | 2.77          | 223.19                     | 141.97                     | 30.17           | 2.58                  | 169.56                     | 53.63                      |
| Motor Vehicles                  | 612.59                    | 413.58          | 19.37         | 1 006.80                   | 454.75                     | 175.75          | 18.70                 | 611.80                     | 395.00                     |
|                                 | <b>14 429.49</b>          | <b>956.25</b>   | <b>46.60</b>  | <b>15 339.14</b>           | <b>7 408.64</b>            | <b>771.11</b>   | <b>45.00</b>          | <b>8 134.75</b>            | <b>7 204.39</b>            |
| <b>(B) Intangible Assets</b>    |                           |                 |               |                            |                            |                 |                       |                            |                            |
| Tenancy Right                   | 56.00                     | 0.00            | 0.00          | 56.00                      | 0.00                       | 0.00            | 0.00                  | 0.00                       | 56.00                      |
| <b>Total (A+B)</b>              | <b>14 485.49</b>          | <b>956.25</b>   | <b>46.60</b>  | <b>15 395.14</b>           | <b>7 408.64</b>            | <b>771.11</b>   | <b>45.00</b>          | <b>8 134.75</b>            | <b>7 260.39</b>            |
| <b>Previous Year</b>            | <b>13 473.82</b>          | <b>1 035.11</b> | <b>23.44</b>  | <b>14 485.49</b>           | <b>6 626.90</b>            | <b>797.80</b>   | <b>16.05</b>          | <b>7 408.64</b>            | <b>7 706.85</b>            |
| <b>Capital Work In Progress</b> | <b>71.02</b>              | <b>571.66</b>   | <b>610.95</b> | <b>31.73</b>               | <b>0.00</b>                | <b>0.00</b>     | <b>0.00</b>           | <b>0.00</b>                | <b>31.73</b>               |

## 12 Non Current Investments (Long Term Investments)

| Note No. | Particulars                                                                                                          | Face Value | No. of Shares<br>or Bonds | As at<br>March 31, 2016<br>₹ in Lacs |
|----------|----------------------------------------------------------------------------------------------------------------------|------------|---------------------------|--------------------------------------|
| a        | <b>In Equity Shares - Trade Investments</b>                                                                          |            |                           |                                      |
|          | <b>Fully Paid Equity Shares (Unquoted)</b>                                                                           |            |                           |                                      |
|          | Hindustan Samachar Co-Op Society Limited                                                                             | 10         | 10                        | 0.01                                 |
|          | Press Trust of India Limited                                                                                         | 15         | 15                        | 0.01                                 |
| b        | <b>Other Than Trade Investments</b>                                                                                  |            |                           |                                      |
|          | <b>Fully Paid Equity Shares (Unquoted)</b>                                                                           |            |                           |                                      |
|          | Applewoods Estate Private Limited (Class A)                                                                          | 10         | 1 58 168.00               | 3 444.41                             |
|          | Manekchowk Co-Op Bank Limited                                                                                        | 25         | 1 624.00                  | 0.41                                 |
|          | <b>Non Current Investment in Equity Shares</b>                                                                       |            |                           | 3 444.84                             |
| c        | <b>Debentures &amp; Other Securities (Unquoted)</b>                                                                  |            |                           |                                      |
|          | Applewoods Estate Private Limited-15.5%-FCCD-A                                                                       | 100        | 41 48 825.00              | 4 149.12                             |
|          | Applewoods Estate Private Limited-15.5%-FCCD-B                                                                       | 100        | 76 04 815.00              | 8 211.25                             |
|          |                                                                                                                      |            |                           | 12 360.37                            |
| d        | <b>In Government Securities (Unquoted)</b>                                                                           |            |                           |                                      |
|          | National Saving Certificates ( Deposited with Sales Tax Authorities )                                                |            |                           | 0.01                                 |
| e        | <b>Investment In Properties*</b>                                                                                     |            |                           | 5 423.39                             |
|          | *Non-Current Investment includes ₹ 4 935.37 Lacs of immovable properties transferred from inventory during the year. |            |                           |                                      |
|          |                                                                                                                      |            |                           | <b>21 228.61</b>                     |
|          | Aggregate cost of unquoted investments                                                                               |            |                           | 15 805.21                            |

**Note Particulars  
No.**
**As at  
March 31, 2016  
₹ in Lacs**
**13 Long Term Loans and Advances (Unsecured , considered good)**

|   |                   |        |
|---|-------------------|--------|
| a | Security Deposits | 279.28 |
| b | Capital Advance * | 31.62  |

**310.90**
**13.1** \* Capital Advance given to related parties

31.62

**14 Other Non Current Asset (Unsecured , considered good)**

|   |                                            |          |
|---|--------------------------------------------|----------|
| a | Interest Receivable (from related parties) | 7 790.50 |
|---|--------------------------------------------|----------|

