

Sakar Healthcare Limited

13TH
ANNUAL REPORT
2016-17

[CIN: L24231GJ2004PLC043861]

Sakar Healthcare Limited

[CIN: L24231GJ2004PLC043861]

13TH ANNUAL REPORT 2016-17

BOARD OF DIRECTORS : **Mr. Sanjay S. Shah** Managing Director
Ms. Rita S. Shah Whole Time Director
Mr. Aarsh S. Shah Joint Managing Director
Mr. Prashant C. Srivastav Independent Director
Mr. Hardik P. Mehta Independent Director
Mr. Shailesh B. Patel Independent Director

MANAGEMENT TEAM : **Mr. Jhonny G. Kudlil** Chief Finance Officer
Ms. Pratixa S. Seju Company Secretary

REGISTERED OFFICE & FACTORY : Block No. 10-13, Near M. N. Desai Petrol Pump,
Sarkhej- Bavla Road, Village: Changodar,
District: Ahmedabad -382 213

AUDITORS : M/s. A. L. Thakkar & Co.,
Chartered Accountants,
Ahmedabad.

REGISTRAR AND SHARE TRANSFER AGENTS : Link Intime (India) Private Limited
506-508, Amarnath Business Centre-1 (ABC-1),
Besides Gala Business Centre,
Near St. Xavier's College Corner,
Off C. G. Road, Ahmedabad - 380 006
Tel.: 079 - 26465179
Email: ahmedabad@linkintime.co.in

WEBSITE : www.sakarhealthcare.com

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NOTICE

NOTICE is hereby given that the **13TH ANNUAL GENERAL MEETING** of the Shareholders of SAKAR HEALTHCARE LIMITED will be held as under:

Date : 20th September, 2017
Day : Wednesday
Time : 2.00 p.m.
Place : The Registered Office of the Company at:
Block No. 10-13, Near M. N. Desai Petrol Pump, Sarkhej- Bavla Road, Village: Changodar,
District: Ahmedabad -382 213

to transact the following business :

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Rita S. Shah (DIN – 01515340), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and he being eligible, offers herself for re-appointment.
3. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of Section 139, 142 and any other applicable provisions of the Companies Act, 2013 and rules made there under, as amended from time to time, and pursuant to the resolution passed by the members at the Annual General Meeting (AGM) held on 30th September, 2015, the appointment of M/s. A. L. Thakkar & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 120116W), as the Statutory Auditors of the Company to hold office for a period of 5 years i.e. till the conclusion of the 16th AGM to be held in the year 2020 be and is now hereby ratified for the year 2017-18 and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to Section 94 and such other applicable provisions of the Companies Act, 2013 (‘the Act’) and the relevant rules, circulars and notifications made there under (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the consent of the Members of the Company, be and is hereby accorded to maintain the Register of Members together with the Index of members of the Company under Section 88 of the Act and copies of the Annual Returns under Section 92 of the Act at the office premises of Link Intime India Private Limited, Registrar and Transfer Agent (RTA), 506-508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier’s College Corner, Off C. G. Road, Ahmedabad – 380 006, and such other places as the RTA, shift its office from time to time.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such things, deeds, matters and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto.”

Registered Office :
Block No. 10-13, Near M. N. Desai Petrol Pump,
Sarkhej- Bavla Road, Village: Changodar,
District : Ahmedabad -382 213
Date : 20th July, 2017

By Order of the Board,

Sanjay S. Shah
Managing Director

Sakar Healthcare Limited

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER SHAREHOLDER.

The instrument of Proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

3. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
4. Members are requested to notify to the Company any changes in their address.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES MENTIONED IN THE NOTICE OF 13TH ANNUAL GENERAL MEETING DATED 20TH JULY, 2017.

In respect of Item No. 4:

As required under the provisions of Section 94 the Companies Act, 2013, certain documents such as the Register of Members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a general meeting of the Company.

Accordingly, the approval of the members is sought in terms of Section 94(1) of the Companies Act, 2013, for keeping the aforementioned registers and documents at the office of the Registrar and Transfer Agent ("RTA"), viz. Link Intime India Private Limited, 506-508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ahmedabad – 380 006, and such other places as the RTA, shift its office from time to time.

A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, Gujarat, Ahmedabad, as required under the said Section 94 (1) of the Companies Act, 2013.

The Directors recommend the said resolution proposed to be passed as Special Resolution by the members.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Registered Office :

Block No. 10-13, Near M. N. Desai Petrol Pump,
Sarkhej- Bavla Road, Village: Changodar,
District : Ahmedabad -382 213
Date : 20th July, 2017

By Order of the Board,

Sanjay S. Shah
Managing Director

DIRECTORS' REPORT

The Members,
Sakar Healthcare Limited,

Your Directors have pleasure in presenting the 13TH ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2016-17 ended 31st March, 2017.

1. FINANCIAL RESULTS AND OPERATIONS:

Particulars	2016-17	2015-16
	(Rs. in lakh)	
Sales and other Income	4490.49	4143.24
Profit before Interest and Depreciation	1089.59	853.03
Less: Interest	268.53	293.61
Profit before Depreciation	821.06	559.42
Less: Depreciation	338.94	273.36
Profit before Taxation	482.12	286.06
Less: Provision for Taxation - Current	80.00	55.00
Less: Provision for Taxation - Deferred	55.85	9.27
Less: Provision for Taxation - Previous year	8.44	-
Profit for the year	337.83	221.79
Add: Balance Brought Forward	958.23	736.44
Less : Utilisation of Revenue Reserve for DTL	186.27	-
Balance carried to Balance Sheet	1109.79	958.23

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1st April, 2017 and date of this report.

During the year under review, the Company achieved turnover of 4490.49 lakh compared to Rs. 4143.24 lakh during 2015-16. The Company earned profit before interest, depreciation and tax of Rs. 1089.59 lakh during 2016-17 compared to Rs. 853.03 lakh during 2015-16. After providing for interest, depreciation and taxes, the net profit for the year under review stood at 337.83 lakh as compared to Rs. 221.79 lakh during 2015-16. The EPS for the year under review stood at 3.08 compared to Rs. 2.77 for the year 2015-16.

2. DIVIDEND:

With view to conserve the financial resources for the future requirement of the Company, the Board of Directors has not recommended any dividend for the year.

3. LISTING:

The Equity Shares of the Company are listed on SME Emerge Platform of NSE Limited w.e.f. 14th October, 2016. The Company is regular in payment of Annual Listing Fees. The Company has paid Listing fees up to the year 2017-18.

4. ALLOTMENT OF 29,61,000 EQUITY SHARES TO PUBLIC THROUGH INITIAL PUBLIC OFFER (IPO):

As already communicated in the Directors' Report of the year 2015-16, the IPO of the Company was oversubscribed. The Company after obtaining necessary approvals and finalising the Basis of allotment in consultation with NSE-SME have allotted 29,61,000 Equity Shares of Rs. 10/- each at an issue price of Rs. 50/- per share including premium of Rs. 40/- per share to the public through Initial Public Offer (IPO) after complying provisions and guidelines under the Companies Act, 2013, SEBI (ICDR) & SEBI (LODR). The Post IPO Paid up Share capital of the Company is 1,09,61,000 Equity Shares of Rs. 10/- each.

5. DEMATERIALISATION OF EQUITY SHARES:

All the Equity Shares of the Company are in dematerialised form with either of the depositories viz. NSDL and CDSL. The ISIN No. allotted is INE732S01012.

Sakar Healthcare Limited

6. DIRECTORS & KMP:

- 6.1 One of your Directors viz. Ms. Rita Shah retires by rotation in terms of the Articles of Association of the Company. However, being eligible offers herself for reappointment.
- 6.2 The Board of Directors duly met 9 times during the financial year under review.
- 6.3 The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their independence laid down in Section 149(6) of the Act.

