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To  
All Share Holders / Well Wishers  
(Sakar Healthcare Ltd)

**SUB: Surging existing business looking beyond with EU GMP approval and upcoming state of the art research (R&D, F&D, ADL) driven oncology integrated pharmaceutical manufacturing unit**

Dear All,

We are pleased to share that with a proper market understanding, Sakar has registered positive sales trend in both the operating verticals: exports and contract manufacturing, as evident in the quarterly results declared recently. The company has been consistent in showing double digit increase in both top and bottom-lines for the past many years. Despite the challenges posed by the pandemic and subsequent deceleration of the economy, company posted a whopping 33% increase in its consolidated revenues to reach approximately Rs 27cr in the third quarter compared with the same period a year ago.

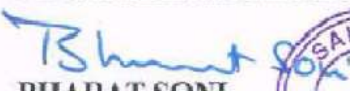
- As an impact of Covid-19 lockdowns the raw material cost (API) has jumped significantly as compared to the same a year ago, impacting the EBIDTA margin, though company has registered higher sales with low-margin products. However, the pricing of APIs have now got streamlined for effect to get nullified.
- Significantly Sakar's balance sheet has remained strong in these challenging times and its working capital cycle continues to improve. While day sales outstanding and inventory days are at par with best in class pharma companies, the company continues to focus on further improving its cash conversion cycle.
- With strong sales momentum across both verticals Sakar expects to end this fiscal on a strong note. With EU GMP for injectables under the belt, management expects European region to start contributing in upcoming financial year.
- State of the art Research-driven integrated Oncology manufacturing unit is also coming up as per the schedule. This project will give a big push to company's growth trajectory.

The R&D, F&D and ADL laboratories are about to get functional soon that will cater to research and partner services globally to trigger for notable revenues in next financial year.

The management is quite confident that the business will grow exponentially in the next few years primarily driven by right mix of existing diverse product range (therapeutic category) along with addition of anti-cancer (oncology) portfolio. The technology enhanced manufacturing units, industry exposure, experienced personnel, research oriented products all are aligning the progress towards designed organization vision.

Yours faithfully,

**FOR SAKAR HEALTHCARE LIMITED**

  
**BHARAT SONI**  
**COMPANY SECRETARY &**  
**COMPLIANCE OFFICER**