**7 790.50**
**15 Current Investment**
**Particulars**
**No. of Units  
March 31, 2016**
**a In Mutual Fund-Unquoted**

|                                                       |            |        |
|-------------------------------------------------------|------------|--------|
| Baroda Pioneer Liquid Fund-Plan A,B Growth            | 43 566.843 | 750.00 |
| HDFC Cash Management Fund Saving Plan Growth          | 19 639.431 | 575.00 |
| Reliance Liquid Fund-Treasury Plan-Direct Growth Plan | 15 194.230 | 550.00 |
| AXIS Liquid Fund Direct Growth                        | 33 305.450 | 550.00 |
| LIC Liquid Fund Direct Growth Plan                    | 1 833.622  | 50.14  |
| Religare Invesco Liquid Fund-Direct Plan-Growth       | 5 640.025  | 100.00 |
| SBI Premier Liquid Fund-Direct Plan-Growth            | 19 253.216 | 450.00 |
| ICICI Short Term Growth Plan                          | 44 657.171 | 100.00 |
| IDFC Cash Fund Growth Direct                          | 23 438.887 | 425.00 |
| UTI-Liquid Cash Plan-Institutional-Direct Plan-Growth | 29 999.403 | 500.00 |

**Investment In Mutual Fund**
**4 050.14**
**b Fully Paid Up Shares (Quoted)**

|              |    |      |
|--------------|----|------|
| MOIL Limited | 10 | 6.39 |
|--------------|----|------|

**4 056.53**

Aggregate cost of quoted investments #

6.39

Aggregate cost of unquoted investments

4 050.14

Aggregate market value of quoted investments

3.71

# The Management is of the view that the shortfall of ₹ 2.68 lacs (Previous Year ₹1.69 lacs) between the aggregate cost price and aggregate market value of quoted investments is temporary and hence no provision is required in respect thereof.

Note Particulars  
No.As at  
March 31, 2016  
₹ in Lacs**16 Inventories**

|   |                                                           |          |
|---|-----------------------------------------------------------|----------|
| a | Raw Materials                                             | 1 785.35 |
| b | Stores and Spares                                         | 286.97   |
| c | Stock-in-trade (in respect of goods acquired for trading) | 258.08   |

**2 330.40**

\* During the year, ₹ 4935.37 Lacs of Inventories transferred to Investment in Properties

**17 Trade Receivables (Unsecured , considered good)****a Outstanding for a period exceeding six months**

|                 |        |
|-----------------|--------|
| Considered Good | 312.12 |
| Doubtful        | 0.00   |

**312.12****b Other - Considered Good**

|                 |          |
|-----------------|----------|
| Considered Good | 6 045.84 |
| Doubtful        | 0.00     |

**6 045.84****6 357.96**

Less : Provision for Doubtful Debts 0.00

**6 357.96****18 Cash and Bank Balances**

|   |                       |           |
|---|-----------------------|-----------|
| a | Cash on Hand          | 46.51     |
| b | Balance with Bank     |           |
|   | in current accounts # | 1 780.56  |
|   | in fixed deposits*    | 10 661.72 |

**12 488.79**

# Includes Unclaimed Dividend of ₹53.82 Lacs (Previous Year ₹ 53.42 Lacs)

\* Includes fixed deposit of ₹ 5638.62 Lacs (Previous Year ₹ 478.20 Lacs) under lien with the bank  
Includes fixed deposit of ₹5 219.09 Lacs (Previous Year ₹ 294.34 Lacs) maturing after 12 months from balance sheet date**19 Short term loans and advances (Unsecured , considered good)**

|   |                                                                                                                                                                      |          |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| a | Others Lloan and Advances (includes ₹ Nil (Previous Year ₹ 1200 lacs) secured against Equitable Mortgage and ₹Nil (Previous Year ₹ 500 Lacs) secured against shares) | 1 324.00 |
| b | Advances recoverable in cash or in kind                                                                                                                              | 535.82   |
| c | Balance with tax authorities                                                                                                                                         | 55.04    |

