

AUTHORISED CAPITAL: RS. 12 CRORES

DATE OF AGM: 30-09-2016

SAKAR HEALTHCARE LIMITED

[CIN: U24231GJ2004PLC043861]

12TH ANNUAL REPORT 2015-16

| | | | |
|--|---|--|--|
| BOARD OF DIRECTORS | : | Mr. Sanjay S. Shah Ms. Rita S. Shah Mr. Aarsh S. Shah Mr. Prashant C. Srivastav Mr. Hardik P. Mehta Mr. Shailesh B. Patel | Managing Director Executive Director Joint Managing Director Independent Director Independent Director Independent Director |
| MANAGEMENT TEAM | : | Mr. Jhonny G. Kudlil Ms. Pratixa S. Seju | Chief Finance Officer Company Secretary |
| REGISTERED OFFICE & FACTORY | : | Block No. 10-13, Near N. M. Desai Petrol Pump, Sarkhej- Bavla Road, Village: Changodar, District: Ahmedabad -382 213 | |
| AUDITORS | : | M/s. A. L. Thakkar & Co., Chartered Accountants, Ahmedabad | |
| REGISTRAR & SHARE TRANSFER AGENTS | : | Link Intime India Private Limited, Unit No. 303, 3rd Floor, Shoppers Plaza – V Opp. Municipal Market, B/h Shoppers Plaza- II, Off C.G. Road, Ahmedabad – 380 009 Tel.: 079 - 26465179 Email: ahmedabad@linkintime.co.in | |
| WEBSITE | : | www.sakarhealthcare.com | |

NOTICE

NOTICE is hereby given that the **12TH ANNUAL GENERAL MEETING** of the Shareholders of SAKAR HEALTHCARE LIMITED will be held as under:

Day : Friday

Date : 30th September, 2016

Time : 12.00 noon

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

to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Aarsh S. Shah (DIN – 05294294), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and he being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of Section 139, 142 and any other applicable provisions of the Companies Act, 2013 and rules made there under, as amended from time to time, and pursuant to the resolution passed by the members at the Annual General Meeting (AGM) held on 30th September, 2015, the appointment of M/s. A. L. Thakkar & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 120116W), as the Statutory Auditors of the Company to hold office for a period of 5 years i.e. till the conclusion of the 16th AGM to be held in the year 2020 be and is now hereby ratified for the year 2016-17 and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Hardik P. Mehta (DIN – 07153485), an Independent Director of the Company, who was appointed as an Additional Director pursuant to provisions of Section 161(1) of the Companies Act, 2013 as amended from time to time and in accordance with the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years for a term from the conclusion of this Annual General Meeting up to the conclusion of the 17th Annual General Meeting to be held in the calendar year 2021.”

Registered Office
Block No. 10-13,
Near N. M. Desai Petrol Pump,
Sarkhej- Bavla Road, Village: Changodar,
District: Ahmedabad -382 213.
Date: 22nd September, 2016

By Order of the Board,

Sanjay S. Shah
Managing Director

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business at item no. 4 in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER SHAREHOLDER.

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

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 12TH ANNUAL GENERAL MEETING DATED 20TH AUGUST, 2016.****In respect of Item No. 4:**

Pursuant to provisions of section 161(1) of the Companies Act, 2013 (hereinafter referred to as the Act) and pursuant to the Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Hardik P. Mehta as an Additional Director with effect from 10th October, 2015. Mr. Hardik P. Mehta is an Independent Director on the Board of the Company.

Pursuant to provisions of Section 161 of the Act, Mr. Hardik P. Mehta holds office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member along with deposit of requisite amount under Section 160 of the Act proposing Mr. Hardik P. Mehta as a candidate for the office of the Director of the Company.

Mr. Hardik P. Mehta is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as Director. Section 149 of the Act, inter alia, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the provisions of the said section, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Mr. Hardik P. Mehta that he meets with criteria of independence as prescribed under section 149(6) of the Act.

Mr. Hardik P. Mehta possesses skills and experience in the field of Legal and Corporate Laws. Brief resume of Mr. Hardik P. Mehta, nature of his expertise in specific functional areas and names of the Companies in which he holds directorships and memberships / chairperson of the Board/ Committees, shareholding and relationship between Directors inter se, are provided in the Corporate Governance Report forming part of the Annual Report.

In the opinion of the Board, Mr. Hardik P. Mehta fulfils the conditions specified in the Act and rules made thereunder for her appointment as an Independent Director of the Company.

Keeping in view of his experience and knowledge, the Board considers that his association would be of benefit to the Company and it is desirable to continue to avail the services of Mr. Hardik P. Mehta as an Independent Director.

None of the Directors (except Mr. Hardik P. Mehta), 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.

Registered Office
Block No. 10-13,
Near N. M. Desai Petrol Pump,
Sarkhej- Bavla Road, Village: Changodar,
District: Ahmedabad -382 213.
Date: 22nd September, 2016

By Order of the Board,

Sanjay S. Shah
Managing Director

SAKAR HEALTHCARE LIMITED

DIRECTORS' REPORT

The Members,
Sakar Healthcare Limited,

Your Directors have pleasure in presenting the 12TH ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2015-16 ended 31st March, 2016.

1. FINANCIAL RESULTS AND OPERATIONS:

| Particulars | (Rs. In lacs) | |
|--|----------------|---------|
| | 2015-16 | 2014-15 |
| Sales and other Income | 4143.24 | 3505.27 |
| Profit before Interest and Depreciation | 853.03 | 791.36 |
| Less: Interest | 293.61 | 298.53 |
| Profit before Depreciation | 559.42 | 492.83 |
| Less: Depreciation | 273.36 | 249.63 |
| Profit before Taxation | 286.06 | 243.20 |
| Provision for Taxation - Current | 55.00 | 51.00 |
| Provision for Taxation - Deferred | 9.27 | 176.65 |
| Profit for the year | 221.79 | 186.71 |
| Opening Balance of Profit and Loss Account | 736.44 | 549.73 |
| Balance carried to Balance Sheet | 958.23 | 736.44 |

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1st April, 2016 and date of this report.

During the year under review, the Company achieved turnover of Rs. 4143.24 lacs compared to Rs. 3505.27 lacs during 2014-15. The Company earned profit before interest, depreciation and tax of Rs. 853.03 lacs during 2015-16 compared to Rs. 791.36 lacs during 2014-15. After providing for interest, depreciation and taxes, the net profit for the year under review stood at Rs. 221.79 lacs as compared to Rs. 186.71 lacs during 2014-15. The EPS for the year under review stood at Rs. 2.77 compared to Rs. 2.33 for the year 2014-15.

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. NEW PROJECTS & FUTURE PLANS:

The Company proposes to set up a new Lyophilisation facility to manufacture Lyophilized Products (Injectable) in existing unit at Changodar, Ahmedabad, Gujarat having an aggregate capacity of 22,000 vials per day, which will enhance our existing product portfolio. Lyophilisation process ensures longer shelf life and extended stability of the products. Our Company believes that this manufacturing facility will help to increase our revenue and profit margins significantly, since the products manufactured through this process of freeze drying are used in treating critical care illness.

Freeze drying (Lyophilisation) is a process of removing moisture from the frozen state of products using process of sublimation to enhance stability and shelf life. Vials are filled with liquid solution and loaded into the Lyophiliser using automatic loading system under class – 100 environment which is protected by open RABS. Lyophiliser is loaded shelf by shelf. Once loading is completed, automatic freeze drying cycle starts. After completion of freeze drying, half stoppered vials are fully stoppered and they are unloaded from the machine, using automatic unloading system connected to cap sealing machine protected by open RABS.

Lyophiliser is equipped with automatic CIP (Clean in Place) and SIP (Sterilisation in Place) arrangement. Integrity of this machine is checked using automatic cycle.

4. EXTRA ORDINARY GENERAL MEETING FOR THE IPO:

The Company had obtained approval of the Shareholders on 6th September, 2016 for the proposed IPO at the Extra Ordinary General Meeting.

5. INITIAL PUBLIC OFFER (IPO) OF 29,61,000 EQUITY SHARES ON NSE-SME PLATFORM:

The Company obtained 'In Principle' approval vide letter no. dated 21st September, 2016 from National Stock Exchange of India Limited i.e. SME Platform of NSE- 'NSE Emerge' for the proposed IPO of 29,61,000 Equity Shares of the face value of Rs. 10/- each not exceeding Rs. 20 crores through Book Building Process.

The IPO will open on 30th September, 2016 and will close on 5th October, 2016 having Price Band of Rs. 42 to Rs. 50 per Equity Share. The Bid will be made for a minimum of a 3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter.

The Draft Red Herring Prospectus is also available on the website of NSE-Emerge Platform viz. www.nseindia.com.

The Book Running Lead Manager to the IPO is M/s. Pantomath Capital Advisors Private Limited, Mumbai.

6. DEMATERIALISATION OF EQUITY SHARES:

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

7. DIRECTORS & KMP:

7.1 One of your Directors viz. Mr. Aarsh Shah retires by rotation in terms of the Articles of Association of the Company. However, being eligible offers himself for reappointment.

