



# ANNUAL REPORT

2018-19



**Sakar** Healthcare Ltd.

Block No.: 10-13, Sarkhej-Bavla Highway, Changodar,  
Dist. - Ahmedabad - 382 213, Gujarat, India.  
e-mail: [info@sakarhealthcare.com](mailto:info@sakarhealthcare.com)

# Sakar Healthcare Limited

[CIN: L24231GJ2004PLC043861]

## 15<sup>TH</sup> ANNUAL REPORT 2018-19

**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. Hardik P. Mehta** Independent Director  
**Mr. Shailesh B. Patel** Independent Director

**MANAGEMENT TEAM** : **Mr. Jhonny G. Kudilil** Chief Finance Officer  
**Ms. Hema L. Advani** Company Secretary

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

**AUDITORS** : **M/s. A. L. Thakkar & Co.,**  
Chartered Accountants,  
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](mailto:ahmedabad@linkintime.co.in)

**WEBSITE** : [www.sakarhealthcare.com](http://www.sakarhealthcare.com)

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## NOTICE

**NOTICE** is hereby given that the **15<sup>TH</sup> ANNUAL GENERAL MEETING** of the Shareholders of SAKAR HEALTHCARE LIMITED will be held as under:

Day : Wednesday  
 Date : 18<sup>th</sup> September, 2019  
 Time : 2.00 p.m.  
 Place : At the Registered Office of the Company at:  
 Block No. 10/13, Village: Changodar, Sarkhej- Bavla Highway,  
 Tal: Sanand, Dist: Ahmedabad -382 213

to transact the following business :

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Rita S. Shah (DIN – 01515340), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and 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 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Dalwadi & Associates, Cost Accountants, Ahmedabad (Firm Registration No. 000338), appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2019-20, be paid a remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus taxes as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit.”

“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 1<sup>st</sup> December, 2018 to 30<sup>th</sup> November, 2021 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 Executive 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 1<sup>st</sup> December, 2018 to 30<sup>th</sup> November, 2021 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 Executive Director without the matter being referred to the Company in General Meeting again.”

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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 1<sup>st</sup> December, 2018 to 30<sup>th</sup> November, 2021 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 Executive Director without the matter being referred to the Company in General Meeting again."

**Registered Office :**

Block No. 10/13, Village: Changodar,  
Sarkhej- Bavla Highway,  
Tal: Sanand, Dist: Ahmedabad -382 213  
Date : 18<sup>th</sup> July, 2019

**By Order of the Board,**

**Hema Advani**  
**Company Secretary & Compliance Officer**

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the Notice is annexed hereto.
2. The Register of Members and Share Transfer Books will remain closed from **11<sup>th</sup> September, 2019 to 18<sup>th</sup> September, 2019**(both days inclusive) for the purpose of Annual General Meeting (AGM).
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER SHAREHOLDER.

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

4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution/ Authorisation document authorising their representative to attend and vote on their behalf at the AGM.
5. 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 are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
6. 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 Annual General Meeting (AGM) are stated at the end of the Explanatory Statement annexed hereto.
7. 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.
8. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
9. Pursuant to Section 72 of the Companies Act, 2013, in respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
10. Members/Proxies are requested to bring duly filled attendance form along with their copy of Annual Report at the Meeting. Copies of Annual Report will not be distributed at the Meeting.

11. All documents referred to in the Notice and Explanatory Statement shall be available for inspection by members at the Registered Office of the Company during the business hours between 11.00 a.m. to 1.00 p.m. on all working days of the Company up to the date of the Annual General Meeting.
12. To support the "Green Initiative", Members who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar & Share Transfer Agents of the Company for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
13. In support of the 'Green Initiative' announced by the Government of India, electronic copies of the Annual Report for 2018-19 and this Notice inter alia indicating the process and manner of e-voting along with Attendance Form and Proxy Form are being sent by email to all the Members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes, unless any Member has requested only for a hard copy of the same. For Members who have not registered their email address, physical copies will be sent to them in the permitted mode. The Notice of AGM will also be available on the Company's website, [www.sakarhealthcare.com](http://www.sakarhealthcare.com) and that of Central Depository Services (India) Limited ("CDSL"), [www.evotingindia.com](http://www.evotingindia.com)
14. Members and proxies thereof are requested to bring their Folio No. / DP Id-Client Id for identification.
15. **VOTING THROUGH ELECTRONIC MEANS**
  - (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') is provided by Central Depository Services (India) Limited.
  - (b) The facility for voting through ballot paper shall be made available at the AGM, and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot. **E-voting facility will not be made available at the AGM venue.**
  - (c) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - (d) The remote e-voting period commences **at 9.00 a.m. on Sunday, 15<sup>th</sup> September, 2019 and ends at 5:00 p.m. on Tuesday, 17<sup>th</sup> September, 2019**. During this period members/shareholders of the Company, holding shares as on the **cut-off date i.e. 11<sup>th</sup> September, 2019**, may cast their vote electronically (i.e. by remote e-voting). The remote e-voting module shall be disabled by CDSL for e-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.
  - (e) The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date.

**The procedure and instructions for remote e-voting are, as follows:**

- (i) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Now click on "Shareholders/ Members" to cast your votes.
- (iii) 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
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- (iv) Next, enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are holding shares in demat form and have forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (vii) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department - 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 / Address Slip/ email pertaining to the notice of this Annual General Meeting.
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 (iii).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) Click on Electronic Voting Sequence Number (EVSN) of SAKAR HEALTHCARE LIMITED.
- (xi) 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.
- (xii) Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on 'Click here to print' option on the Voting page.
- (xvi) Shareholders can also use CDSL's Mobile app - "m - Voting" for e voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- (xvii) 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](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (f) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (g) **Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad** has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (h) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of 'Ballot Paper' for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. **E-voting facility will not be made available at the AGM venue.**
- (i) The Scrutinizer shall, immediately after the conclusion of voting at AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than two days from the conclusion of meeting, a consolidated Scrutiniser's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- (j) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website- [www.sakarhealthcare.com](http://www.sakarhealthcare.com) and on the website of CDSL- [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES MENTIONED IN THE NOTICE OF 15<sup>TH</sup> ANNUAL GENERAL MEETING DATED 18<sup>TH</sup> JULY, 2019.****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 2019-20.

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 may recall that the Board of Directors, on the recommendation of Nomination and Remuneration Committee, in their meeting held on 1<sup>st</sup> December, 2018 have reappointed Mr. Sanjay S. Shah as Managing Director for a period of 3 years i.e. from 1<sup>st</sup> December, 2018 to 30<sup>th</sup> November, 2021.

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 1<sup>st</sup> December, 2018 to 30<sup>th</sup> November, 2021.

**II. REMUNERATION:****A. SALARY:**

The Managing Director shall be entitled to monthly salary up to Rs. 5,00,000/-.

**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 head quarter of the Managing Director shall be at Ahmedabad or at such place as the Board of Directors may decide 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 30 days' notice to the Company.

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### 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 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 to be concerned or interested in the business	
4.	Relative of Key Managerial Personnel	-	-	-

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	<b>GENERAL INFORMATION</b>	
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.68.25 Crore turnover (2018-19)
5	Exports performance and net foreign exchange collaborations	NIL
6	Foreign investments or collaborations, if any.	NIL
II	<b>INFORMATION ABOUT THE APPOINTEE</b>	
1	Background details	Master of Business Administration
2	Past remuneration	Rs. 2.00 lakh p.m. + 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. 5.00 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	<b>OTHER INFORMATION</b>	
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
<b>IV</b>		<b>DISCLOSURES</b>	
	1	The shareholders of the Company shall be informed of the remunerations package of the managerial person	The shareholders have been informed in the notice of 15 <sup>th</sup> Annual General Meeting.
	2	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
	2(i)	All elements of remuneration package such as salary, benefits, bonuses, stock, stock options, pension, etc., of all the directors;	As mentioned above
	2(ii)	Details of fixed component and performance linked incentives along with the performance criteria;	No performance linked incentives.
	2(iii)	Service contracts, notice period, severance fees;	90 days' Notice.
	2(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.

None of the Directors, Key Managerial Personnel or their relatives except Mr. Sanjay S. Shah, Ms. Rita S. Shah and Mr. Aarsh S. Shah are in any way concerned or interested, financially or otherwise in this resolution.

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

#### **In respect of Item No. 5**

Shareholders may recall that the Board of Directors, on the recommendation of Nomination and Remuneration Committee, in their meeting held on 1<sup>st</sup> December, 2018 have reappointed Mr. Aarsh S. Shah as Joint Managing Director for a period of 3 years i.e. from 1<sup>st</sup> December, 2018 to 30<sup>th</sup> November, 2021.

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 1<sup>st</sup> December, 2018 to 30<sup>th</sup> November, 2021.

#### **II. REMUNERATION:**

##### **A. SALARY:**

The Joint Managing 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 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.**

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### 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 30 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 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 re-appointment 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 following are the information required under Section II of Part II of Schedule V of the Companies Act, 2013:

Sr. No	Particulars	Information
I	<b>GENERAL INFORMATION</b>	
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.68.25 Crore turnover(2018-19)
5	Exports performance and net foreign exchange collaborations	NIL
6	Foreign investments or collaborations, if any.	NIL
II	<b>INFORMATION ABOUT THE APPOINTEE</b>	
1	Background details	Master of Business Administration from University of Cardiff, UK
2	Past remuneration	Rs. 1.00 lakh p.m. + Perquisites
3	Recognition or awards	-
4	Job profile and his suitability	Experience of 8 years in the field of pharmaceutical industry.
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	Mr. Aarsh S. Shah is the Joint Managing Director of the Company.
<b>III</b>		<b>OTHER INFORMATION</b>	
	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
<b>IV</b>		<b>DISCLOSURES</b>	
	1	The shareholders of the Company shall be informed of the remunerations package of the managerial person	The shareholders have been informed in the notice of 15 <sup>th</sup> Annual General Meeting.
	2	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
	2(i)	All elements of remuneration package such as salary, benefits, bonuses, stock, stock options, pension, etc., of all the directors;	As mentioned above
	2(ii)	Details of fixed component and performance linked incentives along with the performance criteria;	No performance linked incentives.
	2(iii)	Service contracts, notice period, severance fees;	90 days' Notice.
	2(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.

None of the Directors, Key Managerial Personnel or their relatives except Mr. Sanjay S. Shah, Ms. Rita S. Shah and Mr. Aarsh S. Shah are in any way concerned or interested, financially or otherwise in this resolution.