6.4 Formal Annual Evaluation:

The Nomination and Remuneration Committee adopted a formal mechanism for evaluating the performance of the Board of Directors as well as that of its Committees and individual Directors, including Chairman of the Board, Key Managerial Personnel/ Senior Management etc. The exercise was carried out through an evaluation process covering aspects such as composition of the Board, experience, competencies, governance issues etc.

6.5 DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 of the Companies Act, 2013, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had 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 31st March, 2017 being end of the financial year 2016-17 and of the profit of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.
- (v) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

8. MANAGERIAL REMUNERATION:

Sr. No.	Name of the Director & Designation	Remuneration for the year 2016-17	% increase over last year	Parameters of Employees Remuneration	Median of Employees Remuneration	Ratio	Commission received from Holding/ Subsidiary
1	Sanjay S. Shah Managing Director	1235000	11.76	Higher responsibility and time involvement	129900	9.51 times	
2	Rita S. Shah Executive Director	650000	25.00		129900	5.00 times	
3	Aarsh S. Shah Joint Managing Director	1170000	12.5		129900	9.00 times	-

The Board of Directors has framed a Remuneration Policy that assures the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management to enhance the quality required to run the Company successfully. The Relationship of remuneration to performance is clear and meets appropriate performance benchmarks. All the Board Members and Senior Management personnel have affirmed time to time implementation of the said Remuneration policy.

9. KEY MANAGERIAL PERSONNEL:

9.1 % INCREASE IN REMUNERATION OF DIRECTORS AND KMP:

Sr. No.	Name of the Director & KMP	Designation	Percentage Increase (If any)
1.	Sanjay S. Shah	Managing Director	11.76%
2.	Ritaben S. Shah	Wholetime Director	25.00%
3.	Aarsh S. Shah	Joint Managing Director	12.5%
4.	Jhony G. Kudill	CFO	N.A.
5.	Pratixa Seju	Company Secretary	2.71%

9.2 COMPARISON BETWEEN REMUNERATION OF KMP & PERFORMANCE OF THE COMPANY:

As per the Remuneration Policy and based on the Recommendation of Nomination & Remuneration Committee the Relationship of remuneration to KMP & performance of Company is clear and meets appropriate performance benchmarks.

10. PERSONNEL AND H. R. D.:

10.1 INDUSTRIAL RELATIONS:

The industrial relations continued to remain cordial and peaceful and your Company continued to give ever increasing importance to training at all levels and other aspects of H. R. D.

The number of Employees of the Company are 243. The relationship between average increase in remuneration and Company's performance is as per the appropriate performance benchmarks and reflects short and long term performance objectives appropriate to the working of the Company and its goals.

10.2 PARTICULARS OF EMPLOYEES:

There is no Employee drawing remuneration requiring disclosure under Rule 5(2) of Companies Appointment & Remuneration of Managerial personnel) Rules, 2014.

11. PARTICULARS OF LOANS, GUARANTEES, INVESTMENT & SECURITIES PROVIDED:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 respectively are given in the notes to the Financial Statements attached to the Auditors' Report.

12. RELATED PARTY TRANSACTION AND DETAILS OF LOANS, GUARANTEES, INVESTMENT & SECURITIES PROVIDED:

Details of Related Party Transactions and Details of Loans, Guarantees and Investments covered under the provisions of Section 188 and 186 of the Companies Act, 2013 respectively are given in the notes to the Financial Statements attached to the Auditors' Report.

All transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any transactions with related parties which could be considered as material in accordance with the policy of the Company on materiality of related party transactions.

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

The information required under Section 134(3)(m) of the Companies Act, 2013 and rule 8(3) of Companies (Accounts) Rules, 2014, relating to the conservation of Energy and Technology Absorption forms part of this report and is given by way of **Annexure- A**.

14. SECRETARIAL AUDIT REPORT:

Your Company has obtained Secretarial Audit Report as required under Section 204(1) of the Companies Act, 2013 from M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad for the year 2016-17 as it is now a Listed entity. The said Report is attached with this Report as **Annexure – B**.

There are no remarks / qualification in the Secretarial Audit Report, hence no explanation has been offered.

15. EXTRACT OF ANNUAL RETURN:

The extract of Annual return in Form – MGT-9 has been attached herewith as **Annexure – C**.

Sakar Healthcare Limited

16. AUDIT COMMITTEE

16.1 The Board of Directors have constituted Audit Committee consisting of the following:

- | | |
|------------------------------|----------|
| 1. Mr. Prashant C. Srivastav | Chairman |
| 2. Mr. Shailesh B. Patel | Member |
| 3. Mr. Sanjay S. Shah | Member |

16.2 VIGIL MECHANISM:

The Board of Directors has laid down a policy on Vigil Mechanism for effective and smooth functioning of Company. All the Board Members and Senior Management personnel have affirmed compliance with the policy of Vigil Mechanism.

17. NOMINATION AND REMUNERATION COMMITTEE:

The Company has also set up a Remuneration Committee of Directors, consisting of:

- | | |
|------------------------------|----------|
| 1. Mr. Shailesh B. Patel | Chairman |
| 2. Mr. Hardik P. Mehta | Member |
| 3. Mr. Prashant C. Srivastav | Member |

The Committee identifies and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

The Committee fixes remuneration of the Directors on the basis of their performance and also practice in the industry. The terms of reference of the Nomination & Remuneration Committee include review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee meets as and when required to consider remuneration of Directors. No Meetings of the committee were held during the year 2016-17.

18. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board has constitutes a Stakeholders' Relationship Committee for the pupose of effective Redressal of the complaints and concerns of the shareholders and other stakeholders of the Company.

The Committee comprises the following Directors as members :

- | | |
|------------------------------|----------|
| 1. Mr. Prashant C. Srivastav | Chairman |
| 2. Mr. Shailesh B. Patel | Member |
| 3. Mr. Aarsh Shah | Member |

The Company has not received any complaints during the year. There was no valid request for transfer of shares pending as on 31st March, 2017.

Ms. Pratixa S. Seju, Company Secretary is the Compliance Officer for the above purpose.

19. GENERAL:

19.1. STATUTORY AUDITORS:

At the 11th Annual General Meeting held on 30th September, 2015 M/s. A. L. Thakkar & Co., Chartered Accountants, Ahmedabad were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2020. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. A. L. Thakkar & Co., Chartered Accountants, as statutory auditors of the Company for the financial year 2017-18, is placed for ratification by the shareholders.

The remarks of Auditor are self explanatory and have been explained in Notes on Accounts.

19.2 INSURANCE:

The Company's properties including building, plant and machinery, stocks, stores etc. continue to be adequately insured against risks such as fire, riot, strike, civil commotion, malicious damages, machinery breakdown etc.

19.3 DEPOSITS:

The Company has not accepted during the year under review any Deposits and there were no overdue deposits.

19.4 RISKS MANAGEMENT POLICY:

The Company has a risk management policy, which from time to time, is reviewed by the Audit Committee of Directors as well as by the Board of Directors. The Policy is reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The Policy is designed to provide the categorization of risk into threat and its cause, impact, treatment and control measures. As part of the Risk Management policy, the relevant parameters for protection of environment, safety of operations and health of people at work and monitored regularly with reference to statutory regulations and guidelines defined by the Company.

19.5 SUBSIDIARIES/ ASSOCIATES/ JVS:

The Company does not have any Subsidiaries/ Associates Companies / JVs.

19.6 CODE OF CONDUCT:

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior Management. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct.

19.7 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There has been no significant and material orders passed by any regulators or courts or tribunals, impacting the going concern status of the Company and its future operations.

19.8 ENVIRONMENT AND SAFETY:

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

19.9 DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has in place an Anti Sexual Harassment Policy, in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, the Company did not receive any complaint.

19.10 GRATUITY:

The Company has entered in to an agreement with Life Insurance Corporation of India for covering its Gratuity Liability and has thus provided for the same. A Gratuity Trust Fund has been created with Life Insurance Corporation of India.

19.11 INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

20. DISCLOSURE OF ACCOUNTING TREATMENT:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

21. DISCLOSURES:

The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company.