**1 914.86**

| Note Particulars<br>No.                         | For the Year<br>2015-16<br>₹ in Lacs |
|-------------------------------------------------|--------------------------------------|
| <b>20 Revenue From Operations</b>               |                                      |
| <b>a Turnover (Net of discounts)</b>            |                                      |
| i Sale of Publications*                         | 9 893.03                             |
| ii Revenue from Advertisements                  | 23 435.91                            |
| iii Other Income                                | 685.39                               |
| iv Bad Debt Recovery                            | 203.04                               |
| v Provision/Liability No Longer Required        | 32.00                                |
|                                                 | <b>34 249.37</b>                     |
| <b>b Other operating revenues</b>               |                                      |
| i Interest Income                               | 1 161.85                             |
| ii Interest from Bonds/ Debentures              | 1 821.81                             |
| iii Sale of Trading Goods                       | 12.57                                |
|                                                 | <b>2 996.23</b>                      |
| <b>Total ( a + b )</b>                          | <b>37 245.60</b>                     |
| * <b>Sale of Publications include sale of :</b> |                                      |
| Daily Publications                              | 9 733.98                             |
| Other Publications                              | 159.05                               |
|                                                 | <b>9 893.03</b>                      |
| <b>21 Other Income</b>                          |                                      |
| a Other Interest Income                         | 416.71                               |
| b Dividend                                      | 0.11                                 |
| c Income From Wind Mill                         | 18.49                                |
| d Profit on Sale of Conversion of Land          | 3.55                                 |
| e Profit- Sale of Short Term Investment-        | 202.14                               |
| f Miscellaneous Income                          | 139.23                               |
|                                                 | <b>780.23</b>                        |
| <b>22 Cost of Material Consumed</b>             |                                      |
| Newsprint Consumed                              | 12 527.27                            |
|                                                 | <b>12 527.27</b>                     |
| <b>23 Purchase of Stock in Trade</b>            |                                      |
| Purchases / Cost of Goods Sold: Stock-in-trade  |                                      |
| a Real Estate                                   | 8.50                                 |
|                                                 | <b>8.50</b>                          |
| Add/(Less): Changes in Inventories              | 6.20                                 |
|                                                 | <b>14.70</b>                         |
| <b>24 Employee Benefits Expense</b>             |                                      |
| a Salaries and Wages                            | 3 278.02                             |
| b Contribution                                  | 78.41                                |
| c Staff Welfare Expenses                        | 5.69                                 |
| <b>Total</b>                                    | <b>3 362.12</b>                      |

24.1 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

#### Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

| Particulars                                                          | For the Year<br>2015-16 |
|----------------------------------------------------------------------|-------------------------|
| Employer's Contribution to Superannuation Fund                       | 10.14                   |
| Employer's Contribution to Employee State Insurance Corporation Fund | 5.34                    |
| Employer's Contribution to Pension Fund                              | 32.05                   |
| Employer's Contribution to Provident Fund                            | 30.88                   |
| <b>Total</b>                                                         | <b>78.41</b>            |

#### Defined Benefit Plan

The Company's gratuity plan is funded. The following table sets out the status of the gratuity plan as required under Accounting Standard 15 "Employee Benefits" and the reconciliation of opening balances of the present value of the defined benefit obligation.

| Particulars                                                 | For the Year<br>2015-16 |
|-------------------------------------------------------------|-------------------------|
| <b>i Changes in Present Value of Obligations</b>            |                         |
| Present Value of Obligation as at the beginning of the year | 330.20                  |
| Current Service Cost                                        | 24.52                   |
| Interest Cost                                               | 19.18                   |
| Past Service Cost vested Benefits                           | 0.00                    |
| Actuarial (gain) / Loss on obligations                      | ( 6.18)                 |
| Benefits paid                                               | ( 20.63)                |
| Present value of Obligation as at the end of the year       | <b>347.09</b>           |
| <b>ii Changes in the fair value of Plan assets:</b>         |                         |
| Fair Value of Plan Assets at the beginning of the year      | 138.27                  |
| Expected Return on Plan Assets                              | 6.79                    |
| Expenses Deducted from Fund                                 | (0.16)                  |
| Contributions                                               | 0.00                    |
| Benefits paid                                               | ( 20.63)                |
| Actuarial Gain / (Loss) on Plan Assets                      | ( 5.10)                 |
| Fair Value of Plan Assets at the end of the year            | <b>119.16</b>           |
| Actual return on plan assets                                | <b>1.68</b>             |
| <b>iii The amount recognised in balance sheet:</b>          |                         |
| Present value of Obligation as at the end of the year       | 347.09                  |
| Fair Value of Plan Assets at the end of the year            | 119.16                  |
| Net Liability recognized in Balance sheet                   | 227.93                  |
| <b>iv Amount recognised in Profit and Loss Account:</b>     |                         |
| Current Service Cost                                        | 24.52                   |
| Interest Cost                                               | 19.18                   |
| Past Service Cost vested Benefits                           | 0.00                    |
| Expected Return on Plan Assets                              | ( 6.79)                 |
| Net Actuarial (gain) / Loss recognised in the year          | ( 1.08)                 |
| Expenses Recognized in the Statement of Profit & Loss       | <b>35.83</b>            |
| <b>v Actuarial Gain/(Loss) recognised :</b>                 |                         |
| Actuarial (Gain)/Loss of the Year-Obligation                | ( 6.18)                 |
| Actuarial (Gain)/Loss for the year -plan assets             | 5.10                    |
| Total (Gain)/Loss for the year                              | (1.08)                  |
| <b>vi Assumptions:</b>                                      |                         |
| Discount Rate                                               | 7.60%                   |
| Expected Rate of Return on Plan Assets                      | 7.60%                   |
| Salary Escalation                                           | 4.00%                   |

**vii Investment Details:**

| Particulars                     | 2015-16       |            |
|---------------------------------|---------------|------------|
|                                 | Rs in Lacs    | % Invested |
| Government of India Securities  | 4.03          | 3.39%      |
| State Govt Securities           | 60.77         | 51.00%     |
| Bonds of PSU                    | 18.48         | 15.51%     |
| Others (Including bank balance) | 35.87         | 30.11%     |
| <b>Total</b>                    | <b>119.15</b> |            |