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

#### **In respect of Item No. 6**

Shareholders may recall that the Board of Directors, on the recommendation of Nomination and Remuneration Committee, in their meeting held on 1<sup>st</sup> December, 2018 have reappointed Ms. Rita S. Shah as Whole Time Director for a period of 3 years i.e. from 1<sup>st</sup> December, 2018 to 30<sup>th</sup> November, 2021.

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 1<sup>st</sup> December, 2018 to 30<sup>th</sup> November, 2021.

#### **II. REMUNERATION:**

##### **A. SALARY:**

The Whole Time Director shall be entitled to monthly salary up to Rs. 3,00,000/-.

##### **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.

## Sakar Healthcare Limited

5. Reimbursement of Medical expenses for herself 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 her 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 her office by giving 30 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 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 re-appointment of Ms. Rita S. Shah as Whole Time 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 following are the information required under Section II of Part II of Schedule V of the Companies Act, 2013:

Sr. No	Particulars	Information
I	<b>GENERAL INFORMATION</b>	
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.68.25 Crore turnover(2018-19)
5	Exports performance and net foreign exchange collaborations	NIL
6	Foreign investments or collaborations, if any.	NIL

II	INFORMATION ABOUT THE APPOINTEE	
1	Background details	Science Graduate from Gujarat University
2	Past remuneration	Rs. 1.00 lakh p.m. + Perquisites
3	Recognition or awards	-
4	Job profile and her suitability	Experience of 15 years in day to day administrative operations of the Company.
5	Remuneration proposed	Up to Rs. 3.00 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 her 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 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 shareholders of the Company shall be informed of the remunerations package of the managerial person	The shareholders have been informed in the notice of 15 <sup>th</sup> Annual General Meeting.
2	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
2(i)	All elements of remuneration package such as salary, benefits, bonuses, stock, stock options, pension, etc., of all the directors;	As mentioned above
2(ii)	Details of fixed component and performance linked incentives along with the performance criteria;	No performance linked incentives.
2(iii)	Service contracts, notice period, severance fees;	90 days' Notice.
2(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.

None of the Directors, Key Managerial Personnel or their relatives except Mr. Sanjay S. Shah, Ms. Rita S. Shah and Mr. Aarsh S. Shah are in any way concerned or interested, financially or otherwise in this resolution.

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

**Registered Office :**

Block No. 10/13, Village: Changodar,  
Sarkhej- Bavla Highway,  
Tal: Sanand, Dist: Ahmedabad -382 213  
Date : 18<sup>th</sup> July, 2019

**By Order of the Board,**

**Hema Advani**  
**Company Secretary & Compliance Officer**

## Sakar Healthcare Limited

### 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	Ms. Rita Shah	Mr. Sanjay Shah	Mr. Aarsh Shah
Age (in years)	55	60	28
Date of Birth	21-08-1964	01-08-1959	16-02-1991
Date of Appointment	26-03-2004	26-03-2004	01-06-2012
Qualifications	Science Graduate	MBA	MBA
Experience / Expertise	Experience of more than 15 years in the field of administrative operations & management of the Company	Experience of more than 27 years in the field of pharmaceutical, mineral water and plastic industry.	Experience of more than 8 years in the field of production, sales & marketing of pharmaceutical products.
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per the resolution at item nos. 2 & 4 to 6 of the Notice convening this Meeting read with explanatory statement thereto		
Remuneration last drawn by such person, if any.	Refer to report on Corporate Governance and Form No. MGT-9 (Extract of Annual Return)		
Shareholding in the Company Shares	2,45,000 Equity Shares	91,17,500 Equity Shares	13,07,500 Equity Shares
Relationship with other Directors, Manager and other KMP of the Company	Sanjay S. Shah, Rita S. Shah and Aarsh S. Shah are related to each other	Sanjay S. Shah, Rita S. Shah and Aarsh S. Shah are related to each other	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	9	9	9
List of other Companies in which Directorships held	Bisil Plast Limited Sanjay Corporation Limited	Bisil Plast Limited Sanjay Corporation Limited	-
List of Private Limited Companies in which Directorships held	-	-	-
Chairman/Member of the Committees of Directors of other Companies	1. Bisil Plast Limited- Member in Stakeholders' Relationship Committee	1. Bisil Plast Limited- Member in Audit Committee 2. Bisil Plast Limited- Member in Stakeholders' Relationship Committee	-
Justification for choosing the appointee for appointment as Independent Directors	N.A.		

## DIRECTORS' REPORT

The Members,  
Sakar Healthcare Limited,

Your Directors have pleasure in presenting the 15<sup>TH</sup> ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2018-19 ended 31<sup>st</sup> March, 2019.

### 1. FINANCIAL RESULTS AND OPERATIONS:

	(Rs. in lakh)	
Particulars	2018-19	2017-18
Sales and other Income	6892.95	5360.90
Profit before Interest and Depreciation	1761.19	1312.01
Less: Interest	184.62	258.51
Profit before Depreciation	1576.57	1053.50
Less: Depreciation	603.97	440.92
Less: Exceptional Item	0.66	1.66
Profit before Taxation	971.94	610.92
Less: Provision for Taxation - Current	250.00	150.00
Less: Provision for Taxation - Deferred	11.42	52.79
Less: Provision for Taxation - Previous year	9.41	26.66
Profit for the year	701.11	381.47

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1<sup>st</sup> April, 2019 and date of this report.

During the year under review, the Company achieved turnover of Rs. 6892.95 lakh compared to Rs. 5360.90 lakh during 2017-18. The Company earned profit before interest, depreciation and tax of Rs. 1761.19 lakh during 2018-19 compared to Rs. 1312.01 lakh during 2017-18. After providing for interest, depreciation and taxes, the net profit for the year under review stood at Rs. 701.11 lakh as compared to Rs. 381.47 lakh during 2017-18. The basic EPS for the year under review stood at 5.23 compared to 3.12 for the year 2017-18.

### 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:

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

### 4. ALLOTMENT OF 27,50,000 EQUITY SHARES OF RS. 10/- EACH TO PROMOTER & NON - PROMOTER ON PREFERENTIAL BASIS PURSUANT TO CONVERSION OF 27,50,000 EQUITY WARRANTS INTO EQUAL EQUITY SHARES OF THE COMPANY:

The Company allotted 27,50,000 Equity Warrants of Rs. 10/- each at premium of Rs. 55/- per Equity Warrant on 21<sup>st</sup> February, 2018 to Promoters & Non-Promoters on Preferential Basis after complying provisions and guidelines under the Companies Act, 2013 and SEBI (LODR).

Pursuant to the condition stipulated for conversion option of Equity Warrants into Equity Shares within 18 months from the date of allotment, Equity Warrant Holders had exercised their option to convert part warrants and accordingly 17,50,000 Equity Shares were converted and allotted on 11<sup>th</sup> October, 2018.

Further, the Equity Warrant Holders had exercised their option to convert the outstanding warrants and accordingly 10,00,000 Equity Shares were converted and allotted on 3<sup>rd</sup> November, 2018.

Post conversion of Equity Warrants into Equity Shares, the paid up Capital of the Company stood at Rs.14.96 Crores divided into 1,49,61,000 Equity Shares of Rs.10/- each.

### 5. LISTING:

The Equity Shares of the Company were listed on SME Emerge Platform of National Stock Exchange of India Limited till 10<sup>th</sup> April, 2019.

## Sakar Healthcare Limited

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The Company approached its shareholders via Postal Ballot Process and then got its listing migrated to the National Stock Exchange (Capital Market Segment – Main Board) w.e.f. 11<sup>th</sup> April, 2019 vide NSE Approval Letter NSE/LIST/78594 dated 9<sup>th</sup> April, 2019.

The Company is regular in payment of Annual Listing Fees. The Company has paid Listing fees up to the year 2019-20.

### 6. SHARE CAPITAL:

The paid up Share Capital of the Company as on 31<sup>st</sup> March, 2019 was Rs. 14.96 Crore. As on 31<sup>st</sup> March, 2019, 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 proposes to transfer Rs. 652.32 Lakhs 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 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.
- 9.2 Mr. Sanjay S. Shah was re-appointed as Managing Director of the Company for a period of 3 years w.e.f. 1<sup>st</sup> December, 2018.
- 9.3 Mr. Aarsh S. Shah was re-appointed as Joint Managing Director of the Company for a period of 3 years w.e.f. 1<sup>st</sup> December, 2018.
- 9.4 Ms. Rita S. Shah was re-appointed as Whole Time Director of the Company for a period of 3 years w.e.f. 1<sup>st</sup> December, 2018.
- 9.5 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.
- 9.6 Brief profile of the Directors being re-appointed as required under Regulations 36(3) of Listing Regulations, 2015 and Secretarial Standard on General Meetings and the justification for appointment/reappointment of Independent Directors are provided in the notice for the forthcoming AGM of the Company.
- 9.7 The Board of Directors duly met 9 times during the financial year under review.
- 9.8 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.

### 9.9 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 judgements 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 31<sup>st</sup> March, 2019 being end of the financial year 2018-19 and of the profit of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.
- (v) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



**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 2018-19	% increase over last year	Parameters	Median of Employees Remuneration	Ratio	Commission received from Holding/ Subsidiary
1	Sanjay S. Shah Managing Director	21.95	43.73	Higher responsibility and time involvement	307560	14.01 times	-
2	Rita S. Shah Executive Director	6.50	-	N.A.	307560	47.32 times	-
3	Aarsh S. Shah Joint Managing Director	21.90	46.58	Higher responsibility and time involvement	307560	14.04 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 Policy is available on the Company's website [www.sakarhealthcare.com](http://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	43.73
2.	Ritaben S. Shah	Wholetime Director	-
3.	Aarsh S. Shah	Joint Managing Director	46.58
4.	Jhonny G. Kudilil	CFO	16.67
5.	Hema Advani	Company Secretary	-

**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 number of Employees of the Company is 248. The relationship between average increase in remuneration and Company's performance is as per the appropriate performance benchmarks and reflects short and long term performance objectives appropriate to the working of the Company and its goals.

**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 TRANSACTION AND DETAILS OF LOANS, GUARANTEES, INVESTMENT & SECURITIES PROVIDED:

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

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

### 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. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return in Form – MGT-9 has been attached herewith as **Annexure – D**. The same is also available on the Company's website at [www.sakarhealthcare.com](http://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. GENERAL:

#### 21.1 AUDITORS:

##### STATUTORY AUDITORS:

At the 11<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2015 M/s. A. L. Thakkar & Co., Chartered Accountants, Ahmedabad were appointed as Statutory Auditors of the Company to hold office till the conclusion of Annual General Meeting to be held in the year 2020.

The remarks of Auditor 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 2019-20.

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.

