PROVIDING WORLD CLASS HEALTHCARE SOLUTIONS

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2020-21

ANNUAL REPORT

Sakar Healthcare Ltd.

Block No.: 10-13, Sarkhej-Bavla Highway, Changodar Dist., Ahmedabad - 382 213, Gujarat, India.

17th ANNUAL REPORT 2020-21

About us

Sakar established in 2004, is one the fastest growing pharmaceutical companies in India is engaged in manufacturing and marketing of premium medicines with a product portfolio of 155 formulations in more than 23 therapeutic areas.

The categories include dry powder injections, small volume parenterals in vials, ampoules, oral solid dosages (tablets and capsules), oral liquids, Lyophilized Injection (cake form) in vials.

Key Therapies: Proton pump Inhibitors, Vitamin, Anti- Malarial, Anti-infective

The company exports it own brands to 53 countries and has regulatory approvals from 15 countries/authorities. Exports is growing at a fast clip contributing nearly 73% of revenues while the balance is Contract manufacturing.

The company's wide product range of 23 therapeutic categories with complementary products lends itself very well to further expansion into Export markets with over 250 Marketing Authorisations.
Sakar has four state of the art manufacturing plants in Ahmedabad, Gujarat. The plants are working at a capacity utilization of less than 60%. The company expects huge operating leverage to kick in the coming years.

The company's Liquid & Lyophilized injectable facility received EU GMP approval in March 2020. This would drive rapid growth in sales in regulated markets in the future.
The company has achieved excellence in Lypholization which is evidenced by the fact that injectable contribute 60% of total sales.

Sakar is one of the very few companies in India that has set up a research-driven backwardly integrated Oncology manufacturing unit. Oncology is the fastest growing therapeutic with huge barriers of entry. This plant will go live in the second of half of this year.

Sakar Healthcare Ltd.

[CIN: L24231GJ2004PLC043861]

BOARD OF DIRECTORS

Mr. Sanjay S. Shah	Chairman & Managing Director
Mr. Aarsh S. Shah	Joint Managing Director
Ms. Rita S. Shah	Whole Time Director
Mr. Prashant C. Srivastav	Independent Director
Mr. Shailesh B. Patel	Independent Director
Mr. Hemendra C. Shah	Independent Director

MANAGEMENT TEAM

Mr. Jhonny G. Kudilil	Chief Finance Officer
Mr. Bharat S. Soni	Company Secretary

REGISTERED OFFICE & FACTORY :

Block No. 10/13, Village: Changodar, Sarkhej- Bavla Highway, Tal: Sanand,
Dist: Ahmedabad -382 213

STATUTORY AUDITORS :

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

SECRETARIAL AUDITORS :

M/s. Kashyap R Mehta & Associates Company Secretaries, Ahmedabad.

REGISTRAR & 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

THE CONTENTS

MESSAGE FROM THE CHAIRMAN

SANJAY SHAH
Chairman & Managing Director

Dear fellow Shareholders,

My warm greeting to you all!

I am very happy to interact with you as I present the annual report along with financial statements of your Company for the fiscal 2020-21.

The dramatic events of 2020 which have continued into 2021 have tested the world in ways few anticipated. These events also tested the resilience of our workforce, business, operations and our financial strength. While this has been a very challenging year it has made us and our business stronger, and we are very well prepared as we move into the next year.

Despite the economic slowdown and the unprecedented situation posed by CoVID-19, fundamentally the outlook for the India Pharmaceutical Industry remains positive. The long-term growth driven by higher pharma exports as countries across the globe increase their health spends remains intact.

In this tough business environment, your company has performed exceedingly well. Here are some key highlights:

- Sakar's topline for the fiscal 2020-21 grew by 14.17% to Rs. 94.74 crores from Rs. 82.98 crores compared with the same period a year ago primarily driven by exports to Asian & African countries.
- EBITDA increased by 11.79 % to Rs. 24.10 Cr. from Rs. 21.56 Cr.
- Net profit increased by 11.11% to Rs. 10.69 crores from Rs. 9.62 crores.

LOOKING INTO THE FUTURE

Sakar future growth would be driven by the following:

Increase High Margin Exports

Sakar's exports have grown by over 2.3 times in the last three years and is expected to continue to grow at a fast clip as the driven by company's push into regulated markets. The company last year received EU GMP for its Liquid & Lyophilized injectable facility which will open up regulated markets for it. Exports contribute 80% of company's EBITDA. In addition, with commencement of Oncology plant exports will get further fillip thus positively impacting margins across the board.

Oncology (anti-cancer) unit to drive exponential growth

Entry into the fastest growing therapeutic segment with high barriers to entry will give a big fillip to company's growth for the next many years. This state of the art manufacturing facility has been designed according to the USFDA standards and will help the company to sell its Onco products into regulated markets.

With strong business fundamentals, the company is very well placed to ride out the CoVID-19 storm. We will continue to innovate and adopt adapt to remain ahead of the curve.

Before concluding, on behalf of the Board and management, I would like to thank our shareholders, customers, distributors and other stakeholders for their continued support and trust in us. We would continue our endeavors to build a future-ready, dynamic and trustworthy organization which will help us achieve the next level of business growth and value creation.

It is an honor to serve you all.

With Warm Regards
Sd/-

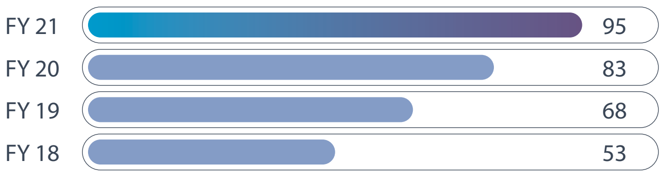
SANJAY SHAH
Chairman and Managing Director

GLOBAL PRESENCE & REGULATORY APPROVALS

Sr No	Country	Name of the Competent Authority	Certification
1	European Union	European Medical Agency (EMA)	GMP
2	Canada	Health Canada	GMP
3	Peru	Ministry of Health DIGEMID	GMP
4	Colombia	INVIMA	GMP
5	Kenya	Pharmacy and Poison Board	GMP
6	Ethiopia	Drug Administration and Control Authority	GMP
7	Nigeria	Ministry of Health	GMP
8	Uganda	National Drug Authority	cGMP
9	Zimbabwe	Medicines Control Authority	GMP
10	Yemen	Ministry of Public Health and Population	GMP
11	Ghana	Food & Drugs Board	GMP
12	Ivory Cost	Ministry of Health	GMP
13	Vietnam	Ministry of Health	GMP
14	Malawi	Pharmacy, Medicine and Poisons Board	cGMP
15	DR Congo	Ministry of Health	GMP
16	Cambodia	Ministry of Health	GMP
17	Philippines	Food & Drugs Administrations, FDA	GMP

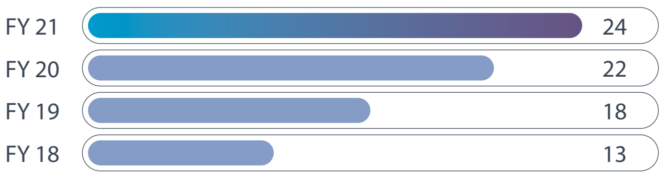
KEY PERFORMANCE INDICATORS

Sales (Crs)

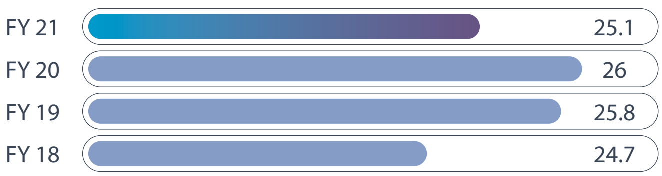


Sakar has delivered a very robust financial performance in the last three years. Its total sales grew by nearly 80% from Rs 53 cr in FY 2018 to Rs 95 cr in FY 2021.

EBITDA (Crs)

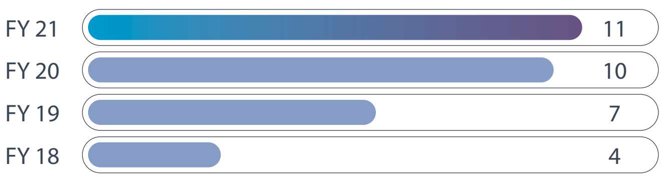


EBITDA Margin%



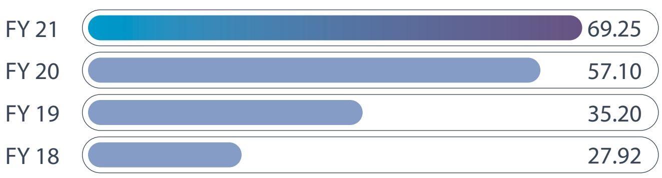
EBITDA also shot up by roughly 82% from Rs 13 cr in FY18 to Rs 24 cr in FY 21. EBITDA margins remained stable in a range of 25% to 26%.

Net Profit (Crs)



Net profit nearly tripled from Rs 3.81 cr in FY 2018 to Rs 10.7 cr in FY 2021.

Exports (Crs)



Exports contributed 73.1% of the company's net sales and grew approximately by 148% from FY2018 to FY2021.

In term of quantity and value Africa contributes the highest followed by South East Asian and Latin American markets.

With EU-GMP approval for Liquid and Lyophilized injection unit, exports to European markets has been initiated, new product registrations will contribute to the top line and bottom line significantly in future years.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 17TH ANNUAL GENERAL MEETING OF THE MEMBERS OF **SAKAR HEALTHCARE LIMITED** WILL BE HELD ON FRIDAY, THE 24TH SEPTEMBER, 2021 AT 2.00 P.M. IST THROUGH VIDEO CONFERENCING ("VC") /OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Stanalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2021, 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 interms of Section 152(6) of the Companies Act, 2013 and she being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable law, the remuneration of Rs. 50,000/- (Rupees Fifty Thousands only) plus GST & out-of-pocket expenses, if any, payable to M/s Dalwadi & Associates, Cost Accountants, Ahmedabad (Firm Registration No. 000338), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost accounting records of the Company for the financial year 2021-22, be and is hereby ratified and confirmed."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary to give effect to this resolution."

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

   "RESOLVED THAT pursuant to the provisions of Section 188, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company do hereby accord its approval to the re-appointment of Mr. Sanjay S. Shah as Managing Director of the Company, not liable to retire by rotation, for a period of 3 years with effect from 1st December,2021 to 30th November, 2024 on the terms and conditions and the remuneration (which have been approved by Nomination and Remuneration Committee) and that he be paid remuneration (even in the year of losses or inadequacy of profit) by way of Salary, perquisites and Commission not exceeding the amount thereof as set out in the Explanatory Statement which is permissible under Section II of Part II of Schedule V of the Companies Act, 2013."

   "RESOLVED FURTHER THAT the extent and scope of Salary and Perquisites as specified in the Explanatory Statement be altered, enhanced, widened or varied by the Board of Directors in accordance with the relevant provisions of the Companies Act, 2013 for the payment of managerial remuneration in force during the tenure of the Managing Director without the matter being referred to the Company in General Meeting again."

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

   "RESOLVED THAT pursuant to the provisions of Section 188, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company do hereby accord its approval to the re-appointment of Mr. Aarsh S. Shah as Joint Managing Director of the Company, liable to retire by rotation, for a period of 3 years with effect from 1st December, 2021 to 30th November, 2024 on the terms and conditions and the remuneration (which have been approved by Nomination and Remuneration Committee) and that he be paid remuneration (even in the year of losses or inadequacy of profit) by way of Salary, perquisites and Commission not exceeding the amount thereof as set out in the Explanatory Statement which is permissible under Section II of Part II of Schedule V of the Companies Act, 2013."

   "RESOLVED FURTHER THAT the extent and scope of Salary and Perquisites as specified in the Explanatory Statement be altered, enhanced, widened or varied by the Board of Directors in accordance with the relevant provisions of the Companies Act, 2013 for the payment of managerial remuneration in force during the tenure of the Joint Managing Director without the matter being referred to the Company in General Meeting again."

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

   "RESOLVED THAT pursuant to the provisions of Section 188, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company do hereby accord its approval to the re-appointment of Ms. Rita S. Shah as Whole Time Director of the Company, liable to retire by rotation, for a period of 3 years with effect from 1st December, 2021 to 30th November, 2024 on the terms and conditions and the remuneration (which have been approved by Nomination and Remuneration Committee) and that she be paid remuneration (even in the year of losses or inadequacy of profit) by way of Salary, perquisites and Commission not exceeding the amount thereof as set out in the Explanatory Statement which is permissible under Section II of Part II of Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the extent and scope of Salary and Perquisites as specified in the Explanatory Statement be altered, enhanced, widened or varied by the Board of Directors in accordance with the relevant provisions of the Companies Act, 2013 for the payment of managerial remuneration in force during the tenure of the Whole Time Director without the matter being referred to the Company in General Meeting again."

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

"RESOLVED THAT pursuant to provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') as amended from time to time,Mr. Hemendrakumar C. Shah (DIN – 00077654), an Independent Director of the Company, who was appointed as an Independent Director by the Board of Directors with effect from 28th September, 2020 pursuant to provisions of Section 161(1) of the Companies Act, 2013 as amended from time to time and in accordance with the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from 28th September, 2020 to 27thSeptember, 2025 considering the recommendation made by the Nomination and Remuneration Committee of the Company and approval of the Board of Directors in this regard."

8. To consider and if thought fit, to pass with or without modification[s], the following resolution as a **Special Resolution:**

"RESOLVED THAT in supersession of the Resolution passed at the Extra Ordinary General Meeting of the Company held on 16th December, 2013, the consent of the Company be and is hereby accorded under Section 179 and Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, to the creation by the Board of Directors on behalf of the Company of such mortgages, charges, hypothecations and floating charges in such form and such manner as may be agreed to between the Board of Directors and the Company's lenders on all or any of the movable & immovable properties of the Company both present and future of every nature and kind whatsoever and the undertaking of the Company in certain events, to secure term loans/ working capital facilities/External Commercial Borrowings/ Debentures/ any other form of finance etc. not exceeding Rs. 300 Crores (Rupees Three Hundred Crores only) at any one point of time from Financial Institutions/Banks and other agencies/ parties/person with interest thereon, commitment charges, liquidated damages, charges, expenses and other monies, such mortgages and/or charges already created or to be created in future by the Company in such manner as may be thought expedient by the Board of Directors."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to finalize the documents for creating the aforesaid mortgages and/or charges and to do all such acts, things and matters as may be necessary for giving effect to the above resolution."

9. To consider and if thought fit, to pass with or without modification[s], the following resolution **as a Special Resolution:**

"RESOLVED THAT in supersession of the resolution passed at the Extra Ordinary General Meeting of the Company held on 16thDecember, 2013 and pursuant to provisions of section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow monies for the purpose of business of the Company from any Bank, Financial Institution or any person, such sum or sums of monies as they may deem necessary, notwithstanding the fact that the monies so borrowed and the monies borrowed from time to time apart from temporary loans obtained by the Company exceed the aggregate of the paid up capital of the Company and its free reserves i.e. reserves not set apart for any specific purpose, provided that the total outstanding amount of such borrowings shall not exceed Rs. 300 Crores (Rupees Three Hundred Crores only) over and above the aggregate of the paid up capital of the Company and its free reserves at any time."

Registered Office :
Block No. 10/13, Village: Changodar,
Sarkhej- Bavla Highway,
Tal: Sanand, Dist: Ahmedabad -382 213
Date : 26th July, 2021

By Order of the Board,

Bharat S. Soni
Company Secretary & Compliance Officer

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Businesses in the Notice is annexed hereto.
2. In view of the continuing COVID-19 pandemic, the 17th Annual General Meeting (AGM) will be held on Friday, 24th September, 2021 at 2.00 p.m. IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in compliance with the applicable provisions of the Companies Act, 2013 read with Ministry of Corporate Affairs' (MCA) General Circular no. 14/2020 dated 8th April, 2020, MCA General Circular no. 17/2020 dated 13th April, 2020, MCA General Circular No. 20/2020 dated 5th May, 2020, MCA General Circular No. 22/2020 dated 15th June, 2020 and MCA General Circular No. 02/2021 dated 13th January 2021 and also SEBI circulars dated 12th May, 2020 and 15th January, 2021 and in compliance with the provisions of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The deemed venue for the 17th AGM shall be the Registered Office of the Company.
3. In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a pre-requisite and since this AGM is being held through VC / OAVM pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice**. Members have to attend and participate in the ensuing AGM though VC/OAVM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. Members of the Company under the category of 'Institutional Investors' are encouraged to attend and vote at the AGM through VC. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/ OAVM are requested to send to the Company on email Id- cs@sakarhealthcare.com, a certified copy of the Board Resolution/authorization letter authorising their representative to attend and vote on their behalf at AGM through E-voting.
5. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 79 dated 12th May, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website at www.sakarhealthcare.com, website of stock exchange i.e. National Stock Exchange of India Limited at www.nseindia.com and on the website of CDSL (agency for providing remote e-voting facility) at www.evotingindia.com. **Annual Report will not be sent in physical form.**
6. Members of the Company holding shares, either in physical form or in Dematerialised form, as on 6th August, 2021 will receive Annual Report for the financial year 2020-21 through electronic mode only.
7. The Register of Members and Share Transfer Books will remain closed from **18th September, 2021 to 24th September, 2021**(both days inclusive) for the purpose of Annual General Meeting (AGM).
8. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc, to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA) at its following address:

   Link Intime India Pvt. Ltd.,
   506-508, Amarnath Business Centre-1(ABC-1), Besides Gala Business Centre,
   Near St. Xavier's College Corner,
   Off C G Road, Ellisbridge, Ahmedabad - 380006
   Email id: ahmedabad@linkintime.co.in

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
10. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred/ traded only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized.
12. Members are requested to quote their Folio No. or DP ID/ Client ID, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Registrar and Share Transfer Agent.

13. Pursuant to the requirement of Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India, the brief profile/particulars of the Directors of the Company seeking their appointment or re-appointment at the AGM are stated at the end of the Explanatory Statement annexed hereto.
14. As the AGM is being held through VC/ OAVM, Members seeking any information with regard to the accounts or any documents, are requested to write to the Company at least 10 days before the date of AGM through email on cs@sakarhealthcare.com. The same will be replied / made available by the Company suitably.
15. The business set out in the Notice of AGM will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given at Note No. 20 of this Notice.
16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
18. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice under Note No. 21.
19. **Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:**
    a) For Physical & Demat shareholders- please provide necessary details like Folio No. / DP Id-Client Id, Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to our RTA, Link Intime India Private Limited on their Email id: ahmedabad@linkintime.co.in ; rnt.helpdesk@linkintime.co.in
    b) The RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.
20. **INFORMATION AND OTHER INSTRUCTIONS RELATING TO E-VOTING ARE AS UNDER:**
    a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business set out in the Notice to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
    b) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 17th September, 2021.
    c) Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad has been appointed as the Scrutinizer to scrutinize the remote e-voting & e-voting process in a fair and transparent manner.
    d) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to the Stock Exchange viz. National Stock Exchange of India Limited.
    e) **<u>The instructions for members for remote e-voting are as under:</u>**
        1. The remote e-voting period begins on **at 9.00 a.m. on Tuesday, the 21st September, 2021 and ends at 5:00 p.m. on Thursday, the 23rd September, 2021**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **17th September, 2021**may cast their vote electronically (i.e. by remote e-voting). The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
        2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
        3. Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

        In order to increase the efficiency of the voting process, all the Demat account holders, by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants, able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Pursuant to said SEBI Circular, **login method for e-Voting and joining virtual meetings for Individual Members holding securities in Demat mode** is given below:

Type of Members	Login Method
Individual Members holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the E voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Members holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Members (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

f) Login method of e-Voting for Members other than individual Members & physical Members:

1. The shareholders should log on to the e-voting website www.evotingindia.com
2. Click on "Shareholders" module.
3. Now, fill up the following details in the appropriate boxes:

User ID	a. For CDSL: 16 digits Beneficiary ID
	b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
	c. Members holding shares in Physical Form should enter Folio Number registered with the Company

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip / communicated by mail indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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

h) Members holding shares in physical form (if any) will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

j) Click on the EVSN for SAKAR HEALTHCARE LIMITED.

k) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

l) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

m) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

o) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

p) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

q) **Note for Non – Individual Members and Custodians:**

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the 'Corporates' module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address- cs@sakarhealthcare.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

The instructions for members for e-voting during the AGM are as under:

(i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

(ii) Only those members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

(iii) If any Votes are cast by the members/shareholders through the e-voting available during the AGM and if the same members/shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such members/shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

(iv) Members/Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.In case any Member who had voted through Remote E-voting, casts his vote again at the E- Voting provided during the AGM, then the Votes cast during the AGM through E-voting shall be considered as Invalid.

If you have any queries or issues regarding attending AGM & e-Voting from the e-voting system, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact CDSL officials viz. Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

21. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

a) Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

b) Members/Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

c) Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

e) Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at Company's email id- cs@sakarhealthcare.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@sakarhealthcare.com. These queries will be replied by the Company suitably by email.

f) Those members/shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

g) Members may attend the AGM, by following the invitation link sent to their registered email ID. Members will be able to locate Meeting ID/ Password/ and JOIN MEETING tab. By Clicking on JOIN MEETING they will be redirected to Meeting Room via browser or by running Temporary Application. In order to join the Meeting, follow the step and provide the required details (mentioned above – Meeting Id/Password/Email Address) and Join the Meeting.

h) Members who are desirous of attending the AGM through VC/OAVM and whose email IDs are not registered with the RTA of the Company/DP, may get their email IDs registered as per the instructions provided in point No. 19 of this Notice.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS MENTIONED IN THE NOTICE OF 17TH ANNUAL GENERAL MEETING DATED 26TH JULY, 2021

In respect of Item No. 3:

The Board of Directors of the Company, on the recommendation of the Audit Committee, appointed that M/s. Dalwadi& Associates, Cost Accountants, Ahmedabad (Firm Registration No. 000338), as Cost Auditors for the financial year 2021-22.

As per Section 148 of Companies Act, 2013 and applicable rules there under, the remuneration payable to the cost auditors is to be ratified by the members of the Company.

The Board considers the remuneration payable to the cost auditors as fair and recommends the resolution contained in item no. 3 of the notice for approval of 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.

The Board recommends the resolution for your approval as an Ordinary Resolution.

In respect of Item No. 4:

Shareholders are being informed that the Board of Directors, on the recommendation of Nomination and Remuneration Committee, in their meeting held on 26th July, 2021 have reappointed Mr. Sanjay S. Shah as Managing Director for a period of 3 years i.e. from 1stDecember, 2021 to 30thNovember, 2024 subject to approval of members.

The major terms of the remuneration of Managing Director are as under:

I. PERIOD:

The term of the Managing Director shall be for a period of three years from 1stDecember, 2021 to 30th November, 2024.

II. REMUNERATION:

A. SALARY:

The Managing Director shall be entitled to monthly salary up to Rs. 7,00,000/-.

B. PERQUISITES:

1. House rent allowance @ 10 % of salary.
2. Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or together are not taxable under the Income tax Act, 1961.
3. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
4. Encashment of leave at the end of the tenure.
5. Reimbursement of Medical expenses for himself and family.
6. Free use of Company's car for Company's business and free telephone facility at residence.
7. Leave Travel Concession for himself and family once in a year as per rules of Company.

C. COMMISSION:

The Managing Director shall be entitled to commission of 1 % of the net profits of the Company so that for any year of aggregate of salary, perquisites and commission shall not exceed the overall ceilings laid down under Section 197 of the Companies Act, 2013.

III. The Managing Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

IV. DUTIES:

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Managing Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time. The headquarter of the Managing Director shall be at Ahmedabad or at such place as the Board of Directors may decided from time to time.

V. TERMINATION:

The Managing Director may be removed from his office for gross negligence, breach of duty or trust if the Company in its General Meeting to that effect passes a special Resolution. The Managing Director may resign from his office by giving 90 days' notice to the Company.

VI. COMPENSATION:

In the event of termination of office of Managing Director takes place before the expiration of tenure thereof, Managing Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 202 of the Companies Act, 2013.