7.2 Mr. Hardik P. Mehta has been appointed as Independent Director of the Company w.e.f. 10th October, 2015.

7.3 Mr. Aniruddha Rathod has resigned as Director of the Company w.e.f. 10th October, 2015.

7.4 The Board of Directors duly met 10 times during the financial year under review.

7.5 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.

7.6 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.

7.7 DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31st March, 2016 being end of the financial year 2015-16 and of the profit of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.
- (v) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7.8 Ms. Pratixa S. Seju has been appointed as Company Secretary and Compliance Officer of the Company w.e.f. 28th December, 2015. Ms. Kinjal K. Sheth has resigned Company Secretary and Compliance Officer of the Company w.e.f. 28th December, 2015.

8. 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.

9. MANAGERIAL REMUNERATION:

| Sr. No. | Name of the Director & Designation | Remuneration for the year 2015-16 | % increase over last year | Parameters | Median of Employees Remuneration | Ratio | Commission received from Holding/Subsidiary |
|---------|--|-----------------------------------|---------------------------|--|----------------------------------|------------|---|
| 1 | Sanjay S. Shah Managing Director | 1105000 | 5.24 | Higher responsibility and time involvement | 129900 | 8.50 times | - |
| 2 | Rita S. Shah Executive Director | 520000 | 4.00 | | 129900 | 4.00 times | - |
| 3 | Aarsh S. Shah Joint Managing Director | 1040000 | 108.00 | | 129900 | 8.00 times | - |

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

10. NET WORTH OF THE COMPANY:

The Net worth as on 31st March, 2016 is Rs. 1918.23 lacs compared to Rs. 1696.44 Lacs as on 31st March, 2015.

11. KEY MANAGERIAL PERSONNEL:

11.1 % 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 | 5.24% |
| 2. | Ritaben S. Shah | Executive Director | 4.00% |
| 3. | Aarsh S. Shah | Joint Managing Director | 108.00% |
| 4. | Jhony G. Kudill | CFO | N.A. |
| 5. | Pratixa Seju | Company Secretary | N.A. |

11.2 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.

12. PERSONNEL AND H. R. D.:

12.1 INDUSTRIAL RELATIONS:

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

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

12.2 PARTICULARS OF EMPLOYEES:

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

13. 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.

14. 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.

15. 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**.

16. 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**.

17. EXTRACT OF ANNUAL RETURN:

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

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

The details of constitution/re-constitution of various committees and their functions are part of Corporate Governance Report.

19. GENERAL:

19.1. STATUTORY AUDITORS:

At the 11th Annual General Meeting held on 30th September, 2015 M/s. A. L. Thakkar & Co., Chartered Accountants, Ahmedabad were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2020. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. A. L. Thakkar & Co., Chartered Accountants, as statutory auditors of the Company for the financial year 2016-17, is placed for ratification by the shareholders.

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

19.2 INSURANCE:

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

19.3 DEPOSITS:

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

19.4 RISKS MANAGEMENT POLICY:

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

19.5 SUBSIDIARIES/ ASSOCIATES/ JVS:

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

19.6 CODE OF CONDUCT:

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

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

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

19.8 ENVIRONMENT AND SAFETY:

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

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

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

19.10 GRATUITY:

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

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

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

20. DISCLOSURE OF ACCOUNTING TREATMENT:

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

21. DISCLOSURES:

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

22. FINANCE:

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

23. ACKNOWLEDGMENT:

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

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

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Date: 22nd September, 2016

For and on behalf of the Board,

Sanjay S. Shah
Managing Director

Aarsh S. Shah
Jt. Managing Director

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 utilising alternate sources of energy | - |
| Capital investment on energy conservation equipments | N.A. |

(B) TECHNOLOGY ABSORPTION:

Efforts made in Research and Development and Technology Absorption prescribed in the Rules is as under:

1. Research & Development (R & D)

| | | |
|---|---|---|
| (a) Specific areas in which R&D carried out by the Company. | : | R&D is through for developing and diversification of more products as well as for exploring more Export markets |
| (b) Benefits derived as a result of the above R&D | : | More products added to the list of products as well was captured more export markets |
| (c) Future plan of action | : | To maintain improved quality of products through quality control. |
| (d) Expenditure on R&D | : | Not Substantial |

2. Technology absorption, adoption and innovation: The Company does not envisage any technology absorption.

(C) FOREIGN EXCHANGE EARNINGS & OUTGO:

(Rs. in Lacs)

| | 2015-16 | 2014-15 |
|---------------------------------|---------|---------|
| Total Foreign exchange earnings | 1218.09 | 503.12 |
| Total Foreign Exchange used | 30.22 | 55.5 |

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Date: 22nd September, 2016

For and on behalf of the Board,

Sanjay S. Shah
Managing Director

Aarsh S. Shah
Jt. Managing Director

**VOLUNTARY REPORT ON CORPORATE GOVERNANCE FOR THE PROPOSED INITIAL
PUBLIC OFFER OF EQUITY SHARES OF THE COMPANY**

INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The Directors, hereunder, present the Company's Report on Corporate Governance for the year ended 31st March, 2016 and also up to the date of this Report.

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 the date of the 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 2015-16 | Attendance at AGM held on 30-09-2015 Yes(Y)/ No(N) |
|-----------------------|---------------------------|-----------------------------|--|----------|---|--|
| | | | Member | Chairman | | |
| Sanjay S. Shah | Executive | 2 | 2 | - | 10 | Y |
| Rita S. Shah | Executive | 2 | - | - | 10 | Y |
| Aarsh S. Shah | Executive | - | - | - | 10 | Y |
| Prashant C. Srivastav | Independent Non-executive | - | - | - | 10 | N |
| Shailesh B. Patel | Independent Non-executive | - | - | - | 10 | N |
| Hardik P. Mehta# | Independent Non-executive | - | - | - | 05 | N.A. |

@ Private Limited 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 the Stakeholders' Relationship Committee has been considered.

#Appointed w.e.f. 10th October, 2015.

b) Details of the Directors seeking Appointment/Reappointment in forthcoming Annual General Meeting:

| | | |
|--|--|--------------------------|
| Name of Director | Aarsh S. Shah | Hardik P. Mehta |
| Date of Birth | 16-02-1991 | 25-04-1988 |
| Date of Appointment | 01-06-2012 | 10-10-2015 |
| Qualifications | B.Pharm / MBA | LLB |
| Expertise in specific functional areas | Production , Sales & Marketing and Developing Business relations | Corporate and Other Laws |
| List of Public Limited Companies in which Directorships held | - | - |
| List of Private Limited Companies in which Directorships held | - | - |
| Chairman/Member of the Committees of the Board of Directors of the Company | - | - |
| Chairman/Member of the Committees of Directors of other Companies | - | - |
| Shareholding in the Company | 13,07,500 Equity Shares | NIL |

c) Board Procedures:

The Board of Directors meets once a quarter to review the performance. 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, and investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors were held on 1st April, 2015, 30th April, 2015, 23rd August, 2015, 25th August, 2015, 7th September, 2015, 10th October, 2015, 20th November, 2015, 28th December, 2015, 31st December, 2015 and 1st February, 2016.

d) Shareholding of Non- Executive Directors as on 31st March, 2016:

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

e) Familiarisation Program for Independent Directors:

The Independent Directors of the Company are seasoned professionals and have detailed knowledge and understanding of the industry, business model & operations and also of their roles, responsibilities and dustings.

Presentations are regularly made to the Independent Directors on various matters covering Company's business, operations, industry, updates, strategy, finance, risk management, role, rights and responsibilities of Independent Directors under various statutes. A familiarisation programme was conducted during the year.'

3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors:

| Name of the Directors | Expertise | Term of reference / Functions of the Committee | No. of Meetings Attended during 2015-16 |
|--|---|--|---|
| Mr. Prashant C. Srivastav, Chairman | Majority of the members are Non-executive. Chairman is Independent-Non Executive Director. All members are financially literate and one member has financial and accounting expert knowledge. | The functions of the Audit Committee are as per Company Law and Listing Agreement to be entered with the Stock Exchange(s), which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies. | 4 of 4 |
| Mr. Sanjay S. Shah | | | 4 of 4 |
| Mr. Shailesh B. Patel | | | 4 of 4 |

The Board of Directors has laid down a policy on Vigil Mechanism for Directors and Employees to report their genuine concerns or grievances to the Company for Company's effective and smooth functioning. All the Board Members and Senior Management personnel have affirmed compliance with the policy of Vigil Mechanism.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination & 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 2015-16 |
|------------------------------------|---|---|
| Mr. Shailesh B. Patel, Chairman | All members are Non-executive. | 1 of 1 |
| Mr. Hardik P. Mehta# | 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. | - |
| Mr. Prashant C. Srivastav | | 1 of 1 |

appointed during the year w.e.f. 10th October, 2015.