#### 21.2 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.

**21.3 DEPOSITS:**

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

**21.4 RISK 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.

**21.5 SUBSIDIARIES/ ASSOCIATES/ JVS:**

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

**21.6 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.

**21.7 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.

**21.8 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.

**21.9 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.

**21.10 GRATUITY:**

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

**21.11 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.

**21.12 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.

**22. 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.

**23. 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.

**24. FINANCE:**

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

24.2 The Company's Income tax Assessment has been completed upto the Assessment Year 2017-18.

**25. 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- Bavlā Highway,  
Tal: Sanand, Dist: Ahmedabad -382 213  
Date : 18<sup>th</sup> July, 2019

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

**Sanjay S. Shah**  
Chairman & Managing Director

**Aarsh S. Shah**  
Jt. Managing Director

## FORM-A

Disclosure of particulars with respect to Conservation of Energy

(A) CONSERVATION OF ENERGY:			
	Steps taken or impact on conservation of energy		In line with the Company's commitment towards conservation of energy, all units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption.
	Steps taken by the Company for utilizing alternate sources of energy		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		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 for developing and diversification of more products as well as for exploring more export markets.
	(b)	Benefits derived as a result of the above R&D	: More products added to the list of products as well was captured more export markets.
	(c)	Future plan of action	: To maintain improved quality of products through quality control.
	(d)	Expenditure on R&D	: During the year under review Rs. 123.84 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		2018-19	2017-18
Total Foreign exchange earnings		3384.30	2474.97
Total Foreign Exchange used		95.14	55.55

Registered Office  
Block No. 10/13, Village: Changodar,  
Sarkhej- Bavla Highway,  
Tal: Sanand, Dist: Ahmedabad -382 213  
Date : 18<sup>th</sup> July, 2019

For and on behalf of the Board,

**Sanjay S. Shah**  
Chairman & Managing Director

**Aarsh S. Shah**  
Jt. Managing Director

**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 31<sup>st</sup> March, 2019 & 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 31<sup>st</sup> March, 2019 and on the date of report is:**

Name of Directors	Category of Directorship	No. of other Directorships @	No. of Committee position in other Companies**		No. of Board Meetings attended during 2018-19	Attendance at AGM held on 20-09-2018 Yes(Y)/No(N)
			Member	Chairman		
Mr. Sanjay S. Shah	Chairman & Managing Director	2	2	-	9	Y
Mr. Aarsh S. Shah	Joint Managing Director	-	-	-	9	Y
Ms. Rita S. Shah	Whole Time Director	2	1	-	9	Y
Mr. Shailesh Patel	Non-Executive Independent	-	-	-	9	N
Mr. Prashant Srivastav	Non-Executive Independent	1	1	1	9	Y
Mr. Hardik Mehta	Non-Executive Independent	-	-	-	9	N

@ 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 Audit Committee and Stakeholders' Relationship Committee has been considered.

**(b) Directorship in Listed Entities other than Sakar Healthcare Limited and the category of directorship as on 31<sup>st</sup> March, 2019, is as follows:**

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 Institutes Limited	Additional Director
Mr. Hardik Mehta	-	-

**(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 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 were held 9 times on 04-04-2018, 30-05-2018, 20-07-2018, 11-10-2018, 03-11-2018, 05-11-2018, 01-12-2018, 10-12-2018 and 25-02-2019.

**e) Shareholding of Non- Executive Directors as on 31<sup>st</sup> March, 2019:**

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

**f) Familiarization Program for Independent Directors:**

The details of the familiarization program are available on the Company's website –[www.sakarhealthcare.com](http://www.sakarhealthcare.com)

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

Name	Qualifications	Experience	Expertise
Mr. Sanjay S. Shah	MBA	Experience of more than 27 years in the field of pharmaceutical, mineral water and plastic industry.	Sales, Production and finance
Mr. Aarsh S. Shah	MBA	Experience of more than 8 years in the field of production, sales & marketing of pharmaceutical products.	Sales, Production and developing business relations
Ms. Rita S. Shah	Science Graduate	Experience of more than 15 years in the field of administrative operations & management of the Company	Day to day administrative work and controlling of quality products
Mr. Shailesh Patel	Electrical Engineer	Experience of more than 28 years in the field of Electrification	Day to day Electric technical related work
Mr. Prashant Srivastav	Chartered Accountant, Company Secretary	Experience of more than 13 years in the field of Banking, Accounts and Finance	Management Audits and evaluation of MIS
Mr. Hardik Mehta	LLB	Experience of more than 8 years in practicing law.	Corporate consulting in the business matters

**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) None of the Independent Directors of the Company resigned during the financial year and hence no disclosure is required with respect to Clause 2(j) of para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**
**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 2018-19
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.	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 management policies.	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 2018-19. The maximum gap between two meetings was not more than 120 days. The Committee met on 30-05-2018; 30-08-2018; 05-11-2018; 25-02-2019. 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 2018-19
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 01-12-2018.
Mr. Hardik Mehta		
Mr. Prashant Srivastav		

#### 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:

- Mr. Sanjay S. Shah, Managing Director was paid Rs. 21.95 Lakh as managerial remuneration during the financial year 2018-19.
- Mr. Aarsh S. Shah, Joint Managing Director was paid Rs. 21.90 Lakh as managerial remuneration during the financial year 2018-19.
- Ms. Rita S. Shah, Whole Time Director was paid Rs. 6.50 Lakh as managerial remuneration during the financial year 2018-19.
- The Directors were not paid any Sitting Fees during the financial year 2018-19.
- No Commission or Stock Option has been offered to the Directors.
- 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.
- Commission based on performance criteria, if any, as approved by the Board and subject to maximum limit specified in the Act.
- The Nomination and Remuneration Policy of the Company is given in Directors' Report which specifies the criteria of making payments to Non-Executive Directors.
- Service contract and notice period are as per the terms and conditions mentioned in their Letter of Appointments.
- 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 31<sup>st</sup> March, 2019.

#### 7. 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.

## Sakar Healthcare Limited

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 had not received 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 31<sup>st</sup> March, 2019.

Ms. Hema Advani, Company Secretary is the Compliance Officer for the above purpose.

### 8. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2015-2016	30-09-2016	12.00 noon	Block No. 10/13, Nr. N. M. Desai Petrol Pump, Sarkhej-Bavla Road, Village: Changodar, Tal: Sanand, Dist: Ahmedabad – 382 213 <b>No Special Resolution was passed.</b>
2016-2017	20-09-2017	02.00 p.m.	Block No. 10/13, Nr. N. M. Desai Petrol Pump, Sarkhej-Bavla Road, Village: Changodar, Tal: Sanand, Dist: Ahmedabad – 382 213 <b>Special Resolution:</b> Authority to Link Intime India Private Limited (RTA) for maintaining Register of Members together with the Index of Members of the Company and copies of Annual Returns.
2017-2018	20-09-2018	02.00 p.m.	Block No. 10/13, Nr. N. M. Desai Petrol Pump, Sarkhej-Bavla Road, Village: Changodar, Tal: Sanand, Dist: Ahmedabad – 382 213 <b>Special Resolution:</b> Authority to Board of Directors of the Company to invest under Section 186 of the Companies Act, 2013.

Pursuant to the relevant provisions of the Companies Act, 2013, the Company obtained approval of members and has passed the Special Resolutions on 17<sup>th</sup> January, 2019 for Migration of Listing/ Trading of Equity Shares of the company from NSE SME Platform i.e. (EMERGE) to Main Board of NSE (CAPITAL SEGMENT).

### 9. 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](http://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 31<sup>st</sup> March, 2019, the Company's official investor presentations which are sent to the Stock Exchange are also made available on Company's website.



**10. 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 Wednesday  
Date 18<sup>th</sup> September, 2019  
Time 2.00 p.m.  
Venue Block No. 10/13, Village: Changodar,  
Sarkhej-Bavla Highway, Tal: Sanand,  
Dist: Ahmedabad – 382 213
- c) Financial Year : 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019
- d) Financial Calendar : 1st Quarter Results Mid - September, 2019.\*  
Half yearly Results Mid - December, 2019.\*  
3rd Quarter Results Mid - February, 2020.  
Audited yearly Results End May, 2020.  
\*Extended timeline for Ind AS implementation
- e) Book Closure : **From** : Wednesday, the 11<sup>th</sup> September, 2019  
**To** : Wednesday, the 18<sup>th</sup> September, 2019  
(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 2019-20 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](mailto:ahmedabad@linkintime.co.in)
- j) Share Transfer System : The transfers of Shares are processed by NSDL/  
CDSL through the respective Depository Participants  
or through Link Intime India Pvt. Ltd. (RTA)

## Sakar Healthcare Limited

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)
April, 2018	82.00	62.00	369000
May, 2018	83.10	63.00	1062000
June, 2018	69.95	60.80	60000
July, 2018	60.20	53.00	51000
August, 2018	60.40	56.00	42000
September, 2018	77.00	56.00	642000
October, 2018	70.00	54.30	96000
November, 2018	62.35	54.40	66000
December, 2018	71.80	53.65	621000
January, 2019	66.80	55.00	507000
February, 2019	63.20	49.50	360000
March, 2019	59.45	49.40	168000

l) Distribution of Shareholding

i) As on 31<sup>st</sup> March, 2019: The Shares of the Company are held in Lot Size of 3,000 Shares.

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 3000	133	56.84	398000	2.66
6000	49	20.94	294000	1.97
9000	15	6.41	135000	0.90
Above 9000	37	15.81	14134000	94.47
<b>Grand Total</b>	<b>234</b>	<b>100.00</b>	<b>14961000</b>	<b>100.00</b>

ii) Distribution of Shareholding as on 30<sup>th</sup> June, 2019:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 500	64	21.62	4735	0.03
501 to 1000	14	4.73	12336	0.08
1001 to 2000	7	2.37	11273	0.07
2001 to 3000	113	38.18	333031	2.23
3001 to 4000	3	1.01	10210	0.07
4001 to 5000	4	1.35	19250	0.13
5001 to 10000	56	18.92	381507	2.55
10001 & Above	35	11.82	14188658	94.84
<b>Grand Total</b>	<b>296</b>	<b>100.00</b>	<b>14961000</b>	<b>100.00</b>

## m) Category of Shareholders:

Category	As on 31-03-2019		As on 30-06-2019	
	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	10770000	71.99	10770000	71.99
Financial Institutions/ Banks	-	-	-	-
Mutual Fund	-	-	-	-
Domestic Companies	2362000	15.79	2478826	16.57
Indian Public	1715000	11.46	1607239	10.74
NRIs & CM	114000	0.76	104935	0.70
Foreign Corporate	-	-	-	-
<b>Grand Total</b>	<b>14961000</b>	<b>100.00</b>	<b>14961000</b>	<b>100.00</b>

## 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<sup>th</sup> 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](mailto:ahmedabad@linkintime.co.in)

Compliance Officer : Ms. Hema Advani, Company Secretary

## s) CREDIT RATINGS:

The Company has been rated as BBB- by M/s CARE Ratings vide their letter dated 30<sup>th</sup> October, 2018.