The following are the information required under Section II of Part II of Schedule V of the Companies Act, 2013:

Sr. No		Particulars	Information
I		**GENERAL INFORMATION**	
	1	Nature of industry	Pharmaceutical and plastic industry
	2	Date or expected date of commencement of commercial production	Already Commenced
	3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
	4	Financial performance based on given indicators	Rs. 95.91 Crore turnover (2020-21)
	5	Foreign investments or collaborations, if any.	NIL
II		**INFORMATION ABOUT THE APPOINTEE**	
	1	Background details	Master of Business Administration
	2	Past remuneration	Rs. 22.75 lakh p.a. including Perquisites
	3	Recognition or awards	-
	4	Job profile and his suitability	Experience of more than a decade in the field of pharmaceutical, mineral water and plastic industry
	5	Remuneration proposed	Up to Rs. 7.00 lakh p.m. + Perquisites
	6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t the country of his origin.)	Remuneration is in commensurate with experience & qualifications.
	7	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Mr. Sanjay S. Shah is the Managing Director of the Company.
III		**OTHER INFORMATION**	
	1	Reasons of loss or inadequate profits	High Interest Cost High Market competition
	2	Steps taken or proposed to be taken for improvement	Rationalisation of existing product Range and Opening new Markets
	3	Expected increase in productivity and profits in measurable terms	Turnover expected to increase
IV		**DISCLOSURES**	
	1	The following disclosure shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any , attached to the Financial Statement:	Yes
	(i)	All elements of remuneration package such as salary, benefits, bonuses, stock, stock options, pension, etc., of all the directors;	As mentioned above
	(ii)	Details of fixed component and performance linked incentives along with the performance criteria;	No performance linked incentives.
	(iii)	Service contracts, notice period, severance fees;	90 days' Notice.
	(iv)	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable;	N.A.

The following is the details of interest of Directors/ Key Managerial Personnel/ Relative of Director/ Relative of Key Managerial Personnel:

Sr. No	Category	Name of Interested Director / KMP	Financial Interest	Non- Financial Interest
1.	Director	Mr. Sanjay S. Shah	Relates to his reappointment as Managing Director, he may be deemed to be concerned or interested in the business	
2.	Key Managerial Personnel	-	-	-
3.	Relative of Director	Mr. Aarsh S. Shah Ms. Rita S. Shah	Relates to reappointment of Mr. Sanjay S. Shah as Managing Director, who is relative and, therefore, they both may be deemed tobe concerned or interested in the business	
4.	Relative of Key Managerial Personnel	-	-	-

The Board recommends the resolution for your approval as a Special Resolution.

In respect of Item No. 5

Shareholders are being informed that the Board of Directors, on the recommendation of Nomination and Remuneration Committee, in their meeting held on 26th July, 2021 have reappointed Mr. Aarsh S. Shah as Joint Managing Director for a period of 3 years i.e. from 1stDecember, 2021 to 30th November, 2024 subject to approval of members.

The major terms of the remuneration of Joint Managing Director are as under:

I. PERIOD:

The term of the Joint Managing Director shall be for a period of three years from 1stDecember, 2021 to 30th November, 2024.

II. REMUNERATION:

A. SALARY:

The Joint Managing Director shall be entitled to monthly salary up to Rs. 6,00,000/-.

B. PERQUISITES:

1. House rent allowance @ 10 % of salary.
2. Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or together are not taxable under the Income tax Act, 1961.
3. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
4. Encashment of leave at the end of the tenure.
5. Reimbursement of Medical expenses for himself and family.
6. Free use of Company's car for Company's business and free telephone facility at residence.
7. Leave Travel Concession for himself and family once in a year as per rules of Company.

C. COMMISSION:

The Joint Managing Director shall be entitled to commission of 1 % of the net profits of the Company so that for any year of aggregate of salary, perquisites and commission shall not exceed the overall ceilings laid down under Section 197 of the Companies Act, 2013.

III. The Joint Managing Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

IV. DUTIES:

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Joint Managing Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time. The headquarter of the Joint Managing Director shall be at Ahmedabad or at such place as the Board of Directors may decide from time to time.

V. TERMINATION:

The Joint Managing Director may be removed from his office for gross negligence, breach of duty or trust if the Company in its General Meeting to that effect passes a special Resolution. The Joint Managing Director may resign from his office by giving 90 days' notice to the Company.

VI. COMPENSATION:

In the event of termination of office of Joint Managing Director takes place before the expiration of tenure thereof, Joint Managing Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 202 of the Companies Act, 2013.

The following are the information required under Section II of Part II of Schedule V of the Companies Act, 2013:

Sr. No		Particulars	Information
I		**GENERAL INFORMATION**	
	1	Nature of industry	Pharmaceutical and plastic industry
	2	Date or expected date of commencement of commercial production	Already Commenced
	3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
	4	Financial performance based on given indicators	Rs. 95.91 Crore turnover (2020-21)
	5	Foreign investments or collaborations, if any.	NIL
II		**INFORMATION ABOUT THE APPOINTEE**	
	1	Background details	Master of Business Administration from University of Cardiff, UK
	2	Past remuneration	Rs. 22.75 lakh p.a. including Perquisites
	3	Recognition or awards	-
	4	Job profile and his suitability	Experience of 10 years in the field of pharmaceutical industry.
	5	Remuneration proposed	Up to Rs. 6.00 lakh p.m. + Perquisites
	6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t the country of his origin.)	Remuneration is in commensurate with experience & qualifications.
	7	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Mr. Aarsh S. Shah is the Joint Managing Director of the Company.
III		**OTHER INFORMATION**	
	1	Reasons of loss or inadequate profits High Market competition	High Interest Cost
	2	Steps taken or proposed to be taken for improvement	Rationalisation of existing product Range and Opening new Markets
	3	Expected increase in productivity and profits in measurable terms	Turnover expected to increase
IV		**DISCLOSURES**	
	1	The following disclosure shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report:	Yes
	(i)	All elements of remuneration package such as salary, benefits, bonuses, stock, stock options, pension, etc., of all the directors;	As mentioned above
	(ii)	Details of fixed component and performance linked incentives along with the performance criteria;	No performance linked incentives.
	(iii)	Service contracts, notice period, severance fees;	90 days' Notice.
	(iv)	Stock option details , if any , and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable;	N.A.

The following is the details of interest of Directors/ Key Managerial Personnel/ Relative of Director/ Relative of Key Managerial Personnel:

Sr. No	Category	Name of Interested Director / KMP	Financial Interest	Non- Financial Interest
1.	Director	Mr. Aarsh S. Shah	Relates to his reappointment as Joint Managing Director, he may be deemed to be concerned or interested in the business	
2.	Key Managerial Personnel	-	-	-
3.	Relative of Director	Mr. Sanjay S. Shah Ms. Rita S. Shah	Relates to reappointment of Mr. Aarsh S. Shah as Managing Director, who is relative and, therefore, they both may be deemed to be concerned or interested in the business	
4.	Relative of Key Managerial Personnel	-	-	-

The Board recommends the resolution for your approval as a Special Resolution.

In respect of Item No. 6

Shareholders are being informed that the Board of Directors, on the recommendation of Nomination and Remuneration Committee, in their meeting held on 26th July, 2021 have reappointed Ms. Rita S. Shah as Whole Time Director for a period of 3 years i.e. from 1st December, 2021 to 30th November, 2024subject to approval of members.

The major terms of the remuneration of Whole Time Director are as under:

I. PERIOD:

The term of the Whole Time Director shall be for a period of three years from 1stDecember, 2021 to 30th November, 2024.

II. REMUNERATION:

A. SALARY:

The Whole Time Director shall be entitled to monthly salary up to Rs. 4,00,000/-.

B. PERQUISITES:

1. House rent allowance @ 10 % of salary.
2. Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or together are not taxable under the Income tax Act, 1961.
3. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
4. Encashment of leave at the end of the tenure.
5. Reimbursement of Medical expenses for himself and family.
6. Free use of Company's car for Company's business and free telephone facility at residence.
7. Leave Travel Concession for herself and family once in a year as per rules of Company.

C. COMMISSION:

The Whole Time Director shall be entitled to commission of 1 % of the net profits of the Company so that for any year of aggregate of salary, perquisites and commission shall not exceed the overall ceilings laid down under Section 197 of the Companies Act, 2013.

III. The Whole Time Director shall be entitled to reimbursement of expenses incurred by her in connection with the business of the Company.

IV. DUTIES:

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Whole Time Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to her by the Board of Directors from time to time. The headquarter of the Whole Time Director shall be at Ahmedabad or at such place as the Board of Directors may decide from time to time.

V. TERMINATION:

The Whole Time Director may be removed from his office for gross negligence, breach of duty or trust if the Company in its General Meeting to that effect passes a special Resolution. The Whole Time Director may resign from his office by giving 90 days' notice to the Company.

VI. COMPENSATION:

In the event of termination of office of Whole Time Director takes place before the expiration of tenure thereof, Whole Time Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 202 of the Companies Act, 2013.

The following are the information required under Section II of Part II of Schedule V of the Companies Act, 2013:

Sr. No		Particulars	Information
I		**GENERAL INFORMATION**	
	1	Nature of industry	Pharmaceutical and plastic industry
	2	Date or expected date of commencement of commercial production	Already Commenced
	3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
	4	Financial performance based on given indicators	Rs. 95.91 Crore turnover (2020-21)
	5	Foreign investments or collaborations, if any.	NIL
II		**INFORMATION ABOUT THE APPOINTEE**	
	1	Background details	Science Graduate from Gujarat University
	2	Past remuneration	Rs. 6.50 lakh p.a. including Perquisites
	3	Recognition or awards	-
	4	Job profile and her suitability administrative operations of the Company.	Experience of 17 years in day to day
	5	Remuneration proposed	Up to Rs. 4.00 lakh p.m. + Perquisites
	6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t the country of his origin.)	Remuneration is in commensurate with experience & qualifications.
	7	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Ms. Rita S. Shah is the Whole Time Director of the Company.
III		**OTHER INFORMATION**	
	1	Reasons of loss or inadequate profits High Market competition	High Interest Cost
	2	Steps taken or proposed to be taken for improvement	Rationalisation of existing product Range and Opening new Markets
	3	Expected increase in productivity and profits in measurable terms	Turnover expected to increase
IV		**DISCLOSURES**	
	1	The following disclosure shall be mentioned in the Board of Director's report under the heading "Corporate Governance" , if any , attached to the annual report:	Yes
	(i)	All elements of remuneration package such as salary, benefits, bonuses, stock, stock options, pension, etc., of all the directors;	As mentioned above
	(ii)	Details of fixed component and performance linked incentives along with the performance criteria;	No performance linked incentives.
	(iii)	Service contracts, notice period, severance fees;	90 days' Notice.
	(iv)	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable;	N.A.

The following is the details of interest of Directors/ Key Managerial Personnel/ Relative of Director/ Relative of Key Managerial Personnel:

Sr. No	Category	Name of Interested Director / KMP	Financial Interest	Non- Financial Interest
1.	Director	Ms. Rita S. Shah	Relates to her reappointment as Whole Time Director, she may be deemed to be concerned or interested in the business	
2.	Key Managerial Personnel	-	-	-
3.	Relative of Director	Mr. Sanjay S. Shah Mr. Aarsh S. Shah	Relates to reappointment of Ms. Rita S. Shah as Whole Time Director, who is relative and, therefore, they both may be deemed tobe concerned or interested in the business	
4.	Relative of Key Managerial Personnel	-	-	-

The Board recommends the resolution for your approval as a Special Resolution.

In respect of Item No. 7:

Mr. Hemendrakumar C. Shah (DIN – 00077654) was appointed as an Independent Director of the Company by the Board of Directors of the Company w.e.f. 28th September, 2020 pursuant to provisions of Section 149 and 161 of the Companies Act 2013 to hold office upto the date of the ensuing Annual General Meeting.

The Company has received a Notice in writing from a Member of the Company under Section 160 (1) of the Companies Act, 2013 proposing the candidature of Mr. Hemendrakumar C. Shah for the office of Director of the Company.

In the opinion of the Board, Mr. Hemendrakumar C. Shah fulfils the conditions specified in the Companies Act, 2013 and SEBI - Listing Regulations for appointment as an Independent Director and is independent of the management of the Company.

Shri Hemendrakumar C Shah holds a Bachelor degree in Commerce and Law, Masters in Commerce (B.Com, LL.B, M. Com) as well as qualified Cost and Management Accountant (ACMA). He is also a Certified Associate of the Indian Institute of Bankers (CAIIB) as well as a qualified Company Secretary (ACS). His profile includes vast experience of more than 39 years in Finance, Cost & Management Accounting, Banking, Taxation, Secretarial, Legal, Insurance and other related matters.

Details of Mr. Hemendrakumar C. Shahare provided in the “Annexure” to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

In view of above and also considering the recommendation of Nomination and Remuneration Committee of the Company for appointment of Mr. Hemendrakumar C. Shah as Independent Director of the Company for a consecutive term of five years period w.e.f. 28th September, 2020 till 27th September, 2025, on basis of his skills, extensive and enriched experience in diverse areas and suitability to the Company and fulfilling the criteria of his independence under Section 149(6) of Companies Act, 2013 read with Schedule IV thereto and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the said Resolution No. 7 is being recommended by the Board of Directors to the members of the Company for their consideration and accord approval thereto by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Hemendrakumar C. Shah, relating to his own appointment, may be deemed to be concerned or interested in the Resolution stated at item No. 7 of the Notice.

In respect of Item No. 8:

Section 180(1)(a) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the company. In view of the resolution relating to borrowing powers stated in Item No. 9, the Company may have to create further charges/ mortgages in favour of the lenders. Therefore, a resolution enabling the Directors to create charges/mortgages on the movable/immovable properties of the Company to the extent of Rs.300 crores at any point of time is proposed.

Since the invocation of security / mortgage by the lender may be regarded as a disposal of the undertaking by the Company in favour of the Institutions / Banks, it is necessary for the members to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 before creation of the said charges / mortgages.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No.8 of this Notice, to enable to the Board of Directors to create charges/mortgages to secure the borrowings as mentioned in Item No. 8.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

In respect of Item No. 9:

The members of the Company at extra ordinary General Meeting held on 16th December, 2013 approved by way of an Ordinary Resolution under section 180(1)(c) of the Companies Act, 2013 for borrowing over and above the aggregate of the paid-up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amount already borrowed and outstanding at any point of time shall not be in excess of Rs. 300 Crores (Rupees Three Hundred Crores only), of aggregate of the paid-up share capital and free reserves of the Company.

Section 180(1)(c) of the Companies Act, 2013 effective from 12thSeptember, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's Bankers, etc. in the ordinary course of business, except with the approval of the Company accorded by a Special Resolution.

The Company borrows funds from the Banks and Financial Institutions for its business and considering the growth of the business, the Board is of the opinion that the Company may require to borrow additional funds for both organic and inorganic growth. In view of the requirements of the increased borrowings and to comply with the requirements of section 180(1)(c) or other applicable provisions of the Companies Act, 2013, the members of the Company shall pass a Special Resolution as set out at item No. 9 of the Notice, to enable the Board of Directors to borrow in excess of the aggregate of the paid-up share capital and free reserves of the Company. Approval of the members is being sought to borrow the money up to Rs. 300 Crores (Rupees Three Hundred Crores only) in excess of the aggregate of the paid-up share capital and free reserves of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out in the item No. 9.

Registered Office :
Block No. 10/13, Village: Changodar,
Sarkhej- Bavla Highway,
Tal: Sanand, Dist: Ahmedabad -382 213
Date : 26th July, 2021

By Order of the Board,

Bharat S. Soni
Company Secretary & Compliance Officer

BRIEF PARTICULARS/PROFILE OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT PURSUANT TO THE PROVISIONS OF REGULATION 26(4) & 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ISSUED BY ICSI:

Name of Directors	Mr. Hemendrakumar C. Shah	Mr. Sanjay Shah	Mr. Aarsh Shah	Ms. Rita Shah
Age (in years)	69	62	30	57
Date of Birth	02-05-1952	01-08-1959	16-02-1991	21-08-1964
Date of Appointment	28-09-2020	26-03-2004	01-06-2012	26-03-2004
Qualifications	B.Com, LL.B, M.Com, ACMA, CAIIB, ACS	MBA	MBA	Science Graduate
Experience / Expertise	Vast experience of more than 39 years in Finance, Cost & Management Accounting, Banking, Taxation Secretarial, Legal, Insurance and other related matters.	Experience of more than 29 years in the field of pharmaceutical, mineral water and plastic industry.	Experience of more than 10 years in the field of production, sales & marketing of pharmaceutical products.	Experience of more than 17 years in the field of administrative operations & management of the Company
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per the resolution at item nos. 4 to 7 of the Notice convening this Meeting read with explanatory statement thereto			
Remuneration last drawn by such person, if any.	-	Rs. 22.75 Lakh p.a. including perquisites	Rs. 22.75 Lakh p.a. including perquisites	Rs. 6.50 Lakh p.a. including perquisites
Shareholding in the Company	-	99,08,543 Equity Shares	13,07,500 Equity Shares	2,45,000 Equity Shares
Relationship with other Directors, Manager and other KMP of the Company	Not related to any Director/KMP	Sanjay S. Shah, Rita S. Shah and Aarsh S. Shah are related to each other		
Number of Meetings of the Board attended during the year	7	14	14	14
List of other Companies in which Directorships held	1. Deep industries Ltd. 2. Asian Granito India Limited 3. Denis Chem Lab Ltd. 4. Deep Energy Resources Limited 5. Optimized Solutions Ltd.	Bisil Plast Limited	-	Bisil Plast Limited
List of Private Limited Companies in which Directorships held	-	1. Sakar Oncology Private Limited 2. Sanjay Corporation Private Limited	1. Sakar Oncology Private Limited	2. Sanjay Corporation Private Limited
Chairman/Member of the Committees of Directors of other Companies Committee	1. Deep Industries Ltd.- Chairman in Audit Committee, Stakeholder Relationship Committee and Member in Nomination and Remuneration Committee 2. Deep energy resources Ltd. - Chairman in Audit Committee, Stakeholder Relationship Committee and Member in Nomination and Remuneration Committee	1. Bisil Plast Limited – member in Audit Committee 2. Bisil Plast Limited – member in Stakeholders' Relationship Committee	-	Bisil Plast Limited – Member in Stakeholders' Relationship Committee
Justification for choosing the appointee for appointment as Independent Directors	On the basis of their skills, performance evaluation, extensive and enriched experience in diverse areas and suitability to the Company.	N.A.		

DIRECTORS' REPORT

The Members,
Sakar Healthcare Limited,

Your Directors have pleasure in presenting the 17TH ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2020-21 ended 31st March, 2021.

1. FINANCIAL RESULTS AND OPERATIONS:

(Rs. in lakh)

Particulars	2020-21	2019-20
Sales and other Income	9591.46	8499.71
Profit before Interest and Depreciation	2378.30	2155.93
Less: Interest	248.25	225.26
Profit before Depreciation	2130.05	1930.67
Less: Depreciation	805.83	707.98
Profit before Taxation	1324.22	1222.69
Less: Provision for Taxation - Current	317.75	251.00
Less/ (Add): Provision for Taxation - Deferred	(62.73)	(2.74)
Less: Provision for Taxation - Previous year	-	12.15
Profit for the year	1069.20	962.28

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1st April, 2021 and date of this report.

During the year under review, the Company achieved turnover of Rs.9591.46lakh compared to Rs. 8499.71 lakh during 2019-20. The Company earned profit before interest, depreciation and tax of Rs. 2378.30 lakh during 2020-21 compared to Rs. 2155.93 lakh during 2019-20. After providing for interest, depreciation and taxes, the net profit for the year under review stood at Rs. 1069.20 lakh as compared to Rs. 962.28 lakh during 2019-20.

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. AWARDS AND RECOGNITIONS:

3.1 Winner of Best Pharmaceutical Products Manufacturer – 2020, India, by AI Global, Staffordshire, UK and awarded with Certificate and a Bespoke Crustal Trophy.

3.2 The Company has been honoured under BS 10 Leading Players in Healthcare Industry, 2019 by Business Sight Magazine.

4. COVID-19 PANDEMIC:

Global Pandemic, Covid – 19 has started to surface significantly by mid-March 2020 forcing government to take decisive rules including lockdown. Pharmaceutical Industry has got categorized under Essential Services and hence has been exempted from day – 1 of lockdown i.e. 25thMarch, 2020. Therefore the manufacturing plant functioning and business operations could be maintained all through this phase of back to back lockdowns, though there were few disturbances due to restricted manpower and material movement due to logistic irregularities and increased freight charges due to limited scope. The plant operations were smooth adhering to proper screening and social distancing once the directive has been delivered by the government health authorities. The Company has adopted well to this changing business environment and as there has been no restrictions in business due to categorization under Essential Services. The Company could continue exports to multiple countries following government guidelines.

5. ALLOTMENT OF EQUITY SHARES ON PREFERENTIAL BASIS TO PROMOTER & NON-PROMOTER:

The Company by obtaining necessary approval of members (through postal ballot process) has allotted 6,57,000 Equity Shares of Rs. 10/- each at premium of Rs. 110/- per Equity Shares on 27th February, 2021 to Promoter Mr. Sanjay S. Shah on Preferential Basis after complying provisions and guidelines under the Companies Act, 2013 and SEBI Regulations upon conversion of his Non Interest bearing unsecured Loan of Rs. Rs. 7,88,40,000/-. The Company also obtained approval of NSE for Listing & Trading of the said Equity Shares in due course of time. As required under Regulation 32(7A) of SEBI LODR Regulations, 2015, disclosure is herewith submitted that the object/purpose of the preferential issue is fully achieved by complying the conditions of the Banker by way of conversion of the non-interest bearing unsecured loans of Rs. 7,88,40,000/- of Promoter into Equity Shares of the Company.

Further, The Company by obtaining necessary approval of members (at the Extra Ordinary General Meeting) has allotted 15,00,000 Equity Shares of Rs. 10/- each at premium of Rs. 89/- per Equity Shares on 17th April, 2021 to Cobra India (Mauritius) Limited, Non-Promoter on Preferential Basis after complying provisions and guidelines under the Companies Act, 2013 and SEBI Regulations. The Company also obtained approval of NSE for Listing & Trading of the said Equity Shares in due course of time. The disclosure as required under Regulation 32(7A) of SEBI LODR Regulations, 2015, relating to utilization of funds would form part of the Annual Report for the year 2021-22 as the said allotment is made in the year 2021-22.

Post allotment of Equity Shares as aforesaid, the paid up Capital of the Company stood at Rs. 17.12 Crores divided into 1,71,18,000 Equity Shares of Rs.10/- each as on date of this report.

6. SHARE CAPITAL:

The Company by obtaining necessary approval of members (through postal ballot process) has increased its Authorised Share Capital from Rs.15,00,00,000/- to Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each by creation of additional 50,00,000 (Fifty Lakh) Equity Shares of Rs. 10/- each ranking pari-passu in all respect with the existing Equity Shares of the Companyand has complied with the necessary formalities in this regard.

The paid up Share Capital of the Company as on 31st March, 2021 was Rs. 15.62 Crore. As on 31st March, 2021, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity and none of the Directors of the Company hold any convertible instruments.

7. RESERVES:

The Company does not propose to transfer any amount to General Reserves.

8. DEMATERIALISATION OF EQUITY SHARES:

All the Equity Shares of the Company are in dematerialised form with either of the depository viz. NSDL and CDSL. The ISIN allotted to the Company is INE732S01012.

9. DIRECTORS & KEY MANAGERIAL PERSONNEL:

9.1 Mr. Shailesh B. Patel and Mr. Prashant C. Srivastav, at the 16th AGM held on 24th September, 2020, have been re-appointed as Independent Directors of the Company for a second consecutive term of 5 years from the conclusion of 16th AGM up to the conclusion of the 21st AGM.

9.2 One of your Directors viz. Ms. Rita S. Shah retires by rotation in terms of the Articles of Association of the Company. However, being eligible offers herself for reappointment.

9.3 Mr. Hardik P. Mehta has resigned as an Independent Director of the Companyw.e.f. 28th September, 2020.

9.4 The Board, based on the recommendations of the Nomination and Remuneration Committee, had appointed Mr. Hemendra C. Shah as Independent Director w.e.f. 28th September, 2020 to hold the office upto the date of forthcoming 17th Annual General Meeting (AGM). It is proposed to appoint Mr. Hemendra C. Shah as an Independent Directors, not liable to retire by rotation, for a term of five consecutive years w.e.f. 28th September, 2020 to 27th September, 2025.