The estimates of rate of escalation in salary considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

| Note No.  | Particulars                                     | For the Year<br>2015-16<br>₹ in Lacs |
|-----------|-------------------------------------------------|--------------------------------------|
| <b>25</b> | <b>Finance Cost</b>                             |                                      |
| a         | Interest                                        |                                      |
| i         | To Bank                                         | 6.66                                 |
| ii        | To Directors                                    | 56.87                                |
| iii       | To Other                                        | 91.42                                |
| b         | Foreign Exchange loss                           | 23.41                                |
|           |                                                 | <b>178.36</b>                        |
| <b>26</b> | <b>Other Expenses</b>                           |                                      |
| a         | Power and Fuel                                  | 471.08                               |
| b         | Stores and Spares Consumed                      | 1 948.89                             |
| c         | Repairs to:-                                    |                                      |
| i         | Buildings                                       | 35.19                                |
| ii        | Machinery                                       | 59.33                                |
| iii       | Other                                           | 46.35                                |
|           |                                                 | <b>140.87</b>                        |
| d         | Feature, Newsgathering and Purashkar Expenses   | 475.90                               |
| e         | News Service/LL/Internet and Telephone Expenses | 102.40                               |
| f         | Insurance                                       | 29.48                                |
| g         | Rent                                            | 45.11                                |
| h         | Rates and Taxes                                 | 45.50                                |
| i         | Audit Fees*                                     | 12.55                                |
| j         | Bad Debts                                       | 156.84                               |
| k         | License fee, Mounting Fee & Other Expenses      | 1 332.72                             |
| l         | Distribution Expenses                           | 422.21                               |
| m         | Selling Expenses                                | 2 281.08                             |
| n         | Miscellaneous Expenses                          | 1 311.85                             |
|           |                                                 | <b>8 776.48</b>                      |
| <b>*</b>  | <b>Payment to the Auditors</b>                  |                                      |
| a         | For Statutory Audit                             | 5.15                                 |
| b         | For Certification and other matters             | 7.40                                 |
|           |                                                 | <b>12.55</b>                         |

| Note Particulars<br>No.                                                                                                                             | For the Year<br>2015-16<br>₹ in Lacs |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| <b>27 Exceptional Items</b>                                                                                                                         |                                      |
| a Profit on sale of fixed assets                                                                                                                    | 0.52                                 |
| <b>The net effect (Loss) / Profit on sale /discard of fixed asset</b>                                                                               | <b>0.52</b>                          |
| <b>28 Earning Per Share:</b>                                                                                                                        |                                      |
| a Net Profit after Tax                                                                                                                              | 8 086.24                             |
| b Total Weighted Average Number of Shares for Basic and Diluted Earning                                                                             | 75.69                                |
| c Basic and Diluted Earning per Share in Rupee                                                                                                      | <b>106.83</b>                        |
| <b>29 a Raw Material consumption:</b>                                                                                                               |                                      |
| Newsprint                                                                                                                                           | 12 527.27                            |
| <b>b Value of imported and indigenous Raw Materials consumed and percentage thereof to the total consumption.(Including imports through agents)</b> |                                      |
| Imported                                                                                                                                            | Rs in lacs 9 480.88                  |
|                                                                                                                                                     | % 75.68%                             |
| Indigenous                                                                                                                                          | Rs in lacs 3 046.39                  |
|                                                                                                                                                     | % 24.32%                             |
| <b>c Value of imported and indigenous Spares parts and Components consumed and percentage thereof to the total consumption.</b>                     |                                      |
| Imported                                                                                                                                            | Rs in lacs 0.00                      |
|                                                                                                                                                     | % 0.00                               |
| Indigenous                                                                                                                                          | Rs in lacs 1 948.89                  |
|                                                                                                                                                     | % 100.00%                            |
| Newsprint                                                                                                                                           | 12 527.27                            |
| <b>d Value of imports on CIF basis in respect of:</b>                                                                                               |                                      |
| Raw Materials: Newsprint (Including imports through agents)                                                                                         | 9 093.15                             |
| <b>e Expenditures in Foreign Currency:-</b>                                                                                                         |                                      |
| Other Expenditure                                                                                                                                   | 13.50                                |
| <b>f Earning in Foreign Currency:-</b>                                                                                                              |                                      |
| Other Income                                                                                                                                        | 123.49                               |
| <b>30 Details Of Trading Activity :</b>                                                                                                             |                                      |
| <b>a Equity Shares</b>                                                                                                                              |                                      |
| Opening Stock                                                                                                                                       | 7.39                                 |
| Sales                                                                                                                                               | 0.00                                 |
| Adjustment due to accretion/ decretion                                                                                                              | 6.20                                 |
| Closing Stock                                                                                                                                       | 1.19                                 |
| <b>b Real Estate</b>                                                                                                                                |                                      |
| Opening Stock                                                                                                                                       | 5 079.13                             |
| Inventories transferred to Investment in Properties                                                                                                 | (4 935.37)                           |
| Sales                                                                                                                                               | 12.57                                |
| Closing Stock                                                                                                                                       | 138.80                               |

Note Particulars  
No.