Term of reference & Remuneration Policy:

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

The Committee fixes remuneration of the Directors on the basis of their performance and also practice in the industry. The terms of reference of the Nomination & Remuneration Committee include review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee meets as and when required to consider remuneration of Directors.

Performance Evaluation Criteria for Independent Directors:

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

5. REMUNERATION OF DIRECTORS:

1. The Company paid Managerial Remuneration of Rs. 26.65 lacs to the Managing Director / Executive Director during the year 2015-16.
2. No Sitting Fees are paid to Directors for attending meetings.
3. 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.
4. Commission based on performance criteria, if any, as approved by the Board and subject to maximum limit specified in the Act.
5. The Nomination and Remuneration Policy of the Company is given in Directors' Report which specifies the criteria of making payments to Non Executive Directors.
6. Service contract and notice period are as per the terms and conditions mentioned in their Letter of Appointments.
7. There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors except those disclosed in the financial statements for the financial year ended on 31st March, 2016.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

The Committee comprises the following Directors as members as on the date of the Report:

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

The Company has not received any complaints during the year. There was no valid request for transfer of shares pending as on 31st March, 2016.

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

7. GENERAL BODY MEETINGS:

Details of Annual General Meetings of the Company held in last 3 years are given below:

| Financial Year | Date | Time | Venue |
|----------------|------------|---------------|---|
| 2012-13 | 30-09-2013 | 4.00 p.m. | 406, Silver Oaks Commercial Complex, Opp. Arun Society, Paldi, Ahmedabad-380007 Special Resolution: No Special Resolution |
| 2013-14 | 30-09-2014 | 4.00 p.m. | 406, Silver Oaks Commercial Complex, Opp. Arun Society, Paldi, Ahmedabad-380007 Special Resolution: No Special Resolution |
| 2014-15 | 30-09-2015 | 12.00 noon | Plot no. 10 / 13, Sarkhej – Bavla road, Nr. M. N. Desai Petrol Pump, Village – Changodar, Ahmedabad – 382 213 Special Resolution: No Special Resolution |

Details of Extra Ordinary General Meeting held in last 3 years i.e. 2012-13, 2013-14 and 2014-15 are given below:

| Sr. No. | Date of EGM | Time | Place of EGM and Special Resolutions |
|---------|-------------|---------------|---|
| 1. | 16-12-2013 | 4.00 p.m. | 406, Silver Oaks Commercial Complex, Opp. Arun Society, Paldi, Ahmedabad-380007 Special Resolution: 1. Authority to board of directors under section 180 (1)(a) of the companies act, 2013 to create charge in favour of any bank/ institution/ person. 2. Increase in borrowing powers to Rs. 100 crores. 3. Authority to board of directors under section 372A of the Companies Act, 1956 and section 186 and other applicable provisions, if any, of the Companies Act, 2013. |
| 2. | 25-02-2015 | 11.00 a.m. | 406, Silver Oaks Commercial Complex, Opp. Arun Society, Paldi, Ahmedabad-380007 Special Resolution: 1. Re-appointment of Mr. Sanjay S. Shah as Managing Director for a period of 5 years w.e.f. 1 st February, 2015 to 31 st January, 2020. 2. Re-appointment of Ms. Rita S. Shah as Executive Director for a period of 5 years w.e.f. 1 st February, 2015 to 31 st January, 2020. |

| Sr. No. | Date of EGM | Time | Place of EGM and Special Resolutions |
|---------|-------------|------------|---|
| | | | <p>3. Re-appointment of Mr. Aarsh S. Shah as Joint Managing Director for a period of 5 years w.e.f. 1st February, 2015 to 31st January, 2020.</p> <p>4. Increase of Authorised Share Capital from Rs. 8 crores to Rs. 12 crores.</p> <p>5. Shifting of Registered Office from 406, Silver Oaks Commercial Complex, Opp. Arun Society, Paldi, Ahmedabad – 380 007 to Plot no. 10 / 13, Sarkhej – Bavla road, Nr. M. N. Desai Petrol Pump, Village – Changodar, Ahmedabad – 382 213 w.e.f. 1st March, 2015.</p> |
| 3. | 09-03-2015 | 11.00 a.m. | <p>Plot no. 10 / 13, Sarkhej – Bavla road, Nr. M. N. Desai Petrol Pump, Village – Changodar, Ahmedabad – 382 213</p> <p>Special Resolution:</p> <p>1. Conversion of Company from Private Limited Company to Public Limited Company.</p> <p>2. Adoption of new set of articles of association consequent to conversion into public limited Company.</p> <p>3. Change of Name of the Company consequent to conversion into public company viz. Sakar Healthcare Limited.</p> <p>4. Alteration in the Object clause of Memorandum of Association.</p> |

Pursuant to the relevant provisions of the Companies Act, 2013, there was no matter required to be dealt by the Company to be passed through postal ballot during 2015-16.

8. MEANS OF COMMUNICATIONS:

The Company will regularly intimate Unaudited/ Audited Financial Results to the Stock Exchange(s) immediately after they are taken on record by the Board of Directors and also publish the same in the newspapers in compliance with the requirements of the SEBI LODR Regulations and also publish the same in upon listing.

9. SHAREHOLDERS INFORMATION:

| | | | |
|---|------------------------|--|--|
| a | Registered Office | Block No. 10-13, Near N. M. Desai Petrol Pump, Sarkhej- Bavla Road, Village: Changodar, District: Ahmedabad -382 213 | |
| b | Annual General Meeting | Day | Friday |
| | | Date | 30 th September, 2016 |
| | | Time | 12.00 Noon |
| | | Venue | Block No. 10-13, Near N. M. Desai Petrol Pump, Sarkhej- Bavla Road, Village: Changodar, District: Ahmedabad -382 213 |

| | | | |
|---|--------------------------------------|---|----------------|
| c | Financial Calendar | 1st Quarter Results Half- yearly Results 3rd Quarter Results Audited yearly Results | Not applicable |
| d | Book Closure Dates | From | To |
| | | Not Applicable | |
| e | Dividend Payment Date | Not applicable. | |
| f | Listing of Shares on Stock Exchanges | Proposed IPO is under process | |
| g | Stock Exchange Code | N.A. | |
| h | Stock Price Data | N.A.. | |
| i | Registrar and Share Transfer Agents. | Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company: M/s. Link Intime India Pvt. Ltd. Unit No 303 , 3 rd Floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad – 380 009. Tel. No.: 079-26465179 Email: ahmedabad@linkintime.co.in | |
| j | ISIN No. | INE732S01012 | |
| k | Share Transfer System: | The transfer of shares in physical form is processed and completed by M/s. Link Intime India Private Limited within a period of 15 days from the date of receipt thereof. In case of shares in electronic form, the transfers are processed by CDSL/NSDL through the respective Depository Participants. | |

l) Distribution of Shareholding as on 31st March, 2016:

| No. Of Equity Shares held | No. of Shareholders | % of Share Holders | No. of Shares Held | % of Share Holding |
|---------------------------|---------------------|--------------------|--------------------|--------------------|
| Up to 500 | - | - | - | - |
| 501 to 1000 | - | - | - | - |
| 1001 to 2000 | - | - | - | - |
| 2001 to 3000 | - | - | - | - |
| 3001 to 4000 | - | - | - | - |
| 4001 to 5000 | - | - | - | - |
| 5001 to 10000 | - | - | - | - |
| 10001 & Above | 10 | 100 | 80,00,000 | 100 |
| Grand Total | 10 | 100 | 80,00,000 | 100 |

m) Category of Shareholders as on 31st March, 2016:

| Category | No. of Shares held | % of Shareholding |
|-------------------------------|--------------------|-------------------|
| Promoters | 75,20,000 | 94.00 |
| Financial Institutions/ Banks | - | - |
| Mutual Funds | - | - |
| Bodies Corporate | 4,00,000 | 5.00 |
| NRIs | - | - |
| Public | 80,000 | 1.00 |
| Grand Total | 80,00,000 | 100.00 |

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

The Company has not issued any GDRs/ADRs.

o) Dematerialisation of Shares:

The Company has made arrangement with CDSL & NSDL to provide facility to its shareholders for dematerialization of shares. The ISIN of Equity Shares of the Company is: INE732S01012. Entire paid up share capital of the Company i.e. 80,00,000 Equity Shares are in demat form.

p) Plant Location: The Company's plant is located at:

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

q) Address for Correspondence:

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

M/s. Link Intime (India) Private Limited,
Unit No. 303, 3rd floor Shoppers Plaza V,
Opp. Municipal Market, B/h Shoppers Plaza II,
Off C.G. Road, Ahmedabad- 380 009

Tel no: (079) 2646 5179

Fax: (079) 2646 5179

Email Address: ahmedabad@linkintime.co.in

Compliance Officer : Ms. Pratixa S. Seju

10. MANAGEMENT DISCUSSION AND ANALYSIS:

a. Industry Structure and Developments:

The Indian pharmaceutical industry currently tops the chart amongst India's science based industries with wide ranging capabilities in the complex field of drug manufacture and technology. The Indian pharmaceutical industry is expected grow at 30% in 2017. Our Company is primarily into the business of manufacturing and marketing of sterile injectables.

b. Opportunities and Threats:

Our Competitive Strengths:-Diverse Product Portfolio -Wide sales, marketing and distribution network - Wide range of fill volumes -Experienced management team and well qualified senior executives - Adoption of superior technology for manufacturing sterile injectables -Our contract manufacturing and institutional sales business stabilizes our revenue stream -Targeting new domestic and export markets - Wide range of Sterile Injectable Products.