22. FINANCE:

The Company has availed financial assistance in form of Term Loans and Working Capital from State Bank of India.

23. ACKNOWLEDGMENT:

Your Directors express their sincere gratitude for the assistance and co operation extended by Banks, Government Authorities, Shareholders, Suppliers and Customers.

Your Directors also wish to place on record their appreciation of the contribution made by the employees at their levels towards achievements of the Company's goals.

Registered Office
Block No. 10-13, Near M. N. Desai Petrol Pump,
Sarkhej- Bavla Road, Village : Changodar,
District : Ahmedabad -382 213.
Date : 20th July, 2017

For and on behalf of the Board,

Sanjay S. Shah
Managing Director

Aarsh S. Shah
Jt. Managing Director

FORM-A

Disclosure of particulars with respect to Conservation of Energy

(A) Conservation of energy-			
	Steps taken or impact on conservation of energy	In line with the Company's commitment towards conservation of energy, all units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption	
	Steps taken by the Company for utilizing alternate sources of energy	-	
	Capital investment on energy conservation equipments	N.A.	
(B) TECHNOLOGY ABSORPTION:			
Efforts made in Research and Development and Technology Absorption prescribed in the Rules is as under:			
1.	Research & Development (R & D)		
	(a) Specific areas in which R&D carried out by the Company.	: R&D is through for developing and diversification of more products as well as for exploring more Export markets	
	(b) Benefits derived as a result of the above R&D	: More products added to the list of products as well was captured more export markets	
	(c) Future plan of action	: To maintain improved quality of products through quality control.	
	(d) Expenditure on R&D	: Not Substantial	
2.	Technology absorption, adoption and innovation: The Company does not envisage any technology absorption.		
(C) FOREIGN EXCHANGE EARNINGS & OUTGO:			
		(Rs. in Lakh)	
	Particulars	2016-17	2015-16
	Total Foreign exchange earnings	1777.20	1218.09
	Total Foreign Exchange used	117.01	30.22

Registered Office
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Sarkhej- Bavla Road, Village : Changodar,
District : Ahmedabad -382 213.
Date : 20th July, 2017

For and on behalf of the Board,

Sanjay S. Shah
Managing Director

Aarsh S. Shah
Jt. Managing Director

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

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

To,
The Members,
Sakar Healthcare Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sakar Healthcare Limited** [CIN: L24231GJ2004PLC043861] ('hereinafter called the Company') having Registered Office at 10/13 Nr. M.N. Desai Petrol Pump, Sarkhej Bavla Highway, Changodar, Ahmedabad -382 213 Gujarat. The 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 **31st March, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31st March, 2017 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, 2015.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Requirements, 2014 (Not Applicable during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable 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 during the audit period)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable during the audit period) and
- (vi) Various common laws applicable to the manufacturing and other activities of the Company such as Labour Laws, Pollution Control Laws, Land Laws, Patents Act, 1970, The Trade Marks Act, 1999 etc. and various Sectoral specific acts such as Pharmacy Act, 1948, Drugs and Cosmetics Act, 1940, Homoeopathy Central Council Act, 1973, Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954, Narcotic Drugs and Psychotropic Substances Act, 1985 for which we have relied on Certificates/ Reports/ Declarations/ Consents/ Confirmations

Sakar Healthcare Limited

obtained by the Company from the experts of the relevant field such as Advocate, Labour Law Consultants, Engineers, Occupier of the Factories, Registered Valuers, Chartered Engineers, Factory Manager, Chief Technology Officer of the Company, Local Authorities, Effluent Treatment Adviser etc. and have found that the Company is generally regular in complying with the provisions of various applicable Acts

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with Stock Exchanges

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

The following are our observations during the Audit:

The company has filed with delay the statement of deviation(s) or variation(s) as on 31st March, 2017 with NSE – SME Emerge as required under Regulation 32 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes being carried out in the composition of the Board of Directors during the period under review.

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

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

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 the Company has duly passed Special Resolution under Section 23(1)(a), 62(1)(c) and other applicable provisions of the Companies Act, 2013 and Rules made thereunder at the Extra Ordinary General Meeting held on 6th September, 2016 authorising Board of Directors of the Company to raise its capital by way of an Initial Public Offer (IPO) under Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations") in consultation with the lead manager(s).

We further report that during the audit period the Board of Directors of the Company has allotted 29,61,000 Equity Shares under Initial Public Offer (IPO) of Rs. 10/- each at issue price of Rs. 50/- per Equity Share (including premium of Rs. 40/- per Share) on 10th October, 2016 to the Public Shareholders after complying necessary laws and guidelines.

For KASHYAP R. MEHTA & ASSOCIATES
Company Secretaries

KASHYAP R. MEHTA
Proprietor
FCS: 1821
C.O.P. No. 2052
FRN: S2011GJ166500

Place : Ahmedabad
Date : 20th July, 2017

Note: This report is to be read with our letter of even date which is annexed as Annexure – 1 and forms an integral part of this report.

To,
The Members,
Sakar Healthcare Limited.

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

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

For KASHYAP R. MEHTA & ASSOCIATES
Company Secretaries

KASHYAP R. MEHTA
Proprietor
FCS: 1821
C.O.P. No. 2052
FRN: S2011GJ166500

Place : Ahmedabad
Date : 20th July, 2017

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH, 2017

[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:

(1)	CIN	L24231GJ2004PLC043861
(2)	Registration Date	26-03-2004
(3)	Name of the Company	Sakar Healthcare Limited
(4)	Category / Sub-Category of the Company	Public Company limited by Shares
(5)	Address of the registered Office and Contact Details	10/13, Nr. M.N. Desai Petrol Pump, Sarkhej Bavla Highway, Changodar Ahmedabad – 382 213 Email id: info@sakarhealthcare.com
(6)	Whether Listed Company	Yes
(7)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime (India) Private Limited, 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad 380 006 Tel no : (079) 2646 5179 Fax : (079) 2646 5179 Email Address : ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover
1	Pharmaceutical Products	Class 2100	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company has no Holding/ Subsidiary/ Associate Company.

IV. SHARE HOLDING PATTERN:

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held as on 1 st April, 2016				No. of Shares held as on 31 st March, 2017				% Change during 2015-16
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	7520000	-	7520000	94.00	7520000	-	7520000	68.61	(25.39)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	7520000	-	7520000	94.00	7520000	-	7520000	68.61	(25.39)

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) VCF	-	-	-	-	-	-	-	-	-
f) Ins. Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	400000	-	400000	5.00	2077000	-	2077000	18.95	13.95
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individuals holding < = Rs.1,00,000	-	-	-	-	477000	-	477000	4.35	4.35
ii) Individuals holding > Rs. 1,00,000	80000	-	80000	1.00	638000	-	638000	5.82	4.82
c) Others (specify)									
NRIs	-	-	-	-	-	-	-	-	-
OCB	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	39000	-	39000	0.35	0.35
Trusts	-	-	-	-	-	-	-	-	-
Others - HUF	-	-	-	-	210000	-	210000	1.92	1.92
Sub-total (B)(2):-	480000	-	480000	6.00	3441000	-	3441000	31.39	25.39
Total Public Shareholding (B)=(B)(1)+(B)(2)	480000	-	480000	6.00	3441000	-	3441000	31.39	25.39
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	8000000	-	8000000	100.00	10961000	-	10961000	100.00	-

Note: In view of allotment of 29,61,000 Equity Shares upon Initial Public Offer (IPO) during the year under review, the proportionate Equity Shareholding of Promoters have been diluted.