9.5 Based on the recommendations of the Nomination and Remuneration Committee, it is proposed to re-appoint Mr. Sanjay S. Shah as Managing Director, Mr. Aarsh S. Shahas Joint Managing Director and Ms. Rita S. Shah as Whole Time Director of the Company for a period of 3 years from 1st December, 2021 to 30th November, 2024.

9.6 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. The Independent Director shall enroll his / her name in the Databank, being maintained by Indian Institute of Corporate Affairs to qualify as an Independent Director. The enrollment of Independent Directors has been completed and they have furnished the declaration affirming their compliance to the Board with the provisions contained under sub rule 1 & 2 of Rule 6 of Companies (Appointment & Qualification of Directors) Rules.

9.7 Brief profile of the Director who is being appointed or re-appointed as required under Regulations 36(3) of Listing Regulations, 2015 and Secretarial Standard on General Meetings is provided in the notice for the forthcoming AGM of the Company.

9.8 The Board of Directors duly met 14 times during the financial year under review.

9.9 Ms. Hema Advani resigned as Company Secretary & Compliance Officer of the Company w.e.f. 29th October, 2020. Mr. Bharat Soni has been appointed as Company Secretary & Compliance Officer of the Company w.e.f. 29th October, 2020.

9.10 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.

9.11 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, 2021 being end of the financial year 2020-21and 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.

10. 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.

11. MANAGERIAL REMUNERATION:

Sr. No.	Name of the Director & Designation	Remuneration for the year 2020-21 (Rs. In Lakh)	% increase over last year	Parameters	Median of Employees Remuneration	Ratio	Commission received from Holding/ Subsidiary
1	Sanjay S. Shah Managing Director	22.75	-	Higher responsibility and time involvement	360000	15.82 times	-
2	Rita S. Shah Wholetime Director	6.50	-	N.A.	360000	55.38 times	-
3	Aarsh S. Shah Joint Managing Director	22.75	-	Higher responsibility and time involvement	360000	15.82 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.

The Nomination and Remuneration Policyis available on the Company's website www.sakarhealthcare.com

12. KEY MANAGERIAL PERSONNEL:

12.1 % 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	-
2.	Rita S. Shah	Wholetime Director	-
3.	Aarsh S. Shah	Joint Managing Director	-
4.	Jhonny G. Kudilil	CFO	3.09
5.	Hema Advani*	Company Secretary	-
6.	Bharat Soni#	Company Secretary	-

* Resigned w.e.f. 29th October, 2020

Appointed w.e.f. 29th October, 2020

12.2 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.

13. PERSONNEL AND H. R. D.:

13.1 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 relationship between average increase in remuneration and Company's performance is as The number of Employees of the Company is 247 per the appropriate performance benchmarks and reflects short and long term performance objectives appropriate to the working of the Company and its goals.

13.2 PARTICULARS OF EMPLOYEES:

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

14. 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.

15. RELATED PARTY TRANSACTIONAND 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.

16. 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.**

17. CORPORATE GOVERNANCE AND MDA:

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,Report on Corporate Governance, Management Discussion and Analysis (MDA) and a certificate regarding compliance with the conditions of Corporate Governance are appended to the Annual Report as **Annexure - B**.

18. 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. The said Report is attached with this Report as **Annexure – C**.

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

19. WEB ADDRESS OF ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the draft Annual Return as on 31st March, 2021 is available on the Company's website www.sakarhealthcare.com.

20. AUDIT COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The details of various committees and their functions are part of Corporate Governance Report.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR):

As per provisions of 135 of the Companies Act, 2013 and Rules made thereunder, the Company has constituted a CSR Committee of Directors consisting of Mr. Sanjay S. Shah, Chairman, Mr. Aarsh S. Shah and Mr. Prashant C. Srivastav, as members and has laid down a CSR policy.

Some of the core areas identified by the Committee are Education, Health, Environment, women empowerment, Animal Welfare, Hungeretc. The Company spent Rs. 28.85 lakh towards CSR for the year 2020-21.

21.1 ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY:

As per Rule 8(1) of Companies (Corporate Social Responsibility Policy) Rules, 2014 the Annual Report on Corporate Social Activities has been attached herewith as **Annexure –D**.

22. GENERAL:

22.1 AUDITORS:

STATUTORY AUDITORS:

At the 16th Annual General Meeting held on 24th September, 2020 M/s. A. L. Thakkar & Co., Chartered Accountants, Ahmedabad were appointed as Statutory Auditors of the Company to hold office till the conclusion of 18th Annual General Meeting to be held in the year 2022.

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

COST AUDITORS:

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company has been carrying out audit of cost records every year.

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s. Dalwadi& Associates, Cost Accountants, (Firm Registration Number 000338) as Cost Auditor to audit the cost accounts of the Company for the financial year 2021-22.

As required under the Companies Act, 2013, a resolution seeking Shareholders' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

22.2 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.

22.3 DEPOSITS:

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

22.4 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 are monitored regularly with reference to statutory regulations and guidelines defined by the Company.

22.5 SUBSIDIARIES/ ASSOCIATES/ JVS:

The Company does not have any Associate / JVs.

The Company has a Subsidiary namely Sakar Oncology Private Limited. Further, a statement containing the salient feature of the financial statement of Subsidiary company under the first proviso to sub-section (3) of section 129 is appended as **Annexure - E**. Apart from this, the Company does not have any Subsidiary.

22.6 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.

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

There have 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.

22.8 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.

22.9 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.

22.10 GRATUITY:

The Company has made necessary provisions for the payment of Gratuity.

22.11 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.

22.12 SECRETARIAL STANDARDS:

The Company complies with the Secretarial Standards, issued by the Institute of Company Secretaries of India, which are mandatorily applicable to the Company.

23. INSIDER TRADING POLICY:

As required under the Insider Trading Policy Regulations of SEBI, your Directors have framed and approved Insider Trading Policy for the Company i.e. 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'Code of Conduct for Regulating Monitoring and Reporting of Trading by Designated Persons/Insiders'. The Policy is available on the company's website.

24. 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.

25. 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.

26. FINANCE:

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

26.2 The Company's Income tax Assessment has been completed upto the Assessment Year 2019-20.

27. ACKNOWLEDGEMENT:

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, Village: Changodar,
Sarkhej- Bavla Highway,
Tal: Sanand, Dist: Ahmedabad -382 213
Date : 26th July, 2021

For and on behalf of the Board,

Sanjay S. Shah
Chairman & Managing Director
DIN:01515296

Aarsh S. Shah
Jt. Managing Director
DIN: 05294294

ANNEXURE – A

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	Company has solar plant installed as alternate source of renewable energy to meet some portion of requirement of power which takes care of upto 30% of the total power requirement of the manufacturing plant.
Capital investment on energy conservation equipments	The Company has installed roof top solar power generation System of 425 KVA within its manufacturing facilities.

(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 developing and diversification of products by developing better drug delivery methods.
	(b) Benefits derived as a result of the above R&D	:	More products added to the list of products with improved drug delivery have been to cater to exports markets.
	(c) Future plan of action	:	Improved process development for the products through effective process & quality control.
	(d) Expenditure on R&D	:	During the year under review Rs. 697.76 Lakh has been incurred towards Research and Development.
2.	Technology absorption, adoption and innovation: The Company does not envisage any technology absorption.		

(C) FOREIGN EXCHANGE EARNINGS & OUTGO:

(Rs. in Lakh)

Particulars	2020-21	2019-20
Total Foreign exchange earnings	6279.86	4863.72
Total Foreign Exchange used	1794.13	69.19

Registered Office
Block No. 10/13, Village: Changodar,
Sarkhej- Bavla Highway,
Tal: Sanand, Dist: Ahmedabad -382 213
Date : 26th July, 2021

For and on behalf of the Board,

Sanjay S. Shah
Chairman & Managing Director
DIN:01515296

Aarsh S. Shah
Jt. Managing Director
DIN: 05294294

ANNEXURE – B

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The Directors, hereunder, present the Company's Report on Corporate Governance for the year ended 31st March, 2021& as on date.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability.

Effective Corporate Governance is the key element ensuring investor's protection; providing finest work environment leading to highest standards of management and maximization of everlasting long -term values. Your Company believes in the philosophy on practicing Code of Corporate Governance that provides a structure by which the rights and responsibility of different constituents such as the board, employees and shareholders are carved out.

A Report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 (Listing Regulation) is given below:

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors as on 31st March, 2021 and on the date of report is:

Name of Directors	Category of Directorship	No. of other Director-ships@	No. of Committee position in other Companies**		No. of Board Meetings attended during 2020-21	Attendance at AGM held on 24-09-2020 Yes(Y)/ No(N)
			Member	Chairman		
Mr. Sanjay S. Shah	Chairman & Managing Director	1	2	-	14	Y
Mr. Aarsh S. Shah	Joint Managing Director	-	-	-	14	Y
Ms. Rita S. Shah	Whole Time Director	1	1	-	14	Y
Mr. Shailesh Patel	Non-Executive Independent	-	-	-	14	Y
Mr. Prashant Srivastav	Non-Executive Independent	-	-	-	14	Y
Mr. Hardik Mehta*	Non-Executive Independent	-	-	-	7	Y
Mr. Hemendra C. Shah*	Non-Executive Independent	4	1	3	7	N.A.

@ Private Companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded

** for the purpose of reckoning the limit of committees, only chairmanship/membership of the AuditCommittee and Stakeholders' Relationship Committee has been considered.

*Mr. Hardik P. Mehta has resigned as an Independent Director of the Companyw.e.f. 28th September, 2020.

#Mr. Hemendra C. Shah has been appointed as anIndependent Director of the Company w.e.f. 28th September, 2020

b) Directorship in Listed Entities other than Sakar Healthcare Limited and the category of directorship as on 31st March, 2021, is as follows and on the date of this report:

Name of Director	Name of listed Company	Category of Directorship
Mr. Sanjay S. Shah	Bisil Plast Limited	Managing Director
Mr. Aarsh S. Shah	-	-
Ms. Rita S. Shah	Bisil Plast Limited	Director
Mr. Shailesh Patel	-	-
Mr. Prashant Srivastav	Arihant Institute Limited	Independent Director
Mr. Hemendra C. Shah	Deep Industries Limited Asian Granito India Limited Denis Chem Lab Limited Deep Energy Resources Limited	Independent Director

c) Relationships between directors inter-se:

Mr. Sanjay S. Shah, Mr. Aarsh S. Shah and Ms. Rita S. Shah are related to each other.

d) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors for a period from 1st April, 2020 to 31st March, 2021 were held 14 times on 16-04-2020, 05-06-2020, 25-06-2020, 13-07-2020, 25-07-2020, 29-07-2020, 17-08-2020, 28-09-2020, 29-10-2020, 28-11-2020, 21-01-2021, 05-02-2021, 27-02-2021 and 19-03-2021.

e) Shareholding of Non- Executive Directors as on 31st March, 2021:

No Non-Executive Directors hold any Equity Share or convertible securities in the Company.

f) Familiarisation Program for Independent Directors:

The details of the familiarization program are available on the Company's website – www.sakarhealthcare.com

g) Chart or Matrix setting out the skills / expertise / competence of the board of directors specifying the following:

The following is the list of core skills / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

Business Management & Leadership	Leadership experience including in areas of general management, business development, strategic planning and long-term growth.
Industry Domain Knowledge	Knowledge about products & business of the Company and understanding of business environment,
Financial Expertise	Financial and risk management, Internal control, Experience of financial reporting processes, capital allocation, resource utilization, Understanding of Financial policies and accounting statement and assessing economic conditions.
Governance & Compliance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

In the table below, the specific areas of focus or expertise of individual board members have been highlighted.

Name of Director	Business Leadership	Industry Domain Knowledge	Financial Expertise	Governance & Compliance
Mr. Sanjay S. Shah	Y	Y	Y	Y
Mr. Aarsh S. Shah	Y	Y	Y	Y
Ms. Rita S. Shah	Y	Y	Y	Y
Mr. Prashant C. Srivastav	Y	Y	Y	Y
Mr. Hemendra C. Shah	Y	Y	Y	Y
Mr. Shailesh B. Patel	Y	Y	Y	Y

Note - Each Director may possess varied combinations of skills/ expertise within the described set of parameters and it is not necessary that all Directors possess all skills/ expertise listed therein.

h) In accordance with para C of Schedule V of the Listing Regulations, the Board of Directors of the Company hereby confirms that the Independent Directors of the Company fulfill the conditions specified in the Regulations and are independent of the management.

i) In accordance with to Clause 2(j) of para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, disclosure is herewith submitted with respect to resignation of Mr. Hardik P. Mehtaas an Independent Directors of the Company during the year. Mr. Hardik P. Mehta resigned as an Independent Directors of the Company w.e.f 28th September, 2020 due to increased workload of his other professional commitments and he has confirmed in his resignation letter dated 28th September, 2020 that there are no other material reasons other than given here which is stated in his resignation letter.

3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors as on date of the Report:

Name of the Directors	Expertise	Terms of reference & functions of the Committee	No. of Meetings Attended during 2020-21
Mr.Prashant Srivastav, Chairman	Majority members are Non executive. Chairman is Independent Director and majority is independent. One member has thorough financial and accounting knowledge. management policies.	The functions of the Audit Committee are as per Company Law and Listing Regulations prescribed by SEBI which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk	4 of 4
Mr. Shailesh Patel			4 of 4
Mr. Sanjay S. Shah			4 of 4

The Audit Committee met 4 times during the Financial Year 2020-21. Pursuant to exemption provided in view of Covid Pandemic, vide SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19th March, 2020 the stipulated time gap of 120 days between two Audit Committee meetings held between the periods from 1st December, 2019 till 30th June, 2020 was exempted. The maximum gap between two meetings was not more than 120 days except during the exemption period provided by SEBI. The Committee met on 25-06-2020; 17-08-2020; 29-10-2020; and 05-02-2021. The necessary quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

4. NOMINATION & REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee consists of the following Directors as on the date of the Report.

Name of the Directors	Functions of the Committee	No. of meetings Attended during 2020-21
Mr. Shailesh Patel, Chairman	All members are Non executive. The Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.	During the year under review, meeting of Nomination & Remuneration Committee was held on 25-07-2020, 28-09-20 and 29-10-2020. All the members were present. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.
Mr. Prashant Srivastav		
Mr. Hemendra C. Shah#		
Mr. Hardik Mehta*		

*Mr. Hardik P. Mehta has resigned as an Independent Director of the Company w.e.f. 28th September, 2020.
#Mr. Hemendra C. Shah has been appointed as an Independent Director of the Company w.e.f. 28th September, 2020 and also appointed as Member of NRC.

Terms of reference and Nomination & Remuneration Policy:

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.

Performance Evaluation Criteria for Independent Directors:

The Board evaluates the performance of independent directors (excluding the director being evaluated) on the basis of the contributions and suggestions made to the Board with respect to financial strategy, business operations etc.

5. REMUNERATION OF DIRECTORS:

1. Mr. Sanjay S. Shah, Managing Director was paid Rs. 22.75 Lakh as managerial remuneration during the financial year 2020-21.
2. Mr. Aarsh S. Shah, Joint Managing Director was paid Rs. 22.75 Lakh as managerial remuneration during the financial year 2020-21.

3. Ms. Rita S. Shah, Whole Time Director was paid Rs. Rs. 6.50 Lakh as managerial remuneration during the financial year 2020-21.
4. The detailsof Sitting Fees paid forms part of financial statements.
5. No Commission or Stock Option has been offered to the Directors.
6. The terms of appointment of Managing Director / Whole-time Director are governed by the resolutions of the members and applicable rules of the Company. None of the Directors are entitled to severance fees.
7. Commission based on performance criteria, if any, as approved by the Board and subject to maximum limit specified in the Act.
8. The brief of Nomination and Remuneration Policy of the Company is given in Directors' Report which specifies the criteria of making payments to Non Executive Directors.
9. Service contract and notice period are as per the terms and conditions mentioned in their Letter of Appointments.
10. There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors except those disclosed in the financial statements for the financial year ended on 31st March, 2021 .

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board has constituted a Stakeholders' Relationship Committee for the purpose 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 as on the date of the Report:

1. Mr. Prashant Srivastav Chairman
2. Mr. Shailesh Patel Member
3. Mr. Aarsh Shah Member

The Company hadnotreceived any complaints during the year and thus, there is no complaint pending as on date. There was no valid request for transfer of shares pending as on 31st March, 2021.

Mr. Bharat S. Soni, Company Secretary is the Compliance Officer for the above purpose.

7. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2017-2018	20-09-2018	02.00 p.m.	Block No. 10/13, Village: Changodar, Sarkhej-Bavla Highway, Tal: Sanand, Dist: Ahmedabad – 382 213 **Special Resolution:** Authority to Board of Directors of the Company to invest under Section 186 of the Companies Act, 2013.
2018-19	18-09-2019	02.00 p.m.	Block No. 10/13, Village: Changodar, Sarkhej-Bavla Highway, Tal: Sanand, Dist: Ahmedabad – 382 213 **Special Resolutions:** 1. Re-appointment Mr. Sanjay S. Shah as Managing Director of the Company for a period of 3 years 2. Re-appointment Mr. Aarsh S. Shah as Joint Managing Director of the Company for a period of 3 years 3. Re-appointment Ms. Rita S. Shah as Whole Time Director of the Company for a period of 3 years
2019-20	24-09-2020	02.00 p.m.	Through VC/AOVM **Special Resolutions:** 1. Re-appointment of Mr. Shailesh B. Patel as an Independent Director of the company for a second term of 5 years 2. Re-appointment of Mr. Prashant C. Srivastav as an Independent Director of the company for a second term of 5 years

During the Financial year ended on 31st March, 2021 and as on date of this report, the Company has passed following Resolution through Postal Ballot, the details of which are given hereunder:

Sr. No	Date of approval of Shareholders	Resolutions passed by way of Postal Ballot
1	26th February, 2021 Special Resolution	Issue/ Offer/ Allotment of 6,57,000 Equity Shares of Rs. 10/- each at premium of Rs. 110/- per Equity Shares to Mr. Sanjay S. Shah, Promoter on Preferential Basis upon conversion of his Non Interest bearing unsecured Loan of Rs. Rs. 7,88,40,000/-
2	26th February, 2021 Ordinary Resolution	Increase in Authorised Share Capital from Rs.15,00,00,000/- to Rs. 20,00,00,000/- divided into 2,00,00,000 Equity Shares of Rs. 10/- each

Procedure Followed for Postal Ballot / E-voting:

I. In compliance with the Listing Regulations and Section 108, 110 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The members had the option to vote either by physical ballot ore-voting.

II. The Company dispatched the postal ballot notice containing draft resolutions together with the explanatory statements, postal ballot forms and self-addressed envelopes to the members whose names appeared in the register of members / list of beneficiaries as on the respective cut-off dates. The Company also published notices in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable rules.

III. Members were advised to carefully read the instruction sprinted on the postal ballot form before casting their vote and return the duly completed form in the attached self-addressed business reply envelope so as to reach the scrutinisers in case of members desiring to exercise their votes by physical postal ballot forms. Members voting through electronic mode were requested to follow the instructions fore-voting.

IV. The result of postal ballot/e-voting is placed at the website of the Company at www.sakarhealthcare.com, besides being communicated to the Stock Exchange.

Particulars	Postal Ballot
Date of Dispatch of Postal Ballot Notice	23rd January, 2021
Cut-off date for e-voting	15thJanuary, 2021
Date of publication in Newspaper	24th January, 2021
Postal Ballot voting/ E-voting period	28th January, 2021 to 26th February, 2021
Date of declaration of voting result	26th February, 2021

V. Mr. Bharat Soni, Company Secretary & Compliance Officer conducted the postal ballot exercise. Mr. Kashyap R. Mehta from M/s. Kashyap R. Mehta & Associates was appointed as scrutinizer for the postal ballot process.

Further, at present there is no proposal to pass any Special Resolution through Postal Ballot.

8. MEANS OF COMMUNICATIONS:

In compliance with the requirements of the Listing Agreement and SEBI (LODR) Regulations, the Company regularly intimates Unaudited / Audited Financial Results to the Stock Exchanges immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati). Results are also displayed on Company's website www.sakarhealthcare.com.

The reports, statements, documents, filings and any other information are electronically submitted to the recognized stock exchanges, unless there are any technical difficulties while filing the same. All important information and official press releases are displayed on the website for the benefit of the public at large.

During the year ended on 31st March, 2021, the Company's official investor presentations which are sent to the Stock Exchange are also made available on Company'swebsite.

9. GENERAL SHAREHOLDERS' INFORMATION:

a) Registered Office : Block No. 10/13, Village: Changodar, Sarkhej-Bavla Highway, Tal: Sanand, Dist: Ahmedabad – 382 213

b) Annual General Meeting :
Day Friday
Date 24th September, 2021
Time 12.00 Noon (IST)
Venue Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)
*Pursuant to MCA / SEBI Circulars.
For details please refer to the Notice to the AGM.

c) Financial Year : 1st April, 2020 to 31st March, 2021

d) Financial Calendar :
1st Quarter Results Mid - August, 2021
Half yearly Results Mid - November, 2021
3rd Quarter Results Mid - February, 2022.
Audited yearly Results End - May, 2022.

e) Book Closure : **From :** 18th September, 2021
To : 24th September, 2021
(Both days inclusive)

f) Dividend Payment Date : N.A.

g) Listing of Shares on Stock Exchanges : **National Stock Exchange of India Limited-Main Board**
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 001.
The Company has paid the annual listing fees for the financial year 2021-22 to the Stock Exchange.

h) Stock Exchange Code
Stock Exchange **Code / Symbol**
NSE Symbol SAKAR

i) Registrar and Share Transfer Agents : Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company:

Link Intime India Pvt. Ltd.
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
Email id: ahmedabad@linkintime.co.in

j) Share Transfer System : As the entire shareholding of the Company is in electronic form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.

k) Stock Price Data:
The shares of the Company were traded on the National Stock Exchange of India Limited. The information on stock price data, Nifty details are as under:

Month	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	NSE
April, 2020	59.00	45.95	28,722	9859.90
May, 2020	54.95	45.70	18,191	9580.30
June, 2020	76.30	46.10	3,31,857	10302.10
July, 2020	83.75	51.70	7,44,054	11073.45
August, 2020	83.00	53.65	8,11,653	11387.50
September, 2020	80.35	66.50	3,74,004	11247.55
October, 2020	96.00	69.50	9,56,372	11642.40
November, 2020	91.50	72.25	6,12,896	12968.95
December, 2020	107.30	81.50	13,26,064	13981.75
January, 2021	128.00	96.40	17,36,405	13634.60
February, 2021	109.55	84.60	7,36,153	14529.15
March, 2021	118.95	89.75	14,65,657	14690.70

l) Distribution of Shareholding as on 31st March, 2021:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 500	1389	75.33	1,55,273	0.99
501 to 1000	152	8.24	1,25,322	0.80
1001 to 2000	94	5.10	1,51,574	0.97
2001 to 3000	63	3.42	1,75,914	1.13
3001 to 4000	26	1.41	96,417	0.62
4001 to 5000	20	1.08	96,433	0.62
5001 to 10000	51	2.77	3,64,776	2.34
10001 & Above	49	2.65	1,44,52,291	92.53
Grand Total	**1844**	**100.00**	**1,56,18,000**	**100.00**

m) Category of Shareholders:

Category	As on 31-03-2021	
	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	11561043	74.02
Foreign Portfolio Investors	-	-
Financial Institutions/ Banks	-	-
Mutual Fund	-	-
Domestic Companies	1276630	8.17
Indian Public	2537740	16.26
NRIs & CM	242587	1.55
Foreign Corporate	-	-
Grand Total	**15618000**	**100.00**

n) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:

The Company has not issued any GDRs/ADRs or any other convertible securities.

o) Dematerialisation of Shares and liquidity: The Company's Equity Shares are traded compulsorily in dematerialised form and 100% of the Equity Shares are in dematerialised form. ISIN number for dematerialisation of the Equity Shares of the Company is INE732S01012.

p) Commodity Price Risks and Commodity Hedging Activities:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices.

q) Plant Location:

Block No. 10/13, Village: Changodar, Sarkhej-Bavla Highway, Tal: Sanand, Dist: Ahmedabad – 382 213

r) Address for Correspondence:

For Share transfers, transactions, change of address, non receipt of dividend or any other query relating to shares, Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at:

Link Intime India Pvt. Ltd.
5^{th} Floor, 506 to 508, Amarnath Business Centre – 1 (ABC-1),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner,
Off C. G. Road, Navrangpura,
Ahmedabad -380 006
Tel.: (079) 2646 5179
Email: ahmedabad@linkintime.co.in
Compliance Officer : Mr. Bharat S. Soni, Company Secretary

s) CREDIT RATINGS:

The Company has been rated as BBB (Stable) / A3+ assigned by M/s ICRA Limited Ratings assigned on 4th February, 2020.