For the Year  
2015-16  
₹ in Lacs

**31 Contingent Liabilities and Commitments (to the extent not provided for)**
**a Contingent Liabilities**

- i Claims against the company not acknowledged as debt

There are several defamation and other legal cases pending against the Company and its directors. These include criminal and civil cases. The company has also raised counter claims against some of the claimants. The estimated contingency in respect of these cases cannot be ascertained. Based on discussions with the lawyers / solicitors and also the past trend in respect of such cases, the Company believes that there is no present obligation in respect of the above and hence no provision is considered necessary against the same

-

- ii Disputed Income tax matters

405.96

**b Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for.

400.39

**32 Details of Loan given, Investment made and guarantee given covered under section 186 (4) of the Companies Act, 2013**

Loans given and investments made are given under the respective heads.

Loans have been utilised by the recipient for their business purpose.

There are no corporate guarantees given by the company in respect of loans as at March 31, 2016.

**33 Sandesh Digital Private Limited became the Wholly Owned Subsidiary of the company on September 22, 2015. Hence subsidiary company has been consolidated from the said date and previous year figures related to March 2015 are not given.**
**34 Segment Information**

Information about Primary business segments as at / for the year ended:

(₹ In Lacs)

| Particulars                             | Media            | Finance         | Real Estate   | Other         | Unallocable      | Eliminations | Total            |
|-----------------------------------------|------------------|-----------------|---------------|---------------|------------------|--------------|------------------|
|                                         | 2015-16          | 2015-16         | 2015-16       | 2015-16       | 2015-16          | 2015-16      | 2015-16          |
| <b>1 Segment Revenue</b>                |                  |                 |               |               |                  |              |                  |
| External Turnover                       | 34 249.38        | 2 983.66        | 110.17        | 0.00          | 682.62           | 0.00         | 38 025.83        |
| Add : Intersegment Turnover             | 0.00             | 0.00            | 0.00          | 0.00          | 0.00             | 0.00         | 0.00             |
| <b>Net Turnover</b>                     | <b>34 249.38</b> | <b>2 983.66</b> | <b>110.17</b> | <b>0.00</b>   | <b>682.62</b>    | <b>0.00</b>  | <b>38 025.83</b> |
| <b>2 Segment Result before Interest</b> | 8 957.09         | 2 660.61        | 101.66        | (6.20)        | 682.63           | 0.00         | 12 395.79        |
| Less: Interest Expense                  | 0.00             | 0.00            | 0.00          | 0.00          | 0.00             | 0.00         | 0.00             |
| Add: Interest Income                    | 0.00             | 0.00            | 0.00          | 0.00          | 0.00             | 0.00         | 0.00             |
| Add: Exceptional Item                   | 0.52             | 0.00            | 0.00          | 0.00          | 0.00             | 0.00         | 0.52             |
| <b>Profit Before Tax</b>                | <b>8 957.61</b>  | <b>2 660.61</b> | <b>101.66</b> | <b>(6.20)</b> | <b>682.63</b>    | <b>0.00</b>  | <b>12 396.31</b> |
| Current Tax - Income-tax                | 0.00             | 0.00            | 0.00          | 0.00          | 4 382.40         | 0.00         | 4 382.40         |
| Adjustment of Previous year taxes       | 0.00             | 0.00            | 0.00          | 0.00          | (5.39)           | 0.00         | (5.39)           |
| Deferred Tax                            | 0.00             | 0.00            | 0.00          | 0.00          | (66.94)          | 0.00         | (66.94)          |
| <b>Profit After Tax</b>                 | <b>8 957.61</b>  | <b>2 660.61</b> | <b>101.66</b> | <b>(6.20)</b> | <b>(3627.44)</b> | <b>0.00</b>  | <b>8 086.24</b>  |
| <b>3 Other Information</b>              |                  |                 |               |               |                  |              |                  |
| Segment Assets                          | 18 531.16        | 32 145.94       | 138.82        | 1.19          | 12 956.39        | 0.00         | 63 773.50        |
| Segment Liability                       | 8 712.23         | 1 424.87        | 25.43         | 0.00          | 553.09           | 0.00         | 10 715.62        |
| Capital Expenditure                     | 916.96           | 0.00            | 0.00          | 0.00          | 0.00             | 0.00         | 916.96           |
| Depreciation                            | 771.11           | 0.00            | 0.00          | 0.00          | 0.00             | 0.00         | 771.11           |