Sakar Healthcare Limited

ii) Shareholding of Promoters:

Sr No	Shareholder's Name	Shareholding as on 01-04-2016			Shareholding as on 31-03-2017			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sanjay S. Shah	44,67,500	55.84	-	58,67,500	53.53	-	2.31
2	Rita S. Shah	2,45,000	3.06	-	2,45,000	2.24	-	(0.82)
3	Aarsh Shah	13,07,500	16.35	-	13,07,500	11.93	-	(5.00)
4	Ayushi S. Shah*	1,00,000	1.25	-	1,00,000	0.91	-	(0.34)
5	Surendra T. Shah*	14,00,000	17.50	-	-	-	-	(17.50)

* Promoter Group

Note: In view of allotment of 29,61,000 Equity Shares upon Initial Public Offer (IPO) during the year under review, the proportionate Equity Shareholding of Promoters and Promoter Group have been diluted.

iii) Change in Promoters' Shareholding:

Sr. No.	For Each of the Promoter and Promoter Group having change during the year As on 01-04-2016	Shareholding as on 01-04-2016		Changes during the Year during transfer of Shares	Shareholding as on 31-03-2017	
		No. of shares	% of total shares		No. of shares	% of total shares
1	Sanjay S. Shah	44,67,500	55.84	14,00,000	58,67,500	53.53
2	Rita S. Shah	2,45,000	3.06	-	2,45,000	2.24
3	Aarsh Shah	13,07,500	16.35	-	13,07,500	11.93
4	Ayushi S. Shah*	1,00,000	1.25	-	1,00,000	0.91
5	Surendra T. Shah*	14,00,000	17.50	(14,00,000)	-	-

* Promoter Group

Note: In view of allotment of 29,61,000 Equity Shares upon Initial Public Offer (IPO) during the year under review, the proportionate Equity Shareholding by Promoters have been diluted.

iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding as on 01-04-2016		Changes during the Year (increase/ (decrease) due to transfer) of Shares)	Shareholding as on 31-03-2017	
		No. of shares	% of total shares		No. of shares	% of total shares
	Top 10 as on 01-04-2016					
1	M/s. Airmax (Gujarat) Pvt. Ltd.	4,00,000	5.00	-	4,00,000	3.65
2	Suketu Vaywala	20,000	0.25	-	20,000	0.18
3	Pushpa John Ponmany	20,000	0.25	-	20,000	0.18
4	Paresh Sukhadiya	20,000	0.25	-	20,000	0.18
5	Johnny George	20,000	0.25	-	20,000	0.18
	TOTAL	4,80,000	6.00	-	4,80,000	4.38

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding, if any, of each Directors and each Key Managerial Personnel	Shareholding as on 01-04-2016		Changes in number of shares during the Year	Shareholding as on 31-03-2017	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Sanjay S. Shah	44,67,500	55.84	14,00,000	58,67,500	53.53
2.	Rita S. Shah	2,45,000	3.06	-	2,45,000	2.24
3	Aarsh Shah	13,07,500	16.35	-	13,07,500	11.93
4	Johnny George	20,000	0.25	-	20,000	0.18

V. INDEBTEDNESS

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

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A.	Indebtedness as on 01-04-2016				
	i) Principal Amount	147598954	73569664	-	221168618
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	147598954	73569664	-	221168618
B.	Change in Indebtedness during 2016-17				
	* Addition	18975208	4521719	-	23496927
	* Reduction	-	-	-	-
	Net Change	18975208	4521719	-	23496927
C.	Indebtedness as on 31-03-2017				
	i) Principal Amount	166574162	78091383	-	244665545
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	166574162	78091383	-	244665545

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manger		
		Sanjay S. Shah - Managing Director	Rita S. Shah – Executive Director	Aarsh S. Shah- Jt. Managing Director
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,35,000	6,50,000	11,70,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, Please specify (contribution to provident fund)	-	-	-
	Total (A)	12,35,000	6,50,000	11,70,000
	Ceiling as per the Companies Act			

B. Remuneration to other Directors:

No Disclosure is required as there is no remuneration paid.

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Ms. Pratixa S. Seju - Company Secretary	Mr. Johnny G. Kudlil– CFO	Ms. Ayushi Shah - Administrative Executive	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 2,41,550/-	Rs. 4,30,000/-	Rs. 5,20,000/-	Rs. 11,91,550/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
5.	Others, Please specify	-	-	-	-
	Total	Rs. 2,41,550/-	Rs. 4,30,000/-	Rs. 5,20,000/-	Rs. 11,91,550/-

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no such Penalties/ Punishment/ Compounding of Offences as on the date of report.

INDEPENDENT AUDITORS' REPORT

To,
The Members,
SAKAR HEALTHCARE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SAKAR HEALTHCARE LIMITED** ('the Company'), which comprise the balance sheet as at 31 March 2017, 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 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 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March 2017 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;

Sakar Healthcare Limited

- (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 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 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director 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. As inform to us the Company does not have any pending litigations which would impact its financial statement.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosure in Note – 11 of its financial statement as to holding as well as dealing in specified bank notes during the period from 8th November,2016 to 30th December,2016 and these are in accordance with books of account maintained by the company.

For and behalf of
A.L.Thakkar & Co.,
Chartered Accountants
FRN : 120116W
Sanjiv V Shah
Partner
Membership number: 042264

Place : Ahmedabad
Date : 30.05.2017

ANNEXURE - A

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) 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 three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- (iii) The Company has granted loans to cover in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company

- (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
- (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) 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.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) 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.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The company has not taken any loan either from financial institutions or from the Government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company has applied monies raised by way of initial public offer and the term loans for the purposes for which these were raised.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In 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.
- (xiii) 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.
- (xiv) 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.
- (xv) 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.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For and behalf of
A.L.Thakkar & Co.,
Chartered Accountants
FRN : 120116W

Sanjiv V Shah
Partner
Membership number: 042264

Place : Ahmedabad
Date : 30.05.2017

**Independent Auditors' Report of even date on the Financial Statement of SAKAR HEALTHCARE LIMITED
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 **SAKAR HEALTHCARE LIMITED** ("the Company") as of 31st March 2017 in conjunction with our audit of the 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.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In 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 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and behalf of
A.L.Thakkar & Co.,
Chartered Accountants
FRN : 120116W

Sanjiv V Shah
Partner

Place : Ahmedabad
Date : 30.05.2017

Membership number: 042264

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
A EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	109,610,000	80,000,000
(b) Reserves and surplus	3	245,419,728	111,823,465
		<u>355,029,728</u>	<u>191,823,465</u>
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	4	64,487,731	43,067,833
(b) Long Term Borrowing	5	159,067,318	154,210,820
		<u>223,555,049</u>	<u>197,278,653</u>
(3) Current Liabilities			
(a) Short-Term Borrowings	6	53,204,911	39,112,798
(b) Trade Payables	7	31,033,976	39,755,680
(c) Other Current Liabilities	8	39,622,393	39,946,629
(d) Short-Term Provisions	9	3,427,698	3,177,911
		<u>127,288,978</u>	<u>121,993,018</u>
TOTAL		<u>705,873,755</u>	<u>511,095,136</u>
B ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(a) Tangible Assets	10	489,278,997	372,495,448
		<u>489,278,997</u>	<u>372,495,448</u>
(b) Long-Term Loans and Advances	11	4,334,171	2,825,721
		<u>493,613,168</u>	<u>375,321,169</u>
(2) Current Assets			
(a) Inventories	12	69,575,223	64,471,290
(b) Trade Receivables	13	53,451,298	29,766,094
(c) Cash and Bank Balances	14	4,518,492	2,292,631
(d) Short-Term Loans and Advances	15	82,350,547	39,243,952
(e) Other Current Assets	16	2,365,027	-
		<u>212,260,587</u>	<u>135,773,967</u>
TOTAL		<u>705,873,755</u>	<u>511,095,136</u>

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

As per our Audit Report of even date
For A.L.Thakkar & Co.
Chartered Accountants
FRN: 120116W