10. MANAGEMENT DISCUSSION AND ANALYSIS:

a. Industry Structure and Developments:

The Indian Pharmaceutical Industry is 3rd Largest in volume and 13th Largest in terms of value in the world and is expected to grow at a CAGR of 11.34%, according to a recent report by the Indian Brand Equity Foundation (IBEF) by 2020. Branded Generics are expected to continue their dominance in the Indian Market, considering the various therapeutic categories they cover and the increase in population.

b. Opportunities and Threats (SWOT Analysis):

STRENGTHS:

- **Experienced Management Team (Collective Domain Experience):**

  Our Company has experienced diverse management team comprising excellent technical as well as business management skills. Over years we have delivered tremendous customer satisfaction through customization under the leadership of our senior management. Management team is well versed in functions like regulatory affairs, quality assurance, manufacturing, quality control, supply chain management, business development, sales and marketing, Human Resources and finance.

- **State of Art Manufacturing Facilities (WHO & Overseas Approvals):**

  Our Company has manufacturing facilities at Changodar, Ahmedabad, Gujarat which is built in accordance with the WHO's cGMP guidelines. Our company presently manufactures multiple formulations under various therapeutic segments and it is also multi adaptable. Our Company believes that its manufacturing facilities which have been equipped with latest technology and machineries enable it to lower overall production costs, improve process efficiencies and produce high quality products exported as per the required standards of various countries.

- **Modernized Technology (Lyophiliser):**

  Currently company has got techno-rich through inclusion of TOFFLON, make Lyophiliser with auto loading & unloading with ORABS. This updated freeze drier helps improving stability and hence efficacy of the products. The process of registering lyophilized products in overseas markets has been initiated, with commercialization from F.Y. 2017-18.

- **Wide Therapautic Segment (22 Categories):**

  We manufacture a wide range of products in the formulation segment encompassing Oral Solids, Oral Liquids, liquid/lyophilized/dry powder injections. Currently Company manufactures products covering 22 therapeutic categories which include: Antacid, Antimalerial, Anticoagulant, Laxative, Anthelmintic, Bronchodilator, Anaesthetic, Antidepressant, Sedative, Adrenergic, Anti-infective, Diuretics, Oxytocic, Analgesic, Antiemetic, Antipsychotic, Antifungal, PPI, Anticonvulsant, Anti-inflammatory, Antihistamine, Multi vitamins.

- **Strong Client Relationship (Over Decades):**

  Over a period of time, our Company has developed relationships including customers from leading Indian as well as multinational pharmaceutical companies. Our top five customers who have remained with us for over 5years have accounted for 45.40 % of our Company's net sales for the year ended March 31, 2021.These relationships have been further strengthened on account of recurring business from such existing customers. We believe our operating experience and relationship with our customers has helped us in getting further orders and move higher in the value chain with improvement in our results of operations.

- **Accreditation & World Wide Recognition:**

  Our Company has 321 product registrations in various countries. Registered Products are dispatched currently to these countries and distributed through channel partners. The manufacturing unit has been accreditated by regulatory authorities of 14 countries which includes Uganda, Kenya, Yemen, Ethiopia, Congo, Zimbabwe, Nigeria, Malawi, Philippines, Peru, Vietnam, Cote D'Ivoire.

WEAKNESS:

Few Local players at times disturb regular business flow through offering of notional benefits to the customers.

OPPORTUNITIES:

- **Migration to the Main Board:**

  Emerging Bigger through migration from SME Platform to Main Board at National Stock Exchange of India Limited from 11th April 2019. This Opportunity has enhanced company's credibility and provided encouragement for growth.

- **DSIR Approval:**

  Sakar in-house Research & Development unit has been recognised by Department of Scientific & Industrial Research operating as a part of Ministry of Science & Technology, India. This recognition is definitely an encouraging and motivational outcome of technical capabilities of Sakar in field of research works.

- **Expansion to Oncology:**

  The Company has incorporated a Wholly Owned Subsidiary (WOS) of the Company in the name of 'Sakar Oncology Private Limited' registered with the Registrar of Companies, Gujarat vide certificate of Incorporation dated 29th March, 2020. The said WOS has been incorporated for the new project of Oncology products. The Authorised Equity Share Capital & Paid up Equity Share Capital of Sakar Oncology Private Limited is Rs. 5,00,00,000/- and Rs. 1,00,000/- respectively.

  Entry into the fastest growing therapeutic segment with high barriers to entry will give a big fillip to company's growth for the next many years. This state of the art manufacturing facility has been designed according to the USFDA standards and will help the company to sell its Onco products into regulated markets.

THREATS:

The organisation constantly evaluates the probable threats due to changes in the regulatory norms, both in domestic and international arena, as well as the effects of restructuring of pricing regimen at any point of time. Both these factors can adversely affect the business revenue.

In addition declining phase of any product in its life-cycle may stagnate growth for the product business and hence the product basket has been made flexible across countries with multiple brands to nullify such effects, at any point of time.

c. Segment wise Performance:

The Company is operating in single segment. Hence, there is no need of reporting segment wise performance.

d. Recent Trend and Future Outlook:

India is now among the top 5 pharmaceutical emerging markets. This has given the necessary structure to the credibility of India make products; particularly when quality matters the most. Keeping the manufacturing unit and operations compliant to regulatory market requirements, company has ensured the standards for quality and presentation of the products which can draw attention internationally. Recent inclusion of lyophiliser has made it feasible to manufacture class products with advanced technology and enhanced stability. The strategic decision for future would be to extend the range of products with wider use across multiple countries, revisiting products with higher returns and marketing of lyophilized products for differentiation and growth.

e. Risks and Concerns:

There are a set of risk factors which have been evaluated. This includes competition, pricing and margins, investment rationale on products, country of export as all of these contribute to key decision making. A balance in contribution from countries, products and key accounts has thereby been assessed, with proper adherence to ever changing regulatory and environment, health and safety norms.

f. Internal Control Systems and their Adequacy:

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2020-21 will be described in the Directors' Report.

h. Material Developments in Human Resources and Industrial Relations Front:

Your Company has undertaken certain employees' development initiatives, which have very positive impact on the morale and team spirit of the employees. The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year. We are also concentrating on building up of our Human Resource Capital especially in our Sales Team by undertaking various R&D activities. We are also creating adequate support systems at our HO which will provide requisite knowledge and data to our sales team. These activities will lead to a more informed and motivated sales team.

i. **Key Financial Ratios:**

Key Ratios	FY 2020-21	FY 2019-20	Change %	Explanation, if required
Debtors Turnover	40 Days	36 Days	11%	The average receivable recovery days have been increased by 4 days.
Inventory Turnover	60 Days	93 Days	35%	The average inventory holding period has decreased by 33 days.
Interest Coverage Ratio	9.58	6.43	49%	The profit available to serve the interest payment has improved by 49% due to decrease in external borrowings from financial institutions and increase in profitability.
Current Ratio	1.01	1.52	(33.55%)	The current ratio has reduced compared to previous year due to increase in advances paid in respect of expansion of commercial operations.
Debt Equity Ratio	0.39	0.42	(7.14%)	The debt-equity ratio has improved due to decrease in external borrowings from financial institutions.
Operating Profit Margin (%)	22.48%	17.45%	28.83%	The operating profit has improved compared to previous year by 5.03%.
Net Profit Margin (%)	11.29%	11.60%	2.67%	The net-profit margin has deteriorated compared to previous year by 0.31%
Return on Networth	10.91%	11.83%	7.78%	The return on net-worth has improved compared to previous year by 0.92%

j. **Cautionary Statement:**

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

11. DISCLOSURES:

a. 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. The Company has no subsidiary.

b. There has neither been any non compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.

c. The Company has implemented Vigil Mechanism and Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee.

d. The Company is in compliance with all mandatory requirements under Listing Regulations. Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time to time.

e. The policy on related party transactions is disclosed on the Company's website viz.sakarhealthcare.com

f. Disclosure of Accounting Treatment:

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

The Financial Statements have been prepared on the historical costbasis, except for certain financial instruments (including derivative instruments) which are measured at fair values at the end of each reporting period, asexplained in the accounting policies below. Accounting policies have been consistently applied except where newly-issued accounting standard is initiallyadopted for a revision and existing accounting standard requires a change in accounting policy thereto in use.

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearestrupees, except numbers.

g. The Company has allotted 6,57,000 Equity Shares of Rs. 10/- each at premium of Rs. 110/- per Equity Shares on 27th February, 2021 to Promoter Mr. Sanjay S. Shah on Preferential Basis upon conversion of his Non Interest bearing unsecured Loan of Rs. 7,88,40,000/- after complying provisions and guidelines under the Companies Act, 2013 and SEBI Regulations. Except this, the Company has not raised any funds via Qualified Institutions Placement (QIP) or any such other means during the financial year 2020-21.

h. A Certificate from M/s. Kashyap R. Mehta & Associates, Practicing Company Secretaries to the effect that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been attached as Annexure –F.

i. During the financial year, the Board of Directors of the Company has not rejected any recommendation of any committee of the Board which was mandatorily required under the Companies Act, 2013 or the Listing Regulations.

j. The details of total fees for all services paid by the Company to the statutory auditor of the Company viz. M/s. A. L. Thakkar & Co., and all entities in the network firm/network entity of which the statutory auditor is a part are as follows:

	(In Lakh)	
Type of fee	**2020-21**	**2019-20**
Audit Fees	1.00	1.00
Other fees (specify)	-	-

k. disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars	No. of complaints
1	Complaints filed during the financial year	Nil
2	Complaints disposed of during the financial year	Nil
3	Complaints pending as at the end of the financial year	Nil

12. DETAILS OF NON COMPLIANCE CORPORATE GOVERNANCE REQUIREMENT:

There was no non-compliance during the year and no penalties were imposed or structures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority.

13. NON-MANDATORY REQUIREMENTS OF REGULATION 27 (1) & PART E OF SCHEDULE II OF THE LISTING REGULATIONS:

i. The quarterly/half yearly results are not sent to the shareholders. However, the same are published in the newspapers and also posted on the Company's website.

ii. The Company's financial statements for the financial year 2020-21 do not contain any audit qualification.

iii. The internal auditors report to the Audit Committee.

14. The Company is in compliance with the corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Regulations.

For and on behalf of the Board,

Registered Office
Block No. 10/13, Village: Changodar,
Sarkhej- Bavla Highway,
Tal: Sanand, Dist: Ahmedabad -382 213
Date : 26th July, 2021

Sanjay S. Shah
Chairman & Managing Director
DIN: 01515296

Aarsh S. Shah
Jt. Managing Director
DIN:05294294

DECLARATION

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31st March, 2021.

For and on behalf of the Board

Date : 26th July, 2021	**Sanjay S. Shah**	**Jhonny G. Kudilil**
Place : Ahmedabad	**Chairman & Managing Director**	**CFO**

CERTIFICATE

To,
The Members of
Sakar Healthcare Limited.

We have examined the compliance of conditions of Corporate Governance by Sakar Healthcare Limited, for the year ended on 31st March, 2021 and also up to the date of this report as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) / Listing Agreement (LA).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in LODR. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46, paraC, D and E of Schedule V and Part E of Schedule II of LODR.

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

FOR KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES
FRN: S2011GJ166500

KASHYAP R. MEHTA
PROPRIETOR
FCS: 1821
COP-2052 PR-583/2019
UDIN : F001821C000686221

Place : Ahmedabad
Date : 26th July, 2021

ANNEXURE – D

ANNUAL REPORT ON CSR ACTIVITIES

Sr No.	Particulars	Information
1	Brief outline on CSR Policy of the Company	In compliance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the Company has framed a CSR Policy. On recommendation of CSR Committee, the Board of Directors approved the CSR spending on sectors like Education & Promoting healthcare.
2	The Composition of the CSR Committee	

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sanjay S. Shah	Chairman, Managing Director	Two	Two
2	Mr. Aarsh S. Shah	Member, Jt. Managing Director	Two	Two
3	Mr. Prashant C. Srivastav	Member, Independent Director	Two	Two

Sr No.	Particulars	Information
3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.sakarhealthcare.com
4	The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year:	

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
		NIL	

Sr No.	Particulars	Information
6.	Average net profit of the company as per section 135(5).	Rs. 935.18 lakh
7.	a) Two percent of average net profit of the company as per section 135(5)	Rs. 18.70 Lakh
	b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
	c) Amount required to be set off for the financial year, if any	NIL
	d) Total CSR obligation for the financial year (7a+7b-7c).	Rs. 18.70 Lakh
8.	(a) CSR amount spent or unspent for the financial year 2020-21:	

Total Amount Spent for The Financial Year	Amount Unspent				
	Total Amount Transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 28.85 lakh	NIL	-	-	NIL	-

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Project duration	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135 (6)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year 2020-21:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for	Mode of Implementation Direct (Yes/ No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Registration number
	Promotion of Healthcare	Healthcare	Yes	Gujarat	Ahmedabad	Rs.28.85 lakh	No	Aadhar Foundation	See note below

*The applicability of obtaining CSR registration number is effective from the year 2021-22 as per Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 effective from 22-01-2021

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 28.85 lakh

(g) Excess amount for set off, if any: -

S.	Particulars	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 18.70 lakh
(ii)	Total amount spent for the Financial Year	Rs. 28.85 lakh
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 10.15 lakh
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 10.15 lakh

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section135 (6)	Amount Spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount Remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	

The Company had spent the requisite amount towards its CSR during the preceding three financial years and hence, there was no unspent amount of CSR in any of the these financial years.

(b)	Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):								
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**
	Sr No	**Project ID**	**Name of The Project**	**Financial Year in Which the project was Commenced**	**Project duration**	**Total amount allocated for the project**	**Amount spent on the project in the reporting Financial Year**	**Cumulative amount spent at the end of reportig Financial Year.**	**Status of the Project Completed/ Ongoing**
	Not Applicable								

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset socreated or acquired through CSR spent in the financial year: The company had not created or acquired any of the capital asset out of the CSR spent during the financial year and therefore the disclosure requirement relating to creation or acquisition of capital asset not applicable to the Company.

11 Specify the reason(s), if the company has failed to spend two per cent of the average net profitas per section 135(5): Not Applicable

For and on behalf of the Board,

Registered Office
Block No. 10/13, Village: Changodar,
Sarkhej- Bavla Highway,
Tal: Sanand, Dist: Ahmedabad -382 213
Date : 26th July, 2021

Sanjay S. Shah
Chairman of CSR Committee &
Managing Director
DIN: 01515296

Aarsh S. Shah
Jt. Managing Director
DIN:05294294

ANNEXURE - C

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

[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 Block No.10-13, Village: Changodar, Sarkhej-Bavla Highway, Tal: Sanand, Dist: 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 **whether electronically or otherwise** 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, 2021** 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, 2021 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, 2018

  (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, 2018; (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 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 above.

We further report that:

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

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

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:

(i) Duly passed a Special Resolution pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 at the 16th Annual General Meeting held on 24th September, 2020 for re-appointment Mr. Shailesh B. Patel as an Independent Director of the Company for a period of 5 years with effect from 24th September, 2020.

(ii) Duly passed a Special Resolution pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 at the 16th Annual General Meeting held on 24th September, 2020 for re-appointment Mr. Prashant C. Srivastav as an Independent Director of the Company for a period of 5 years with effect from 24th September, 2020.

(iii) Duly passed a Special Resolution (through Postal Ballot) on 26th February, 2021 pursuant to the provisions of section 42, section 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and SEBI Regulations & FEMA Regulations, to create, offer, issue and allot 6,57,000 Equity Shares on preferential basis to Mr. Sanjay S. Shah, Managing Director and Promoter of the Company at the face value of Rs. 10/- at a price of Rs. 120 per equity share including premium of Rs. 110/- per equity share aggregating to Rs. 7,88,40,000/- upon conversion of non-interest bearing unsecured loan.

We further report that the Company by obtaining approval of members on 26th February, 2021 through postal ballot process, increased its authorised Share capital from Rs. 15,00,00,000/- to Rs. 20,00,00,000/- divided into 2,00,00,000 equity shares of Rs. 10/- and has complied with the necessary formalities in this regard.

We further report that the Board of Directors of the Company in their meeting held on 27th February, 2021 has allotted 6,57,000 Equity Shares of Rs. 10/- each upon conversion of Unsecured Loan of Rs. 7,88,40,000/- into Equity Shares of the Company to Mr. Sanjay S. Shah, Managing Director and Promoter of the Company. The Company has complied with the necessary formalities in this behalf. The Company also obtained approval of NSE for Listing & Trading of the said Equity Shares in due course of time.

FOR KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES

KASHYAP R. MEHTA
PROPRIETOR
FRN: S2011GJ166500
FCS: 1821 COP-2052 PR-583/2019
UDIN : F001821C000686208

Place : Ahmedabad
Date : 26th July, 2021

Disclaimer: Due to restricted movement amid COVID-19 pandemic, we have conducted the assignment by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct. This Report is limited to the Statutory Compliances on laws / regulations /guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to Financial Year 2020-21. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time due to COVID-19 or still there is time line to comply with such compliances.

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.

ANNEXURE - 1

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 efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES

KASHYAP R. MEHTA
PROPRIETOR
FRN: S2011GJ166500
FCS: 1821 COP-2052 PR-583/2019
UDIN : F001821C000686208

Place : Ahmedabad
Date : 26th July, 2021

ANNEXURE – E

FORM AOC-I

Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014)

PART "A": SUBSIDIARIES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Subsidiary Companies.

Sr.No.	Particulars	Details
1.	Name of the subsidiary	Sakar Oncology Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2020 to 31st March, 2021
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share Capital	Rs. 1,00,000/-
5.	Reserves & surplus	(94,684)
6.	Total assets	7,77,851
7.	Total Liabilities	7,72,535
8.	Investments	Nil
9.	Turnover	Nil
10.	(Loss) before taxation	(94,684)
11.	Provision for taxation	Nil
12.	(Loss) after taxation	(94,684)
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

PART "B": ASSOCIATES AND JOINT VENTURES

The Company does not have any Associate companies/ JVs.

For and on behalf of the Board,

Registered Office
Block No. 10/13, Village: Changodar,
Sarkhej- Bavla Highway,
Tal: Sanand, Dist: Ahmedabad -382 213
Date : 26th July, 2021

Sanjay S. Shah
Chairman & Managing Director
DIN:01515296

Aarsh S. Shah
Jt. Managing Director
DIN: 05294294

Annexure –F

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of
the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Sakar Healthcare Limited
Block No. 10/13,
Village: Changodar, Sarkhej-Bavla Highway,
Tal: Sanand, Dist: Ahmedabad,
Changodar,
Ahmedabad – 382 213

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sakar Healthcare Limited** having CIN: L24231GJ2004PLC043861 and having registered office at Block No. 10/13, Village: Changodar, Sarkhej-Bavla Highway, Tal: Sanand, Dist: Ahmedabad, Changodar, Ahmedabad – 382 213 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment
1	Sanjay Surendra Shah	01515296	26-03-2004
2	Rita Sanjay Shah	01515340	26-03-2004
3	Shailesh Bhanubhai Patel#	01835567	01-04-2015
4	Prashant Chandraprakash Srivastav#	02257146	01-04-2015
5	Aarsh Sanjay Shah	05294294	01-06-2012
6	Hardik Pratik Mehta*	07153485	10-10-2015
7	Hemendrakumar C. Shah**	00077654	28-09-2020

#appointed as Independent Director of the Company for 2nd term of 5 consecutive years w.e.f. 28-09-2020
*resigned as Independent Director of the Company w.e.f. 28-09-2020
** appointed as Independent Director of the Company for period of 5 consecutive years w.e.f. 28-09-2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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
FRN: S2011GJ166500

KASHYAP R. MEHTA
PROPRIETOR
FCS: 1821 COP-2052 PR-583/2019
UDIN : F001821C000686186

Place : Ahmedabad
Date : 26th July, 2021

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
SAKAR HEALTHCARE LIMITED

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Sakar Healthcare Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, and the Statement of Profit and Loss ,including statement of other comprehensive income, cash flow statement and statement of changes in equity for the year then ended, and summary of significant accounting policies and other explanatory information (herein after to as "Ind AS Financial Statement")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rule, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, including total comprehensive income, the changes in equity and cash flows for the year ended as on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the auditor's responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than the standalone Ind AS financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the standalone Ind AS financial statements

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, Intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
   (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules 2015 as amended.

(e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

(h) 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 Ind AS 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Mitul Raval
Partner
M.No. 154759
UDIN : 21154759AAAABI2125

Place : Ahmedabad
Date : 31st May 2021

ANNEXURE - A TO THE INDEPENDENT AUDITORS’ REPORT

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2021, we report that:

(i) In respect of the Company’s fixed assets

(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) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.

(iii) According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable

(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 2021 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) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(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 Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, and based on our examination of the records of the Company, the company made private placement of 657000 numbers equity shares of face value 10/- each to be allotted at the premium of Rs.110/- per share during the year under review and in respect of which the company complied with section 42 of the Act and amount raised have been applied for the purpose for which the funds are raised.

(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 A.L.Thakkar & Co.,
Chartered Accountants
FRN : 120116W

Mitul Raval
Partner
M.No. 154759
UDIN : 21154759AAAABI2125

Place : Ahmedabad
Date : 31st May 2021

Annexure - B to Independent Auditors' Report of even date on the standalone Ind AS financial statement of the Sakar Healthcare Limited ("the Company")

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 31 March 2021 in conjunction with our audit of the standalone Ind AS 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 Ind AS Ind AS 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 standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In 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 2021, 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 A.L.Thakkar & Co.,
Chartered Accountants
FRN : 120116W

Mitul Raval
Partner
M.No. 154759
UDIN : 21154759AAAABI2125

Place : Ahmedabad
Date : 31st May 2021

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

Amount (Rs.)