### 11. MANAGEMENT DISCUSSION AND ANALYSIS:

#### a. Industry Structure and Developments:

The Indian Pharmaceutical Industry is 3<sup>rd</sup> Largest in volume and 13<sup>th</sup> Largest in terms of value in the world and is expected to grow at a CAGR of 15.92%, 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 Therapeutic 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, Antimalarial, 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 4 years have accounted for 40.07% of our Company's net sales for the year ended March 31, 2019. 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 243 product registrations in various countries. Registered Products are dispatched currently to these countries and distributed through channel partners. The manufacturing unit has been accredited 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 11<sup>th</sup> 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:**

Sakar Healthcare Limited has initiated the process of business expansion with anti-cancer (oncology) drugs. The project has been perceived and articulated to get operational by 2021. This Opportunity has helped Sakar to proceed with business expansion to remain competitive and ahead in the market.

**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 2018-19 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 2018-19	FY 2017-18	Change %	Explanation, if required
Debtors Turnover (days)	54 Days	56 Days	3%	The average receivable recovery days have been reduced by 2 days.
Inventory Turnover (days)	55 Days	71 Days	22%	The average inventory holding period has come down by 16 days.
Interest Coverage Ratio	6.26	3.36	86%	The profit available to serve the interest payment has improved by 86% due to decrease in external borrowings from financial institutions and increase in profitability.
Current Ratio	1.86	2.14	13%	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 (long term)	0.08	0.19	57%	The debt-equity ratio has improved due to decrease in external borrowings from financial institutions.
Operating Profit Margin (%)	16.94%	16.38%	3%	The operating profit has improved compared to previous year by 3.42%.
Net Profit Margin (%)	10.27%	7.18%	43%	The net-profit has improved compared to previous year by 43.03%
Return on Networth	9.78%	7.41%	32%	The return on net-worth has improved compared to previous year by 31.98%

**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.

**12. 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. The Company has no subsidiary.
- 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.
- 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.
- 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.
- The policy on related party transactions is disclosed on the Company's website viz. [www.sakarhealthcare.com](http://www.sakarhealthcare.com)
- The Company has raised Rs. 17.88 Crore through Preferential Allotment of 27,50,000 Equity Warrants of Rs. 10/- each at a premium of Rs. 55/- per Equity Warrant aggregating to Rs. 17.88 Crore convertible to Equity Shares of the company on 28<sup>th</sup> March, 2018. Out of the said Equity Warrants, 17,50,000 Equity Warrants were converted on 11<sup>th</sup> October, 2018 and 10,00,000 Equity Warrants were converted on 3<sup>rd</sup> November, 2018.

The disclosure pursuant to Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

(Rs. in Crores)

Objects stated in the Offer document	Amount of Projected utilisation in the Offer document	Actual Utilisation of funds	Remarks for difference/ deviation/ explanation
Capital Expenditure	17.88	17.88	-

Other than the above disclosure, the Company has not raised any other funds via Qualified Institutions Placement (QIP) or any such other means during the financial year 2018-19.

- g. 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 –E**.
- h. 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.
- i. 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	2018-19	2017-18
Audit Fees	0.89	0.75
Other fees (specify)	-	-
Other fees (specify)	-	-

- j. 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

### 13. 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.

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

- i. The 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 2018–19 do not contain any audit qualification.
- iii. The internal auditors report to the Audit Committee.

15. 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.

Registered Office  
Block No. 10/13, Village: Changodar,  
Sarkhej- Bavla Highway,  
Tal: Sanand, Dist: Ahmedabad -382 213  
Date : 18<sup>th</sup> July, 2019

For and on behalf of the Board,

**Sanjay S. Shah**  
Chairman & Managing Director

**Aarsh S. Shah**  
Jt. Managing Director

**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 31<sup>st</sup> March, 2019.

**For and on behalf of the Board**

Date : 18<sup>th</sup> July, 2019  
Place : Ahmedabad

**Sanjay S. Shah**  
**Chairman & Managing Director**

**Jhonny G. Kudilil**  
**CFO**

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**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 31<sup>st</sup> March, 2019 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 / LA. 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 & 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**

**Place : Ahmedabad**  
**Date : 18<sup>th</sup> July, 2019**

**KASHYAP R. MEHTA**  
**PROPRIETOR**  
**FCS: 1821**  
**C.O.P. No. 2052**



## FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2019

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

To,  
The Members,  
**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 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 **31<sup>st</sup> March, 2019** 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 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Requirements, 2014 (Not Applicable during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(Not Applicable during the audit period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable during the audit period) and
- (vi) Various common laws applicable to the manufacturing and other activities of the Company such as Labour Laws, Pollution Control Laws, Land Laws, Patents Act, 1970, The Trade Marks Act, 1999 etc. and various Sectoral specific acts such as Pharmacy Act, 1948, Drugs and Cosmetics Act, 1940, Homoeopathy Central Council Act, 1973, Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954, Narcotic Drugs and Psychotropic Substances Act, 1985 for which we have relied on Certificates/ Reports/ Declarations/ Consents/ Confirmations 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

## Sakar Healthcare Limited

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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. There were no changes being carried out in the composition of the Board of Directors during the period under review.

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has duly passed Special Resolution under Section 186 and other applicable provisions of the Companies Act, 2013 at the 14<sup>th</sup> Annual General Meeting of the members of the Company held on 20<sup>th</sup> September, 2018.

We further report that the Board of Directors of the Company in their meeting held on 11<sup>th</sup> October, 2018 has allotted 17,50,000 Equity Shares of Rs. 10/- each upon conversion of 17,50,000 Equity Warrants issued on Preferential Basis to Promoter & Non Promoter of the Company.

We further report that the Board of Directors of the Company in their meeting held on 3<sup>rd</sup> November, 2018 has allotted 10,00,000 Equity Shares of Rs. 10/- each upon conversion of 10,00,000 Equity Warrants issued on Preferential Basis to Promoter of the Company.

We further report that the Company approached its shareholders via Postal Ballot Process and then got its listing migrated to the National Stock Exchange of India Limited (Capital Market Segment – Main Board) w.e.f. 11<sup>th</sup> April, 2019 vide NSE Approval Letter NSE/LIST/78594 dated 9<sup>th</sup> April, 2019.

**FOR KASHYAP R. MEHTA & ASSOCIATES**  
COMPANY SECRETARIES

**KASHYAP R. MEHTA**  
PROPRIETOR

Place : Ahmedabad  
Date : 18<sup>th</sup> July, 2019

FRN: S2011GJ166500  
FCS: 1821 COP-2052 PR-583/2019

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

To,  
The Members,  
**Sakar Healthcare Limited.**

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

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

**FOR KASHYAP R. MEHTA & ASSOCIATES**  
COMPANY SECRETARIES

**KASHYAP R. MEHTA**  
PROPRIETOR

Place : Ahmedabad  
Date : 18<sup>th</sup> July, 2019

FRN: S2011GJ166500  
FCS: 1821 COP-2052 PR-583/2019

**FORM NO. MGT – 9**
**EXTRACT OF ANNUAL RETURN AS ON 31<sup>ST</sup> MARCH, 2019**

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

**I. REGISTRATION AND OTHER DETAILS:**

(1)	CIN	L24231GJ2004PLC043861
(2)	Registration Date	26-03-2004
(3)	Name of the Company	Sakar Healthcare Limited
(4)	Category / Sub-Category of the Company	Public Company limited by Shares
(5)	Address of the registered Office and Contact Details	Block No. 10/13, Village: Changodar, Sarkhej- Bavla Highway, Tal: Sanand, Dist: Ahmedabad -382 213 Email id: <a href="mailto:info@sakarhealthcare.com">info@sakarhealthcare.com</a>
(6)	Whether Listed Company	Yes Listed on National Stock Exchange of India Limited - Main Board NSE Symbol – SAKAR
(7)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime (India) Private Limited 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ahmedabad 380006 Tel no : (079) 2646 5179 Fax : (079) 2646 5179 Email Address : <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover
1	Pharmaceutical Products	Class 2100	100.00%

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

The Company has no Holding/ Subsidiary/ Associate Company.

**IV. SHARE HOLDING PATTERN:**
**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held as on 1 <sup>st</sup> April, 2018				No. of Shares held as on 31 <sup>st</sup> March, 2019				%
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Change during 2018-19
A. Promoters									
(1) Indian									
a) Individual/ HUF	8770000	-	8770000	71.82	10770000	-	10770000	71.99	0.17
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	8770000	-	8770000	71.82	10770000	-	10770000	71.99	0.17

<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) VCF	-	-	-	-	-	-	-	-	-
f) Ins. Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1567000	-	1567000	12.83	2362000	-	2362000	15.79	2.96
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individuals holding < = Rs.1,00,000	608987	-	608987	4.99	677000	-	677000	4.52	(0.47)
ii) Individuals holding > Rs. 1,00,000	1040000	-	1040000	8.52	921000	-	921000	6.16	(2.36)
c) Others (specify)									
NRIs	-	-	-	-	-	-	-	-	-
OCB	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	33013	-	33013	0.27	11400	-	11400	0.76	0.49
HUF	192000	-	192000	1.57	117000	-	117000	0.78	(0.79)
Trust	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>3441000</b>	<b>-</b>	<b>3441000</b>	<b>28.18</b>	<b>4191000</b>	<b>-</b>	<b>4191000</b>	<b>28.01</b>	<b>(0.17)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>3441000</b>	<b>-</b>	<b>3441000</b>	<b>28.18</b>	<b>4191000</b>	<b>-</b>	<b>4191000</b>	<b>28.01</b>	<b>(0.17)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>12211000</b>	<b>-</b>	<b>12211000</b>	<b>100.00</b>	<b>14961000</b>	<b>-</b>	<b>14961000</b>	<b>100.00</b>	<b>-</b>

## Sakar Healthcare Limited

### ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding as on 01-04-2018			Shareholding as on 31-03-2019			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Sanjay S. Shah	71,17,500	58.29	-	91,17,500	60.94	-	2.65
2	Aarsh Shah	13,07,500	10.71	-	13,07,500	8.74	-	(1.97)
3	Rita S. Shah	2,45,000	2.01	-	2,45,000	1.64	-	(0.37)
4	Ayushi S. Shah*	1,00,000	0.82	-	1,00,000	0.67	-	(0.15)
	<b>TOTAL</b>	<b>8770000</b>	<b>71.83</b>	<b>-</b>	<b>1,07,70,000</b>	<b>71.99</b>	<b>-</b>	<b>0.16</b>