Sanjiv Shah
Partner
Membership No. : 42264

Place : Ahmedabad
Date : 30.05.2017

For and on behalf of the Board

Sanjay S. Shah
Managing Director

Rita S. Shah
Whole Time Director

Jhonny G. Kudilil
CFO

Pratixa S. Seju
Company Secretary

Place : Ahmedabad
Date : 30.05.2017

Sakar Healthcare Limited**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	Note No.	For the	For the
		Year ended 31st March, 2017 Rs.	Year ended 31st March, 2016 Rs.
I Revenue from Operations	17	441,708,350	412,260,113
II Other Income	18	7,340,962	2,063,988
III Total Revenue (I + II)		449,049,312	414,324,101
IV Expenses:			
Cost of Material Consumed	19	228,195,143	218,760,321
Changes in Inventories of Finished Goods, Work- in-Progress and Stock-in-Trade	20	(5,344,209)	916,101
Employee Benefit Expense	21	59,456,689	47,889,744
Finance Costs	22	26,852,601	29,361,356
Depreciation and Amortization Expense	10	33,894,424	27,335,570
Other Expenses	23	57,765,660	61,278,488
Total Expenses		400,820,308	385,541,580
V Profit before Prior Period Items and Tax (III – IV)		48,229,004	28,782,521
VI Prior Period Items	24	17,743	176,037
VII Profit before Tax (V – VI)		48,211,261	28,606,484
VIII Tax Expense:			
(1) Current Tax		8,000,000	5,500,000
(2) Deferred Tax		5,584,639	927,410
(3) Previous Year Tax		843,713	-
IX Profit / (Loss) for the period (VIII - IX)		33,782,909	22,179,074
X Earnings per equity share of face value of Rs. 10/- each :			
(1) Basic	25	3.08	2.77
(2) Diluted	25	3.56	2.77

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

As per our Audit Report of even date

For A.L.Thakkar & Co.

Chartered Accountants

FRN: 120116W

Sanjiv Shah

Partner

Membership No. : 42264

Place : Ahmedabad

Date : 30.05.2017

For and on behalf of the Board**Sanjay S. Shah**
Managing Director**Rita S. Shah**
Whole Time Director**Jhonny G. Kudilil**
CFO**Pratixa S. Seju**
Company Secretary

Place : Ahmedabad

Date : 30.05.2017

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

(Rs. In Lakh)

Particulars	2016-17	2015-16
A CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	482.11	286.06
ADJUSTMENTS FOR		
Depreciation	338.94	273.36
Financial Charges	268.53	293.61
Interest Received	73.41	20.64
Dividend Received	-	-
Income Tax	-	-
Deferred Tax Liability	-	-
Preliminary Exp W/o	-	-
(Profit) / Loss On Sale of Fixed Assets	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,016.17	832.39
ADJUSTMENTS FOR		
Trade and Other Receivables	236.85	97.13
Inventories	51.04	(29.10)
Long Term Loans & Advances	15.08	-
Other Non Current Assets		
Short Term Loans & Advances	431.07	(10.81)
Deferred Tax Liabilities	-	-
Other Current Assets, Loans & Advances	23.65	-
Long Term Liabilities		
Short Term Borrowing	140.92	(205.70)
Long Term Provisions		
Trade Payables	(87.22)	301.46
Other Current Liabilities	(3.24)	109.01
Short Term Provisions	1.53	(7.45)
Provision for Employee Benefit	0.96	1.15
CASH GENERATED FROM OPERATIONS	311.44	973.64
Taxes paid [Income Tax]	116.35	55.00
NET CASH FLOW FROM OPERATING ACTIVITIES	195.09	918.64
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	1,506.78	379.99
Interest Received	73.41	20.64
Dividend Received	-	-
Investment in Equity Shares	-	-
Fixed Deposits with Banks	-	-
Sale/Deduction of Fixed Assets	-	-
NET CASH USED IN INVESTING ACTIVITIES	(1,433.37)	(359.35)

Sakar Healthcare Limited

(Rs. In Lakh)

Particulars	2016-17	2015-16
C CASH FLOW FROM FINANCING ACTIVITIES		
Financial Charges Paid	(268.53)	(293.61)
Proceeds from issue of share capital	1,480.50	-
Dividend Distribution Tax Paid	-	-
Increase in Working Capital Loan	-	-
Raising of Long Term & Other Borrowings (net)	48.56	(336.08)
NET CASH FROM FINANCING ACTIVITIES	1,260.54	(629.69)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	22.26	(70.40)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	22.93	93.33
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	45.18	22.93
CASH ON HAND	5.25	5.73
BALANCES WITH SCHEDULE BANK IN CURRENT ACCOUNT	39.93	17.20
CASH & BANK BALANCE AS PER BALANCE SHEET	45.18	22.93

As per our Audit Report of even date

For A.L.Thakkar & Co.

Chartered Accountants

FRN: 120116W

Sanjiv Shah

Partner

Membership No. : 42264

Place : Ahmedabad

Date : 30.05.2017

For and on behalf of the Board

Sanjay S. Shah

Managing Director

Jhonny G. Kudilil

CFO

Rita S. Shah

Whole Time Director

Pratixa S. Seju

Company Secretary

Place : Ahmedabad

Date : 30.05.2017

Note – 1

Significant Accounting Policies & Notes on Accounts:**I) Significant Accounting Policies:****A) Basis of Preparation of Financial Statements****(i) Historical Cost Basis:**

The financial statements are prepared under the historical cost convention on accrual basis and going concern basis. These financial statements have been prepared as going concern and comply, in all material respects, with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014. The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

(ii) Use of Estimates:

The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to the contingent liability as at the date of the financial statements and reported amounts of income and expenses like provision for doubtful debts, allowances for slow or non moving inventories, useful lives of fixed assets, provision for taxation and provision of employee benefits, etc., during the period. Management believes the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates. Differences between the actual result and estimates are recognised in the period in which the results are known/ materialized.

B) Revenue Recognition:

(i) Revenue in respect of sale of products and services are recognised upon dispatch of products and the services rendered to the customers. Sales are stated at contractual realisable values, net of excise duty, value added tax and trade discount. Export Sales are shown on C.I.F. Basis, whenever contract is of C.I.F.

(ii) Export Incentives are accounted for on accrual basis.

(iii) All Known expenditure and income to the extent payable or receivable respectively and quantifiable till the date of finalization of accounts are accounted on accrual basis.

C) Fixed Assets and Depreciation:

(i) Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any other cost attributable for bringing the assets to its working condition for its intended use.

(ii) Depreciation on Tangible Fixed Assets is provided on straight line method over the useful lives of assets specified in Part C of Schedule II to the Companies Act 2013 read with the relevant notifications issued by the Department of Company affairs. Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

(iii) An assessment is done to determine whether there is any indication of impairment. An asset is treated as impaired when its carrying cost exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

D) Valuation of Investment

Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost price. Provision for diminution in the value of Long Term Investment is made only if; such decline is not temporary in nature in the opinion of the management.

E) Employees Benefits:**(i) Gratuity**

The company provides for Gratuity, a defined benefit retirement plan ("Gratuity Plan") covering eligible employees. The Gratuity Plan provides for lump sum payment to vested employees at retirement, death, incapacitation while in employment or on termination of employment, of an amount based on the respective employee's salary and tenure of employment of the company. Vesting occurs upon completion of five years of service. The

Sakar Healthcare Limited

company recognizes the net obligation of the gratuity plan in the Balance Sheet as asset or liability, respectively in accordance with Accounting Standard (AS) 15, "Employee Benefits". Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise. The company's overall expected long-term-rate-of-return on assets and discount rate have been determined by Actuarial Valuation.

F) Foreign currency transaction:

Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation and realised gains and losses on foreign exchange transactions, are recognised in the Profit and Loss Account. Further in respect of transaction covered by forward exchange contract, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Profit and Loss account over the period of the contract.

G) Provisions, Contingent Liabilities and Contingent Assets:

- i) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
 - a) The Company has a present obligation as a result of a past event.
 - b) A probable outflow of resources is expected to settle the obligation and
 - c) The amount of obligation can be reliably estimated
- ii) Contingent liability is stated in the case of:
 - a) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - b) A possible obligation, unless the probability of outflow of resources is remote.
 - c) Contingent liabilities are not recognized but are disclosed in the notes.
- iii) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.
- iv) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date in accordance with the Accounting Standard AS-29 on "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India.