The prices of our pharmaceutical products are or may be restricted by the price controls imposed by government and healthcare providers in several countries including India. In India, prices of certain pharmaceutical products are determined by the Drug Prices Control Order ("**DPCO**"), promulgated by the Indian government and administered by the National Pharmaceutical Pricing Authority ("**NPPA**"). If the price of one or more products are administered or determined by the DPCO/NPPA, it may have a material adverse impact on our profitability in case we are not able to control costs.

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. There will be new drug launches, new drug filings and Phase II clinic trials throughout the year. On back of increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets, the domestic pharmaceutical market is expected to grow at 14-15% in 2017.

We expect to keep up with our recent growth numbers. The various cost cutting measures will also lead to expansion in operation margins. We also have had success in penetrating high end customers such as Pan National hospital chains. We expect this development to benefit us as it will give us valuable opportunity to enhance our brand reputation and give us experience to market our products – especially high end – better.

We are also making efforts to expand our market presence by entering into new markets, especially tier 2 towns. We are also in advanced stages of obtaining new registration for various international markets. These marketing efforts have the capacity increase sales and also reduce our dependency on our existing customers.

e. Risks and Concerns:

We operate in a competitive sector. Our institutional customer base includes government, semi-government, hospitals & nursing homes, aided agencies and the defence sector which forms a part of our Company's income. Our Company procures orders from these institutions by tender process. We may face competition during this tender process.

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 2015-16 is 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 under taking various T & 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. Cautionary Statement:

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

11. DISCLOSURES:

- a) The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- b) The Company is undergoing the process for Initial Public Offer of its Equity Shares. Hence any non-compliance of any legal provision of applicable law, 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 is not applicable.
- c) The Company has established the Vigil Mechanism, by formulating Whistle Blower Policy (WBP), for Directors and Employees of the Company to report their genuine concerns or grievances to the Company. All the Board Members and Senior Management personnel have affirmed compliance with the policy of Vigil Mechanism.
- d) 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.
- e) 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.
- f) The policy on related party transactions is disclosed on the Company's website viz. www.sakarhealthcare.com

12. DETAILS OF NON COMPLIANCE CORPORATE GOVERNANCE REQUIREMENT:

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

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

- i. The Company has Executive Chairman.
- ii. The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and also posted on the Company's website.
- iii. The Company's financial statements for the financial year 2015-2016 do not contain any audit qualification.
- iv. The internal auditors report to the Audit Committee.

14. The Company, on voluntary basis, 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,
Near N. M. Desai Petrol Pump,
Sarkhej- Bavla Road,
Village: Changodar,
District: Ahmedabad -382 213.
Date: 22nd September, 2016

For and on behalf of the Board,

Sanjay S. Shah
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 31st March, 2016.

Registered Office
Block No. 10-13,
Near N. M. Desai Petrol Pump,
Sarkhej- Bavla Road,
Village: Changodar,
District: Ahmedabad -382 213.
Date: 22nd September, 2016

For and on behalf of the Board,

Mr. Jhonny G. Kudlil
CFO

Ms. Pratixa S. Seju
CS

| | | | | | | | | | |
|--|----------|---|----------|-------|----------|---|----------|-------|---|
| d) Bodies Corp | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) | 7520000 | - | 7520000 | 94.00 | 7520000 | - | 7520000 | 94.00 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) VCF | - | - | - | - | - | - | - | - | - |
| f) Ins. Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign VCF | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | - | - | - | - | - | - | - | - | - |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 4,00,000 | - | 4,00,000 | 5.00 | 4,00,000 | - | 4,00,000 | 5.00 | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individuals holding <= Rs.1,00,000 | - | - | - | - | - | - | - | - | - |
| ii) Individuals holding > Rs. 1,00,000 | 80,000 | - | 80,000 | 1.00 | 80,000 | - | 80,000 | 1.00 | - |
| c) Others (specify) | | | | | | | | | |
| NRIs | - | - | - | - | - | - | - | - | - |
| OCB | - | - | - | - | - | - | - | - | - |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |
| Clearing Members | - | - | - | - | - | - | - | - | - |
| Trusts | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | 4,80,000 | - | 4,80,000 | 6.00 | 4,80,000 | - | 4,80,000 | 6.00 | - |

| | | | | | | | | | |
|--|------------------|----------|------------------|---------------|------------------|----------|------------------|---------------|----------|
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 4,80,000 | - | 4,80,000 | 6.00 | 4,80,000 | - | 4,80,000 | 6.00 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 80,00,000 | - | 80,00,000 | 100.00 | 80,00,000 | - | 80,00,000 | 100.00 | - |

ii) Shareholding of Promoters:

| Sr. No. | Shareholder's Name | Shareholding as on 01-04-2015 | | | Share holding as on 31-03-2016 | | | % change in share holding during the year |
|---------|--------------------|-------------------------------|----------------------------------|--|--------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Sanjay S. Shah | 44,67,500 | 55.84 | - | 44,67,500 | 55.84 | - | - |
| 2 | Rita S. Shah | 2,45,000 | 3.06 | - | 2,45,000 | 3.06 | - | - |
| 3 | Surendra T. Shah* | 14,00,000 | 17.50 | - | 14,00,000 | 17.50 | - | - |
| 4 | Aarsh Shah | 13,07,500 | 16.35 | - | 13,07,500 | 16.35 | - | - |
| 5 | Ayushi S. Shah* | 1,00,000 | 1.25 | - | 1,00,000 | 1.25 | - | - |

*Promoters' Group

iii) Change in Promoters' Shareholding:

There is no change in the Promoter's shareholding during the year under review.

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For Each of the Top 10 Shareholders | Shareholding as on 01-04-2015 | | Changes during the Year (increase/(decrease) due to transfer of Shares) | Shareholding as on 31-03-2016 | |
|----|-------------------------------------|-------------------------------|-------------------|---|-------------------------------|-------------------|
| | | No. of shares | % of total shares | | No. of shares | % of total Shares |
| | As on 01-04-2015 | | | | | |
| 1 | M/s. Airmax (Gujarat) Pvt. Ltd. | 4,00,000 | 5.00 | - | 4,00,000 | 5.00 |
| 2 | Suketu Vaywala | 20,000 | 0.25 | - | 20,000 | 0.25 |
| 3 | Pushpa John Ponmany | 20,000 | 0.25 | - | 20,000 | 0.25 |
| 4 | Paresh Sukhadiya | 20,000 | 0.25 | - | 20,000 | 0.25 |
| 5 | Johnny George | 20,000 | 0.25 | - | 20,000 | 0.25 |
| | TOTAL | 4,80,000 | 6.00 | - | 4,80,000 | 6.00 |

v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Shareholding, if any, of each Directors and each Key Managerial Personnel | Shareholding as on 01-04-2015 | | Changes during the Year No. of shares | Shareholding as on 31-03-2016 | |
|---------|---|-------------------------------|----------------------------------|--|-------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company | | No. of shares | % of total shares of the Company |
| 1. | Sanjay S. Shah | 44,67,500 | 55.84 | - | 44,67,500 | 55.84 |
| 2. | Rita S. Shah | 2,45,000 | 3.06 | - | 2,45,000 | 3.06 |
| 3 | Aarsh Shah | 13,07,500 | 16.35 | - | 13,07,500 | 16.35 |
| 4 | Johnny George | 20,000 | 0.25 | - | 20,000 | 0.25 |

V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| A. Indebtedness as on 01-04-2015 | | | | |
| i) Principal Amount | 191177297 | 77624331 | - | 268801628 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 191177297 | 77624331 | - | 268801628 |
| B. Change in Indebtedness during 2015-16 | | | | |
| * Addition | - | - | - | - |
| * Reduction | (43578343) | (4054667) | - | (47633010) |
| Net Change | (43578343) | (4054667) | - | (47633010) |
| C. Indebtedness as on 31-03-2016 | | | | |
| i) Principal Amount | 147598954 | 73569664 | - | 221168618 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 147598954 | 73569664 | - | 221168618 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sr. No. | Particulars of Remuneration | Name of MD/ WTD/ Manger | | |
|---------|---|------------------------------------|-----------------------------------|--------------------------------------|
| | | Sanjay S. Shah - Managing Director | Rita S. Shah – Executive Director | Aarsh S. Shah- Jt. Managing Director |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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 | 11,05,000 | 5,20,000 | 10,40,000 |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | - | - | - |
| 5. | Others, Please specify | - | - | - |
| | Total (A) | 11,05,000 | 5,20,000 | 10,40,000 |
| | Ceiling as per the Companies Act | | | |

B. Remuneration to other Directors:

No Disclosure is required as there is no remuneration paid.