\* Relative of Promoter

### iii) Change in Promoters' Shareholding:

Sr. No.	For Each of the Promoter and Promoter Group having change during the year	Shareholding as on 01-04-2018		Changes during the Year	Shareholding as on 31-03-2019	
		No. of shares	% of total shares		No. of shares	% of total shares
1	Sanjay S. Shah	71,17,500	58.29	20,00,000	9117500	60.94

### iv) Shareholding Pattern of top ten Shareholders:

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding as on 01-04-2018		Changes during the Year (increase/ (decrease) due to transfer of Shares)	Shareholding as on 31-03-2019	
		No. of shares	% of total shares		No. of shares	% of total shares
1	Affilado Education System LLP	438000	3.59	750000	1188000	7.94
2	Ayan Shirishbhai Shah	429000	3.51	-	429000	2.87
3	Karvy Stock Broking Ltd (BSE)	400000	3.27	55000	455000	3.04
4	Airmax (Gujarat) Private Limited	217000	1.77	-	217000	1.45
5	Ecap Equities Limited	192000	1.57	(192000)	-	-
6	Subhash Rathod	180000	1.47	(36000)	144000	0.96
7	Ankita Bagri	96000	0.79	(45000)	51000	0.34
8	Phantom Online Services LLP	81000	0.66	(31000)	50000	0.33
9	Karvy Stock Broking Limited – NSE CM	65000	0.53	(19000)	46000	0.31
10	Mansi Soni	45000	0.37	(6000)	39000	0.26
11	Arcadia Share & Stock Brokers Pvt. Ltd.	-	-	78000	78000	0.52

## v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding, if any, of each Directors and each Key Managerial Personnel	Shareholding as on 01-04-2018		Changes during the Year (No. of Shares)	Shareholding as on 31-03-2019	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Sanjay S. Shah	71,17,500	58.29	2000000	91,17,500	60.94
2.	Rita S. Shah	2,45,000	2.01	-	2,45,000	1.64
3	Aarsh Shah	13,07,500	10.71	-	13,07,500	8.74
4	Johnny George	20,000	0.16	(9000)	11,000	0.07
	<b>TOTAL</b>	<b>8690000</b>	<b>71.17</b>	<b>-</b>	<b>10681000</b>	<b>71.39</b>

## V. INDEBTEDNESS

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

(Amt. in Rs.)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A.	Indebtedness as on 01-04-2018				
	i) Principal Amount	9,39,36,176	5,15,23,214	-	14,54,59,390
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>9,39,36,176</b>	<b>5,15,23,214</b>	<b>-</b>	<b>14,54,59,390</b>
B.	Change in Indebtedness during 2018-19	(1,92,06,743)	(87,18,791)	-	(2,79,25,534)
C.	Indebtedness as on 31-03-2019				
	i) Principal Amount	7,47,29,433	4,28,04,423	-	11,75,33,856
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>7,47,29,433</b>	<b>4,28,04,423</b>	<b>-</b>	<b>11,75,33,856</b>

## Sakar Healthcare Limited

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

#### A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: (Rs. in lakh)

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		
		Sanjay S. Shah - Managing Director	Rita S. Shah – Executive Director	Aarsh S. Shah- Jt. Managing Director
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 21.95	Rs. 6.50	Rs. 21.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, Please specify	-	-	-
	Total (A)	Rs. 21.95	Rs. 6.50	Rs. 21.90
	Ceiling as per the Companies Act	Rs. 168 Lakh	Rs. 168 Lakh	Rs. 168 Lakh

#### B. Remuneration to other Directors:

No Disclosure is required as there is no remuneration paid.

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Ms. Hema L. Advani – Company Secretary**	Mr. Johnny G. Kudilil– CFO	Ms. Ayushi Shah - Administrative Executive	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 2,65,000/-	Rs. 5,60,000/-	Rs. 5,20,000/-	Rs. 13,45,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
5.	Others, Please specify	-	-	-	-
	<b>Total</b>	<b>Rs. 2,65,000/-</b>	<b>Rs. 5,60,000/-</b>	<b>Rs. 5,20,000</b>	<b>Rs. 13,45,000/-</b>

### VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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



**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](http://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 31<sup>st</sup> March, 2019 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

\* appointed as Independent Director of the Company for a period of 5 consecutive years w.e.f. 04-04-2019.

# appointed as Independent Director of the Company for a period of 5 consecutive years w.e.f. 30-09-2016.

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  
C.O.P.: 2052**

**Place : Ahmedabad  
Date : 18<sup>th</sup> July, 2019**

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
**SAKAR HEALTHCARE LIMITED**

**Report on the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **SAKAR HEALTHCARE LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 Company as at March 31, 2019, its profit and cash flows for the year ended 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 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 financial statements under the provisions of the Act and the rules thereunder, 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no Key Audit Matters Reportable as per SA 701 issued by ICAI.

**Information Other than the Financial Statements and Auditor's 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements**

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

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 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 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 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 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 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**

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.

## Sakar Healthcare Limited

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- (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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. As inform to us the Company does not have any pending litigations which would impact its financial statement.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Sanjiv V Shah**  
Partner

Place : Ahmedabad  
Date : 17.05.2019

Membership number: 042264

### ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

**The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2019, we report that:**

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

- (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March 2019 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..
- (ix) In our opinion and according to the information and explanations given to us, the Company has applied moneys raised by way of initial public offer and the term loans for the purposes for which these were raised.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not offer any private placement of shares during the year under review.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place : Ahmedabad  
Date : 17.05.2019

## **Sakar Healthcare Limited**

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### **Annexure - B to Independent Auditors' Report of even date on the Financial Statement of SAKAR HEALTHCARE LIMITED**

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

We have audited the internal financial controls over financial reporting of **SAKAR HEALTHCARE LIMITED** ("the Company") as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Ahmedabad  
Date : 17.05.2019

**Sanjiv V Shah**  
Partner  
Membership number: 042264

**Sakar Healthcare Limited****BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2019**

Particulars	Note No.	As at 31/03/2019 Amount (Rs.)	As at 31/03/2018 Amount (Rs.)
<b>A EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2	14,96,10,000	12,21,10,000
(b) Reserves and surplus	3	56,74,26,921	34,60,66,471
(c) Money received against share warrants	4	-	4,67,50,000
		<u>71,70,36,921</u>	<u>51,49,26,471</u>
<b>(2) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	5	7,09,08,445	6,97,66,550
(b) Long Term Borrowing	6	5,85,27,443	9,84,27,826
		<u>12,94,35,888</u>	<u>16,81,94,376</u>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	7	2,73,33,097	1,36,92,648
(b) Trade Payables	8	3,98,94,563	4,40,73,075
(c) Other Current Liabilities	9	5,12,09,807	5,83,68,935
(d) Short-Term Provisions	10	2,19,38,511	1,17,41,787
		<u>14,03,75,978</u>	<u>12,78,76,445</u>
<b>TOTAL</b>		<b><u>98,68,48,787</u></b>	<b><u>81,09,97,292</u></b>
<b>B ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(a) Tangible Assets	11	72,19,61,177	53,32,85,067
		<u>72,19,61,177</u>	<u>53,32,85,067</u>
(b) Long-Term Loans and Advances	12	40,66,303	35,19,164
		<u>72,60,27,480</u>	<u>53,68,04,231</u>
<b>(2) Current Assets</b>			
(a) Inventories	13	6,85,63,203	3,93,12,784
(b) Trade Receivables	14	9,50,97,665	10,81,93,205
(c) Cash and Bank Balances	15	36,67,973	36,23,090
(d) Short-Term Loans and Advances	16	9,16,19,359	12,09,46,931
(e) Other Current Assets	17	18,73,107	21,17,051
		<u>26,08,21,307</u>	<u>27,41,93,061</u>
<b>TOTAL</b>		<b><u>98,68,48,787</u></b>	<b><u>81,09,97,292</u></b>
<b>Significant Accounting Policies</b>	1		

The accompanying notes are an integral part of the Financial Statements

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

**Sanjiv Shah**  
Partner  
Membership No. : 42264

Place : Ahmedabad  
Date : 17.05.2019

**For and on behalf of the Board**

**Sanjay S. Shah**  
Chairman & Managing Director

**Jhonny G. Kudilil**  
CFO

**Rita S. Shah**  
Whole Time Director

**Hema Advani**  
Company Secretary

Place : Ahmedabad  
Date : 17.05.2019



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

Particulars	Note No.	Year ended 31/03/2019 Amount (Rs.)	Year ended 31/03/2018 Amount (Rs.)
I Revenue from Operations	18	68,24,93,490	53,07,65,323
II Other Income	19	68,01,306	53,24,595
III <b>Total Revenue ( I + II )</b>		<b>68,92,94,796</b>	<b>53,60,89,918</b>
IV <b>Expenses:</b>			
Cost of Material Consumed	20	35,29,53,046	27,20,73,413
Changes in Inventories of Finished Goods, Work- in-Progress and Stock-in-Trade	21	11,10,303	79,19,749
Employee Benefit Expense	22	8,85,55,755	6,83,00,975
Finance Costs	23	1,84,61,868	2,58,51,419
Depreciation and Amortization Expense	11	6,03,97,282	4,40,91,509
Other Expenses	24	7,05,56,735	5,65,94,719
<b>Total Expenses</b>		<b>59,20,34,989</b>	<b>47,48,31,784</b>
V Profit before Prior Period Items and Tax (III – IV)		9,72,59,807	6,12,58,134
VI Prior Period Items	25	66,285	1,66,525
VII <b>Profit before Tax (V – VI)</b>		<b>9,71,93,522</b>	<b>6,10,91,609</b>
VIII Tax Expense:			
(1) Current Tax		2,50,00,000	1,50,00,000
(2) Deferred Tax		11,41,895	52,78,819
(3) Previous Year Tax		9,41,177	26,66,047
IX <b>Profit / (Loss) for the period (VIII - IX)</b>		<b>7,01,10,450</b>	<b>3,81,46,743</b>
X Earnings per equity share of face value of Rs. 10/- each :			
(1) Basic	26	5.23	3.12
(2) Diluted	26	4.69	2.55
<b>Significant Accounting Policies</b>	1		

The accompanying notes are an intergral part of the Financial Statements

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

**Sanjiv Shah**  
Partner  
Membership No. : 42264

Place : Ahmedabad  
Date : 17.05.2019

**For and on behalf of the Board**

**Sanjay S. Shah**  
Chairman & Managing Director

**Jhonny G. Kudilil**  
CFO

**Rita S. Shah**  
Whole Time Director

**Hema Advani**  
Company Secretary

Place : Ahmedabad  
Date : 17.05.2019

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(Rs. In Lakh)