Particulars	Notes	As at 31st March 2021	As at 31st March 2020
Assets			
Non-current assets			
Property, plant and equipment	3	68,36,69,565	62,40,75,327
Capital Work in Progress		48,92,21,921	13,09,52,537
Intangible assets	4	73,01,760	3,28,00,339
Non-current Investments	5	1,00,000	1,00,000
Financial assets			
- Loans and Advances	6	81,62,177	80,80,177
Other non-current assets	7	25,15,79,697	13,87,02,130
Total non-current assets		**1,44,00,35,120**	**93,47,10,510**
Current assets			
Inventories	8	15,69,73,208	10,93,33,243
Financial assets			
- Trade receivables	9	12,37,42,427	8,23,39,951
- Cash and cash equivalents	10	8,04,149	29,59,481
- Loans and Advances	11	7,72,035	7,57,351
Other current assets	12	5,56,91,124	2,11,32,571
Total current assets		**33,79,82,943**	**21,65,22,597**
Total assets		**1,77,80,18,063**	**1,15,12,33,107**
Equity and liabilities			
Equity			
Equity share capital	13	15,61,80,000	14,96,10,000
Other equity	14	82,84,36,611	66,35,86,560
Total equity		**98,46,16,611**	**81,31,96,560**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	15	38,45,01,803	12,47,21,461
Deferred Tax Liabilities	16	6,82,78,243	6,39,58,337
Provisions	17	79,31,035	69,76,412
Total non-current liabilities		**46,07,11,081**	**19,56,56,210**
Current liabilities			
Financial liabilities			
- Borrowings	18	1,69,24,036	2,26,31,525
- Trade Payables	19	19,77,98,483	5,44,05,966
- Other financial liabilities	20	2,45,45,935	1,96,20,753
Other current liabilities	21	6,36,82,233	3,01,73,458
Provisions	22	2,66,180	-
Current-tax liabilities	22	2,94,73,504	1,55,48,635
Total current liabilities		**33,26,90,371**	**14,23,80,337**
Total liabilities		**79,34,01,452**	**33,80,36,547**
Total equity and liabilities		**1,77,80,18,063**	**1,15,12,33,107**
Summary of significant accounting policies			

The accompanying notes form an integral part of these financials statements

As per our report of even date
For A.L.Thakkar & Co.
Chartered Accountants
Firm Registration No.: 120116W

Mitul Raval
Partner
Mem. No. 154759

Place : Ahmedabad
Date : 31st May, 2021

For and on behalf of the Board
Sakar Healthcare Limited

Sanjay S. Shah
Managing Director
DIN: 01515296

Aarsh S. Shah
Joint Managing Director
DIN: 05294294

Jhonny G. Kudilil
Chief Financial Officer

Bharat Soni
Company Secretary

Place : Ahmedabad
Date : 31st May, 2021

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Notes	For the year ended 31st March 2021	Amount (Rs.) For the year ended 31st March 2020
Income			
Revenue from operations	23	94,73,93,214	82,98,02,396
Other income	24	1,17,52,828	2,01,68,433
Total income		**95,91,46,042**	**84,99,70,829**
Expenses			
Cost of materials and services	25	52,01,87,056	42,89,75,977
Changes in inventories of finished goods and work-in-progress	26	(90,62,539)	15,07,247
Employee benefits expense	27	13,25,51,474	12,12,92,072
Finance costs	28	2,48,24,569	2,25,25,946
Depreciation and amortization expense	29	8,05,83,012	7,07,98,059
Other expenses	30	7,76,40,876	8,26,02,445
Total expenses		**82,67,24,448**	**72,77,01,746**
Profit before tax		**13,24,21,594**	**12,22,69,083**
Tax expense:			
Current tax		3,12,04,825	2,51,00,000
Tax of earlier periods		5,70,341	12,14,549
Deferred tax		(62,73,117)	(2,73,918)
Less: MAT credit entitlement			
Income tax expense		**2,55,02,049**	**2,60,40,631**
Profit for the year		**10,69,19,545**	**9,62,28,452**
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on defined benefit plans		6,42,493	(5,82,921)
Income tax related to item that will not be reclassified to profit and loss		(1,78,741)	1,62,169
Net other comprehensive (expense) not to be reclassified to profit or loss in subsequent periods		4,63,752	(4,20,752)
Total comprehensive income for the year		**10,73,83,297**	**9,58,07,700**

The accompanying notes form an integral part of these financials statements

As per our report of even date
For A.L.Thakkar & Co.
Chartered Accountants
Firm Registration No.: 120116W

Mitul Raval
Partner
Mem. No. 154759

Place : Ahmedabad
Date : 31st May, 2021

For and on behalf of the Board
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DIN: 05294294

Jhonny G. Kudilil
Chief Financial Officer

Bharat Soni
Company Secretary

Place : Ahmedabad
Date : 31st May, 2021

STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2021

Amount (Rs.)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit before Taxes	13,24,21,594	12,22,69,083
Adjustments:		
Depreciation	8,05,83,012	7,07,98,059
Interest Expense	2,32,13,595	2,10,51,984
Provision for Doubtfull Debts	29,357	-
Changes in Other Equity	(73,48,516)	-
Other Non-Cash Adjustment	(74,54,730)	-
Operating Cash flow before working capital changes	**22,14,44,312**	**21,41,19,126**
Changes in Working Capital		
Inventories	(4,76,39,965)	(4,07,70,040)
Financial assets		
- Trade receivables	(4,14,31,833)	1,26,90,284
- Loans and Advances	(14,684)	(7,57,351)
Other current assets	(3,45,58,553)	1,21,86,870
Financial assets		
- Loans and Advances	(82,000)	(55,35,575)
Financial liabilities		
- Short term Borrowings	(57,07,489)	-
- Trade Payables	2,59,00,964	1,11,93,521
Other current liabilities	3,35,08,775	1,06,36,967
Provisions	16,84,555	18,37,401
Cashflow from Operating Activity before Taxes	**15,31,04,082**	**21,56,01,203**
Net Tax Paid	(72,57,274)	(2,77,23,669)
Net Cash flow/(used) from/(in) Operating Activity	**14,58,46,808**	**18,78,77,534**
Cashflow from Investing Activity		
Purchase of Property, Plant & Equipments	(35,54,56,502)	(12,97,88,533)
Sale of Intangible Assets	-	(35,58,670)
Capital Advances	(11,28,77,567)	(8,99,48,271)
Investment in Subsidiary	-	(1,00,000)
Net Cash flow/(used) from (in) Investing Activity	**(46,83,34,069)**	**(22,33,95,474)**
Cashflow from Financing Activity		
Proceeds from issue of shares	7,88,40,000	43,760
Proceeds / (Repayment) of Borrowings	26,05,39,372	5,20,99,265
Interest Paid	(1,90,47,443)	(1,73,33,577)
Net Cash flow/(used) from/(in) Financing Activity	**32,03,31,929**	**3,48,09,448**
Net Cash Inflow / (Outflow)	**(21,55,332)**	**(7,08,492)**
Opening Cash and Cash Equivalent	29,59,481	36,67,973
Closing Cash and Cash Equivalent	**8,04,149**	**29,59,481**

(1) The Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 on Cash Flow Statements notified under section 133 of The Companies Act, 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

(2) Disclosure required under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is presented in note - 39

As per our report of even date

For A.L.Thakkar & Co.
Chartered Accountants
Firm Registration No.: 120116W

Mitul Raval
Partner
Mem. No. 154759
Place : Ahmedabad
Date : 31st May, 2021

For and on behalf of the Board
Sakar Healthcare Limited

Sanjay S. Shah
Managing Director
DIN: 01515296

Aarsh S. Shah
Joint Managing Director
DIN: 05294294

Jhonny G. Kudilil
Chief Financial Officer

Bharat Soni
Company Secretary

Place : Ahmedabad
Date : 31st May, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

A. Equity share capital

(Amount in Rs.)

Equity shares of Rs. 10/- each issued, subscribed and fully paid up	Number of shares	Amount
As at 31 March 2019	**1,49,61,000**	**14,96,10,000**
Issue/(reduction), if any during the year	-	-
As at 31 March 2020	**1,49,61,000**	**14,96,10,000**
Issue/(reduction), if any during the year	6,57,000	65,70,000
As at 31 March 2021	**1,56,18,000**	**15,61,80,000**

B. Other equity

(Amount in Rs.)

Particulars	Reserve & Surplus		Deemed Equity Contribution	Other comprehensive income Re-measurement of defined benefit plan	Total
	Securities Premium Reserve	Retained earnings			
As on 31 March, 2019	34,81,90,000	**21,37,94,619**	**73,48,516**	**(15,98,035)**	**56,77,35,100**
Profit for the year	-	9,62,28,452	-	-	9,62,28,452
Movement for the year	43,760	-	-	(4,20,752)	(3,76,992)
As on 31 March, 2020	**34,82,33,760**	**31,00,23,071**	**73,48,516**	**(20,18,787)**	**66,35,86,560**
Profit for the year	-	10,69,19,545	-	-	10,69,19,545
Movement for the year	7,22,70,000	**(74,54,730)**	**(73,48,516)**	4,63,752	5,79,30,506
As on 31 March, 2021	**42,05,03,760**	**40,94,87,886**	**-**	**(15,55,035)**	**82,84,36,611**

The accompanying notes form an integral part of these financials statements

As per our report of even date
For A.L.Thakkar & Co.
Chartered Accountants
Firm Registration No.: 120116W

Mitul Raval
Partner
Mem. No. 154759

Place : Ahmedabad
Date : 31st May, 2021

For and on behalf of the Board
Sakar Healthcare Limited

Sanjay S. Shah
Managing Director
DIN: 01515296

Aarsh S. Shah
Joint Managing Director
DIN: 05294294

Jhonny G. Kudilil
Chief Financial Officer

Bharat Soni
Company Secretary

Place : Ahmedabad
Date : 31st May, 2021

Significant Accounting Policies:

1 Corporate Information

Sakar Healthcare Limited is a company incorporated under the provisions of the Companies Act, 1956. It is engaged in manufacturing of Pharmaceutical products providing Liquid Orals, Cephalosporin Tablet, Capsule, Dry Powder Syrup, Dry Powder Injections, Liquid Injectable (SVP) in Ampoules,Vials & Lyophilized Injections, Oral Solid Dossages and Research & Development of above products.

2 Basis of Preparation, Measurement and Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

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

The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments (including derivative instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

New and amended standards adopted by the Company

The Company has applied the following amendments for the first time for annual reporting period commencing from April 01, 2020 which do not have material impact on the financial statement:-Ind AS 1 - Presentation of Financial StatementsInd AS 8 - Accounting Policies, Changes in Accounting Estimates and ErrorsInd AS 10 - Events after the Reporting PeriodInd AS 37 - Provisions, Contingent Liabilities and Contingent AssetsInd AS 107 - Financial Instruments: DisclosuresInd AS 109 - Financial InstrumentInd AS 116 - Leases

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest rupees, except numbers.

2.2 Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The significant estimates and judgments are listed below:

(i) Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

(ii) Judgments by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.

(iii) Significant judgment is required in assessing at each reporting date whether there is indication that a financial asset may be impaired.

(iv) The impairment provision for financial assets are based on the assumptions about risk of default and expected loss rates. The company uses judgments in making the assumptions and selecting the inputs to the impairment calculations, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Significant judgment is required in assessing at each reporting date whether there is indication that a non-financial asset may be impaired.

(vi) Significant judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(Vii) In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(Viii) Significant judgment has been exercised by management in recognition of MAT credit and estimating the period of its utilization.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Inventories

Stores and Spares:

- Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis.
- Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

c) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

d) Property, plant and equipment (PPE)

Property, plant and equipment (including capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, directly and indirectly attributable costs arising directly from the development of the asset / project to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Borrowing cost relating to acquisition / construction of property, plant & equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation is calculated on a straight line basis over the useful lives of the assets prescribed in the Companies Act, 2013.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of products and services

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, chargebacks, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts.

In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sales Returns

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Government Grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the Company deducts such grant amount from the carrying amount of the asset.

f) Foreign Currency

On initial recognition, transactions in currencies other than the Company's functional currency (foreign currencies) are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into in order to hedge certain foreign currency risks
- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, if any

g) Retirement and other employee benefits

All employee benefits payable wholly within 12 months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

h) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

i) Gratuity fund

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

> Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

> Net interest expense or income.

j) Compensated absences

Provision for compensated absence is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absence. The company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date.

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Segment reporting

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

In accordance with the Ind-As 108 -" Operating Segments" , the Company has determined its business segment of manufacturing of pharmaceutical products. Since there are no other business segments in which the Company operates, there are no other primary reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

m) Related party transactions

Disclosure of transactions with Related Parties, as required by Ind-AS 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Ind-AS 24 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

n) Earnings per share

The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. For the purpose of calculating diluted earning per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Taxes

Tax expense comprises of current and deferred tax.

i) Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in OCI or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

> When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

> When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. Deferred tax include MAT Credit Entitlement. The Company reviews the such tax credit asset at each reporting date and writes down the asset to the extent The Company does not have sufficient taxable temporary difference /convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

p) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired.

If any indication exists, or when annual impairment testing for an asset is required, The Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

q) Provisions, contingent liabilities and contingent assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and contingent assets

Contingent liabilities is disclosed in the case of :

a present obligation arising from past events, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

a present obligation arising from past events, when no reliable estimate can be made.

a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments includes the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Expenditure

Expenditures are accounted net of taxes recoverable, wherever applicable.

r) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

> In the principal market for the asset or liability, or

> In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

> Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities .

> Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

> Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuer are involved for valuation of unquoted financial assets and financial liabilities, such as contingent consideration. Involvement of external valuer is decided upon annually by the management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the company's external valuer, which valuation techniques and inputs to use for each case.

At each reporting date, the company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company , in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. It is broadly classified in financial assets, financial liabilities, derivatives & equity.

(A) Financial assets

Initial recognition and measurement

All financial assets, except investment in subsidiaries, associates and joint ventures are recognised initially at fair value.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

> Debt instruments at amortised cost.

> Debt instruments at fair value through other comprehensive income (FVTOCI).

> Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).

> Equity instruments measured at fair value through other comprehensive income (FVTOCI).

i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii) Debt instrument at FVTOCI

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has not classified any financial asset into this category.

iii) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(B) Equity instruments

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

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

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

> The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~ and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure ;

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances.

b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI).

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

> Trade receivables or contract revenue receivables; and

> All lease receivables resulting from transactions within the scope of Ind AS 17.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk said initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as (expense) / income in the statement of profit and loss (P&L). This amount is reflected under the head " Other Expense" in the P&L.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent Measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, The Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

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

Reclassification of financial instruments

After initial recognition, no reclassification is made for financial assets which are equity instruments. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies the financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model.

Offsetting financial assets and financial liabilities

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

t) Leases

The Company has applied Ind AS 116 ‘Leases’ for the first time for annual reporting period commencing from April 01, 2019. Set out below are the new accounting policies of the Company upon adoption of Ind AS 116:

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Note 3 - Property, plant and equipment

(Amount in Rs.)

Particulars	Tangible assets															Capital WIP
	Air Conditioner	Boiler	Computer	D.G. Set	Electrical Installation	Factory Building	Factory Land and Development	Furniture	Other Equipment	Telephone Instru-ments	Laboratory Equipments	Plants & Machinery	Scale	Vehicles	Trolly	Total	
Deemed cost																	
As at 31st March 2019	**47,88,612**	**9,53,493**	**14,22,759**	**20,92,322**	**1,83,03,501**	**14,20,12,213**	**1,73,48,390**	**1,79,36,684**	**2,02,67,244**	**2,41,072**	**4,34,78,408**	**33,00,67,889**	**1,25,694**	**2,37,74,841**	**16,79,705**	**62,44,92,827**	**8,65,94,000**
Additions	2,08,615	-	8,45,036	-	6,86,783	-	3,60,08,118	8,48,479	17,24,323	1,47,450	1,87,63,152	2,47,12,544	-	48,03,379	-	8,87,47,879	4,43,58,537
Deductions													-			-	-
As at 31st March 2020	**49,97,227**	**9,53,493**	**22,67,795**	**20,92,322**	**1,89,90,284**	**14,20,12,213**	**5,33,56,508**	**1,87,85,163**	**2,19,91,567**	**3,88,522**	**6,22,41,560**	**35,47,80,433**	**1,25,694**	**2,85,78,220**	**16,79,705**	**71,32,40,706**	**13,09,52,537**
Additions	22,13,944	-	94,24,902	-	4,125	2,84,40,618	-	5,69,227	20,67,412	1,56,780	5,29,35,860	1,88,65,802	-	-	-	11,46,78,670	35,82,69,384
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2021	**72,11,171**	**9,53,493**	**1,16,92,697**	**20,92,322**	**1,89,94,409**	**17,04,52,831**	**5,33,56,508**	**1,93,54,390**	**2,40,58,979**	**5,45,302**	**11,51,77,420**	**37,36,46,235**	**1,25,694**	**2,85,78,220**	**16,79,705**	**82,79,19,376**	**48,92,21,921**
Accumulated depreciation																	
As at 31 March 2019	**4,31,735**	**90,398**	**8,89,650**	**1,88,273**	**33,89,933**	**42,21,935**	**-**	**25,39,487**	**11,04,547**	**35,138**	**47,53,802**	**2,17,22,119**	**10,172**	**34,32,145**	**1,02,797**	**4,29,12,131**	-
Additions	4,42,676	90,397	2,24,266	1,88,274	33,90,113	54,78,858	-	25,63,126	11,72,745	39,908	63,10,765	2,26,33,487	10,173	36,05,663	1,02,796	4,62,53,247	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2020	**8,74,411**	**1,80,795**	**11,13,916**	**3,76,547**	**67,80,046**	**97,00,793**	**-**	**51,02,613**	**22,77,292**	**75,046**	**1,10,64,567**	**4,43,55,606**	**20,345**	**70,37,808**	**2,05,593**	**8,91,65,378**	**-**
Additions	5,59,361	90,398	50,71,280	1,88,273	34,55,184	57,39,086	-	26,81,072	12,58,998	50,411	83,19,960	2,34,83,876	10,172	40,73,565	1,02,797	5,50,84,433	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2021	**14,33,772**	**2,71,193**	**61,85,196**	**5,64,820**	**1,02,35,230**	**1,54,39,879**	**-**	**77,83,685**	**35,36,290**	**1,25,457**	**1,93,84,527**	**6,78,39,482**	**30,517**	**1,11,11,373**	**3,08,390**	**14,42,49,811**	**-**
Net block																	
As at 31st March 2021	57,77,399	6,82,300	55,07,501	15,27,502	87,59,179	15,50,12,952	5,33,56,508	1,15,70,705	2,05,22,689	4,19,845	9,57,92,893	30,58,06,753	95,177	1,74,66,847	13,71,315	68,36,69,565	48,92,21,921
As at 31st March 2020	41,22,816	7,72,698	11,53,879	17,15,775	1,22,10,238	13,23,11,420	5,33,56,508	1,36,82,550	1,97,14,275	3,13,476	5,11,76,993	31,04,24,827	1,05,349	2,15,40,412	14,74,112	62,40,75,327	13,09,52,537

Notes to standalone financials statements for the year ended 31 March 2021

NOTE 4 - OTHER INTANGIBLE ASSETS

Particulars	Intangibles Assets	
	Other Intangibles	Total
Deemed Cost		
As at 31 March 2019	**7,12,71,632**	**7,12,71,632**
Additions	35,58,670	35,58,670
Deductions	-	-
As at 31 March 2020	**7,48,30,302**	**7,48,30,302**
Additions	-	-
Deductions	-	-
As at 31 March 2021	**7,48,30,302**	**7,48,30,302**
Accumulated Depreciation/ Amortization		
As at 31 March 2019	**1,74,85,151**	**1,74,85,151**
Additions	2,45,44,812	2,45,44,812
Deductions	-	-
As at 31st March 2020	**4,20,29,963**	**4,20,29,963**
Additions	2,54,98,579	2,54,98,579
Deductions	-	-
As at 31st March 2021	**6,75,28,542**	**6,75,28,542**
Net Block		
As at 31 March 2021	73,01,760	73,01,760
As at 31 March 2020	3,28,00,339	3,28,00,339

(Amount in Rs.)

		As at 31 March 2021	As at 31 March 2020
5	**INVESTMENTS**		
	Non - Current		
	Investment into Equity Instruments		
	Investments in Subsidiary (at Cost)		
	Sakar Oncology Private Limited	1,00,000	1,00,000
	(10,000 Equity shares of face value of Rs. 10/- each)		
	(Previous Year 10,000 Equity shares of face value of Rs. 10/- each)		
		1,00,000	**1,00,000**
6	**LOANS AND ADVANCES**		
	Non - Current		
	Deposits	81,62,177	80,80,177
		81,62,177	**80,80,177**
7	**OTHER ASSETS**		
	Non-Current		
	Capital advances (Unsecured, considered good)	25,15,79,697	13,87,02,130
		25,15,79,697	**13,87,02,130**
8	**INVENTORIES***		
	Raw Material/Packing Material / Stores & Consumables	12,19,92,454	8,34,15,028
	Finished Goods / Stock in Process	3,49,80,754	2,59,18,215
		15,69,73,208	**10,93,33,243**

* Inventories are being valued at lower of cost and net realisable value

(Amount in Rs.)

		As at 31 March 2021	As at 31 March 2020
9	**TRADE RECEIVABLES** (Unsecured, considered good unless otherwise stated)		
	From Relatives	-	-
	From Others	12,37,42,427	8,23,39,951
		12,37,42,427	**8,23,39,951**
	Break up for security details		
	Unsecured, considered good	12,37,13,070	8,22,81,567
	Unsecured, considered doubtful	29,357	58,384
		12,37,42,427	**8,23,39,951**
10	**CASH AND CASH EQUIVALENTS***		
	Balances with banks:		
	Balance in current account	51,566	22,27,498
	Cash on hand	7,52,583	7,31,983
		8,04,149	**29,59,481**
	*There are no repatriation restriction with regard to cash and cash equivalents as at the end of the reporting period and prior period		
11	**LOANS & ADVANCES**		
	Loan to Subsidiary Company	7,72,035	7,57,351
		7,72,035	**7,57,351**
12	**OTHER CURRENT ASSETS**		
	Balance with government authorities	5,41,42,199	1,91,28,686
	Advances against goods and services	6,91,629	12,48,877
	Prepaid Expenses	8,57,296	7,55,008
		5,56,91,124	**2,11,32,571**
13	**SHARE CAPITAL**		
	A) Authorized, issued, subscribed and paid up share capital		
	Authorised		
	2,00,00,000 equity shares of Rs. 10 each (31 March 2021 2,00,00,000 equity shares and 31 March 2020 1,50,00,000 equity shares)	20,00,00,000	15,00,00,000
		20,00,00,000	**15,00,00,000**
	Issued, subscribed and fully paid up shares		
	1,56,18,000 equity shares of Rs. 10 each (31 March 2021 1,56,18,000 equity shares and 31 March 2020 1,49,61,000 equity shares)	15,61,80,000	14,96,10,000
		15,61,80,000	**14,96,10,000**
	Notes:		
	(a) Reconciliation of the number of the shares outstanding as the beginning and end of the year:		
		No. of shares	**Amount**
	At the beginning of the year	1,49,61,000	14,96,10,000
	Movement during the year	6,57,000	-
	At the end of the year	**1,56,18,000**	**14,96,10,000**

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company did not declare any dividend on equity shares for the year ended 31 March 2021 and 31 March 2020. The dividend if proposed by the Board of Directors, is subject to the approval of shareholders in the Annual General Meeting, except interim dividend.

(c) Details of shareholder holding more than 5% shares in the Company

Equity shares of Rs. 10 each fully paid

	As at 31 March 2021	As at 31 March 2020
Sanjay S. Shah	99,08,543	92,51,543
	63.44%	61.84%
Aarsh Shah	13,07,500	13,07,500
	8.37%	8.74%

(d) Shares reserved for issue under option

The Company has not reserved any shares for issuance under options

(e) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

The Company has neither issued any bonus shares, shares for consideration other than cash nor has there been any buyback of shares in the current year and preceding five years from 31 March 2021.

(Amount in Rs.)

			As at 31 March 2021	As at 31 March 2020
14	OTHER EQUITY			
	(i)	**Retained earnings**		
		Opening balance	31,00,23,071	21,37,94,619
		Add: Profits for the year	10,69,19,545	9,62,28,452
		Less: other adjustments	74,54,730	-
		Closing balance	**40,94,87,886**	**31,00,23,071**
	(ii)	**Other comprehensive income, net of tax**		
		Opening balance	(20,18,787)	(15,98,035)
		Movement for the year	4,63,752	(4,20,752)
		Closing balance	**(15,55,035)**	**(20,18,787)**
	(iii)	**Securities Premium reserve**		
		Opening balance	34,82,33,760	34,81,90,000
		Movement for the year	7,22,70,000	43,760
		Closing balance	**42,05,03,760**	**34,82,33,760**
	(iv)	**Deemed Equity Contribution**		
		Opening balance	73,48,516	73,48,516
		Movement for the year	(73,48,516)	-
		Closing balance	**-**	**73,48,516**
		Total	**82,84,36,611**	**66,35,86,560**

(Amount in Rs.)

		As at 31 March 2021	As at 31 March 2020
15	**BORROWINGS**		
	Non-current borrowings		
	Secured term loans from Scheduled Banks and	34,98,57,076	8,78,85,602
	Financial Institutions **(Refer Note 1 & 2)**		
	Secured Car Loan from Bank **(Refer Note 3)**	5,25,526	-
	Unsecured Loan from directors (Interest free)	3,41,19,201	3,68,35,859
		38,45,01,803	**12,47,21,461**

Notes:

1. Loan from Clix Finance India Private Limited is repayable in 48 equated monthly installments amounting to INR 13,41,375/- beginning from October, 2019. The Loan were secured against the Plant & Machinery of Sakar Healthcare Limited.
2. Term Loan from the State Bank of India carries interest rate of 9.15% p.a. The repayment of the loan will begin after the 18 months from the date of inception of loan. The Loan were secured against the Land & Building and Machinery of Sakar Healthcare Limited.
3. Loan from Axis Bank is repayable in 37 equated monthly installments amounting to INR 61,972/- beginning from January, 2020. The Loan were secured against the Motor Car (Audi) of Sakar Healthcare Limited.