H) Accounting for Taxes of Income:

- i) Current Tax
Provision for current income tax is made in accordance with provision of Income Tax Act 1961.
- ii) Deferred tax
Provision for deferred tax is calculated at the current rate of Income Tax rates enacted or substantially enacted as at the balance sheet date and is recognized on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred tax assets are recognised on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax on timing differences other than those referred above is recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such assets can be realised.

I) Valuation of Inventories

- (i) Raw Materials and Stock-in-process is estimated at cost, Finished Goods are valued at lower of cost or net realizable value. Cost of stock-in-process and finished goods include materials, labour, manufacturing overhead and other cost incurred in bringing the inventories to their present location.
- (ii) Stock of stores, spares, consumable and packing materials are valued at cost.

J) Borrowing Costs

Borrowing cost including interest, guarantee fees commitment charges etc., that is directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset up to period

the project is commissioned or asset is put to use. The borrowing cost incurred on common funds borrowed generally and used for the purpose of obtaining a qualifying asset, is apportioned on rational basis, the remaining borrowing cost is charged to revenue.

K) Excise/Custom Duty and Service Tax

Excise duty has been accounted on the basis of both payments made in respect of goods cleared from factory premises and also provision made for manufactured goods lying unsold at year end in factory premises.

L) Research and Development Expenditure

Revenue Expenditure in respect of Research and Development is charged to the Profit and Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the year in which it is incurred.

M) Prior Period Items and Extra - Ordinary Items

Adjustments arising due to errors or omission in the financial statements of earlier years are accounted under "Prior Period". Items of Income & Expenditure, which are not of recurring nature viz., damages due to floods, earth quakes etc. are disclosed as extra ordinary items.

N) Earnings Per Share

In determining the earnings per share, the Company considers the net profit after tax and extraordinary items and includes post-tax effect of any extraordinary items. The number of shares used in computing the earnings per share is the number of shares outstanding during the period. For computing diluted earnings per share, potential equity is added to the above number of shares.

O) General:

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

II) Notes on Accounts :

- 1) In the opinion of the management, the current assets, loans and advances are stated in the Balance Sheet at value realizable in the ordinary course of business.
- 2) Previous year's figures have been regrouped, reclassified and restated wherever necessary to make them comparable with current year's figure or for proper presentation.
- 3) Balance of Sundry creditors, debtors, loans and advances are subject to confirmation.
- 4) Segment Reporting

The Company operates within a solitary business segment i.e., manufacturing of pharmaceuticals, the disclosure requirements of Accounting Standard - 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India is not applicable.

- 5) Pursuant to Accounting Standard - 29. "Provisions, Contingent, Liabilities and Contingent Assets", the disclosure relating to contingent liabilities made in the accounts for the year ended 31st March, 2017 is as follows :

(a) Contingent Liabilities

	(Amount in Rs.)	
Particulars	2017	2016
Claims not acknowledge by the company in respect of :- Income Tax	NIL	15,750
6) Auditors' Remuneration:		
As Audit Fees	86250	85500
As others	—	—
Total	<u>86250</u>	<u>85500</u>
7) Director's Remuneration:		
Sanjay S. Shah	1235000	1105000
Ritaben S Shah	650000	520000
Aarsh S Shah	1170000	1040000

Sakar Healthcare Limited

8) Related Party Disclosures :

During the year the company entered into transaction with the related parties. Those transactions along with related balances as at 31st March, 2017 and for the year then ended are presented in the following table.

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2016-17		2015-16	
				Volume of transaction Rs.in Lakh	Balance at the end of the year Rs.in Lakh	Volume of transaction Rs.in Lakh	Balance at the end of the year Rs.in Lakh
1	Sanjay S. Shah	Managing Director	Remuneration and Perquisites	12.35	-	11.05	-
2	Sanjay S. Shah	Managing Director	Unsecured Loan	-	780.91	-	735.70
3	Rita S. Shah	Executive Director	Remuneration and Perquisites	6.50	-	5.20	-
4	Aarsh S. Shah	Jt. Managing Director	Remuneration and Perquisites	11.70	-	10.40	-
5	Ayushi S. Shah	Administrative Executive	Salary	5.20	-	5.20	-

1. List of related parties with whom transaction have taken place during the year along with nature and volume of transaction.

1. Sanjay S. Shah
2. Rita S. Shah
3. Aarsh S. Shah
4. Ayushi S. Shah

2. Transaction during the year with related parties

a. Unsecured Loan:

Balance as at 31.03.2017 Rs. 780.91 Lakh

b. Salary Paid Rs. 35.75 Lakh

c. Any other

9) Employee benefit plans

a) Defined Benefit Plans

- i) Actuarial gains and losses in respect of defined benefit plans are recognised in the statement of profit and loss.
- ii) The Company has an obligation towards gratuity, a defined benefit obligation. The Company makes lump sum payment to vested employees an amount based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

I. Expenses recognized during the year

(Rs. in Lakh)

Particulars	For the year ended March 31	
	2017	2016
Current service cost	0.71	0.85
Interest Cost	0.14	0.14
Expected return on plan assets	N.A	N.A
Net actuarial losses (gains)	0.11	0.16
Total	0.96	1.15

(Rs. in Lakh)

Particulars	For the year ended March 31	
	2017	2016
II. Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation at beginning of the year	9.46	9.46
Service cost	3.25	2.54
Interest Cost	0.54	0.40
Actuarial losses (gains)	0.62	0.51
Benefits paid	Nil	Nil
Defined benefit obligation at end of the year	13.87	12.91
III. Reconciliation of Opening and Closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	N.A	N.A
Expected return on plan assets	N.A	N.A
Actuarial gains and (losses)	N.A	N.A
Contributions by employer	N.A	N.A
Benefits paid	N.A	N.A
Fair value of plan assets at year end	N.A	N.A
IV. Reconciliation of the present value of defined benefit obligation and fair value of planned assets:		
Present value of defined benefit obligations at the end of the year	13.87	12.91
Fair value of plan assets at the end of the year	N.A	N.A
Net liability at the end of year	13.87	12.91
V. Actuarial Assumptions		
Mortality Table (LIC)	2.00 %	2.00 %
Discount Rate (per annum)	7.94 %	7.94 %
Expected Return on plan assets (per annum)	N.A	N.A
Rate of escalation in salary (per annum)	6.00 %	6.00 %
Withdrawal rates	3 %	3 %
Retirement age	58 Years	58 Years
i. The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.		
ii. Expected Rate of Return of Plan Assets: This is based on the expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of obligations.		
iii. Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
VI. Experience History		
Present value of defined benefit obligations at the end of the year	13.87	12.91
Fair value of plan assets at the end of the year		
Net liability at the end of year	13.87	12.91
b) Defined Contribution Plans.		
Contribution of Defined Contribution Plan, recognized as expense for the year as under:		
Employer's Contribution to Provident Fund	5.09	2.70
10) We are unable to categories the dues to small scale Industries (SSI) separately due to lack of information regarding the status of the creditors for goods outstanding as on the balance sheet date.		