1 The Company has identified three business segments namely Media, Finance & Real Estate.

2 There is no geographical segment

**35 Related Parties Disclosure:**
**I (a) Name of Key Management Personnel :**

|   |                                          |                              |
|---|------------------------------------------|------------------------------|
| 1 | Mr Falgunbhai Patel                      | Chairman & Managing Director |
| 2 | Mr Parthiv Patel                         | Managing Director            |
| 3 | Mr Yogesh Jani (w.e.f.11th August, 2015) | Whole Time Director          |
| 4 | Mr Dhaval Pandya                         | Company Secretary            |
| 5 | Mr Sanjay Kumar Tandon                   | Chief Financial Officer      |

**(b) Enterprise over which Key Management Personnel or company having control or significant influence:**

|    |                                                    |    |                                         |
|----|----------------------------------------------------|----|-----------------------------------------|
| 1  | Sandesh Procon LLP                                 | 2  | Saintfoin Enterprise LLP                |
| 3  | Scabious Enterprise LLP                            | 4  | Satyesh Prochem LLP                     |
| 5  | Nilsan Realty LLP *                                | 6  | Satyesh Enterprise LLP*                 |
| 7  | FSR Infracon LLP*                                  | 8  | Satyesh Developers LLP*                 |
| 9  | Satyesh Infrastructures LLP*                       | 10 | Satyesh Reality LLP*                    |
| 11 | Bhakti Procon LLP*                                 | 12 | GSS Realty LLP*                         |
| 13 | Lilavati Chimanbhai Patel Charitable Trust*        | 14 | Sandesh Charitable Trust*               |
| 15 | Satyesh Trust*                                     | 16 | Vishnu Lakshmi Trust*                   |
| 17 | Sandesh Employee Gratuity Fund*                    | 18 | Sandesh Super Annuation Fund*           |
| 19 | Satlon Enterprise Private Limited                  | 20 | Dhanali Stock Holdings Private Limited* |
| 21 | Applewoods Estate Private Limited                  | 22 | Autumnleaf Estates Private Limited *    |
| 23 | Acquest Estates Private Limited                    | 24 | Satyesh Brinechem Private Limited*      |
| 25 | Stanford Operations & Maintenance Private Limited* | 26 | Suramya Chemicals Private Limited*      |
| 27 | Sarvatra Chemicals Private Limited*                |    |                                         |

\* No transaction during the year with the related parties.

**(c) Relatives of Key Managerial Personnel:**

|   |                  |
|---|------------------|
| 1 | Pannaben F Patel |
| 2 | Ritaben C Patel  |
| 3 | Nishi P. Patel   |

**II Particulars of transactions with related parties. The transactions are disclosed in aggregate value for the year:**

(₹ In Lacs)

| Sr. No. | Particulars                                 | KMP      | Enterprise over which Key Management Personnel or company having control or significant influence | Relatives of Key Managerial Personnel | Total    |
|---------|---------------------------------------------|----------|---------------------------------------------------------------------------------------------------|---------------------------------------|----------|
|         |                                             | 2015-16  | 2015-16                                                                                           | 2015-16                               | 2015-16  |
| 1       | Capital Advance                             | 0.00     | 298.52                                                                                            | 0.00                                  | 298.52   |
| 2       | Advertisement Revenue                       | 0.00     | 40.71                                                                                             | 0.00                                  | 40.71    |
| 3       | Interest Income                             | 0.00     | 1 821.81                                                                                          | 0.00                                  | 1821.81  |
| 4       | Remuneration Expenses                       | 1 390.74 | 0.00                                                                                              | 4.29                                  | 1395.03  |
| 5       | Interest Expenses                           | 37.43    | 0.00                                                                                              | 19.44                                 | 56.87    |
| 6       | Purchase of Real Estate                     | 0.00     | 214.07                                                                                            | 0.00                                  | 214.07   |
| 7       | Rent Expenses                               | 0.00     | 9.57                                                                                              | 0.00                                  | 9.57     |
| 8       | Investment made in Wholly Owned Subsidiary  | 1.00     | 0.00                                                                                              | 0.00                                  | 1.00     |
| 9       | Sales Promotion                             | 0.00     | 1.11                                                                                              | 0.00                                  | 1.11     |
| 10      | Maintenance Expense                         | 0.00     | 0.07                                                                                              | 0.00                                  | 0.07     |
| 11      | Security Deposit                            | 0.00     | 145.02                                                                                            | 0.00                                  | 145.02   |
| 12      | Reimbursement                               | 0.00     | 10.81                                                                                             | 0.00                                  | 10.81    |
| 13      | Dividend paid                               | 158.47   | 349.71                                                                                            | 1.50                                  | 509.67   |
| 14      | <b>Balance outstanding:-</b>                |          |                                                                                                   |                                       |          |
|         | Loan Payable                                | 311.59   | 0.00                                                                                              | 161.77                                | 473.36   |
|         | Investment in Shares and Debenture          | 0.00     | 15 804.78                                                                                         | 0.00                                  | 15804.78 |
|         | Capital Advance                             | 0.00     | 31.62                                                                                             | 0.00                                  | 31.62    |
|         | Security Deposit                            | 0.00     | 145.02                                                                                            | 0.00                                  | 145.02   |
|         | Advertisement Revenue Receivable            | 0.00     | 3.31                                                                                              | 0.00                                  | 3.31     |
|         | Interest Receivable                         | 0.00     | 7 790.50                                                                                          | 0.00                                  | 7790.50  |
|         | Remuneration Payable (including commission) | 1 194.10 | 0.00                                                                                              | 0.36                                  | 1194.46  |