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

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---------|---|---------------------------------------|--|----------------------------|---------------------|
| | | Ms. Kinjal Sheth – Company Secretary* | Ms. Pratixa S. Seju - Company Secretary# | Mr. Johnny G. Kudlil - CFO | |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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 | Rs. 135000/- | Rs. 65170/- | Rs. 430000/- | Rs. 630170/- |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission | - | - | - | - |
| 5. | Others, Please specify | - | - | - | - |
| | Total | Rs. 135000/- | Rs. 65170/- | Rs. 430000/- | Rs. 630170/- |

* Salary drawn as Company Secretary from 1st April, 2015 to 28th December, 2015.

Salary drawn as Company Secretary from 28th December, 2015 to 31st March, 2016.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Registered Office
Block No. 10-13,
Near N. M. Desai Petrol Pump,
Sarkhej- Bavla Road,
Village: Changodar,
District: Ahmedabad -382 213.
Date: 22nd September, 2016

For and on behalf of the Board,

Sanjay S. Shah
Managing Director

Aarsh S. Shah
Jt. Managing Director



A. L. Thakkar & Co.
Chartered Accountants

A. L. THAKKAR
B.Com., L.L.B., F.C.A.

S. V. SHAH
B.Com., F.C.A.

Kashmira Chambers, 1st Floor, Behind Old High Court, Navrangpura,
Ahmedabad -380009.

• Phone : (O) 26587802, 26580524 (R) 26408439, 26401519
• FAX : 91-79-26585132 • E-mail : aseemthakkar@gmail.com

Independent Auditor's Report

To the Members of SAKAR HEALTHCARE LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

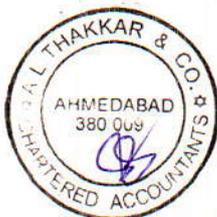
Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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



Opinion

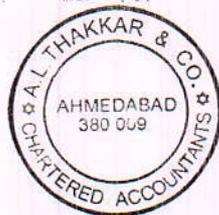
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. 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
Membership number: 042264



Place : Ahmedabad
Date : 20.08.2016

Annexure - A to the Independent Auditors' Report

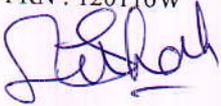
The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii)
 - (a) The management has conducted the physical verification of inventory at reasonable intervals.
 - (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- (iii) The Company has granted loans to cover in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
 - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii)
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The company has not taken any loan either from financial institutions or from the Government and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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





Sanjiv V Shah
Partner
Membership number: 042264

Place : Ahmedabad
Date : 20.08.2016

Annexure - B to Independent Auditors' Report of even date on the Financial Statement of SAKAR HEALTHCARE LIMITED
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SAKAR HEALTHCARE LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

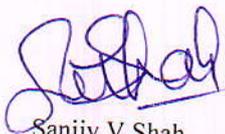
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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



Sanjiv V Shah
Partner
Membership number: 042264



Place : Ahmedabad
Date : 20.08.2016

SAKAR HEALTHCARE LIMITED
BALANCE SHEET AS ON 31ST MARCH, 2016

| Particulars | Note | As at 31/03/2016 Amount (Rs.) | As at 31/03/2015 Amount (Rs.) |
|------------------------------------|------|-------------------------------------|----------------------------------|
| I EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 2 | 8,00,00,000 | 8,00,00,000 |
| (b) Reserves and Surplus | 3 | <u>11,18,23,465</u> | <u>8,96,44,391</u> |
| | | 19,18,23,465 | 16,96,44,391 |
| (2) Non-Current Liabilities | | | |
| (a) Deferred Tax Liabilities (Net) | 4 | 4,30,67,833 | 4,21,40,423 |
| (b) Long Term Borrowing | 5 | <u>15,42,10,820</u> | <u>18,78,18,543</u> |
| | | 19,72,78,653 | 22,99,58,966 |
| (3) Current Liabilities | | | |
| (a) Short-Term Borrowings | 6 | 3,91,12,798 | 5,96,83,085 |
| (b) Trade Payables | 7 | 3,97,55,680 | 96,09,341 |
| (c) Other Current Liabilities | 8 | 3,99,46,629 | 2,90,45,451 |
| (d) Short-Term Provisions | 9 | <u>31,77,911</u> | <u>38,08,157</u> |
| | | 12,19,93,018 | 10,21,46,034 |
| TOTAL | | <u>51,10,95,136</u> | <u>50,17,49,391</u> |
| II ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 10 | 37,24,95,448 | 36,18,31,632 |
| | | 37,24,95,448 | 36,18,31,632 |
| (b) Long-Term Loans and Advances | 11 | <u>28,25,721</u> | <u>28,25,721</u> |
| | | 37,53,21,169 | 36,46,57,353 |
| (2) Current Assets | | | |
| (a) Inventories | 12 | 6,44,71,290 | 6,73,81,332 |
| (b) Trade Receivables | 13 | 2,97,66,094 | 2,00,53,121 |
| (c) Cash and Bank Balances | 14 | 22,92,631 | 93,31,847 |
| (d) Short-Term Loans and Advances | 15 | <u>3,92,43,952</u> | <u>4,03,25,739</u> |
| | | 13,57,73,967 | 13,70,92,039 |
| TOTAL | | <u>51,10,95,136</u> | <u>50,17,49,391</u> |

Significant Accounting Policies 1

The accompanying notes are an integral part of the Financial Statements

AS PER OUR AUDIT REPORT OF EVEN DATE

For A.L.Thakkar & Co.

FRN: 120116W

Chartered Accountants


(Sanjiv Shah)
Partner
Membership No. : 42264



FOR AND ON BEHALF OF THE BOARD


(SANJAY S. SHAH)
DIRECTOR


(RITA S. SHAH)
DIRECTOR


JOHNNY (GEORGE)
CHIEF FINANCIAL OFFICER


(PRATIXA SEJU)
COMPANY SECRETARY.

Place : Ahmedabad

Date : 20.08.2016

SAKAR HEALTHCARE LIMITED

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

| Particulars | Note | Year Ended | Year Ended |
|---|------|---------------------|---------------------|
| | | 31/03/2016 | 31/03/2015 |
| | | Amount (Rs.) | Amount (Rs.) |
| I Revenue from Operations | 16 | 41,22,60,113 | 35,02,73,280 |
| II Other Income | 17 | 20,63,988 | 2,53,925 |
| III Total Revenue (I + II) | | 41,43,24,101 | 35,05,27,205 |
| IV Expenses: | | | |
| Cost of Material Consumed | 18 | 21,87,60,321 | 18,24,13,901 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 19 | 9,16,101 | (90,86,040) |
| Employee Benefit Expense | 20 | 4,78,89,744 | 4,00,21,233 |
| Finance Costs | 21 | 2,93,61,356 | 2,98,52,614 |
| Depreciation and Amortization Expense | 10 | 2,73,35,570 | 2,49,62,828 |
| Other Expenses | 22 | 6,12,78,488 | 5,80,27,490 |
| Total Expenses | | 38,55,41,580 | 32,61,92,026 |
| V Profit before Prior Period Items and Tax (III – IV) | | 2,87,82,521 | 2,43,35,179 |
| VI Prior Period Items | 23 | 1,76,037 | 14,731 |
| VII Profit before Tax (V – VI) | | 2,86,06,484 | 2,43,20,448 |
| VIII Tax Expense: | | | |
| (1) Current Tax | | 55,00,000 | 51,00,000 |
| (2) Deferred Tax | | 9,27,410 | 1,76,64,847 |
| (3) Previous Years MAT Credit Receivable | | - | (1,71,15,748) |
| IX Profit / (Loss) for the period (VIII - IX) | | 2,21,79,074 | 1,86,71,349 |
| X Earnings per equity share of face value of Rs. | | | |
| (1) Basic | 24 | 2.772 | 2.334 |
| (2) Diluted | 24 | 2.772 | 2.334 |

Significant Accounting Policies

The accompanying notes are an intergral part of the Financial Statements

AS PER OUR AUDIT REPORT OF EVEN DATE

For A.L.Thakkar & Co.