Sakar Healthcare Limited

Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
NOTE 2 - SHARE CAPITAL		
Authorised		
1,20,00,000 Equity Shares of Rs. 10/- each	120,000,000	120,000,000
Issued, subscribed & paid up		
80,00,000 equity shares of Rs. 10/- each fully paid up	80,000,000	80,000,000
29,61,000 Equity Shares of Rs.10/- each fully paid up	29,610,000	
Total	109,610,000	80,000,000

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The details of shareholder holding more than 5% shares as at March 31, 2017 is set out below :

Name of the shareholder	No. of shares	% held as at March 31, 2017	No. of shares *	% held as at March 31, 2016
SANJAY S. SHAH	5867500	53.53%	4467500	55.84%
AARSH SHAH	1307500	11.93%	245000	3.06%

The reconciliation of the number of shares outstanding as at March 31, 2017 is set out below:

Particulars	As at 31/03/2017 Amount (Rs.)	As at 31/03/2016 Amount (Rs.)
Number of shares at the beginning	8,000,000	8,000,000
Add: Shares issued during the year	2,961,000	-
Number of shares at the end	10,961,000	8,000,000

NOTE 3 : RESERVES AND SURPLUS

Securities Premium Reserve		
Balance at the beginning of the year	16,000,000	16,000,000
Add: Addition during the year	118,440,000	-
Balance at the end of the year	134,440,000	16,000,000
Surplus		
Balance at the beginning of the year	95,823,465	73,644,391
Add: Net profit after tax transferred from Statement of Profit and Loss	33,782,909	22,179,074
Less: Utilisation of Revenue Reserve for DTL	(18,626,646)	-
Amount available for appropriation	110,979,728	95,823,465
Balance at the end of the year	110,979,728	95,823,465
Total	245,419,728	111,823,465

NOTE 4 : DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability arising on account of timing difference for depreciation		
Difference in Net Block of Asset as per Books and as per Income Tax Act, 1961	198,760,151	132,741,048
Total	198,760,151	132,741,048
Net	198,760,151	132,741,048
Deferred Tax Liability @ 32.445%	64,487,731	43,067,833

ANNUAL REPORT 2016-17

Particulars	As at 31/03/2017 Amount (Rs.)	As at 31/03/2016 Amount (Rs.)
NOTE 5 : LONG TERM BORROWING		
SECURED		
Term Loan From Schedule bank	80,975,935	80,641,156
(A)	80,975,935	80,641,156
UNSECURED		
Unsecured Loan	78,091,383	73,569,664
(B)	78,091,383	73,569,664
(A+B)	159,067,318	154,210,820
NOTE 6 : SHORT-TERM BORROWINGS		
SECURED		
Working Capital Loan From Bank	53,204,911	39,112,798
	53,204,911	39,112,798
NOTE 7 : TRADE PAYABLES		
Creditors for Goods	11,825,870	10,988,755
Creditors for Capital Goods and others	19,208,106	28,766,925
	31,033,976	39,755,680
NOTE 8 : OTHER CURRENT LIABILITIES		
Secured Loan Repayable within Twelve Months	32,393,316	27,845,000
Advance from Customers	1,178,687	8,119,239
For other liabilities	6,050,390	3,982,390
	39,622,393	39,946,629
NOTE 9 : SHORT-TERM PROVISIONS		
Provision for Gratuity	1,387,435	1,291,114
Provision for Income Tax (Net of Advance Tax)	2,040,263	1,886,797
	3,427,698	3,177,911

NOTE 10 : FIXED ASSETS

DESCRIPTION of ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK			
	Balance as on 1.4.16	Addition Before Six Month Year	Deduction After Six Month	Deduction During the year	Balance as on 31.03.17	up to 01.04.16	Provided During the year 31.03.17	Deduction During the year 31.03.17	Up To 31.03.17	As At 31.03.17	As at 31.03.16
Tangible Assets											
Air Conditioner	5,960,297	274,520	161,410	-	6,396,227	1,254,499	399,773	-	1,654,272	4,741,955	4,705,798
Boiler	1,903,110	-	-	-	1,903,110	768,822	90,398	-	859,219	1,043,891	1,134,288
Computer	6,061,269	930,255	884,838	-	7,876,362	4,523,986	2,354,330	-	6,878,316	998,046	1,537,283
D.G.Set	3,963,649	-	-	-	3,963,649	1,494,780	188,273	-	1,683,054	2,280,595	2,468,869
Cycle	2,132	-	-	-	2,132	2,132	-	-	2,132	-	-
Electric Installation	27,957,354	224,325	37,800	-	28,219,479	11,678,541	2,679,055	-	14,357,596	13,861,883	16,278,813
Factory Building	112,750,339	2,294,364	2,499,866	-	117,544,569	23,121,910	3,686,540	-	26,808,450	90,736,119	89,628,429
Factory Land	5,548,390	-	-	-	5,548,390	-	-	-	-	5,548,390	5,548,390
Furniture	14,603,400	5,999,366	3,197,677	-	23,800,443	4,506,255	2,109,152	-	6,615,407	17,185,036	10,097,145
Other Equipment	10,602,287	4,351,453	2,323,968	-	17,277,708	1,823,756	765,497	-	2,589,253	14,688,455	8,778,531
Telephone Instruments	235,202	58,500	47,400	-	341,102	64,880	30,153	-	95,033	246,069	170,322
Laboratory Instruments	19,950,916	6,135,998	7,954,720	-	34,041,634	5,182,219	2,856,106	-	8,038,325	26,003,309	14,768,697
Plant & Machinery	307,837,810	6,029,181	95,141,508	-	409,008,499	96,580,239	17,168,293	-	113,748,532	295,259,967	211,257,571
Scale	214,157	-	-	-	214,157	68,118	10,172	-	78,291	135,866	146,039
Vehicle	6,172,683	-	12,130,823	-	18,303,506	2,082,707	1,453,886	-	3,536,592	14,766,914	4,089,976
Trolley	2,164,138	-	-	-	2,164,138	278,840	102,797	-	381,636	1,782,502	1,885,298
Total	525,927,133	26,297,962	124,380,010	-	676,605,105	153,431,684	33,894,424	-	187,326,108	489,278,997	372,495,449
Previous year	487,927,747	20,020,018	17,979,368	-	525,927,133	126,096,115	27,335,570	-	153,431,685	372,495,448	361,831,632

Sakar Healthcare Limited

Particulars	As at 31/03/2017 Amount (Rs.)	As at 31/03/2016 Amount (Rs.)
NOTE 11 : LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Deposit (Gujarat Electric Board)	2,810,721	2,810,721
Deposit (Gas)	15,000	15,000
Saurashtra Enviro Projects Pvt. Ltd. Deposit	28,450	-
National Stock Exchange Deposit	1,480,000	-
	4,334,171	2,825,721
NOTE 12 : INVENTORIES		
(As taken, Valued & Certified by the Management)		
Raw Material/Packing Material / Stores & Consumables	33,119,709	33,359,985
Finished Goods / Stock in Process	36,455,514	31,111,305
	69,575,223	64,471,290
NOTE 13 : TRADE RECEIVABLES		
Debtors outstanding for more than six months		
Unsecured Considered good	-	-
Other Debts		
Unsecured Considered good	53,451,298	29,766,094
	53,451,298	29,766,094
NOTE 14 : CASH & BANK BALANCES		
CASH AND CASH EQUIVALENTS		
Cash on Hand		
Cash on Hand	525,224	572,477
Balances with Banks		
In Bank Accounts	3,993,268	1,720,154
	4,518,492	2,292,631
NOTE 15 : SHORT-TERM LOANS AND ADVANCES		
(Unsecured Considered Good)		
Excise Modvate A/c	19120490	13373880
Excise PLA A/c	3283910	1651175
MAT Credit Receivable	14061839	16853226
Advances Recoverable in cash or kind	637550	492250
Advance Payment For Materials&Capital Goods	31338434	374101
VAT Credit	12961573	5799014
Prepaid Expenses	946751	700306
	82,350,547	39,243,952
NOTE 16 : OTHER CURRENT ASSETS		
Issue Expenses to the Extent not written off	2365027	0
	2365027	0