**III Disclosure of material transactions with Related Party:**

| Particulars                                                                                            | 2015-16                    |
|--------------------------------------------------------------------------------------------------------|----------------------------|
| 1 Capital Advance<br>Applewoods Estate Private Limited<br>Acquest Estate Private Limited               | 83.57<br>214.95            |
| 2 Advertisement Revenue<br>Applewoods Estate Private Limited                                           | 40.24                      |
| 3 Interest Income<br>Applewoods Estate Private Limited                                                 | 1 821.81                   |
| 4 Remuneration Expenses<br>a Mr Falgunbhai Patel<br>b Mr Parthiv Patel                                 | 681.77<br>675.24           |
| 5 Interest Expenses<br>a Mr Falgunbhai Patel<br>b Mr Parthiv Patel                                     | 1.15<br>36.29              |
| 6 Rent Expenses<br>Satlon Enterprise Private Limited                                                   | 9.57                       |
| 7 Sales Promotion<br>Acquest Estate Private Limited                                                    | 1.11                       |
| 8 Maintenance Expense<br>Acquest Estate Private Limited                                                | 0.07                       |
| 9 Reimbursement<br>Applewoods Estate Private Limited                                                   | 10.81                      |
| 10 Dividend paid<br>a Mr Parthiv Patel<br>b Satlon Enterprise Private Limited<br>c Satyesh Prochem LLP | 107.02<br>170.11<br>114.82 |
| 11 Purchase of Real Estates<br>Applewoods Estate Private Limited<br>Acquest Estate Private Limited     | 86.99<br>127.08            |
| 12 Balance as at 31.03.2016<br>a <b>Loan Accepted</b><br>Mr Falgunbhai Patel<br>Mr Parthiv Patel       | 9.56<br>302.03             |
| b <b>Investment</b><br>Applewoods Estate Private Limited                                               | 15 804.78                  |
| c <b>Capital Advance</b><br>Applewoods Estate Private Limited                                          | 31.62                      |
| d <b>Security Deposit</b><br>Acquest Estate Private Limited                                            | 132.79                     |
| e <b>Advertisement Revenue Receivable</b><br>Applewoods Estate Private Limited                         |                            |
| f <b>Interest Receivable</b><br>Applewoods Estate Private Limited                                      | 7 790.50                   |
| g <b>Remuneration Payable</b><br>Mr Falgunbhai Patel<br>Mr Parthiv Patel                               | 581.50<br>610.00           |

**36 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary. As At March 31, 2016**

(₹ In Lacs)

| Name of the Entity                                                | Net Assets, i.e., total assets minus total liabilities |                  | Share in profit or loss             |                 |
|-------------------------------------------------------------------|--------------------------------------------------------|------------------|-------------------------------------|-----------------|
|                                                                   | As % of consolidated Net Assets                        | Amount           | As % of consolidated Profit or Loss | Amount          |
| <b>Parent</b><br>The Sandesh Limited                              | 99.96%                                                 | 53 034.65        | 99.71%                              | 8 063.00        |
| <b>Wholly owned subsidiary</b><br>Sandesh Digital Private Limited | 0.04%                                                  | 21.44            | 0.29%                               | 23.24           |
| <b>Consolidated Net Assets</b>                                    | <b>100.00%</b>                                         | <b>53 056.10</b> | <b>100.00%</b>                      | <b>8 086.24</b> |
| <b>Minority Interests in all subsidiaries</b>                     | -                                                      | -                | -                                   | -               |

## THE SANDESH LIMITED

(CIN: L22121GJ1943PLC000183)

Registered Office: 'Sandesh Bhavan', Lad Society Road, B/h. Vastrapur Gam, P.O. Bodakdev, Ahmedabad-380054 (Gujarat-India)

Email: investorsgrievance@sandesh.com • Website: www.sandesh.com • Phone: 079-40004000, Fax: 079-40004242

## ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of Meeting

|           |               |
|-----------|---------------|
| DP ID*    | Folio No.     |
| Client ID | No. of Shares |

NAME AND ADDRESS OF THE SHAREHOLDER \_\_\_\_\_

I hereby record my presence at the **73<sup>rd</sup> ANNUAL GENERAL MEETING** of the Company held on **Friday, September 30, 2016** at **10:00 A.M.** at Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 (Gujarat-India).