Particulars	Year ended 31/03/2019	Year ended 31/03/2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAX</b>	<b>971.94</b>	<b>610.92</b>
<b>ADJUSTMENTS FOR</b>		
Depreciation	603.97	440.92
Financial Charges	184.62	258.51
Interest Received	2.01	53.25
Dividend Received	-	-
Income Tax	-	-
Deferred Tax Liability	-	-
Preliminary Exp W/o	-	-
(Profit) / Loss On Sale of Fixed Assets	-	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,758.52</b>	<b>1,257.10</b>
<b>ADJUSTMENTS FOR</b>		
Trade and Other Receivables	(130.96)	547.42
Inventories	292.50	(302.62)
Long Term Loans & Advances	5.47	(8.15)
Other Non Current Assets		
Short Term Loans & Advances	(293.28)	385.96
Deferred Tax Liabilities	-	-
Other Current Assets, Loans & Advances	(2.44)	(2.48)
Long Term Liabilities		
Short Term Borrowing	136.40	(395.12)
Long Term Provisions		
Trade Payables	(41.79)	130.39
Other Current Liabilities	(71.59)	187.47
Short Term Provisions	101.25	82.43
Provision for Employee Benefit	0.71	0.71
<b>CASH GENERATED FROM OPERATIONS</b>	<b>2012.21</b>	<b>642.85</b>
Taxes paid [Income Tax]	101.91	116.35
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,910.30</b>	<b>526.49</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	2,490.73	880.98
Interest Received	2.01	53.25
Dividend Received	-	-
Investment in Equity Shares	-	-
Fixed Deposits with Banks	-	-
Sale/Deduction of Fixed Assets	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(2,488.72)</b>	<b>(827.73)</b>

**ANNUAL REPORT 2018-19**

(Rs. In Lakh)

<b>Particulars</b>	<b>Year ended 31/03/2019</b>	<b>Year ended 31/03/2018</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Financial Charges Paid	(184.62)	(258.51)
Proceeds from issue of share capital	1,162.50	(434.40)
Dividend Distribution Tax Paid	-	-
Increase in Working Capital Loan	-	-
Raising of Long Term & Other Borrowings (net)	<u>(399.00)</u>	<u>(606.39)</u>
NET CASH FROM FINANCING ACTIVITIES	<b>578.88</b>	<b>(1,299.31)</b>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	<b>0.45</b>	<b>(1,600.55)</b>
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<b>36.23</b>	<b>45.18</b>
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	<b>36.68</b>	<b>(1,555.36)</b>
CASH ON HAND	<b>12.89</b>	<b>14.03</b>
BALANCES WITH SCHEDULE BANK IN CURRENT ACCOUNT	<b>23.79</b>	<b>22.20</b>
CASH & BANK BALANCE AS PER BALANCE SHEET	<b>36.68</b>	<b>36.23</b>

As per our Audit Report of even date

**For A.L.Thakkar & Co.**

Chartered Accountants

FRN: 120116W

**Sanjiv Shah**

Partner

Membership No. : 42264

Place : Ahmedabad

Date : 17.05.2019

**For and on behalf of the Board****Sanjay S. Shah**

Chairman &amp; Managing Director

**Rita S. Shah**

Whole Time Director

**Jhonny G. Kudilil**

CFO

**Hema Advani**

Company Secretary

Place : Ahmedabad

Date : 17.05.2019

**Note – 1****Significant Accounting Policies & Notes on Accounts:****I) Significant Accounting Policies:****A) Basis of Preparation of Financial Statements****(i) Historical Cost Basis:**

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

**(ii) Use of Estimates:**

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

**B) Revenue Recognition:**

- (i) Revenue in respect of sale of products and services are recognised upon dispatch of products and the services rendered to the customers. Sales are stated at contractual realisable values, net of Goods and service tax and trade discount. Export Sales are shown on C.I.F. Basis, whenever contract is of C.I.F.
- (ii) Export Incentives are accounted for on accrual basis.
- (iii) All Known expenditure and income to the extent payable or receivable respectively and quantifiable till the date of finalization of accounts are accounted on accrual basis.

**C) Fixed Assets and Depreciation:**

- (i) Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any other cost attributable for bringing the assets to its working condition for its intended use.
- (ii) Depreciation on Tangible Fixed Assets is provided on straight line method over the useful lives of assets specified in Part C of Schedule II to the Companies Act 2013 read with the relevant notifications issued by the Department of Company affairs. Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.
- (iii) An assessment is done to determine whether there is any indication of impairment. An asset is treated as impaired when its carrying cost exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**D) Valuation of Investment**

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

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

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

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

**F) Foreign currency transaction:**

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

**G) Provisions, Contingent Liabilities and Contingent Assets:**

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

**H) Accounting for Taxes of Income:**

- i) Current Tax
 

Provision for current income tax is made in accordance with provision of Income Tax Act 1961.
- ii) Deferred tax
 

Provision for deferred tax is calculated at the current rate of Income Tax rates enacted or substantially enacted as at the balance sheet date and is recognized on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

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

**I) Valuation of Inventories**

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

**J) Borrowing Costs**

Borrowing cost including interest, guarantee fees commitment charges etc., that is directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset up to period the project is commissioned or asset is put to use. The borrowing cost incurred on common funds borrowed generally and used for the purpose of obtaining a qualifying asset, is apportioned on rational basis, the remaining borrowing cost is charged to revenue.

## Sakar Healthcare Limited

### K) Research and Development Expenditure

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

### L) Prior Period Items and Extra - Ordinary Items

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

### M) Earnings Per Share

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

### N) General:

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

## II) Notes on Accounts :

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

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

- 5) Pursuant to Accounting Standard - 29. "Provisions, Contingent Liabilities and Contingent Assets", the disclosure relating to contingent liabilities made in the accounts for the year ended 31st March, 2019 is as follows :

### (a) Contingent Liabilities

(Amount in Rs.)		
Particulars	2018-19	2017-18
Claims not acknowledge by the company in respect of :- Income Tax	0	0
6) Auditors' Remuneration:		
As Audit Fees	88,500	75,000
As others	—	—
Total	<u>88,500</u>	<u>75,000</u>
7) Directors' Remuneration:		
Sanjay S. Shah	12,35,000	12,35,000
Ritaben S. Shah	6,50,000	6,50,000
Aarsh S. Shah	11,70,000	11,70,000
8) Share Capital :		
At the beginning of the year	12,21,10,000	10,96,10,000
Issued during the year through Private Placement	-	1,25,00,000
Share Warrant Transferred	<u>27,50,000</u>	<u>-</u>
At the end of the year	<u>14,96,10,000</u>	<u>12,21,10,000</u>

9) **Employee benefit plans****a) Defined Benefit Plans**

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

**I. Expenses recognized during the year**

(Rs. in Lakh)

Particulars	For the year ended March 31	
	2019	2018
Current service cost	0.53	0.53
Interest Cost	0.08	0.08
Expected return on plan assets	N.A	N.A
Net actuarial losses (gains)	0.10	0.10
<b>Total</b>	<b>0.71</b>	<b>0.71</b>

**II. Reconciliation of opening and closing balances of defined benefit obligation**

Defined benefit obligation at beginning of the year	11.20	10.68
Service cost	3.05	2.87
Interest Cost	0.45	0.44
Actuarial losses (gains)	0.60	0.60
Benefits paid	Nil	Nil
Defined benefit obligation at end of the year	<b>15.30</b>	<b>14.59</b>

**III. Reconciliation of Opening and Closing balances of fair value of plan assets**

Fair value of plan assets at beginning of the year	N.A	N.A
Expected return on plan assets	N.A	N.A
Actuarial gains and (losses)	N.A	N.A
Contributions by employer	N.A	N.A
Benefits paid	N.A	N.A
Fair value of plan assets at year end	N.A	N.A

**IV. Reconciliation of the present value of defined benefit obligation and fair value of planned assets:**

Present value of defined benefit obligations at the end of the year	15.30	14.59
Fair value of plan assets at the end of the year	N.A	N.A
Net liability at the end of year	14.59	12.91

**V. Actuarial Assumptions**

Mortality Table (LIC)	2.00 %	2.00 %
Discount Rate (per annum)	7.94 %	7.94 %
Expected Return on plan assets (per annum)	N.A	N.A
Rate of escalation in salary (per annum)	6.00 %	6.00 %
Withdrawal rates	3 %	3 %
Retirement age	58 Years	58 Years

- i. *The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.*
- ii. *Expected Rate of Return of Plan Assets: This is based on the expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of obligations.*

## Sakar Healthcare Limited

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- iii. *Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.*

### VI. Experience History

Present value of defined benefit obligations at the end of the year	15.30	14.59
Fair value of plan assets at the end of the year	-	-
Net liability at the end of year	15.30	14.59

### b) Defined Contribution Plans.

#### Contribution of Defined Contribution Plan, recognized as expense for the year as under:

Employer's Contribution to Provident Fund	8.57	7.13
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- 10) We are unable to categorise the dues to small scale Industries (SSI) separately due to lack of information regarding the status of the creditors for goods outstanding as on the balance sheet date.