FRN: 120116W

Chartered Accountants



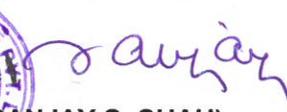
(Sanjiv Shah)

Partner

Membership No. : 42264



FOR AND ON BEHALF OF THE BOARD



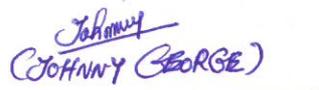


 (SANJAY S. SHAH)
 DIRECTOR


(RITA S. SHAH)
DIRECTOR

Place : Ahmedabad

Date : 20.08.2016



 (JOHNNY GEORGE)
 CHIEF FINANCIAL OFFICER



 (PRATIXA SEJU)
 COMPANY SECRETARY

SAKAR HEALTHCARE LIMITED

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31ST MARCH, 2016

(Rs. in Lacs)

| | Period Ended 31-03-2016 | Year Ended 31-03-2015 |
|---|----------------------------|--------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| PROFIT BEFORE TAX | 286.06 | 243.20 |
| ADJUSTMENTS FOR | | |
| Depreciation | 273.36 | 249.63 |
| Financial Charges | 293.61 | 298.53 |
| Interest Received | 20.64 | 2.54 |
| Dividend Received | - | - |
| Income Tax | - | - |
| Deferred Tax Liability | - | - |
| Mat Credit Receivable | - | (171.16) |
| Preliminary Exp W/o | - | - |
| (Profit) / Loss On Sale of Fixed Assets | - | - |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 832.39 | 959.98 |
| ADJUSTMENTS FOR | | |
| Trade and Other Receivables | 97.13 | (24.46) |
| Inventories | (29.10) | (13.61) |
| Long Term Loans & Advances | - | - |
| Other Non Current Assets | - | - |
| Short Term Loans & Advances | (10.81) | 91.54 |
| Deferred Tax Liabilities | - | - |
| Long Term Liabilities | - | - |
| Short Term Borrowing | (205.70) | (75.16) |
| Long Term Provisions | - | - |
| Trade Payables | 301.46 | (256.11) |
| Other Current Liabilities | 109.01 | (123.06) |
| Short Term Provisions | (7.45) | 14.09 |
| Provision for Employee Benefit | 1.15 | 2.30 |
| CASH GENERATED FROM OPERATIONS | 973.64 | 468.56 |
| Taxes paid [Income Tax] | 55.00 | 51.00 |
| NET CASH FLOW FROM OPERATING ACTIVITIES | 918.64 | 417.56 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | 379.99 | 66.80 |
| Interest Received | 20.64 | 2.54 |
| Dividend Received | - | - |
| Purchase of Investment In Mutual Fund | - | - |
| Sales of Investment in Mutual Fund | - | - |
| Investment in Equity Shares | - | - |
| Advances and Loans to Subsidiaries | - | - |
| Sale/Deduction of Fixed Assets | - | - |
| NET CASH USED IN INVESTING ACTIVITIES | (359.35) | (64.26) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Financial Charges Paid | (293.61) | (298.53) |
| Proceeds from issue of share capital | - | (88.00) |
| Dividend Distribution Tax Paid | - | - |
| Increase in Working Capital Loan | - | - |
| Raising of Long Term & Other Borrowings (net) | (336.08) | 117.56 |
| NET CASH FROM FINANCING ACTIVITIES | (629.69) | (268.97) |
| NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C) | (70.40) | 84.33 |
| CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 93.32 | 8.99 |
| CASH & CASH EQUIVALENTS AT THE END OF THE YEAR | 22.92 | 93.32 |
| CASH ON HAND | 5.72 | 3.49 |
| BALANCES WITH SCHEDULE BANK IN CURRENT ACCOUNT | 17.20 | 89.83 |
| CASH & BANK BALANCE AS PER BALANCE SHEET | 22.92 | 93.32 |

AS PER OUR AUDIT REPORT OF EVEN DATE

For A.L.Thakkar & Co.

FRN: 120116W

Chartered Accountants


(Sanjiv Shah)

Partner

Membership No. : 42264



FOR AND ON BEHALF OF THE BOARD


(SANJAY S. SHAH)

DIRECTOR



(RITA S. SHAH)
DIRECTOR


(JOHNNY GEORGE)
CHIEF FINANCIAL OFFICER


(PRATIXA SEJU)
COMPANY SECRETARY

Place : Ahmedabad

Date : 20.08.2016

SAKAR HEALTHCARE LIMITED

Notes forming part of the Financial Statements for the year ended on 31st March, 2016

(2) SHARE CAPITAL

| Particulars | As at 31/03/2016 Amount (Rs.) | As at 31/03/2015 Amount (Rs.) |
|---|-------------------------------------|-------------------------------------|
| Authorised : | | |
| 120,00,000 Equity Shares of Rs.10/- each | <u>12,00,00,000</u> | <u>12,00,00,000</u> |
| Issued, Subscribed & Paid up : | | |
| 80,00,000 Equity Shares of Rs.10/- each fully paid up | <u>8,00,00,000</u> | <u>8,00,00,000</u> |
| | <u>8,00,00,000</u> | <u>8,00,00,000</u> |

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, 2016 is set out below :

| Name of the shareholder | No. of shares | % held as at March 31, 2016 | No. of shares * | % held as at March 31, 2015 |
|-------------------------|---------------|-----------------------------------|-----------------|--------------------------------|
| SANJAY S. SHAH | 4467500 | 55.84% | 4467500 | 55.84% |
| RITABEN S. SHAH | 245000 | 3.06% | 245000 | 3.06% |
| SURENDRA T. SHAH | 1400000 | 17.50% | 1400000 | 17.50% |
| AARSH SHAH | 1307500 | 16.34% | 1307500 | 16.34% |
| AIRMEX (GUJ.) PVT. LTD. | 400000 | 5.00% | 400000 | 5.00% |

The reconciliation of the number of shares outstanding as at March 31, 2016 is set out below:

| Particulars | As at 31/03/2016 Amount (Rs.) | As at 31/03/2015 Amount (Rs.) |
|------------------------------------|-------------------------------------|-------------------------------------|
| Number of shares at the beginning | 80,00,000 | 80,00,000 |
| Add: Shares issued during the year | - | - |
| Number of shares at the end | <u>80,00,000</u> | <u>80,00,000</u> |

(3) RESERVES AND SURPLUS

| Particulars | As at 31/03/2016 Amount (Rs.) | As at 31/03/2015 Amount (Rs.) |
|--|-------------------------------------|-------------------------------------|
| Securities Premium Reserve | | |
| Balance at the beginning of the year | 1,60,00,000 | 1,60,00,000 |
| Add: Addition during the year | NIL | NIL |
| Balance at the end of the year | <u>1,60,00,000</u> | <u>1,60,00,000</u> |
| Surplus | | |
| Balance at the beginning of the year | 7,36,44,391 | 5,49,73,042 |
| Add: Net profit after tax transferred from Statement of Profit and Loss | 2,21,79,074 | 1,86,71,349 |
| Amount available for appropriation | <u>9,58,23,465</u> | <u>7,36,44,391</u> |
| Balance at the end of the year | <u>9,58,23,465</u> | <u>7,36,44,391</u> |
| Total | <u>11,18,23,465</u> | <u>8,96,44,391</u> |



SAKAR HEALTHCARE LIMITED

Notes forming part of the Financial Statements for the year ended on 31st March, 2016

(4) DEFFERED TAX LIABILITIES (NET)

| Particulars | As at 31/03/2016 Amount (Rs.) | As at 31/03/2015 Amount (Rs.) |
|---|-------------------------------------|-------------------------------------|
| 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 | 13,27,41,048 | 12,98,82,641 |
| Total | 13,27,41,048 | 12,98,82,641 |
| Net | 13,27,41,048 | 12,98,82,641 |
| Deferred Tax Liability @ 32.445% | 4,30,67,833 | 4,21,40,423 |

(5) LONG TERM BORROWING

| Particulars | As at 31/03/2016 Amount (Rs.) | As at 31/03/2015 Amount (Rs.) |
|------------------------------|-------------------------------------|-------------------------------------|
| SECURED | | |
| Term Loan From Schedule bank | 8,06,41,156 | 11,01,94,212 |
| (A) | 8,06,41,156 | 11,01,94,212 |
| UNSECURED | | |
| Unsecured Loan | 7,35,69,664 | 7,76,24,331 |
| (B) | 7,35,69,664 | 7,76,24,331 |
| (A+B) | 15,42,10,820 | 18,78,18,543 |

(6) SHORT-TERM BORROWINGS

| Particulars | As at 31/03/2016 Amount (Rs.) | As at 31/03/2015 Amount (Rs.) |
|--------------------------------|-------------------------------------|-------------------------------------|
| SECURED | | |
| Working Capital Loan From Bank | 3,91,12,798 | 5,96,83,085 |
| | 3,91,12,798 | 5,96,83,085 |

(7) TRADE PAYABLES

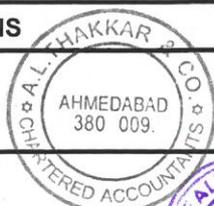
| Particulars | As at 31/03/2016 Amount (Rs.) | As at 31/03/2015 Amount (Rs.) |
|--|-------------------------------------|-------------------------------------|
| Creditors for Goods | 1,09,88,755 | 50,42,403 |
| Creditors for Capital Goods and others | 2,87,66,925 | 45,66,938 |
| | 3,97,55,680 | 96,09,341 |

(8) OTHER CURRENT LIABILITIES

| Particulars | As at 31/03/2016 Amount (Rs.) | As at 31/03/2015 Amount (Rs.) |
|---|-------------------------------------|-------------------------------------|
| Secured Loan Repayable within Twelve Months | 2,78,45,000 | 2,13,00,000 |
| Advance from Customers | 81,19,239 | 40,70,651 |
| For other liabilities | 39,82,390 | 36,74,800 |
| | 3,99,46,629 | 2,90,45,451 |