\* Applicable for investors holding shares in electronic form

\_\_\_\_\_  
Signature of Shareholder / Proxy

## THE SANDESH LIMITED

(CIN: L22121GJ1943PLC000183)

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## FORM OF PROXY

(Form MGT-11)

|                         |       |
|-------------------------|-------|
| Name of the Member(s) : | _____ |
| Registered Address :    | _____ |
| E-mail ID :             | _____ |
| Folio No. / Client ID : | _____ |
| DP ID :                 | _____ |

I/We, being the member(s) of \_\_\_\_\_ shares of the Company, hereby appoint:

- Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 Email ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him;
- Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 Email ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him;
- Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 Email ID : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **73<sup>rd</sup> Annual General Meeting** of the Company, to be held on **Friday, September 30, 2016** at **10:00 A.M.** at Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 and at any adjournment thereof in respect of such resolutions as are indicated below:

[PTO]

| Resolution No. | Particulars of Resolutions                                                                                                                                   | Optional* |         |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|
|                |                                                                                                                                                              | For       | Against |
|                | <b>Ordinary Business:</b>                                                                                                                                    |           |         |
| 1              | Ordinary Resolution to consider and adopt Audited Financial Statement (including consolidated financial statements) for the year ended <b>March 31, 2016</b> |           |         |
| 2              | Ordinary Resolution to confirm the interim dividend declared and paid as final dividend                                                                      |           |         |
| 3              | Ordinary Resolution for re-appointment of <b>Shri Parthiv F. Patel (DIN 00050211)</b> as a Director of the Company, who retires by rotation                  |           |         |
| 4              | Ordinary Resolution for ratification of appointment of M/s. Manubhai & Shah, Chartered Accountants as Auditors of the Company and fixing their remuneration  |           |         |
|                | <b>Special Business:</b>                                                                                                                                     |           |         |
| 5              | Ordinary Resolution for re-appointment of <b>Shri Falgunbhai C. Patel (DIN 00050174)</b> as Managing Director                                                |           |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2016

Signature of shareholder \_\_\_\_\_

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

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten per cent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten per cent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. It is optional to put a '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Proxy need not be a Member of the Company.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
7. Please complete all details including details of member(s) in above box before submission.
8. Appointing a proxy does not prevent a member from attending the Annual General Meeting in person if he so wishes.
9. The Company reserves the right to ask for identification of the Proxy.

Affix  
Revenue  
Stamp not  
less than  
Re. 0.15

## DISPATCH OF DOCUMENTS THROUGH ELECTRONIC MODE

**To the Members,  
THE SANDESH LIMITED**

The Ministry of Corporate Affairs (MCA), Government of India, vide its Circular No. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed the companies to send official documents including annual reports to their shareholders electronically as part of its Green Initiative in Corporate Governance. The Company has informed all its Members, who have registered their e-mail address with the Depository / Company, about the Company adopting the practice of sending documents including Annual Report through email. The Members who have not registered their email addresses are also appealed to register their e-mail addresses and opt for receiving all the communication through e-mail. Annual Report for the Financial Year **2015-16** including the Notice convening **73<sup>rd</sup>** Annual General Meeting are also sent in electronic mode to such Members of the Company.

The Members of the Company are appealed to have their email addresses registered and opt for electronic delivery and contribute to the cause of Green Initiative. Kindly fill up the form given here below and send it to us.

Please note that physical copies of the Annual Report for the Financial Year **2015-16** including the Notice convening **73<sup>rd</sup>** Annual General Meeting are sent to those Members who have specifically intimated the Company in this regard and also to those Members who have not yet registered their e-mail addresses for such electronic delivery. Annual Report for the Financial Year **2015-16** including the Notice convening **73<sup>rd</sup>** Annual General Meeting are also available on the website of the Company i.e. [www.sandesh.com](http://www.sandesh.com).

**Registration Form for E-communication**

(In terms of Circular nos. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs)

|                                 |   |  |
|---------------------------------|---|--|
| Folio No. / DPID & Client ID    | : |  |
| Name of First Registered Holder | : |  |
| Name of Joint Holder(s)         | : |  |
| Registered Address              | : |  |
| E-mail ID (to be registered)    | : |  |

I / We, member(s) of The Sandesh Limited, agree to receive all communication from the Company in electronic mode.

Please register the above mentioned e-mail address in the records of the Company for sending communication through e-mail.

Signature:  
(First Holder)  
Date:

**Notes:**

1. On registration, all the documents / communication will be sent to the e-mail address registered for the folio.
2. The Members are requested to keep the Company / Depository Participants informed as and when there is any change in the above e-mail address.





# **Sandesh**

*shaping tomorrow*

**સંદેશ**



**સંદેશ**  
Spotlight



**Sandesh.com**

**અંગ્રા સંદેશ**



## **THE SANDESH LIMITED**

(CIN – L22121GJ1943PLC000183)

### **Regd. Office :**

“Sandesh Bhavan”, Lad Society Road,  
B/h. Vastrapur Gam, P.O. Bodakdev,  
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**Contact No. :** (079) 40004000, 40004175 & 40004319

**Fax No. :** (079) 40004242 **Website:** [www.sandesh.com](http://www.sandesh.com)