		As at 31 March 2021	As at 31 March 2020
16	**DEFERRED TAX LIABILITIES (NET)**		
	Deferred tax liabilities		
	Difference between WDV as per books and Income-tax	7,49,47,673	7,09,48,573
	Other Equity	-	19,59,899
		7,49,47,673	**7,29,08,472**
	Deferred tax assets		
	Less: Gratuity	(22,80,465)	(14,95,405)
	Less: MAT credit entitlement	(43,88,964)	(74,54,730)
		(66,69,429)	**(89,50,135)**
		6,82,78,243	**6,39,58,337**
17	**PROVISIONS**		
	Non-Current		
	Provision for gratuity	79,31,035	69,76,412
		79,31,035	**69,76,412**
	Current		
	Provision for gratuity (Current)	2,66,180	-
		2,66,180	-
18	**BORROWINGS**		
	Current borrowings		
	Working capital Loan from bank	1,69,24,036	2,26,31,525
		1,69,24,036	**2,26,31,525**
19	**TRADE PAYABLES**		
	Creditors for Goods	7,19,01,869	4,60,00,905
	Creditors for Capital Goods and others	12,58,96,614	84,05,061
		19,77,98,483	**5,44,05,966**

(Amount in Rs.)

		As at 31 March 2021	As at 31 March 2020
20	**OTHER FINANCIAL LIABILITIES**		
	Current maturities of long term borrowings	2,45,45,935	1,96,20,753
		2,45,45,935	**1,96,20,753**
21	**OTHER CURRENT LIABILITIES**		
	Advance from Customers	4,15,31,518	97,69,392
	For other liabilities	2,21,50,715	2,04,04,066
		6,36,82,233	**3,01,73,458**
22	**INCOME-TAX LIABILITIES**		
	Income tax provision (net of advance taxes)	2,94,73,504	1,55,48,635
		2,94,73,504	**1,55,48,635**

Amount (Rs.)

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
23	**REVENUE FROM OPERATIONS**		
	Sale of products and services		
	Domestic Sales	25,48,55,370	25,88,25,797
	Export Sales	69,25,37,844	57,09,76,599
		94,73,93,214	**82,98,02,396**
24	**OTHER INCOME**		
	Interest Income	1,62,683	1,44,590
	Export Incentive	57,21,875	93,42,123
	Dossier Charges	-	17,19,744
	Documention Charges	-	2,30,556
	Rent Income	-	51,000
	Exchange Rate Flucutation	58,53,704	86,71,415
	Excess Provision Written Back	-	9,005
	Vatav & Kasar Income	14,566	-
		1,17,52,828	**2,01,68,433**
25	**COST OF MATERIAL AND SERVICES**		
	Opening stock of raw material and components	8,34,15,028	4,11,37,741
	Add : Purchases during the year	55,87,64,482	47,12,53,264
	Inventory at the end of the year	12,19,92,454	8,34,15,028
	Cost of materials and services	**52,01,87,056**	**42,89,75,977**
26	**CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**		
	Opening Stock of Finished Goods / Stock in Process	2,59,18,215	2,74,25,462
	'Less: Closing Stock of Finished Goods / Stock in Process	3,49,80,754	2,59,18,215
	Changes in inventories of finished goods and work in progress	**(90,62,539)**	**15,07,247**

Amount (Rs.)

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
27	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and Wages	12,34,79,214	11,22,13,341
	Directors' Remuneration	52,00,000	52,00,000
	Contribution to Provident and Other Funds	9,94,184	10,30,523
	Contribution to ESIC	91,537	1,02,841
	Provision for Gratuity	18,63,296	16,75,232
	Staff Welfare Expenses	9,23,243	10,70,135
		13,25,51,474	**12,12,92,072**
28	**FINANCE COSTS**		
	Bank Charges	16,10,974	14,73,962
	Interest Expense	2,32,13,595	2,10,51,984
		2,48,24,569	**2,25,25,946**
29	**DEPRECIATION AND AMORTIZATION EXPENSES**		
	Depreciation of property, plant and equipment	5,50,84,433	4,62,53,247
	Amortization of intangible assets	2,54,98,579	2,45,44,812
		8,05,83,012	**7,07,98,059**

Amount (Rs.)

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
30	**OTHER EXPENSES**		
	Advertisement Expenses	54,980	24,780
	Audit Fees	1,00,000	1,00,000
	Business Devleopment Expenses	1,20,900	12,62,602
	Commission Expense	94,400	-
	Courier & Postage Expenses	4,38,210	4,23,880
	Donation Expense	42,85,000	-
	Electrical Expenses	11,54,737	14,65,681
	Export Expenses	1,24,21,858	93,50,847
	Factory / General Expenses	17,08,494	9,18,420
	Food & Refreshment Expenses	5,98,083	14,54,560
	Insurance Expenses	6,27,692	3,94,580
	Legal and Professional Fees	62,64,630	54,08,657
	Licence Charges	45,500	66,156
	Loading & Unloading Charges	35,382	4,990
	Maintanance Expenses	6,31,186	7,34,610
	Membership Fees Expenses	24,375	5,65,388
	Miscellaneous Expenses	18,29,347	4,06,542
	Packing Expenses	18,00,826	10,57,054
	Power & Fuel Expenses	2,14,28,933	3,16,44,372
	Product Registration Expenses	89,67,679	40,78,580
	Provision for Doubtful Debts	29,357	-
	Rates & Taxes	1,38,227	47,074
	Repairs & Maintainance		
	Machinery	5,30,881	8,24,370
	Factory Building	4,10,030	23,09,016
	Computer	2,25,379	97,184
	Others	23,05,227	29,94,341
	Security Expenses	14,42,404	4,97,904
	Stationery Expenses	10,51,042	12,24,006
	Stores & Spares / Consumable Expenses	38,08,989	47,02,323
	TDS Interest Expenses	1,22,526	65,825
	Telephone / Mobile / Internet Expenses	2,92,832	3,26,900
	Testing & Analysis / Laboratory Expenses	31,89,356	45,68,226
	Travelling & Conveyance Expenses	8,55,253	50,45,262
	Vatav & Kasar Expenses	-	1,39,433
	Vehicle Expenses	6,07,161	3,98,882
		7,76,40,876	**8,26,02,445**
	* **Payment to auditor (excluding GST)**		
	As auditor:		
	Audit fee	1,00,000	1,00,000
	Tax audit fees	-	-
		1,00,000	**1,00,000**

31 INCOME TAX

(a) The major components of income tax expenses for the years ended March 31, 2021 and March 31, 2020

Amount (Rs.)

	For the year ended 31st March 2021	For the year ended 31st March 2020
Statement of profit and loss		
Current income tax:		
Current income tax charge	3,12,04,825	2,51,00,000
Adjustment in respect of current income tax of previous years	5,70,341	12,14,549
Deferred tax:		
Relating to origination and reversal of temporary differences Tax (credit) under minimum alternate tax (MAT)	(62,73,117)	(2,73,918)
Income tax expenses reported in statement of profit and loss	**2,55,02,049**	**2,60,40,631**

	March 31, 2021 (Amount in Rs.)	March 31, 2020 (Amount in Rs.)
(b) OCI section		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on remeasurements of defined benefit plans	(1,78,741)	1,62,169
Income tax charged to OCI	**(1,78,741)**	**1,62,169**

Amount (Rs.)

	For the year ended 31 March 2021	For the year ended 31 March 2020
(c) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2021 and March 31, 2020		
Accounting profit before taxation	**13,24,21,594**	**12,22,69,083**
Applicable tax rate	27.82%	27.82%
Computed tax expenses	**3,68,39,687**	**3,40,15,259**
Tax provision due to difference in MAT rate and normal tax rate Temporary differences on which deferred tax not created	4,01,304	5,53,173
Non-deductible expenses	1,38,412	1,46,767
Deferred Tax on Actuarial gain transferred to OCI	(1,78,741)	1,62,169
Adjustment of earlier years	5,70,341	12,14,549
Adjustment for 35D	-	(95,00,774)
Others	(1,22,68,953)	(5,50,511)
Income tax expenses charged to profit and loss	**2,55,02,049**	**2,60,40,631**

(d) Deferred tax relates to following

Particulars	Balance Sheet		Profit and Loss	
	March 31, 2021 (Amount in Rs.)	March 31, 2020 (Amount in Rs.)	March 31, 2021 (Amount in Rs.)	March 31, 2020 (Amount in Rs.)
Temporary difference in value of Property, Plant and Equipment as per books of accounts and tax	7,49,47,673	7,09,48,573	39,99,100	19,16,781
Notional Interest on Unsecured Loan	-	19,59,899	(2,73,918)	(10,34,461)
Income tax effect on re-measurement gains (losses) on defined benefit plans	(22,80,466)	(14,95,405)	(7,85,060)	(6,08,402)
Deferred tax liabilities	**7,26,67,207**	**7,14,13,067**	**29,40,121**	**2,73,918**

32 FAIR VALUE MEASUREMENT

	Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Total
a)	**The carrying value of financial instruments by categories as of March 31, 2021 is as follows :**					
	Financial Asset					
	Investments	-	-	-	1,00,000	1,00,000
	Trade receivables	-	-	-	12,37,42,427	12,37,42,427
	Cash and Cash Equivalents	-	-	-	8,04,149	8,04,149
	Loans	-	-	-	89,34,212	89,34,212
		-	-	-	**13,35,80,788**	**13,35,80,788**
	Financial Liabilities					
	Borrowings	-	-	-	40,14,25,839	40,14,25,839
	Trade payables	-	-	-	19,77,98,483	19,77,98,483
	Other financial liabilities	-	-	-	2,45,45,935	2,45,45,935
		-	-	-	**62,37,70,257**	**62,37,70,257**
b)	**The carrying value of financial instruments by categories as of March 31, 2020 is as follows :**					
	Financial Asset					
	Investments	-	-	-	1,00,000	1,00,000
	Trade receivables	-	-	-	8,23,39,951	8,23,39,951
	Cash and Cash Equivalents	-	-	-	29,59,481	29,59,481
	Loans	-	-	-	88,37,528	88,37,528
		-	-	-	**9,42,36,960**	**9,42,36,960**
	Financial Liabilities					
	Borrowings	-	-	-	14,73,52,986	14,73,52,986
	Trade payables	-	-	-	5,44,05,966	5,44,05,966
	Other financial liabilities	-	-	-	1,96,20,753	1,96,20,753
		-	-	-	**22,13,79,705**	**22,13,79,705**

c) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

33 FINANCIAL RISK OBJECTIVE AND POLICIES

The Company’s principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company’s operations/projects and to provide guarantees to support its operations. The Company’s principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements (interest rate risk) collectively referred as market risk, credit risk, liquidity risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks.

The Company’s risk management activities are subject to the management, direction and control of Treasury Team of the Company under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Company’s central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company’s policies and risk objectives. It is the Company’s policy that no trading in derivatives for speculative purposes may be undertaken.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2021.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2021.

i) Interest rate risk

Interest rate sensitivity

The following paragraph demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2021 would decrease / increase by Rs. 1,05,820/- (previous year Rs. 8,55,843/-). This is mainly attributable to interest rates on term loans, car loans and working capital loan.

b) Credit risk

Customer credit risk is managed by the Company’s established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

Credit risk from balances with banks and financial institutions is managed by the Company’s treasury team in accordance with the Company’s policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company’s Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company’s Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty’s potential failure to make payments.

c) Liquidity risk

The table below analysis the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturities of financial liability **(Amount in Rs.)**

Particulars	On Demand	Within 1 year	Over 1 year within 5 years	Over 5 years	Total
As at March 31, 2021					
Borrowings	-	1,69,24,036	38,45,01,803	-	40,14,25,839
Other financial liabilities	-	2,45,45,935	-	-	2,45,45,935
Trade payables	-	19,77,98,483	-	-	19,77,98,483
	-	**23,92,68,454**	**38,45,01,803**	**-**	**62,37,70,257**
As at March 31, 2020					
Borrowings	-	2,26,31,525	12,47,21,461	-	14,73,52,986
Other financial liabilities	-	1,96,20,753	-	-	1,96,20,753
Trade payables	-	5,44,05,966	-	-	5,44,05,966
	-	**9,66,58,244**	**12,47,21,461**	**-**	**22,13,79,705**

34 EARNINGS PER SHARE

Amount (Rs.)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders of the company	10,73,83,297	9,58,07,700
Weighted average number of equity shares	1,50,76,200	1,49,61,000
Face value per share (in Rs.)	10	10
Basic and Diluted earning per share (in Rs.)	7.12	6.40

35 CONTINGENT LIABILITES

As at 31st March, 2021, there is no liability of contingent nature which is not provided for. (Previous Year NIL)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
36	**DISCLOSURES AS REQUIRED BY IND AS - 19 EMPLOYEE BENEFITS**		
a)	**Changes in Present Value of Obligation**		
	Present value of the obligation at the beginning of the period	69,76,412	47,18,259
	Interest cost	4,85,558	3,30,278
	Current service cost	13,77,738	13,44,954
	Actuarial (gain)/loss	(6,42,493)	5,82,921
	Present value of the obligation at the end of the period	**81,97,215**	**69,76,412**
b)	**Net Asset / (Liability) recognised in Balance Sheet**		
	Present value of the obligation at the end of the period	81,97,215	69,76,412
	Fair value of plan assets at end of period	-	-
	Net liability/(asset) recognized in Balance Sheet and related analysis	81,97,215	69,76,412
	Funded Status - Surplus/ (Deficit)	**(81,97,215)**	**(69,76,412)**
c)	**Expense to be recognised in the Statement of Profit and Loss**		
	Interest cost	4,85,558	3,30,278
	Current service cost	13,77,738	13,44,954
	Expenses to be recognized in the Statement of Profit & Loss	**18,63,296**	**16,75,232**
d)	**Recognised in Other Comprehensive Income**		
	Opening Cumulative unrecognized actuarial (gain)/loss	27,96,879	22,13,958
	Actuarial (gain)/loss - obligation	(6,42,493)	5,82,921
	Total Actuarial (gain)/loss	(6,42,493)	5,82,921
	Carried Forward Cumulative total actuarial (gain)/loss	**21,54,386**	**27,96,879**
e)	**Net Interest Cost**		
	Interest cost on defined benefit obligation	4,85,558	3,30,278
	Net interest cost (Income)	**4,85,558**	**3,30,278**
f)	**Maturity Profile of the Defined Benefit Obligation**		
	Particulars		**Amount**
	01 Apr 2021 to 31 Mar 2022		2,66,180
	01 Apr 2022 to 31 Mar 2023		1,36,410
	01 Apr 2023 to 31 Mar 2024		5,34,550
	01 Apr 2024 to 31 Mar 2025		1,12,501
	01 Apr 2025 to 31 Mar 2026		2,19,713
	01 Apr 2026 Onwards		69,27,861

g) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. The sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Particulars	Year ended 31st March, 2021
Defined Benefit Obligation (Base)	81,97,215 @ Salary Increase Rate : 10%, and discount rate :6.96%
Liability with x% increase in Discount Rate	74,19,789; x=1.00% [Change (9)%]
Liability with x% decrease in Discount Rate	91,09,317; x=1.00% [Change 11%]
Liability with x% increase in Salary Growth Rate	90,73,558; x=1.00% [Change 11%]
Liability with x% decrease in Salary Growth Rate	74,33,318; x=1.00% [Change (9)%]
Liability with x% increase in Withdrawal Rate	80,09,900; x=1.00% [Change (2)%]
Liability with x% decrease in Withdrawal Rate	84,09,358; x=1.00% [Change 3%]

h) The principle assumptions used in determining gratuity obligations are as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	6.96 % per annum	7.00 % per annum
Salary Growth Rate	10.00 % per annum	6.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.

37 Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
- Principal	Nil	Nil
- Interest	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 a long with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

38 Capital management

For the purposes of the company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the company's capital management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is net debt (total debt less cash and cash equivalents) divided by total capital plus net debt.

Particulars	As at March 31, 2021	As at March 31, 2020
Total borrowings	42,59,71,774	16,69,73,739
Less: Cash and cash equivalents	8,04,149	29,59,481
Net Debt (A)	**42,51,67,625**	**16,40,14,258**
Total Equity (B)	**98,46,16,611**	**81,31,96,560**
Total Equity and Net Debt (C = A + B)	**1,40,97,84,236**	**97,72,10,818**
Gearing ratio	30.16%	16.78%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020

39 DISCLOSURE UNDER PARA 44A AS SET OUT IN IND AS 7 ON CASH FLOW STATEMENTS UNDER COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES, 2017 (AS AMENDED)

Particulars of Liabilities arising from Financing activity	As at March 31, 2020	Cash flows	Non Cash Changes	As at March 31, 2021
Long term borrowing	10,75,06,355	26,68,96,656	-	37,44,03,011
Working Capital Loan	2,26,31,525	(57,07,489)	-	1,69,24,036
Unsecured Loan	3,68,35,859	(27,16,658)	-	3,41,19,201
Total	**16,69,73,739**	**25,84,72,509**	**-**	**42,54,46,248**

40 COVID 19 IMPACT

Parameter	Response
Impact of Covid-19 Pandemic on Business	Global pandemic, Covid-19 has started to surface significantly by mid-March 2020 forcing government to take decisive rules including lockdown. Pharmaceutical Industry has got categorized under Essential Services and hence has been exempted from day-1 of lockdown i.e. 25th March 2020. Therefore the manufacturing plant functioning and business operations could be maintained all through this phase of back to back lockdowns, though there were few disturbances due to restricted manpower and material movement due to logistic irregularities, and increased freight charges due to limited scope.
Ability to maintain operations including the factories/units/office spaces functioning andclosed down;	The plant operations were smooth adhering to social distancing and other health hygienic norms directed by the government. Working from home was preferred for selected team members considering safety and smooth functioning.
Schedule, if any, for restarting the operations;	This is not Applicable
Steps taken to ensure smooth functioning of operations;	The Company has volunteered for ensuring proper screening and social distancing once the directive has been delivered by the government health authorities: - There was mandatory thermal screening for all employees, workers and visitors - Mask has been made mandatory for all - Sanitization has been done inside premises and for vehicles at regular intervals

	- Hand sanitizers have been placed at key locations - Travelling has been cancelled for overseas and domestic business development - Social distancing has been practiced with proper space allocation within premise - Awareness on government directives has been initiated through posters
Estimation of the future impact of CoVID-19 on its operations;	It is difficult to predict situation that has drastically changed since past few months. However, the Company is well placed to be confident to adapting to the changing business environment as it has done during this COvid-19 phase.
Details of impact of CoVID-19 on:	- Capital & Financial Resources: The Company is very comfortably leveraged with very insignificant impact. - Profitability: The Company is confident of meeting the estimated profitability in line with the pasttrack record. - Liquidity Position: The Company has been able to meet its financial obligations, collections from debtors has been impacted marginally, which the company expects to fall in line with the past trends by the end of second quarter. The Company is supporting its customers by extending the credit days marginally with very insignificant impact on liquidity position of the company. - Ability to service debt and other financing arrangements: Very insignificant. - Assets: Nil - Internal Financial Reporting & Control: Very insignificant. - Supply Chain: It has delayed the availability of Active Pharmaceutical Ingredient in initial phase by few days and affected the transportation cost of finished formulation, which Company is passing on to the Customers - Demand for products/ services: Usual
Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business;	The Company is not anticipating any non-fulfillment, as Company operates in Essential Service sector-Pharmaceutical Manufacturing, in which there was no restriction. Also there was no restriction on any manufactured product of the Company for exports to multiple countries based on government guidelines.
Other relevant material updates about the Company's business;	No

41 The Management has identified the following entities as related parties of the Company, which are as under:

a) List of related parties

Subsidiary Company	**Sakar Oncology Private Limited**
Key Managerial Personnel	Sanjay Shah, Director Rita Shah, Director Aarsh Shah, Director
Relative of Key Managerial Personnel	Ayushi Shah

b) **Detail of Related Party Transactions for the year ended March 31, 2021**

Category	Name of Related Party	For the year ended March 31, 2021	For the year ended March 31, 2020
Remuneration Paid	Sanjay Shah, Director	22,75,000	22,75,000
	Rita Shah, Director	6,50,000	6,50,000
	Aarsh Shah, Director	22,75,000	22,75,000
Salary Paid	Ayushi Shah	5,20,000	5,20,000
Shares Allotted	Sanjay Shah, Director	7,88,40,000	-
Unsecured Loans			
Loan Accepted	Aarsh Shah, Director	81,20,600	-
Loan Repaid	Sanjay Shah, Director	1,08,38,848	-
Loan Given	Sakar Oncology Private Limited	-	7,57,351

c) **Closing Balances**

Unsecured Loans	Sanjay Shah, Director	2,59,97,011	3,68,35,859
	Aarsh Shah, Director	81,20,600	-
	Sakar Oncology Private Limited	7,57,351	7,57,351

42 RESEARCH AND DEVELOPMENT EXPENDITURE

During the year ended 31st March, 2021, the Company has incurred following expenditure on Research and Development:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue Expenditure (excluding depreciation) included in Statement of Profit and Loss		
Salary & Bonus	1,26,18,597	1,10,61,948
Material Stores & Consumable	8,69,864	8,74,652
Power & Fuel Expense	21,42,893	27,98,042
Repairs & Maintainance	39,890	63,320
Hygenic Maintanance Expense	53,127	55,834
Testing & Analysis / Laboratory Expense	12,31,208	10,00,103
Membership Fees & Seminar Expense	-	4,77,999
Total Revenue Expenditure	**1,69,55,579**	**1,63,31,898**
Capital Expenditure		
Research & Development Equipments	5,28,20,865	1,73,23,286
Total Capital Expenditure	**5,28,20,865**	**1,73,23,286**
Total Research & Development Expenditure	**6,97,76,444**	**3,36,55,184**

43 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on 31st May, 2021

The accompanying notes form an integral part of financials statements

As per our report of even date
For A.L.Thakkar & Co.
Chartered Accountants
Firm Registration No.: 120116W

Mitul Raval
Partner
Mem. No. 154759

Place : Ahmedabad
Date : 31st May, 2021

For and on behalf of the Board
Sakar Healthcare Limited

Sanjay S. Shah
Managing Director
DIN: 01515296

Aarsh S. Shah
Joint Managing Director
DIN: 05294294

Jhonny G. Kudilil
Chief Financial Officer

Bharat Soni
Company Secretary

Place : Ahmedabad
Date : 31st May, 2021

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
SAKAR HEALTHCARE LIMITED

Report on the audit of the Consolidate financial statements

We have audited the accompanying consolidated Ind AS financial statements of **Sakar Healthcare Limited** ("the Holding Company"), its wholly owned subsidiary (the Holding Company and is subsidiary together referred to as " the Group")which comprising the consolidated balance sheet as at March 31, 2021, and the consolidated Statement of Profit and Loss including other comprehensive income, and the consolidated statement of cash flows and consolidated statement of Changes in Equity for the year then ended, and notes to the consolidated Ind As financial statements, including a summary of significant accounting policies and other explanatory information (herein after to as "consolidated Ind AS Financial Statement")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act 2013 ("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 Group as at March 31, 2021, and its consolidated profit, including total comprehensive income, and their consolidated cash flows and consolidated statement of changes in equity for the year ended as on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements' section of our report. We are independent of the group in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion of our audit opinion on the consolidated Ind AS financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Reporting of key audit matters as per SA 701.

Information other than the consolidated financial statements and auditors' report thereon

The Holding Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Management's responsibility for the consolidated financial statements

The Holding Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind As financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by Section 143 (3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules 2015 as amended.

(e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

(h) 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 consolidated Ind AS 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Mitul Raval
Partner
M.No. 154759
UDIN : 21154759AAAABJ7586

Place : Ahmedabad
Date : 31st May 2021

Annexure - A to Independent Auditors’ Report of even date on the Ind AS financial statement of the Consolidated Sakar healthcare Limited (“the Company”)

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 31 March 2021 in conjunction with our audit of the Consolidated Ind AS 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 Ind AS 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 Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In 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 2021, 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 A.L.Thakkar & Co.,
Chartered Accountants
FRN : 120116W

Mitul Raval
Partner
M.No. 154759
UDIN : 21154759AAAABJ7586

Place : Ahmedabad
Date : 31st May 2021

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

Amount (Rs.)