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Particulars	As at 31/03/2019 Amount (Rs.)	As at 31/03/2018 Amount (Rs.)
<b>NOTE 2 - SHARE CAPITAL</b>		
<b>Authorised</b>		
150,00,000 Equity Shares of Rs.10/- each	15,00,00,000	15,00,00,000
<b>Issued, subscribed &amp; paid up</b>		
1,22,11,000 Equity Shares of Rs.10/- each fully paid up	12,21,10,000	10,96,10,000
12,50,000 Equity Shares of Rs.10/- each fully paid up	-	1,25,00,000
27,50,000 Equity Shares of Rs.10/- each fully paid up	2,75,00,000	-
<b>Total</b>	<b>14,96,10,000</b>	<b>12,21,10,000</b>

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

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

The details of shareholder holding more than 5% shares as at March 31, 2019 is set out below :

Name of the shareholder	No. of shares	% held as at March 31, 2019	No. of shares *	% held as at March 31, 2018
SANJAY S. SHAH	9117500	60.94%	7117500	58.29%
AARSH SHAH	1307500	8.74%	1307500	10.71%

The reconciliation of the number of shares outstanding as on March 31, 2019 is set out below:

Particulars	As at 31/03/2019 Amount (Rs.)	As at 31/03/2018 Amount (Rs.)
Number of shares at the beginning	1,22,11,000	1,09,61,000
Add: Shares issued during the year	27,50,000	12,50,000
Number of shares at the end	<b>1,49,61,000</b>	<b>1,22,11,000</b>

### NOTE 3 : RESERVES AND SURPLUS

#### Securities Premium Reserve

Balance at the beginning of the year	19,69,40,000	13,44,40,000
Add: Addition during the year (Share Application Money)	15,12,50,000	6,25,00,000
Balance at the end of the year	34,81,90,000	19,69,40,000

#### Surplus

Balance at the beginning of the year	14,91,26,471	11,09,79,728
Add: Net profit after tax transferred from Statement of Profit and Loss	7,01,10,450	3,81,46,743
Less: Utilisation of Revenue Reserve for DTL	-	-
Amount available for appropriation	21,92,36,921	14,91,26,471
Balance at the end of the year	21,92,36,921	14,91,26,471
<b>Total</b>	<b>56,74,26,921</b>	<b>34,60,66,471</b>

### NOTE 4 : MONEY RECEIVED AGAINST SHARE WARRANTS

Balance at the beginning of the year	4,67,50,000	-
Add: Addition during the year (Warrant Application Money)	4,80,00,000	46750000
Balance at the end of the year	9,47,50,000	4,67,50,000
Less;transfer to share premium account	(9,47,50,000)	-
<b>Total</b>	<b>-</b>	<b>4,67,50,000</b>

### NOTE 5 : DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability arising on account of timing difference for depreciation		
Difference in Net Block of Asset as per Books and as per Income Tax Act, 1961	21,85,49,683	21,50,30,205
<b>Total</b>	<b>21,85,49,683</b>	<b>21,50,30,205</b>
<b>Net</b>	<b>21,85,49,683</b>	<b>21,50,30,205</b>
Deferred Tax Liability @ 32.445%	7,09,08,445	6,97,66,550

## Sakar Healthcare Limited

Particulars	As at 31/03/2019 Amount (Rs.)	As at 31/03/2018 Amount (Rs.)									
<b>NOTE 6 : LONG TERM BORROWING</b>											
<b>SECURED</b>											
Term Loan From Schedule bank	1,57,23,020	4,69,04,612									
(A)	<b>1,57,23,020</b>	<b>4,69,04,612</b>									
<b>UNSECURED</b>											
Unsecured Loan	4,28,04,423	5,15,23,214									
(B)	<b>4,28,04,423</b>	<b>5,15,23,214</b>									
(A+B)	<b>5,85,27,443</b>	<b>9,84,27,826</b>									
<b>NOTE 7 : SHORT-TERM BORROWINGS</b>											
<b>SECURED</b>											
Working Capital Loan From Bank	2,73,33,097	1,36,92,648									
	<b>2,73,33,097</b>	<b>1,36,92,648</b>									
<b>NOTE 8 : TRADE PAYABLES</b>											
Creditors for Goods	3,48,07,384	3,99,46,170									
Creditors for Capital Goods and others	50,87,179	41,26,905									
	<b>3,98,94,563</b>	<b>4,40,73,075</b>									
<b>NOTE 9 : OTHER CURRENT LIABILITIES</b>											
Secured Loan Repayable within Twelve Months	3,16,73,316	3,33,38,916									
Advance from Customers	22,87,185	6,63,150									
For other liabilities	1,72,49,306	2,43,66,869									
	<b>5,12,09,807</b>	<b>5,83,68,935</b>									
<b>NOTE 10 : SHORT-TERM PROVISIONS</b>											
Provision for											
Gratuity	15,29,895	14,58,665									
Income Tax (Net of Advance Tax)	2,04,08,616	1,02,83,122									
	<b>2,19,38,511</b>	<b>1,17,41,787</b>									
<b>NOTE 11 : FIXED ASSETS</b>											
DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK		
of ASSETS	Balance as on 1.4.18	Addition Before Six Month Year	Deduction After Six Month	During the year	Balance as on 31.03.19	up to 01.04.18	Provided During the year 31.03.19	Deduction During the year	Up To 31.03.19	As At 31.03.19	As at 31.03.18
<b>Tangible Assets</b>											
Air Conditioner	66,31,713	1,50,391	76,703	-	68,58,807	20,70,195	4,31,735	-	25,01,930	43,56,877	45,61,518
Boiler	19,03,110	-	-	-	19,03,110	9,49,617	90,398	-	10,40,015	8,63,095	9,53,493
Computer	87,81,342	3,51,549	3,48,002	-	94,80,893	80,58,134	8,89,650	-	89,47,784	5,33,109	7,23,208
D.G.Set	39,63,649	-	-	-	39,63,649	18,71,327	1,88,273	-	20,59,600	19,04,049	20,92,322
Cycle	2,132	-	-	-	2,132	2,132	-	-	2,132	-	-
Electric Installation	3,51,09,701	5,73,807	-	-	3,56,83,508	1,73,80,007	33,89,933	-	2,07,69,940	1,49,13,568	1,77,29,694
Factory Building	13,23,65,824	3,88,32,355	16,36,470	-	17,28,34,649	3,08,22,436	42,21,935	-	3,50,44,371	13,77,90,278	10,15,43,388
Factory Land & Development	1,73,48,390	-	8,65,94,000	-	10,39,42,390	-	-	-	-	10,39,42,390	1,73,48,390
Furniture	2,60,39,306	4,43,313	4,97,654	-	2,69,80,273	90,43,589	25,39,487	-	1,15,83,076	1,53,97,197	1,69,95,717
Other Equipment	1,89,06,798	38,69,479	9,54,706	-	2,37,30,983	34,63,739	11,04,547	-	45,68,286	1,91,62,697	1,54,43,059
Telephone Instruments	3,69,876	-	-	-	3,69,876	1,28,804	35,138	-	1,63,942	2,05,934	2,41,072
Laboratory Equipments	4,02,82,657	44,60,403	1,05,93,932	-	5,53,36,992	1,18,58,584	47,53,802	-	1,66,12,386	3,87,24,606	2,84,24,073
Plant & Machinery	42,30,00,162	2,77,45,427	1,31,24,355	-	46,38,69,944	13,38,02,055	2,17,22,119	-	15,55,24,174	30,83,45,770	28,91,98,107
Scale	2,14,157	-	-	-	2,14,157	88,463	10,172	-	98,635	1,15,522	1,25,694
Vehicle	1,83,03,506	99,90,815	11,91,569	-	2,94,85,890	57,11,049	34,32,145	-	91,43,194	2,03,42,696	1,25,92,457
Trolly	21,64,138	-	-	-	21,64,138	4,84,433	1,02,797	-	5,87,230	15,76,908	16,79,705
<b>Intangible Assets</b>											
Intangible Assets	2,93,16,224	41,50,000	4,34,88,461	-	7,69,54,685	56,83,053	1,74,85,151	-	2,31,68,204	5,37,86,481	2,36,33,171
<b>Total</b>	<b>76,47,02,685</b>	<b>9,05,67,539</b>	<b>15,85,05,852</b>	<b>-</b>	<b>1,01,37,76,076</b>	<b>23,14,17,617</b>	<b>6,03,97,282</b>	<b>-</b>	<b>29,18,14,899</b>	<b>72,19,61,177</b>	<b>53,32,85,068</b>
<b>Previous year</b>	<b>67,66,05,105</b>	<b>3,09,35,982</b>	<b>5,71,61,598</b>	<b>-</b>	<b>76,47,02,684</b>	<b>18,73,26,108</b>	<b>4,40,91,509</b>	<b>-</b>	<b>23,14,17,617</b>	<b>53,32,85,067</b>	<b>48,92,78,997</b>

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Particulars	As at 31/03/2019 Amount (Rs.)	As at 31/03/2018 Amount (Rs.)
<b>NOTE 12 : LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Deposit (Gujarat Electric Board)	25,02,818	25,02,818
Deposit (Gas)	16,700	16,700
Saurashtra Enviro Projects Pvt. Ltd. Deposit	25,084	28,450
Investment (Kenya)	15,21,701	9,71,196
	<b>40,66,303</b>	<b>35,19,164</b>
<b>NOTE 13 : INVENTORIES</b>		
(As taken, Valued & Certified by the Management)		
Raw Material/Packing Material / Stores & Consumables	4,11,37,741	1,07,77,019
Finished Goods / Stock in Process	2,74,25,462	2,85,35,765
	<b>6,85,63,203</b>	<b>3,93,12,784</b>
<b>NOTE 14 : TRADE RECEIVABLES</b>		
Debtors outstanding for more than six months		
Unsecured Considered good	-	-
Other Debts		
Unsecured Considered good	9,50,97,665	10,81,93,205
	<b>9,50,97,665</b>	<b>10,81,93,205</b>
<b>NOTE 15 : CASH &amp; BANK BALANCES</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash on Hand		
Cash on Hand	12,88,531	14,02,692
Balances with Banks		
In Bank Accounts	23,79,442	22,20,398
	<b>36,67,973</b>	<b>36,23,090</b>
<b>NOTE 16 : SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured Considered Good)		
Excise Modvate A/c (CGST/ IGST)	95,70,809	3,27,85,835
Excise PLA A/c	-	-
MAT Credit Receivable	1,10,67,760	1,35,40,349
Advances Recoverable in cash or kind	5,08,000	11,54,850
Advance Payment towards Materials & Capital Goods	1,03,03,999	4,34,59,587
Advance Payment towards Oncology Machinery	1,64,69,860	-
Advance Payment towards Oncology Building	2,19,80,000	-
VAT Credit (SGST)	1,16,28,577	1,00,71,308
IGST Receivable	93,84,932	1,36,50,233
VAT Receivable	-	54,05,667
Prepaid Expenses	7,05,422	8,79,102
	<b>9,16,19,359</b>	<b>12,09,46,931</b>
<b>NOTE 17 : OTHER CURRENT ASSETS</b>		
Authorised Capital Increase ROC Fees	1,80,023	2,25,029
Stamp Duty of ROC	1,79,466	-
Issue Expenses to the Extent not written off	15,13,618	18,92,022
	<b>18,73,107</b>	<b>21,17,051</b>