(9) SHORT-TERM PROVISIONS

| Particulars | As at 31/03/2016 Amount (Rs.) | As at 31/03/2015 Amount (Rs.) |
|----------------------------------|-------------------------------------|-------------------------------------|
| Provision for | | |
| Gratuity | 12,91,114 | 11,76,279 |
| Income Tax (Net of Advance Tax) | 18,86,797 | 26,31,878 |
| | 31,77,911 | 38,08,157 |



(In Rupees)

| SR NO. | DESCRIPTION of ASSETS : | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | | | |
|--------|-------------------------|----------------------|-----------------------|--------------------|-----------------|---------------------------|--------------------------|------------------|-------------------------------------|---------------------------|------------------|------------------|------------------|
| | | Balance as on 1.4.15 | Before Six Month Year | Addition Six Month | After Six Month | Deduction During the year | Balance as on 31.03.2016 | up to 01.04.2015 | Provided During the year 31.03.2016 | Deduction During the year | Up To 31.03.2016 | As At 31.03.2016 | As at 31.03.2015 |
| | Tangible Assets | | | | | | | | | | | | |
| 1 | Air Conditioner | 56,31,139 | 31,500 | 2,97,658 | - | 59,60,297 | 8,86,633 | 3,67,866 | - | 12,54,499 | 47,05,798 | 47,44,506 | |
| 2 | Boiler | 19,03,110 | | | - | 19,03,110 | 6,78,424 | 90,398 | - | 7,68,822 | 11,34,288 | 12,24,686 | |
| 3 | Computer | 43,13,965 | 7,70,711 | 9,76,593 | - | 60,61,269 | 27,59,026 | 17,64,960 | - | 45,23,986 | 15,37,283 | 15,54,939 | |
| 4 | D.G.Set | 39,63,649 | | | - | 39,63,649 | 13,06,507 | 1,88,273 | - | 14,94,780 | 24,68,869 | 26,57,142 | |
| 5 | Cycle | 2,132 | | | - | 2,132 | 2,132 | | - | 2,132 | | | |
| 6 | Electric installation | 2,69,52,821 | 5,78,795 | 4,25,738 | - | 2,79,57,354 | 90,42,815 | 26,35,726 | - | 1,16,78,541 | 1,62,78,813 | 1,79,10,006 | |
| 7 | Factory Building | 10,97,00,243 | 27,48,901 | 3,01,195 | - | 11,27,50,339 | 1,95,52,498 | 35,69,412 | - | 2,31,21,910 | 8,96,28,429 | 9,01,47,745 | |
| 8 | Factory Land | 55,48,390 | | | - | 55,48,390 | | | - | | 55,48,390 | 55,48,390 | |
| 9 | Furniture | 1,05,86,618 | 13,24,934 | 26,91,848 | - | 1,46,03,400 | 32,46,795 | 12,59,460 | - | 45,06,255 | 1,00,97,145 | 73,39,823 | |
| 10 | Other Equipment | 69,75,138 | 10,53,959 | 25,73,190 | - | 1,06,02,287 | 13,81,261 | 4,42,495 | - | 18,23,756 | 87,78,531 | 55,93,877 | |
| 11 | Telephone Instruments | 1,70,069 | 65,133 | | - | 2,35,202 | 42,536 | 22,344 | - | 64,880 | 1,70,322 | 1,27,533 | |
| 12 | Laboratory Instruments | 1,09,14,526 | 42,00,833 | 48,35,557 | - | 1,99,50,916 | 35,16,571 | 16,65,648 | - | 51,82,219 | 1,47,68,697 | 73,97,955 | |
| 13 | Plant & Machinery | 29,34,95,650 | 84,64,571 | 58,77,589 | - | 30,78,37,810 | 8,20,97,536 | 1,44,82,703 | - | 9,65,80,239 | 21,12,57,571 | 21,13,98,114 | |
| 14 | Scale | 2,03,577 | 10,580 | | - | 2,14,157 | 57,946 | 10,172 | - | 68,118 | 1,46,039 | 1,45,631 | |
| 15 | Vehicle | 54,02,582 | 7,70,101 | | - | 61,72,683 | 13,49,392 | 7,33,315 | - | 20,82,707 | 40,89,976 | 40,53,190 | |
| 16 | Trolley | 21,64,138 | | | - | 21,64,138 | 1,76,043 | 1,02,797 | - | 2,78,840 | 18,85,298 | 19,88,095 | |
| | Total | 48,79,27,747 | 2,00,20,018 | 1,79,79,368 | - | 52,59,27,133 | 12,60,96,115 | 2,73,35,570 | - | 15,34,31,685 | 37,24,95,448 | 36,18,31,632 | |
| | Previous year | 48,12,47,392 | 31,55,697 | 35,24,658 | - | 48,79,27,747 | 10,11,33,287 | 2,49,62,828 | - | 12,60,96,115 | 36,18,31,632 | 38,01,14,105 | |



SAKAR HEALTHCARE LIMITED

Notes forming part of the Financial Statements for the year ended on 31st March, 2016

(11) LONG-TERM LOANS AND ADVANCES

| Particulars | As at 31/03/2016 Amount (Rs.) | As at 31/03/2015 Amount (Rs.) |
|------------------------------------|-------------------------------------|-------------------------------------|
| Unsecured, considered good | | |
| Deposit (Gujarat Electric Board) | 28,10,721 | 28,10,721 |
| Deposit (Gas) | 15,000 | 15,000 |
| | <u>28,25,721</u> | <u>28,25,721</u> |

(12) INVENTORIES

| Particulars | As at 31/03/2016 Amount (Rs.) | As at 31/03/2015 Amount (Rs.) |
|--|-------------------------------------|-------------------------------------|
| (As taken, Valued & Certified by the Management) | | |
| Raw Material/Packing Material / Stores & Consumables | 3,33,59,985 | 3,53,53,926 |
| Finished Goods / Stock in Process | 3,11,11,305 | 3,20,27,406 |
| | <u>6,44,71,290</u> | <u>6,73,81,332</u> |

(13) TRADE RECEIVABLES

| Particulars | As at 31/03/2016 Amount (Rs.) | As at 31/03/2015 Amount (Rs.) |
|--|-------------------------------------|-------------------------------------|
| Debtors outstanding for more than six months | | |
| Unsecured Considered good | - | - |
| Other Debts | | |
| Unsecured Considered good | 2,97,66,094 | 2,00,53,121 |
| | <u>2,97,66,094</u> | <u>2,00,53,121</u> |

(14) CASH & BANK BALANCES

| Particulars | As at 31/03/2016 Amount (Rs.) | As at 31/03/2015 Amount (Rs.) |
|----------------------------------|-------------------------------------|-------------------------------------|
| CASH AND CASH EQUIVALENTS | | |
| Cash on Hand | | |
| Cash on Hand | 5,72,477 | 3,49,012 |
| Balances with Banks | | |
| In Bank Accounts | 17,20,154 | 89,82,835 |
| | <u>22,92,631</u> | <u>93,31,847</u> |

(15) SHORT-TERM LOANS AND ADVANCES

| Particulars | As at 31/03/2016 Amount (Rs.) | As at 31/03/2015 Amount (Rs.) |
|--------------------------------------|-------------------------------------|-------------------------------------|
| (Unsecured Considered Good) | | |
| Excise Modvate A/c | 13373880 | 13529178 |
| Excise PLA A/c | 1651175 | 746049 |
| MAT Credit Receivable | 16853226 | 16853226 |
| Advances Recoverable in cash or kind | 492250 | 1541161 |
| Advance Payment For Capital Goods | 374101 | 474101 |
| VAT Credit | 5799014 | 6357052 |
| Prepaid Expenses | 700306 | 824972 |
| | <u>3,92,43,952</u> | <u>4,03,25,739</u> |



SAKAR HEALTHCARE LIMITED

Notes forming part of the Financial Statements for the year ended on 31st March, 2016

(16) REVENUE FROM OPERATIONS

| Particulars | Year Ended 31/03/2016 Amount (Rs.) | Year Ended 31/03/2015 Amount (Rs.) |
|----------------|--|--|
| Contract Sales | 9,07,72,664 | 9,79,57,004 |
| Direct Sales | 32,14,87,449 | 25,23,16,276 |
| | 41,22,60,113 | 35,02,73,280 |

(17) OTHER INCOME

| Particulars | Year Ended 31/03/2016 Amount (Rs.) | Year Ended 31/03/2015 Amount (Rs.) |
|-------------------|--|--|
| Interest Income | 2,27,693 | 2,52,965 |
| Export Incentive | 18,36,295 | - |
| Income Tax Refund | 0 | 960 |
| | 20,63,988 | 2,53,925 |