Particulars	Notes	As at 31st March 2021	As at 31st March 2020
Assets			
Non-current assets			
Property, plant and equipment	3	68,36,69,565	62,40,75,327
Capital Work in Progress		48,92,21,921	13,09,52,537
Intangible assets	4	73,01,760	3,28,00,339
Non-current Investments			
Financial assets			
- Loans and Advances	5	81,62,177	80,80,177
Other non-current assets	6	25,23,37,048	13,87,02,130
Total non-current assets		**1,44,06,92,471**	**93,46,10,510**
Current assets			
Inventories	7	15,69,73,208	10,93,33,243
Financial assets			
- Trade receivables	8	12,37,42,427	8,23,39,951
- Cash and cash equivalents	9	8,24,649	29,59,481
- Loans and Advances			
Other current assets	10	5,56,91,124	2,11,32,571
Total current assets		**33,72,31,408**	**21,57,65,246**
Total assets		**1,77,79,23,879**	**1,15,03,75,756**
Equity and liabilities			
Equity			
Equity share capital	11	15,61,80,000	14,96,10,000
Other equity	12	82,83,41,927	66,35,86,560
Total equity		**98,45,21,927**	**81,31,96,560**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	13	38,45,01,803	12,47,21,461
Deferred Tax Liabilities	14	6,82,78,243	6,39,58,337
Provisions	15	79,31,035	69,76,412
Total non-current liabilities		**46,07,11,081**	**19,56,56,210**
Current liabilities			
Financial liabilities			
- Borrowings	16	1,69,24,036	2,17,74,174
- Trade Payables	17	19,77,98,483	5,44,05,966
- Other financial liabilities	18	2,45,45,935	1,96,20,753
Other current liabilities	19	6,36,82,733	3,01,73,458
Provisions	20	2,66,180	-
Current-tax liabilities	20	2,94,73,504	1,55,48,635
Total current liabilities		**33,26,90,871**	**14,15,22,986**
Total liabilities		**79,34,01,952**	**33,71,79,196**
Total equity and liabilities		**1,77,79,23,879**	**1,15,03,75,756**

Summary of significant accounting policies

The accompanying notes form an integral part of these financials statements

As per our report of even date
For A.L.Thakkar & Co.
Chartered Accountants
Firm Registration No.: 120116W

Mitul Raval
Partner
Mem. No. 154759

Place : Ahmedabad
Date : 31st May, 2021

For and on behalf of the Board
Sakar Healthcare Limited

Sanjay S. Shah
Managing Director
DIN: 01515296

Aarsh S. Shah
Joint Managing Director
DIN: 05294294

Jhonny G. Kudilil
Chief Financial Officer

Bharat Soni
Company Secretary

Place : Ahmedabad
Date : 31st May, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Amount (Rs.)

Particulars	Notes	For the year ended 31st March 2021	For the year ended 31st March 2020
Income			
Revenue from operations	21	94,73,93,214	82,98,02,396
Other income	22	1,17,52,828	2,01,68,433
Total income		**95,91,46,042**	**84,99,70,829**
Expenses			
Cost of materials and services	23	52,01,87,056	42,89,75,977
Changes in inventories of finished goods and work-in-progress	24	(90,62,539)	15,07,247
Employee benefits expense	25	13,26,46,158	12,12,92,072
Finance costs	26	2,48,24,569	2,25,25,946
Depreciation and amortization expense	27	8,05,83,012	7,07,98,059
Other expenses	28	7,76,40,876	8,26,02,445
Total expenses		**82,68,19,132**	**72,77,01,746**
Profit before tax		**13,23,26,910**	**12,22,69,083**
Tax expense:			
Current tax		3,12,04,825	2,51,00,000
Tax of earlier periods		5,70,341	12,14,549
Deferred tax		(62,73,117)	(2,73,918)
Less: MAT credit entitlement			
Income tax expense		**2,55,02,049**	**2,60,40,631**
Profit for the year		**10,68,24,861**	**9,62,28,452**
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on defined benefit plans		6,42,493	(5,82,921)
Income tax related to item that will not be reclassified to profit and loss		(1,78,741)	1,62,169
Net other comprehensive (expense) not to be reclassified to profit or loss in subsequent periods		4,63,752	(4,20,752)
Total comprehensive income for the year		**10,72,88,613**	**9,58,07,700**

The accompanying notes form an integral part of these financials statements

As per our report of even date
For A.L.Thakkar & Co.
Chartered Accountants
Firm Registration No.: 120116W

Mitul Raval
Partner
Mem. No. 154759

Place : Ahmedabad
Date : 31st May, 2021

For and on behalf of the Board
Sakar Healthcare Limited

Sanjay S. Shah
Managing Director
DIN: 01515296

Aarsh S. Shah
Joint Managing Director
DIN: 05294294

Jhonny G. Kudilil
Chief Financial Officer

Bharat Soni
Company Secretary

Place : Ahmedabad
Date : 31st May, 2021

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2021

Amount (Rs.)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Profit before Taxes	13,23,26,910	12,22,69,083
Adjustments:		
Depreciation	8,05,83,012	7,07,98,059
Interest Expense	2,32,13,595	2,10,51,984
Provision for Doubtfull Debts	29,357	-
Changes in Other Equity	(73,48,516)	-
Other Non-Cash Adjustment	(74,54,730)	-
Operating Cash flow before working capital changes	**22,14,44,312**	**21,41,19,126**
Changes in Working Capital		
Inventories	(4,76,39,965)	(4,07,70,040)
Financial assets		
- Trade receivables	(4,14,31,833)	1,26,90,284
- Loans and Advances	-	-
Other current assets	(3,45,58,553)	1,21,86,870
Financial assets		
- Loans and Advances	(82,000)	(55,35,575)
Financial liabilities		
- Short term Borrowings	(57,07,489)	-
- Trade Payables	2,59,00,964	1,11,93,521
Other current liabilities	3,35,08,775	1,06,36,967
Provisions	16,84,555	18,37,401
Cashflow from Operating Activity before Taxes	**15,30,24,582**	**21,63,58,554**
Net Tax Paid	(72,57,274)	(2,77,23,669)
Net Cash flow/(used) from/(in) Operating Activity	**14,57,67,308**	**18,86,34,885**
Cashflow from Investing Activity		
Purchase of Property, Plant & Equipments	(35,54,56,502)	(12,97,88,533)
Sale of Intangible Assets	-	(35,58,670)
Capital Advances	(11,28,77,567)	(9,07,05,622)
Investment in Subsidiary	-	-
Net Cash flow/(used) from (in) Investing Activity	**(46,83,34,069)**	**(22,40,52,825)**
Cashflow from Financing Activity		
Proceeds from issue of shares	7,88,40,000	43,760
Proceeds / (Repayment) of Borrowings	26,05,39,372	5,20,99,265
Interest Paid	(1,90,47,443)	(1,73,33,577)
Net Cash flow/(used) from/(in) Financing Activity	**32,03,31,929**	**3,48,09,448**
Net Cash Inflow / (Outflow)	**(22,34,832)**	**(6,08,492)**
Opening Cash and Cash Equivalent	30,59,481	36,67,973
Closing Cash and Cash Equivalent	**8,24,649**	**30,59,481**

(1) The Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 on Cash Flow Statements notified under section 133 of The Companies Act, 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

(2) Disclosure required under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is presented in Note no. 37.

As per our report of even date
For A.L.Thakkar & Co.
Chartered Accountants
Firm Registration No.: 120116W

Mitul Raval
Partner
Mem. No. 154759

Place : Ahmedabad
Date : 31st May, 2021

For and on behalf of the Board
Sakar Healthcare Limited

Sanjay S. Shah
Managing Director
DIN: 01515296

Aarsh S. Shah
Joint Managing Director
DIN: 05294294

Jhonny G. Kudilil
Chief Financial Officer

Bharat Soni
Company Secretary

Place : Ahmedabad
Date : 31st May, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

A. Equity share capital

(Amount in Rs.)

Equity shares of Rs. 10/- each issued, subscribed and fully paid up	Number of shares	Amount
As at 31 March 2019	**1,49,61,000**	**14,96,10,000**
Issue/(reduction), if any during the year	-	-
As at 31 March 2020	**1,49,61,000**	**14,96,10,000**
Issue/(reduction), if any during the year	6,57,000	65,70,000
As at 31 March 2021	**1,56,18,000**	**15,61,80,000**

B. Other equity

(Amount in Rs.)

Particulars	Reserve & Surplus		Deemed Equity Contribution	Other comprehensive income Re-measurement of defined benefit plan	Total
	Securities Premium Reserve	Retained earnings			
As on 01 April, 2019	34,81,90,000	**21,37,94,619**	**73,48,516**	**(15,98,035)**	**56,77,35,100**
Profit for the year	-	9,62,28,452	-	-	9,62,28,452
Movement for the year	43,760	-	-	(4,20,752)	(3,76,992)
As on 31 March, 2020	**34,82,33,760**	**31,00,23,071**	**73,48,516**	**(20,18,787)**	**66,35,86,560**
Profit for the year	-	10,68,24,861	-	-	10,68,24,861
Movement for the year	7,22,70,000	**(74,54,730)**	**(73,48,516)**	4,63,752	5,79,30,506
As on 31 March, 2021	**42,05,03,760**	**40,93,93,202**	**-**	**(15,55,035)**	**82,83,41,927**

The accompanying notes form an integral part of these financials statements

As per our report of even date
For A.L.Thakkar & Co.
Chartered Accountants
Firm Registration No.: 120116W

Mitul Raval
Partner
Mem. No. 154759

Place : Ahmedabad
Date : 31st May, 2021

For and on behalf of the Board
Sakar Healthcare Limited

Sanjay S. Shah
Managing Director
DIN: 01515296

Aarsh S. Shah
Joint Managing Director
DIN: 05294294

Jhonny G. Kudilil
Chief Financial Officer

Bharat Soni
Company Secretary

Place : Ahmedabad
Date : 31st May, 2021

Significant Accounting Policies:

1 Corporate Information

Sakar Healthcare Limited is a company incorporated under the provisions of the Companies Act, 1956. It is engaged in manufacturing of Pharmaceutical products providing Liquid Orals, Cephalosporin Tablet, Capsule, Dry Powder Syrup, Dry Powder Injections, Liquid Injectable (SVP) in Ampoules,Vials & Lyophilized Injections, Oral Solid Dossages and Research & Development of above products.

2 Basis of Preparation, Measurement and Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

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

The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments (including derivative instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

New and amended standards adopted by the Company

The Company has applied the following amendments for the first time for annual reporting period commencing from April 01, 2020 which do not have material impact on the financial statement:-Ind AS 1 - Presentation of Financial StatementsInd AS 8 - Accounting Policies, Changes in Accounting Estimates and ErrorsInd AS 10 - Events after the Reporting PeriodInd AS 37 - Provisions, Contingent Liabilities and Contingent AssetsInd AS 107 - Financial Instruments: DisclosuresInd AS 109 - Financial InstrumentInd AS 116 - Leases

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest rupees, except numbers.

2.2 Significant accounting estimates and assumptions

The preparation of the Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The significant estimates and judgments are listed below:

(i) Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

(ii) Judgments by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.

(iii) Significant judgment is required in assessing at each reporting date whether there is indication that a financial asset may be impaired.

(iv) The impairment provision for financial assets are based on the assumptions about risk of default and expected loss rates. The company uses judgments in making the assumptions and selecting the inputs to the impairment calculations, based on the company’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Significant judgment is required in assessing at each reporting date whether there is indication that a non-financial asset may be impaired.

(vi) Significant judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(Vii) In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(Viii) Significant judgment has been exercised by management in recognition of MAT credit and estimating the period of its utilization.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Inventories

Stores and Spares:

- Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis.
- Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

c) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

d) Property, plant and equipment (PPE)

Property, plant and equipment (including capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, directly and indirectly attributable costs arising directly from the development of the asset / project to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Borrowing cost relating to acquisition / construction of property, plant & equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation is calculated on a straight line basis over the useful lives of the assets prescribed in the Companies Act, 2013.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of products and services

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, chargebacks, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts.

In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sales Returns

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Government Grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the Company deducts such grant amount from the carrying amount of the asset.

f) Foreign Currency

On initial recognition, transactions in currencies other than the Company's functional currency (foreign currencies) are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, if any

g) Retirement and other employee benefits

All employee benefits payable wholly within 12 months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

h) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

i) Gratuity fund

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

> Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

> Net interest expense or income.

j) Compensated absences

Provision for compensated absence is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absence. The company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date.

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Segment reporting

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

In accordance with the Ind-As 108 -" Operating Segments" , the Company has determined its business segment of manufacturing of pharmaceutical products. Since there are no other business segments in which the Company operates, there are no other primary reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

m) Related party transactions

Disclosure of transactions with Related Parties, as required by Ind-AS 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Ind-AS 24 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

n) Earnings per share

The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. For the purpose of calculating diluted earning per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Taxes

Tax expense comprises of current and deferred tax.

i) Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in OCI or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

> When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

> When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. Deferred tax include MAT Credit Entitlement. The Company reviews the such tax credit asset at each reporting date and writes down the asset to the extent The Company does not have sufficient taxable temporary difference /convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

p) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

q) Provisions, contingent liabilities and contingent assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and contingent assets

Contingent liabilities is disclosed in the case of :

a present obligation arising from past events, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

a present obligation arising from past events, when no reliable estimate can be made.

a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments includes the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Expenditure

Expenditures are accounted net of taxes recoverable, wherever applicable.

r) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

> In the principal market for the asset or liability, or

> In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

> Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities .

> Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

> Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuer are involved for valuation of unquoted financial assets and financial liabilities, such as contingent consideration. Involvement of external valuer is decided upon annually by the management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the company's external valuer, which valuation techniques and inputs to use for each case.

At each reporting date, the company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company , in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. It is broadly classified in financial assets, financial liabilities, derivatives & equity.

(A) Financial assets

Initial recognition and measurement

All financial assets, except investment in subsidiaries, associates and joint ventures are recognised initially at fair value.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

> Debt instruments at amortised cost.

> Debt instruments at fair value through other comprehensive income (FVTOCI).

> Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).

> Equity instruments measured at fair value through other comprehensive income (FVTOCI).

i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii) Debt instrument at FVTOCI

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has not classified any financial asset into this category.

iii) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(B) Equity instruments

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

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

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

> The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~ and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure ;

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances.

b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI).

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

> Trade receivables or contract revenue receivables; and

> All lease receivables resulting from transactions within the scope of Ind AS 17.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk said initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as (expense) / income in the statement of profit and loss (P&L). This amount is reflected under the head " Other Expense" in the P&L.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent Measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, The Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

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

Reclassification of financial instruments

After initial recognition, no reclassification is made for financial assets which are equity instruments. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies the financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model.

Offsetting financial assets and financial liabilities

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

t) Leases

The Company has applied Ind AS 116 'Leases' for the first time for annual reporting period commencing from April 01, 2019. Set out below are the new accounting policies of the Company upon adoption of Ind AS 116:

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Note 3 - Property, plant and equipment

(Amount in Rs.)

Particulars	Tangible assets																
	Air Conditioner	Boiler	Computer	D.G. Set	Electrical Installation	Factory Building	Factory Land and Development	Furniture	Other Equipment	Telephone Instru-ments	Laboratory Equipments	Plants & Machinery	Scale	Vehicles	Trolly	Total	Capital WIP
Deemed cost																	
As at 31st March 2019	**47,88,612**	**9,53,493**	**14,22,759**	**20,92,322**	**1,83,03,501**	**14,20,12,213**	**1,73,48,390**	**1,79,36,684**	**2,02,67,244**	**2,41,072**	**4,34,78,408**	**33,00,67,889**	**1,25,694**	**2,37,74,841**	**16,79,705**	**62,44,92,827**	**8,65,94,000**
Additions	2,08,615	-	8,45,036	-	6,86,783	-	3,60,08,118	8,48,479	17,24,323	1,47,450	1,87,63,152	2,47,12,544	-	48,03,379	-	8,87,47,879	4,43,58,537
Deductions													-			-	-
As at 31st March 2020	**49,97,227**	**9,53,493**	**22,67,795**	**20,92,322**	**1,89,90,284**	**14,20,12,213**	**5,33,56,508**	**1,87,85,163**	**2,19,91,567**	**3,88,522**	**6,22,41,560**	**35,47,80,433**	**1,25,694**	**2,85,78,220**	**16,79,705**	**71,32,40,706**	**13,09,52,537**
Additions	22,13,944	-	94,24,902	-	4,125	2,84,40,618	-	5,69,227	20,67,412	1,56,780	5,29,35,860	1,88,65,802	-	-	-	11,46,78,670	35,82,69,384
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2021	**72,11,171**	**9,53,493**	**1,16,92,697**	**20,92,322**	**1,89,94,409**	**17,04,52,831**	**5,33,56,508**	**1,93,54,390**	**2,40,58,979**	**5,45,302**	**11,51,77,420**	**37,36,46,235**	**1,25,694**	**2,85,78,220**	**16,79,705**	**82,79,19,376**	**48,92,21,921**
Accumulated depreciation																	
As at 31 March 2019	**4,31,735**	**90,398**	**8,89,650**	**1,88,273**	**33,89,933**	**42,21,935**	**-**	**25,39,487**	**11,04,547**	**35,138**	**47,53,802**	**2,17,22,119**	**10,172**	**34,32,145**	**1,02,797**	**4,29,12,131**	-
Additions	4,42,676	90,397	2,24,266	1,88,274	33,90,113	54,78,858	-	25,63,126	11,72,745	39,908	63,10,765	2,26,33,487	10,173	36,05,663	1,02,796	4,62,53,247	–
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	–
As at 31st March 2020	**8,74,411**	**1,80,795**	**11,13,916**	**3,76,547**	**67,80,046**	**97,00,793**	**-**	**51,02,613**	**22,77,292**	**75,046**	**1,10,64,567**	**4,43,55,606**	**20,345**	**70,37,808**	**2,05,593**	**8,91,65,378**	**-**
Additions	5,59,361	90,398	50,71,280	1,88,273	34,55,184	57,39,086	-	26,81,072	12,58,998	50,411	83,19,960	2,34,83,876	10,172	40,73,565	1,02,797	5,50,84,433	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2021	**14,33,772**	**2,71,193**	**61,85,196**	**5,64,820**	**1,02,35,230**	**1,54,39,879**	**-**	**77,83,685**	**35,36,290**	**1,25,457**	**1,93,84,527**	**6,78,39,482**	**30,517**	**1,11,11,373**	**3,08,390**	**14,42,49,811**	**-**
Net block																	
As at 31st March 2021	57,77,399	6,82,300	55,07,501	15,27,502	87,59,179	15,50,12,952	5,33,56,508	1,15,70,705	2,05,22,689	4,19,845	9,57,92,893	30,58,06,753	95,177	1,74,66,847	13,71,315	68,36,69,565	48,92,21,921
As at 31st March 2020	41,22,816	7,72,698	11,53,879	17,15,775	1,22,10,238	13,23,11,420	5,33,56,508	1,36,82,550	1,97,14,275	3,13,476	5,11,76,993	31,04,24,827	1,05,349	2,15,40,412	14,74,112	62,40,75,327	13,09,52,537

Notes to consolidated financials statements for the year ended 31 March 2021

NOTE 4 - OTHER INTANGIBLE ASSETS

Particulars	Intangibles Assets	
	Other Intangibles	Total
Deemed Cost		
As at 31 March 2019	**7,12,71,632**	**7,12,71,632**
Additions	35,58,670	35,58,670
Deductions	-	-
As at 31 March 2020	**7,48,30,302**	**7,48,30,302**
Additions	-	-
Deductions	-	-
As at 31 March 2021	**7,48,30,302**	**7,48,30,302**
Accumulated Depreciation/ Amortization		
As at 31 March 2019	**1,74,85,151**	**1,74,85,151**
Additions	2,45,44,812	2,45,44,812
Deductions	-	-
As at 31st March 2020	**4,20,29,963**	**4,20,29,963**
Additions	2,54,98,579	2,54,98,579
Deductions	-	-
As at 31st March 2021	**6,75,28,542**	**6,75,28,542**
Net Block		
As at 31 March 2021	73,01,760	73,01,760
As at 31 March 2020	3,28,00,339	3,28,00,339

(Amount in Rs.)

		As at 31 March 2021	As at 31 March 2020
5	**LOANS AND ADVANCES**		
	Non - Current		
	Deposits	81,62,177	80,80,177
		81,62,177	**80,80,177**
6	**OTHER ASSETS**		
	Non-Current		
	Capital advances (Unsecured, considered good)	25,23,37,048	13,87,02,130
		25,23,37,048	**13,87,02,130**
7	**INVENTORIES***		
	Raw Material/Packing Material / Stores & Consumables	12,19,92,454	8,34,15,028
	Finished Goods / Stock in Process	3,49,80,754	2,59,18,215
		15,69,73,208	**10,93,33,243**

* Inventories are being valued at lower of cost and net realisable value

(Amount in Rs.)

		As at 31 March 2021	As at 31 March 2020
8	**TRADE RECEIVABLES** (Unsecured, considered good unless otherwise stated)		
	From Relatives	-	-
	From Others	12,37,42,427	8,23,39,951
		12,37,42,427	**8,23,39,951**
	Break up for security details		
	Unsecured, considered good	12,37,13,070	8,22,81,567
	Unsecured, considered doubtful	29,357	58,384
		12,37,42,427	**8,23,39,951**
9	**CASH AND CASH EQUIVALENTS***		
	Balances with banks:		
	Balance in current account	72,066	22,27,498
	Cash on hand	7,52,583	7,31,983
		8,24,649	**29,59,481**
	*There are no repatriation restriction with regard to cash and cash equivalents as at the end of the reporting period and prior period		
10	**OTHER CURRENT ASSETS**		
	Balance with government authorities	5,41,42,199	1,91,28,686
	Advances against goods and services	6,91,629	12,48,877
	Prepaid Expenses	8,57,296	7,55,008
		5,56,91,124	**2,11,32,571**
11	**SHARE CAPITAL**		
	A) Authorized, issued, subscribed and paid up share capital		
	Authorised 2,00,00,000 equity shares of Rs. 10 each (31 March 2021 2,00,00,000 equity shares and 31 March 2020 1,50,00,000 equity shares)	20,00,00,000	15,00,00,000
		20,00,00,000	**15,00,00,000**
	Issued, subscribed and fully paid up shares 1,56,18,000 equity shares of Rs. 10 each (31 March 2021 1,56,18,000 equity shares and 31 March 2020 1,49,61,000 equity shares)	15,61,80,000	14,96,10,000
		15,61,80,000	**14,96,10,000**

Notes:

(a) Reconciliation of the number of the shares outstanding as the beginning and end of the year:

	No. of shares	Amount
At the beginning of the year	1,49,61,000	14,96,10,000
Movement during the year	6,57,000	-
At the end of the year	**1,56,18,000**	**14,96,10,000**

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company did not declare any dividend on equity shares for the year ended 31 March 2021 and 31 March 2020. The dividend if proposed by the Board of Directors, is subject to the approval of shareholders in the Annual General Meeting, except interim dividend.

(c) Details of shareholder holding more than 5% shares in the Company

Equity shares of Rs. 10 each fully paid

	As at 31 March 2021	As at 31 March 2020
Sanjay S. Shah	99,08,543	92,51,543
	63.44%	61.84%
Aarsh Shah	13,07,500	13,07,500
	8.37%	8.74%

(d) Shares reserved for issue under option

The Company has not reserved any shares for issuance under options

(e) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

The Company has neither issued any bonus shares, shares for consideration other than cash nor has there been any buyback of shares in the current year and preceding five years from 31 March 2021.

(Amount in Rs.)

		As at 31 March 2021	As at 31 March 2020
12	**OTHER EQUITY**		
(i)	**Retained earnings**		
	Opening balance	31,00,23,071	21,37,94,619
	Add: Profits for the year	10,68,24,861	9,62,28,452
	Less: other adjustments	74,54,730	-
	Closing balance	**40,93,93,202**	**31,00,23,071**
(ii)	**Other comprehensive income, net of tax**		
	Opening balance	(20,18,787)	(15,98,035)
	Movement for the year	4,63,752	(4,20,752)
	Closing balance	**(15,55,035)**	**(20,18,787)**
(iii)	**Securities Premium reserve**		
	Opening balance	34,82,33,760	34,81,90,000
	Movement for the year	7,22,70,000	43,760
	Closing balance	**42,05,03,760**	**34,82,33,760**
(iv)	**Deemed Equity Contribution**		
	Opening balance	73,48,516	73,48,516
	Movement for the year	(73,48,516)	-
	Closing balance	**-**	**73,48,516**
	Total	**82,83,41,927**	**66,35,86,560**

(Amount in Rs.)