## Sakar Healthcare Limited

Particulars	Year Ended 31/03/2019 Amount (Rs.)	Year Ended 31/03/2018 Amount (Rs.)
<b>NOTE 18 : REVENUE FROM OPERATIONS</b>		
Contract Sales	8,68,86,460	9,79,53,295
Direct Sales	59,56,07,030	43,28,12,028
	<b>68,24,93,490</b>	<b>53,07,65,323</b>
<b>NOTE 19 : OTHER INCOME</b>		
Interest Income	2,01,191	2,01,191
Export Incentive	56,08,650	34,03,454
Exchange Rate Fluctuation	9,91,465	17,19,950
	<b>68,01,306</b>	<b>53,24,595</b>
<b>NOTE 20 : COST OF MATERIAL CONSUMED</b>		
(A) Opening Stock of RM/PM & Stores and Consumables	1,07,77,019	3,31,19,709
Add: Purchases	38,33,13,768	24,97,30,723
Less: Closing Stock of RM/PM & Stores and Consumables	4,11,37,741	1,07,77,019
	<b>35,29,53,046</b>	<b>27,20,73,413</b>
<b>NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening Stock of Finished Goods / Stock in Process	2,85,35,765	3,64,55,514
Less: Closing Stock of Finished Goods / Stock in Process	2,74,25,462	2,85,35,765
	<b>11,10,303</b>	<b>79,19,749</b>
<b>NOTE 22 : EMPLOYEE BENEFIT EXPENSES</b>		
Salary and Bonus	7,25,80,486	6,39,86,905
R & D Expenditure		
Salary & bonus (Before recognition) 89,35,371		
Salary & bonus (After recognition) <u>99,007</u>	90,34,378	-
Director's Remuneration	50,35,000	28,20,000
Contribution to Provident and other funds	8,57,453	7,13,220
E.S.I. Expenses	1,83,576	2,52,100
Gratuity	71,230	71,230
Staff Welfare Expenses	7,93,632	4,57,520
	<b>8,85,55,755</b>	<b>6,83,00,975</b>
<b>NOTE 23 : FINANCE COSTS</b>		
Bank Charges	21,54,199	13,76,150
Bank Interest	1,63,07,669	2,44,75,268
	<b>1,84,61,868</b>	<b>2,58,51,419</b>

# ANNUAL REPORT 2018-19

Particulars	Year Ended 31/03/2019 Amount (Rs.)	Year Ended 31/03/2018 Amount (Rs.)
<b>NOTE 24 : OTHER EXPENSES</b>		
Advertisement Expenses	45,438	5,58,863
Audit Fees	88,500	75,000
Business Development Exp.	14,50,092	3,30,137
Commission Exp.	-	-
Courier & Postage Exp.	8,04,985	8,02,149
Electrical Exp.	10,14,582	6,87,352
Education Cess & S&H Cess	-	4,06,630
Export Exp.	91,53,371	43,69,318
Factory / General Exp.	11,56,812	8,77,317
Food & Refreshment Exp.	13,59,535	9,93,197
Freight Exp.	-	11,06,537
Hygenic Maintenance Exp.	6,06,689	7,28,490
Insurance Exp.	6,61,571	6,36,606
ISO Certificate Charges	26,000	79,750
Listing and Demat Exp.	-	2,31,979
Legal Exp.	-	15,000
Licence Charges	2,18,776	1,43,902
Loading & Unloading Charges	67	644
Membership Fees Exp.	69,045	1,16,461
Packing Exp.	27,04,944	17,03,051
Power & Fuel Exp.	2,92,34,493	2,35,98,435
Professional Fees Exp.	35,62,521	21,63,442
Professional Tax Exp.	2,400	2,400
Property Tax Exp.	31,037	65,842
R.O.C. Expenses	-	2,656
Repairs & Maintenance	-	-
Machinery	55,030	6,11,178
Factory Building	4,37,526	11,34,258
Computer	2,07,760	1,59,805
Other	<u>10,21,254</u>	<u>12,84,328</u>
GMP Registration Charges	6,09,906	2,40,830
Product Registration Exp.	12,86,865	24,54,987
Service Tax Exp.	-	91,740
Stationery Exp.	13,02,244	11,31,614
Stores & Spares / Consumable Expenses	28,79,222	28,44,847
TDS Interest Exp.	48,980	22,480
Telephone / Mobile / Internet Exp.	4,90,621	6,34,562
Testing & Analysis / Laboratory Exp.	6,04,620	14,46,510
Travelling & Conveyance Exp.	39,36,649	32,17,136
Vatav & Kasar A/c	4,35,047	1,81,295
Vat Exp.	1,99,301	1,29,932
Security Exp.	5,11,500	4,90,452
R&D Expenditure		
Material Stores & consumable (Before recognition)	12,43,181	-
Power & Fuel Exp. (Before recognition)	20,37,973	-
Repairs & Maintenance (Before recognition)	25,000	-
Hygenic Maintenance Exp. (Before recognition)	33,517	-
Testing Expense (Before recognition)	84,000	-
Material Stores & consumable (After recognition)	2,640	-
Power & Fuel Exp. (After recognition)	22,334	-
Expenses to the Extent written off	4,23,410	4,23,410
Vehicle Exp.	4,67,297	4,00,197
	<b><u>7,05,56,735</u></b>	<b><u>5,65,94,719</u></b>

## Sakar Healthcare Limited

Particulars	Year Ended 31/03/2019 Amount (Rs.)	Year Ended 31/03/2018 Amount (Rs.)
<b>NOTE 25 : PRIOR PERIOD ITEMS</b>		
Prior Period Exp.	66,285	1,66,525
	<b>66,285</b>	<b>1,66,525</b>

### NOTE 26 : EARNINGS PER SHARE

Face value of Equity Shares (Rs.)	10	10
Net Profit available for Equity Shareholders	7,01,10,450	3,81,46,743
No. of issued / subscribed / paid up Equity Shares	1,49,61,000	1,22,11,000
Basic EPS (Rs.)	5.229	3.124
Diluted EPS (Rs.)	4.686	2.550

### NOTE 27 :

#### Related Party Disclosures

(Rs. in Lakh)

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2018-19		2017-18	
				Volume of transaction Rs.in Lakh	Balance at the end of the year Rs.in Lakh	Volume of transaction Rs.in Lakh	Balance at the end of the year Rs.in Lakh
1	Sanjay S. Shah	Managing Director	Remuneration and Perquisites	21.95	-	12.35	-
2	Sanjay S. Shah	Managing Director	Unsecured Loan	-	428.04	-	515.23
3	Rita S. Shah	Executive Director	Remuneration and Perquisites	6.50	-	6.50	-
4	Aarsh S. Shah	Jt. Managing Director	Remuneration and Perquisites	21.90	-	11.70	-
5	Ayushi S. Shah	Administrative Executive	Salary	5.20	-	5.20	-

As per our Audit Report of even date

**For A.L.Thakkar & Co.**

Chartered Accountants

FRN: 120116W

**Sanjiv Shah**

Partner

Membership No. : 42264

Place : Ahmedabad

Date : 17.05.2019

**For and on behalf of the Board**

**Sanjay S. Shah**

Chairman & Managing Director

**Jhonny G. Kudilil**

CFO

Place : Ahmedabad

Date : 17.05.2019

**Rita S. Shah**

Whole Time Director

**Hema Advani**

Company Secretary

**SAKAR HEALTHCARE LIMITED****[CIN: L24231GJ2004PLC043861]****Registered Office:** Block No. 10/13, Village: Changodar, Sarkhej- Bavla Highway, Tal: Sanand,  
Dist: Ahmedabad - 382 213**FORM MGT-11****PROXY FORM****[Pursuant to Section 105(6) of the Companies Act, 2013 and  
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]]**

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

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

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

2. Name:.....  
 Address:.....  
 Email Id: ..... Signature: .....

as my/ our proxy to attend and vote for me as me/us and on my/ our behalf at the 15<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, the 18<sup>th</sup> September, 2019 at 2.00 p.m. at the Registered Office of the Company at Block No. 10/13, Village: Changodar, Sarkhej-Bavla Highway, Tal: Sanand, Dist: Ahmedabad – 382 213 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional	
		For	Against
Ordinary Business			
1	Ordinary Resolution for adoption of the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019, the reports of the Board of Directors and Auditors thereon.		
2	Ordinary Resolution for re-appointment of Ms. Rita S. Shah, liable to retire by rotation and being eligible, offers herself for re-appointment.		
Special Business			
3	Ordinary Resolution for appointment of Cost Auditors of the Company.		
4	Special Resolution for re-appointment of Mr. Sanjay S. Shah as Managing Director of the Company for a period of 3 years.		
5	Special Resolution for re-appointment of Mr. Aarsh S. Shah as Joint Managing Director of the Company for a period of 3 years.		
6	Special Resolution for re-appointment of Ms. Rita S. Shah as Whole Time Director of the Company for a period of 3 years.		

Signed this ..... day of ..... 2019

Signature of Shareholder .....

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

Affix
Revenue
Stamp
Here

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



## AGM VENUE MAP - 2019





**SAKAR HEALTHCARE LIMITED**

[CIN:L24231GJ2004PLC043861]

**Registered Office:**

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

FORM MGT-12

**ATTENDANCE / BALLOT FORM**

**(TO BE USED BY SHAREHOLDERS PERSONALLY PRESENT/THROUGH PROXY AT THE MEETING AND HAVE NOT OPTED FOR E-VOTING)**

1	Name and Address of the Sole/ First named Shareholder	
2	Name(s) of the Joint Holder(s) (if any)	
3	Registered Folio No./ DPID-Client ID	
4	Number of Shares(s) held	
5	I/We hereby exercise my/our attendance at the meeting and vote(s) in respect of the Resolutions set out in the Notice of 15 <sup>th</sup> Annual General Meeting (AGM) of the Company held on Wednesday, the 18 <sup>th</sup> September, 2019, by placing the tick (✓) mark at the appropriate box below:	

Resolution No.	Resolutions	No. of Shares	(FOR) I/We assent to the resolution	(AGAINST) I/We dissent the resolution
<b>Ordinary Business</b>				
1	Ordinary Resolution for adoption of the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019, the reports of the Board of Directors and Auditors thereon.			
2	Ordinary Resolution for re-appointment of Ms. Rita S. Shah, liable to retire by rotation and being eligible, offers herself for re-appointment.			
<b>Special Business</b>				
3	Ordinary Resolution for appointment of Cost Auditors of the Company.			
4	Special Resolution for re-appointment of Mr. Sanjay S. Shah as Managing Director of the Company for a period of 3 years.			
5	Special Resolution for re-appointment of Mr. Aarsh S. Shah as Joint Managing Director of the Company for a period of 3 years.			
6	Special Resolution for re-appointment of Ms. Rita S. Shah as Whole Time Director of the Company for a period of 3 years.			

Place:

Date:

(Signature of the Shareholder/Proxy)

**Note:** This Form is to be used for exercising attendance/voting at the time of 15<sup>th</sup> Annual General Meeting to be held on Wednesday, the 18<sup>th</sup> September, 2019 by shareholders/proxy. Duly filled in and signed ballot form should be dropped in the Ballot box kept at the venue of AGM.





*If undelivered, please return to :*  
**SAKAR HEALTHCARE LIMITED**

**[CIN: L24231GJ2004PLC043861]**

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