ANNUAL REPORT 2016-17

Particulars	Year Ended 31/03/2017 Amount (Rs.)	Year Ended 31/03/2016 Amount (Rs.)
NOTE 17 : REVENUE FROM OPERATIONS		
Contract Sales	83,467,020	90,772,664
Direct Sales	358,241,330	321,487,449
	441,708,350	412,260,113
NOTE 18 : OTHER INCOME		
Interest Income	985,645	227,693
Export Incentive	4,831,382	1,836,295
Other Income	932,893	-
Exchange Rate Flucutation	591,042	-
	7,340,962	2,063,988
NOTE 19 : COST OF MATERIAL CONSUMED		
(A) Opening Stock of RM/PM & Stores and Consumables	33,359,985	35,353,926
Add: Purchases	227,954,867	216,766,380
Less: Closing Stock of RM/PM & Stores and Consumables	33,119,709	33,359,985
	228,195,143	218,760,321
NOTE 20 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock of Finished Goods / Stock in Process	31,111,305	32,027,406
Less: Closing Stock of Finished Goods / Stock in Process	36,455,514	31,111,305
	(5,344,209)	916,101
NOTE 21 : EMPLOYEE BENEFIT EXPENSES		
Salary and Bonus	55,151,175	44,034,395
Director's Remuneration	3,055,000	3,038,250
Contribution to Provident and other funds	508,585	270,301
E.S.I. Expenses	258,807	196,323
Gratuity	96,321	114,835
Staff Welfare Expenses	386,801	235,640
	59,456,689	47,889,744
NOTE 22 : FINANCE COSTS		
Bank Charges	1,981,245	959,501
Bank Interest	24,871,356	28,401,855
	26,852,601	29,361,356

Sakar Healthcare Limited

Particulars	Ye Ended 31/03/2017 Amount (Rs.)	Year Ended 31/03/2016 Amount (Rs.)
NOTE 23 : OTHER EXPENSES		
Advertisement Expenses	381,653	651,014
Audit Fees	86,250	85,500
Business Development Expenses	162,585	1,042,831
Commission Expenses	459,379	843,659
Courier & Postage Expenses	700,907	594,231
Electrical Expenses	781,100	505,394
Export Expenses	4,389,869	3,330,098
Exchange Rate Flucutation	-	901,140
Factory / General Expenses	792,788	783,637
Food & Refreshment Expenses	1,578,310	891,961
Freight Expenses	492,974	500,210
Hygenic Maintanance Expenses	746,448	818,708
Insurance Expenses	705,597	531,098
ISO Certificate Charges	29,900	19,665
Issue Expenses	591,257	1,562,012
Legal Expenses	-	10,000
Licence Charges	213,125	143,224
Loading & Unloading Charges	-	16,250
Membership Fees Expenses	79,146	47,359
Packing Expenses	1,033,359	1,239,253
Power & Fuel Expenses	23,496,514	31,768,194
Professional Fees Expenses	1,269,528	358,669
Professional Tax Expenses	2,400	28,790
Property Tax Expenses	38,958	33,280
R.O.C. Expenses	-	-
Repairs & Maintainance		
Machinery	763,483	1,363,434
Factory Building	655,879	1,473,534
Computer	153,161	373,025
Other	729,960	900,813
GMP Registration Charges	3,671,895	1,728,247
Product Registration Expenses	4,517,108	499,526
Service Tax Expenses	161,613	100,357
Stationery Expenses	1,299,559	951,599
Stores & Spares / Consumable Expenses	2,500,629	3,442,166
TDS Interest Expenses	7,081	24,603
Telephone / Mobile / Internet Expenses	662,052	564,213
Testing & Analysis / Laboratory Expenses	756,998	1,641,000
Travelling & Conveyance Expenses	2,980,859	1,097,283
Vatav & Kasar A/c	-	21,834
VAT Expenses	1,143	-
Security Expenses	411,950	-
Vehicle Expenses	460,243	390,677
	57,765,660	61,278,488
NOTE 24 : PRIOR PERIOD ITEMS		
Prior Period Exp.	17,743	176,037
	17,743	176,037
NOTE 25 : EARNINGS PER SHARE		
Face value of Equity Shares (Rs.)	10	10
Net Profit available for Equity Shareholders	33,782,909	22,179,074
No. of Equity Shares	10,961,000	8,000,000
Basic EPS (Rs.)	3.082	2.772
Diluted EPS (Rs.)	3.563	2.772

NOTE 26 :

The revised Schedule VI as notified under the Companies Act, 1956, has become applicable to the Company for presentation of its financial statements for the year ending March 31st, 2017. The adoption of the revised Schedule VI requirements has significantly modified the presentation and disclosures which have been complied with in these financial statements. Previous year figures have been reclassified in accordance with current year requirements.

NOTE 27 :

Related Party Disclosures

(Rs. in Lakh)

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2016-17		2015-16	
				Volume of transaction Rs.in Lacs	Balance at the end of the year Rs.in Lacs	Volume of transaction Rs.in Lacs	Balance at the end of the year Rs.in Lacs
1	Sanjay S. Shah	Managing Director	Remuneration and Perquisites	12.35	-	11.05	-
2	Sanjay S. Shah	Managing Director	Unsecured Loan	-	780.91	-	735.70
3	Rita S. Shah	Executive Director	Remuneration and Perquisites	6.50	-	5.20	-
4	Aarsh S. Shah	Jt. Managing Director	Remuneration and Perquisites	11.70	-	10.40	-
5	Ayushi S. Shah	Administrative Executive	Salary	5.20	-	5.20	-

NOTE 28 :

In the opinion of the board, Current Assets, Loans and Advances are approximately, stated at the value, if realised in ordinary course of business. Provisions for all known liabilities are provided for in full and the same are adequate and not in excess of the amount considered as reasonably necessary.

NOTE 29 :

Previous year figures have been rearranged/ regrouped wherever necessary to make them comparable with the figures of the current year.

As per our Audit Report of even date

For A.L.Thakkar & Co.

Chartered Accountants

FRN: 120116W

Sanjiv Shah

Partner

Membership No. : 42264

Place : Ahmedabad

Date : 30.05.2017

For and on behalf of the Board

Sanjay S. Shah
Managing Director

Rita S. Shah
Whole Time Director

Jhonny G. Kudilil
CFO

Pratixa S. Seju
Company Secretary

Place : Ahmedabad

Date : 30.05.2017

AGM VENUE MAP - 2017



SAKAR HEALTHCARE LIMITED

[CIN: L24231GJ2004PLC043861]

Registered Office: Block No. 10-13, Near M. N. Desai Petrol Pump, Sarkhej- Bavla Road, Village: Changodar,
District: Ahmedabad - 382 213

FORM MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):	
Registered Address:	
Email Id:	
Folio No./ DPID-Client ID:	

I/We, being the member (s) of Shares of the above named Company, hereby appoint:

1. Name:.....
Address:.....
.....
Email Id: Signature: or failing him
2. Name:.....
Address:.....
.....
Email Id: Signature:

as my/ our proxy to attend and vote for me as me/us and on my/ our behalf at the 13th Annual General Meeting of the Company, to be held on Wednesday, the 20th September, 2017 at 2.00 p.m. at the Registered Office of the Company at Block No. 10-13, Near M. N. Desai Petrol Pump Sarkhej- Bavla Road, Village: Changodar, District: Ahmedabad -382 213 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional	
		For	Against
Ordinary Business			
1	Ordinary Resolution for adoption of the Audited Financial Statements of the Company for the financial year ended 31 st March, 2017, the reports of the Board of Directors and Auditors thereon.		
2	Ordinary Resolution for re-appointment of Ms. Rita S. Shah, liable to retire by rotation and being eligible, offers herself for re-appointment.		
3	Ordinary Resolution for Ratification of Statutory Auditors of the Company.		
Special Business			
4	Special Resolution under Section 94 of the Companies Act, 2013 for authority to Link Intime India Private Limited (RTA) for maintaining Register of Members together with the Index of members of the Company and copies of Annual Returns.		

Signed this day of 2017

Signature of Shareholder

Signature of Proxy holder (1).....(2).....

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

If undelivered, please return to :

SAKAR HEALTHCARE LIMITED

[CIN: L24231GJ2004PLC043861]

Registered Office: Block No. 10-13, Near M. N. Desai Petrol Pump,
Sarkhej- Bavla Road, Village: Changodar,
District: Ahmedabad - 382 213