		As at 31 March 2021	As at 31 March 2020
13	**BORROWINGS**		
	Non-current borrowings		
	Secured term loans from Scheduled Banks and	34,98,57,076	8,78,85,602
	Financial Institutions **(Refer Note 1 & 2)**		
	Secured Car Loan from Bank **(Refer Note 3)**	5,25,526	-
	Unsecured Loan from directors (Interest free)	3,41,19,201	3,68,35,859
		38,45,01,803	**12,47,21,461**

Notes:

1. Loan from Clix Finance India Private Limited is repayable in 48 equated monthly installments amounting to INR 13,41,375/- beginning from October, 2019. The Loan were secured against the Plant & Machinery of Sakar Healthcare Limited.
2. Term Loan from the State Bank of India carries interest rate of 9.15% p.a. The repayment of the loan will begin after the 18 months from the date of inception of loan. The Loan were secured against the Land & Building and Machinery of Sakar Healthcare Limited.
3. Loan from Axis Bank is repayable in 37 equated monthly installments amounting to INR 61,972/- beginning from January, 2020. The Loan were secured against the Motor Car (Audi) of Sakar Healthcare Limited.

		As at 31 March 2021	As at 31 March 2020
14	**DEFERRED TAX LIABILITIES (NET)**		
	Deferred tax liabilities		
	Difference between WDV as per books and Income-tax	7,49,47,673	7,09,48,573
	Other Equity	-	19,59,899
		7,49,47,673	**7,29,08,472**
	Deferred tax assets		
	Less: Gratuity	(22,80,465)	(14,95,405)
	Less: MAT credit entitlement	(43,88,964)	(74,54,730)
		(66,69,429)	**(89,50,135)**
		6,82,78,243	**6,39,58,337**
15	**PROVISIONS**		
	Non-Current		
	Provision for gratuity	79,31,035	69,76,412
		79,31,035	**69,76,412**
	Current		
	Provision for gratuity (Current)	2,66,180	-
		2,66,180	-
16	**BORROWINGS**		
	Current borrowings		
	Working capital Loan from bank	1,69,24,036	2,17,74,174
		1,69,24,036	**2,17,74,174**
17	**TRADE PAYABLES**		
	Creditors for Goods	7,19,01,869	4,60,00,905
	Creditors for Capital Goods and others	12,58,96,614	84,05,061
		19,77,98,483	**5,44,05,966**

(Amount in Rs.)

		As at 31 March 2021	As at 31 March 2020
18	**OTHER FINANCIAL LIABILITIES**		
	Current maturities of long term borrowings	2,45,45,935	1,96,20,753
		2,45,45,935	**1,96,20,753**
19	**OTHER CURRENT LIABILITIES**		
	Advance from Customers	4,15,31,518	97,69,392
	For other liabilities	2,21,50,715	2,04,04,066
		6,36,82,233	**3,01,73,458**
20	**INCOME-TAX LIABILITIES**		
	Income tax provision (net of advance taxes)	2,94,73,504	1,55,48,635
		2,94,73,504	**1,55,48,635**

Amount (Rs.)

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
21	**REVENUE FROM OPERATIONS**		
	Sale of products and services		
	Domestic Sales	25,48,55,370	25,88,25,797
	Export Sales	69,25,37,844	57,09,76,599
		94,73,93,214	**82,98,02,396**
22	**OTHER INCOME**		
	Interest Income	1,62,683	1,44,590
	Export Incentive	57,21,875	93,42,123
	Dossier Charges	-	17,19,744
	Documention Charges	-	2,30,556
	Rent Income	-	51,000
	Exchange Rate Flucutation	58,53,704	86,71,415
	Excess Provision Written Back	-	9,005
	Vatav & Kasar Income	14,566	-
		1,17,52,828	**2,01,68,433**
23	**COST OF MATERIAL AND SERVICES**		
	Opening stock of raw material and components	8,34,15,028	4,11,37,741
	Add : Purchases during the year	55,87,64,482	47,12,53,264
	Inventory at the end of the year	12,19,92,454	8,34,15,028
	Cost of materials and services	**52,01,87,056**	**42,89,75,977**
24	**CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**		
	Opening Stock of Finished Goods / Stock in Process	2,59,18,215	2,74,25,462
	‘Less: Closing Stock of Finished Goods / Stock in Process	3,49,80,754	2,59,18,215
	Changes in inventories of finished goods and work in progress	**(90,62,539)**	**15,07,247**

Amount (Rs.)

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
25	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and Wages	12,35,73,898	11,22,13,341
	Directors' Remuneration	52,00,000	52,00,000
	Contribution to Provident and Other Funds	9,94,184	10,30,523
	Contribution to ESIC	91,537	1,02,841
	Provision for Gratuity	18,63,296	16,75,232
	Staff Welfare Expenses	9,23,243	10,70,135
		13,26,46,158	**12,12,92,072**
26	**FINANCE COSTS**		
	Bank Charges	16,10,974	14,73,962
	Interest Expense	2,32,13,595	2,10,51,984
		2,48,24,569	**2,25,25,946**
27	**DEPRECIATION AND AMORTIZATION EXPENSES**		
	Depreciation of property, plant and equipment	5,50,84,433	4,62,53,247
	Amortization of intangible assets	2,54,98,579	2,45,44,812
		8,05,83,012	**7,07,98,059**

Amount (Rs.)

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
28	**OTHER EXPENSES**		
	Advertisement Expenses	54,980	24,780
	Audit Fees	1,00,000	1,00,000
	Business Devleopment Expenses	1,20,900	12,62,602
	Commission Expense	94,400	-
	Courier & Postage Expenses	4,38,210	4,23,880
	Donation Expense	42,85,000	-
	Electrical Expenses	11,54,737	14,65,681
	Export Expenses	1,24,21,858	93,50,847
	Factory / General Expenses	17,08,494	9,18,420
	Food & Refreshment Expenses	5,98,083	14,54,560
	Insurance Expenses	6,27,692	3,94,580
	Legal and Professional Fees	62,64,630	54,08,657
	Licence Charges	45,500	66,156
	Loading & Unloading Charges	35,382	4,990
	Maintanance Expenses	6,31,186	7,34,610
	Membership Fees Expenses	24,375	5,65,388
	Miscellaneous Expenses	18,29,347	4,06,542
	Packing Expenses	18,00,826	10,57,054
	Power & Fuel Expenses	2,14,28,933	3,16,44,372
	Product Registration Expenses	89,67,679	40,78,580
	Provision for Doubtful Debts	29,357	-
	Rates & Taxes	1,38,227	47,074
	Repairs & Maintainance		
	Machinery	5,30,881	8,24,370
	Factory Building	4,10,030	23,09,016
	Computer	2,25,379	97,184
	Others	23,05,227	29,94,341
	Security Expenses	14,42,404	4,97,904
	Stationery Expenses	10,51,042	12,24,006
	Stores & Spares / Consumable Expenses	38,08,989	47,02,323
	TDS Interest Expenses	1,22,526	65,825
	Telephone / Mobile / Internet Expenses	2,92,832	3,26,900
	Testing & Analysis / Laboratory Expenses	31,89,356	45,68,226
	Travelling & Conveyance Expenses	8,55,253	50,45,262
	Vatav & Kasar Expenses	-	1,39,433
	Vehicle Expenses	6,07,161	3,98,882
		7,76,40,876	**8,26,02,445**
	* **Payment to auditor (excluding GST)**		
	As auditor:		
	Audit fee	1,00,000	1,00,000
	Tax audit fees	-	-
		1,00,000	**1,00,000**

29 INCOME TAX

(a) The major components of income tax expenses for the years ended March 31, 2021 and March 31, 2020

Amount (Rs.)

	For the year ended 31st March 2021	For the year ended 31st March 2020
Statement of profit and loss		
Current income tax:		
Current income tax charge	3,12,04,825	2,51,00,000
Adjustment in respect of current income tax of previous years	5,70,341	12,14,549
Deferred tax:		
Relating to origination and reversal of temporary differences Tax (credit) under minimum alternate tax (MAT)	(62,73,117)	(2,73,918)
Income tax expenses reported in statement of profit and loss	**2,55,02,049**	**2,60,40,631**

	March 31, 2021 (Amount in Rs.)	March 31, 2020 (Amount in Rs.)
(b) OCI section		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on remeasurements of defined benefit plans	(1,78,741)	1,62,169
Income tax charged to OCI	**(1,78,741)**	**1,62,169**

Amount (Rs.)

	For the year ended 31 March 2021	For the year ended 31 March 2020
(c) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2021 and March 31, 2020		
Accounting profit before taxation	**13,23,26,910**	**12,22,69,083**
Applicable tax rate	27.82%	27.82%
Computed tax expenses	**3,68,13,346**	**3,40,15,259**
Tax provision due to difference in MAT rate and normal tax rate Temporary differences on which deferred tax not created	4,01,304	5,53,173
Non-deductible expenses	1,38,412	1,46,767
Deferred Tax on Actuarial gain transferred to OCI	(1,78,741)	1,62,169
Adjustment of earlier years	5,70,341	12,14,549
Adjustment for 35D	-	(95,00,774)
Others	(1,22,68,953)	(5,50,511)
Income tax expenses charged to profit and loss	**2,54,75,708**	**2,60,40,631**

(d) Deferred tax relates to following

Particulars	Balance Sheet		Profit and Loss	
	March 31, 2021 (Amount in Rs.)	March 31, 2020 (Amount in Rs.)	March 31, 2021 (Amount in Rs.)	March 31, 2020 (Amount in Rs.)
Temporary difference in value of Property, Plant and Equipment as per books of accounts and tax	7,49,47,673	7,09,48,573	39,99,100	19,16,781
Notional Interest on Unsecured Loan	-	19,59,899	(2,73,918)	(10,34,461)
Income tax effect on re-measurement gains (losses) on defined benefit plans	(22,80,466)	(14,95,405)	(7,85,060)	(6,08,402)
Deferred tax liabilities	**7,26,67,207**	**7,14,13,067**	**29,40,121**	**2,73,918**

30 FAIR VALUE MEASUREMENT

	Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Total
a)	**The carrying value of financial instruments by categories as of March 31, 2021 is as follows :**					
	Financial Asset					
	Investments	-	-	-	1,00,000	1,00,000
	Trade receivables	-	-	-	12,37,42,427	12,37,42,427
	Cash and Cash Equivalents	-	-	-	8,04,149	8,04,149
	Loans	-	-	-	89,34,212	89,34,212
		-	-	-	**13,35,80,788**	**13,35,80,788**
	Financial Liabilities					
	Borrowings	-	-	-	40,14,25,839	40,14,25,839
	Trade payables	-	-	-	19,77,98,483	19,77,98,483
	Other financial liabilities	-	-	-	2,45,45,935	2,45,45,935
		-	-	-	**62,37,70,257**	**62,37,70,257**
b)	**The carrying value of financial instruments by categories as of March 31, 2020 is as follows :**					
	Financial Asset					
	Investments	-	-	-	-	-
	Trade receivables	-	-	-	8,23,39,951	8,23,39,951
	Cash and Cash Equivalents	-	-	-	29,59,481	29,59,481
	Loans	-	-	-	80,80,177	80,80,177
		-	-	-	**9,33,79,609**	**9,33,79,609**
	Financial Liabilities					
	Borrowings	-	-	-	14,64,95,635	14,64,95,635
	Trade payables	-	-	-	5,44,05,966	5,44,05,966
	Other financial liabilities	-	-	-	1,96,20,753	1,96,20,753
		-	-	-	**22,05,22,354**	**22,05,22,354**

c) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

31 FINANCIAL RISK OBJECTIVE AND POLICIES

The Company’s principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company’s operations/projects and to provide guarantees to support its operations. The Company’s principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements (interest rate risk) collectively referred as market risk, credit risk, liquidity risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks.

The Company’s risk management activities are subject to the management, direction and control of Treasury Team of the Company under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Company’s central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company’s policies and risk objectives. It is the Company’s policy that no trading in derivatives for speculative purposes may be undertaken.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2021.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2021.

i) Interest rate risk

Interest rate sensitivity

The following paragraph demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2021 would decrease / increase by Rs. 1,05,820/- (previous year Rs. 8,55,843/-). This is mainly attributable to interest rates on term loans, car loans and working capital loan.

b) Credit risk

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury team in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

c) Liquidity risk

The table below analysis the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturities of financial liability **(Amount in Rs.)**

Particulars	On Demand	Within 1 year	Over 1 year within 5 years	Over 5 years	Total
As at March 31, 2021					
Borrowings	-	1,69,24,036	38,45,01,803	-	40,14,25,839
Other financial liabilities	-	2,45,45,935	-	-	2,45,45,935
Trade payables	-	19,77,98,483	-	-	19,77,98,483
	-	**23,92,68,454**	**38,45,01,803**	**-**	**62,37,70,257**
As at March 31, 2020					
Borrowings	-	2,17,74,174	12,47,21,461	-	14,64,95,635
Other financial liabilities	-	1,96,20,753	-	-	1,96,20,753
Trade payables	-	5,44,05,966	-	-	5,44,05,966
	-	**9,58,00,893**	**12,47,21,461**	**-**	**22,05,22,354**

32 EARNINGS PER SHARE

Amount (Rs.)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders of the company	10,72,88,613	9,58,07,700
Weighted average number of equity shares	1,50,76,200	1,49,61,000
Face value per share (in Rs.)	10	10
Basic and Diluted earning per share (in Rs.)	7.12	6.40

33 CONTINGENT LIABILITES

As at 31st March, 2021, there is no liability of contingent nature which is not provided for. (Previous Year NIL)

34 DISCLOSURES AS REQUIRED BY IND AS - 19 EMPLOYEE BENEFITS

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a)	**Changes in Present Value of Obligation**		
	Present value of the obligation at the beginning of the period	69,76,412	47,18,259
	Interest cost	4,85,558	3,30,278
	Current service cost	13,77,738	13,44,954
	Actuarial (gain)/loss	(6,42,493)	5,82,921
	Present value of the obligation at the end of the period	**81,97,215**	**69,76,412**
b)	**Net Asset / (Liability) recognised in Balance Sheet**		
	Present value of the obligation at the end of the period	81,97,215	69,76,412
	Fair value of plan assets at end of period	-	-
	Net liability/(asset) recognized in Balance Sheet and related analysis	81,97,215	69,76,412
	Funded Status - Surplus/ (Deficit)	**(81,97,215)**	**(69,76,412)**
c)	**Expense to be recognised in the Statement of Profit and Loss**		
	Interest cost	4,85,558	3,30,278
	Current service cost	13,77,738	13,44,954
	Expenses to be recognized in the Statement of Profit & Loss	**18,63,296**	**16,75,232**
d)	**Recognised in Other Comprehensive Income**		
	Opening Cumulative unrecognized actuarial (gain)/loss	27,96,879	22,13,958
	Actuarial (gain)/loss - obligation	(6,42,493)	5,82,921
	Total Actuarial (gain)/loss	(6,42,493)	5,82,921
	Carried Forward Cumulative total actuarial (gain)/loss	**21,54,386**	**27,96,879**
e)	**Net Interest Cost**		
	Interest cost on defined benefit obligation	4,85,558	3,30,278
	Net interest cost (Income)	**4,85,558**	**3,30,278**
f)	**Maturity Profile of the Defined Benefit Obligation**		

Particulars	Amount
01 Apr 2021 to 31 Mar 2022	2,66,180
01 Apr 2022 to 31 Mar 2023	1,36,410
01 Apr 2023 to 31 Mar 2024	5,34,550
01 Apr 2024 to 31 Mar 2025	1,12,501
01 Apr 2025 to 31 Mar 2026	2,19,713
01 Apr 2026 Onwards	69,27,861

g) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. The sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Particulars	Year ended 31st March, 2021
Defined Benefit Obligation (Base)	81,97,215 @ Salary Increase Rate : 10%, and discount rate :6.96%
Liability with x% increase in Discount Rate	74,19,789; x=1.00% [Change (9)%]
Liability with x% decrease in Discount Rate	91,09,317; x=1.00% [Change 11%]
Liability with x% increase in Salary Growth Rate	90,73,558; x=1.00% [Change 11%]
Liability with x% decrease in Salary Growth Rate	74,33,318; x=1.00% [Change (9)%]
Liability with x% increase in Withdrawal Rate	80,09,900; x=1.00% [Change (2)%]
Liability with x% decrease in Withdrawal Rate	84,09,358; x=1.00% [Change 3%]

h) The principle assumptions used in determining gratuity obligations are as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	6.96 % per annum	7.00 % per annum
Salary Growth Rate	10.00 % per annum	6.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.

35 Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
- Principal	Nil	Nil
- Interest	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 a long with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

36 Capital management

For the purposes of the company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the company's capital management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is net debt (total debt less cash and cash equivalents) divided by total capital plus net debt.

Particulars	As at March 31, 2021	As at March 31, 2020
Total borrowings	42,59,71,774	16,61,16,388
Less: Cash and cash equivalents	8,04,149	29,59,481
Net Debt (A)	**42,51,67,625**	**16,31,56,907**
Total Equity (B)	**98,46,16,611**	**81,31,96,560**
Total Equity and Net Debt (C = A + B)	**1,40,97,84,236**	**97,63,53,467**
Gearing ratio	30.16%	16.71%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020

37 DISCLOSURE UNDER PARA 44A AS SET OUT IN IND AS 7 ON CASH FLOW STATEMENTS UNDER COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES, 2017 (AS AMENDED)

Particulars of Liabilities arising from Financing activity	As at March 31, 2020	Cash flows	Non Cash Changes	As at March 31, 2021
Long term borrowing	10,75,06,355	26,68,96,656	-	37,44,03,011
Working Capital Loan	2,17,74,174	(48,50,138)	-	1,69,24,036
Unsecured Loan	3,68,35,859	(27,16,658)	-	3,41,19,201
Total	**16,61,16,388**	**25,93,29,860**	**-**	**42,54,46,248**

38 COVID 19 IMPACT

Parameter	Response
Impact of Covid-19 Pandemic on Business	Global pandemic, Covid-19 has started to surface significantly by mid-March 2020 forcing government to take decisive rules including lockdown. Pharmaceutical Industry has got categorized under Essential Services and hence has been exempted from day-1 of lockdown i.e. 25th March 2020. Therefore the manufacturing plant functioning and business operations could be maintained all through this phase of back to back lockdowns, though there were few disturbances due to restricted manpower and material movement due to logistic irregularities, and increased freight charges due to limited scope.
Ability to maintain operations including the factories/units/office spaces functioning andclosed down;	The plant operations were smooth adhering to social distancing and other health hygienic norms directed by the government. Working from home was preferred for selected team members considering safety and smooth functioning.
Schedule, if any, for restarting the operations;	This is not Applicable
Steps taken to ensure smooth functioning of operations;	The Company has volunteered for ensuring proper screening and social distancing once the directive has been delivered by the government health authorities: - There was mandatory thermal screening for all employees, workers and visitors - Mask has been made mandatory for all - Sanitization has been done inside premises and for vehicles at regular intervals

	- Hand sanitizers have been placed at key locations - Travelling has been cancelled for overseas and domestic business development - Social distancing has been practiced with proper space allocation within premise - Awareness on government directives has been initiated through posters
Estimation of the future impact of CoVID-19 on its operations;	It is difficult to predict situation that has drastically changed since past few months. However, the Company is well placed to be confident to adapting to the changing business environment as it has done during this COvid-19 phase.
Details of impact of CoVID-19 on:	- Capital & Financial Resources: The Company is very comfortably leveraged with very insignificant impact. - Profitability: The Company is confident of meeting the estimated profitability in line with the pasttrack record. - Liquidity Position: The Company has been able to meet its financial obligations, collections from debtors has been impacted marginally, which the company expects to fall in line with the past trends by the end of second quarter. The Company is supporting its customers by extending the credit days marginally with very insignificant impact on liquidity position of the company. - Ability to service debt and other financing arrangements: Very insignificant. - Assets: Nil - Internal Financial Reporting & Control: Very insignificant. - Supply Chain: It has delayed the availability of Active Pharmaceutical Ingredient in initial phase by few days and affected the transportation cost of finished formulation, which Company is passing on to the Customers - Demand for products/ services: Usual
Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business;	The Company is not anticipating any non-fulfillment, as Company operates in Essential Service sector-Pharmaceutical Manufacturing, in which there was no restriction. Also there was no restriction on any manufactured product of the Company for exports to multiple countries based on government guidelines.
Other relevant material updates about the Company's business;	No

39 The Management has identified the following entities as related parties of the Company, which are as under:

a) List of related parties

Subsidiary Company	**Sakar Oncology Private Limited**
Key Managerial Personnel	Sanjay Shah, Director Rita Shah, Director Aarsh Shah, Director
Relative of Key Managerial Personnel	Ayushi Shah

b) **Detail of Related Party Transactions for the year ended March 31, 2021**

Category	Name of Related Party	For the year ended March 31, 2021	For the year ended March 31, 2020
Remuneration Paid	Sanjay Shah, Director	22,75,000	22,75,000
	Rita Shah, Director	6,50,000	6,50,000
	Aarsh Shah, Director	22,75,000	22,75,000
Salary Paid	Ayushi Shah	5,20,000	5,20,000
Shares Allotted	Sanjay Shah, Director	7,88,40,000	-
Unsecured Loans			
Loan Accepted	Aarsh Shah, Director	81,20,600	-
Loan Repaid	Sanjay Shah, Director	1,08,38,848	-
Loan Given	Sakar Oncology Private Limited	-	7,57,351

c) **Closing Balances**

Unsecured Loans	Sanjay Shah, Director	2,59,97,011	3,68,35,859
	Aarsh Shah, Director	81,20,600	-

40 RESEARCH AND DEVELOPMENT EXPENDITURE

During the year ended 31st March, 2021, the Company has incurred following expenditure on Research and Development:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue Expenditure (excluding depreciation) included in Statement of Profit and Loss		
Salary & Bonus	1,26,18,597	1,10,61,948
Material Stores & Consumable	8,69,864	8,74,652
Power & Fuel Expense	21,42,893	27,98,042
Repairs & Maintainance	39,890	63,320
Hygenic Maintanance Expense	53,127	55,834
Testing & Analysis / Laboratory Expense	12,31,208	10,00,103
Membership Fees & Seminar Expense	-	4,77,999
Total Revenue Expenditure	**1,69,55,579**	**1,63,31,898**
Capital Expenditure		
Research & Development Equipments	5,28,20,865	1,73,23,286
Total Capital Expenditure	**5,28,20,865**	**1,73,23,286**
Total Research & Development Expenditure	**6,97,76,444**	**3,36,55,184**

41 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on 31st May, 2021

The accompanying notes form an integral part of financials statements

As per our report of even date
For A.L.Thakkar & Co.
Chartered Accountants
Firm Registration No.: 120116W

Mitul Raval
Partner
Mem. No. 154759

Place : Ahmedabad
Date : 31st May, 2021

For and on behalf of the Board
Sakar Healthcare Limited

Sanjay S. Shah
Managing Director
DIN: 01515296

Aarsh S. Shah
Joint Managing Director
DIN: 05294294

Jhonny G. Kudilil
Chief Financial Officer

Bharat Soni
Company Secretary

Place : Ahmedabad
Date : 31st May, 2021

E-COMMUNICATION REGISTRATION FORM

(Only for members holding shares in physical form)

Date:

To,
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

UNIT – SAKAR HEALTHCARE LIMITED

Dear Sir,

Sub: Registration of E-mail ID for serving of Notices / Annual Reports through electronic mode by Company

We hereby register our E-mail ID for the purpose of receiving the notices, Annual Reports and other documents / information inelectronic mode to be sent by the Company.

Folio No.:	
E-mail ID:	
Name of the First / Sole Shareholder:	
Signature:	

Note: Shareholder(s) are requested to notify the Company as and when there is any change in the e-mail address.

SAKAR HEALTHCARE LIMITED
[CIN: L24231GJ2004PLC043861]
Registered Office: Block No. 10/13, Village: Changodar,
Sarkhej- Bavla Highway, Tal: Sanand,
Dist: Ahmedabad - 382 213

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