(18) COST OF MATERIAL CONSUMED

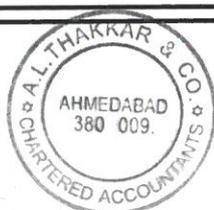
| Particulars | Year Ended 31/03/2016 Amount (Rs.) | Year Ended 31/03/2015 Amount (Rs.) |
|---|--|--|
| (A) Opening Stock of RM/PM & Stores and Consumables | 3,53,53,926 | 4,58,00,937 |
| Add: Purchases | 21,67,66,380 | 17,19,66,890 |
| Less: Closing Stock of RM/PM & Stores and Consumables | 3,33,59,985 | 3,53,53,926 |
| | 21,87,60,321 | 18,24,13,901 |

(19) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESSES AND STOCK-IN-TRADE

| Particulars | Year Ended 31/03/2016 Amount (Rs.) | Year Ended 31/03/2015 Amount (Rs.) |
|---|--|--|
| Opening Stock of Finished Goods / Stock in Process | 3,20,27,406 | 2,29,41,366 |
| Less: Closing Stock of Finished Goods / Stock in Process | 3,11,11,305 | 3,20,27,406 |
| | 9,16,101 | (90,86,040) |

(20) EMPLOYEE BENEFIT EXPENSES

| Particulars | Year Ended 31/03/2016 Amount (Rs.) | Year Ended 31/03/2015 Amount (Rs.) |
|---|--|--|
| Salary and bonus | 4,40,34,395 | 3,73,06,228 |
| Director's remuneration | 30,38,250 | 20,50,000 |
| Contribution to Provident and other funds | 2,70,301 | 1,61,607 |
| E.S.I.Exp. | 1,96,323 | 1,42,238 |
| Gratuity | 1,14,835 | 2,29,670 |
| Staff welfare expenses | 2,35,640 | 1,31,490 |
| | 4,78,89,744 | 4,00,21,233 |



SAKAR HEALTHCARE LIMITED

Notes forming part of the Financial Statements for the year ended on 31st March, 2016

(21) FINANCE COSTS

| Particulars | Year Ended | Year Ended |
|---------------|--------------------|--------------------|
| | 31/03/2016 | 31/03/2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Bank Charges | 9,59,501 | 6,12,868 |
| Bank Interest | 2,84,01,855 | 2,92,39,746 |
| | <u>2,93,61,356</u> | <u>2,98,52,614</u> |

(22) OTHER EXPENSES

| Particulars | Year Ended | Year Ended |
|---------------------------------------|--------------------|--------------------|
| | 31/03/2016 | 31/03/2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Advertisement Exp. | 6,51,014 | 25,787 |
| Audit Fees | 85,500 | 56,180 |
| Business Development Exp. | 10,42,831 | 3,76,625 |
| Commission Exp. | 8,43,659 | 1,500 |
| Courier & Postage Exp. | 5,94,231 | 15,12,675 |
| Electrical Exp. | 5,05,394 | 3,48,747 |
| Export Exp. | 33,30,098 | 4,26,229 |
| Exchange Rate Flucutation | 9,01,140 | - |
| Factory / General Exp. | 7,83,637 | 10,96,348 |
| Food & Refreshment Exp. | 8,91,961 | 7,52,813 |
| Freight Exp. | 5,00,210 | 3,13,111 |
| Hygenic Maintainance Exp. | 8,18,708 | 2,87,825 |
| Income Tax Exp. | - | 10,000 |
| Insurance Exp. | 5,31,098 | 4,92,823 |
| ISO Certificate Charges | 19,665 | 72,753 |
| Issue Exp. | 15,62,012 | 8,79,216 |
| Legal Exp. | 10,000 | - |
| Licence Charges | 1,43,224 | 48,220 |
| Loading & Unloading Charges | 16,250 | 3,988 |
| Membership Fees Exp. | 47,359 | 58,146 |
| Packing Exp. | 12,39,253 | 8,54,499 |
| Power & Fuel Exp. | 3,17,68,194 | 3,23,73,426 |
| Professional Fees Exp. | 3,58,669 | 4,95,020 |
| Professional Tax Exp. | 28,790 | 2,400 |
| Property Tax Exp. | 33,280 | - |
| R.O.C. Expenses | - | 4,08,400 |
| Repairs & Maintainance | | - |
| Machinery | 13,63,434 | 23,24,760 |
| Factory Building | 14,73,534 | 8,54,004 |
| Computer | 3,73,025 | 1,64,743 |
| Other | <u>9,00,813</u> | <u>1,20,772</u> |
| Product Registration Charges | 17,28,247 | 53,57,360 |
| Product Permission Exp. | 4,99,526 | 4,17,500 |
| Service Tax Exp. | 1,00,357 | 8,550 |
| Stationery Exp. | 9,51,599 | 6,72,426 |
| Stores & Spares / Consumable Expenses | 34,42,166 | 31,54,183 |
| TDS Interest Exp. | 24,603 | 400 |
| Telephone / Mobile / Internet Exp. | 5,64,213 | 7,91,256 |
| Testing & Analysis / Laboratory Exp. | 16,41,000 | 4,38,853 |
| Travelling & Conveyance Exp. | 10,97,283 | 16,45,322 |
| Vatav & Kasar A/c | 21,834 | 8,02,267 |
| Vat Exp. | - | 44,980 |
| Vehicle Exp. | 3,90,677 | 3,33,383 |
| | <u>6,12,78,488</u> | <u>5,80,27,490</u> |

(23) PRIOR PERIOD ITEMS

| Particulars | Year Ended | Year Ended |
|-------------------|-----------------|---------------|
| | 31/03/2016 | 31/03/2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Prior Period Exp. | 1,76,037 | 14,731 |
| | <u>1,76,037</u> | <u>14,731</u> |

(24) EARNINGS PER SHARE

| Particulars | Year Ended | Year Ended |
|--|--------------|--------------|
| | 31/03/2016 | 31/03/2015 |
| | Amount (Rs.) | Amount (Rs.) |
| Face value of Equity Shares (Rs.) | 10 | 10 |
| Net Profit available for Equity Shareholders | 2,21,79,074 | 1,86,71,349 |
| No. of Equity Shares | 80,00,000 | 80,00,000 |
| Basic and Diluted EPS (Rs.) | 2.772 | 2.334 |

SAKAR HEALTHCARE LIMITED

Notes forming part of the Financial Statements for the year ended on 31st March, 2016

(25) The revised Schedule VI as notified under the Companies Act, 1956, has become applicable to the Company for presentation of its financial statements for the half year ending December 31, 2015. The adoption of the revised Schedule VI

requirements has significantly modified the presentation and disclosures which have been complied with in these financial statements. Previous year figures have been reclassified in accordance with current year requirements.

(26) Related Party Disclosures

(Rs. in Lacs)

| Sr no | Name of the Related Parties | Nature of relationship with company | Nature of transaction | 31-03-2016 | | 2014-15 | |
|-------|-----------------------------|-------------------------------------|------------------------------|----------------------------------|---|----------------------------------|---|
| | | | | Volume of transaction Rs.in Lacs | Balance at the end of the year Rs.in Lacs | Volume of transaction Rs.in Lacs | Balance at the end of the year Rs.in Lacs |
| 1 | Sanjay S. Shah | Managing Director | Remuneration and Perquisites | 11.05 | - | 10.50 | - |
| 2 | Sanjay S. Shah | Managing Director | Unsecured Loan | | 735.70 | | 776.24 |
| 3 | Rita S. Shah | Executive Director | Remuneration and Perquisites | 5.20 | - | 5.00 | - |
| 4 | Aarsh S. Shah | Jt. Managing Director | Remuneration and Perquisites | 10.40 | - | 5.00 | - |
| 5 | Ayushi S. Shah | Administrative Executive | Salary | 5.20 | - | 5.00 | - |

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

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

AS PER OUR AUDIT REPORT OF EVEN DATE

For A.L.Thakkar & Co.

FRN: 120116W

Chartered Accountants

(Signature)

(Sanjiv Shah)

Partner

Membership No. : 42264



FOR AND ON BEHALF OF THE BOARD

(Signature)

(SANJAY S. SHAH)

DIRECTOR

(Signature)

(RITA S. SHAH)

DIRECTOR

(Signature)
(JOHNNY GEORGE)
CHIEF FINANCIAL OFFICER

(Signature)
(PRATIYA SEJU)
COMPANY SECRETARY

Place : Ahmedabad

Date : 20.08.2016

SAKAR HEALTHCARE LIMITED

[CIN: U24231GJ2004PLC043861]

Registered Office:

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

FORM MGT-11

PROXY FORM

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

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

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

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

2. Name: Address:
Email Id: Signature:

as my/ our proxy to attend and vote (on a poll) for me as me/us and on my/ our behalf at the 12th Annual General Meeting of the Company, to be held on Friday, the 30th September, 2016 at 12.00 noon at the Registered Office of the Company at Block No. 10-13, Near N. M. Desai Petrol Pump, Village: Changodar, District: Ahmedabad -382 213 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolution |
|--------------------------|---|
| Ordinary Business | |
| 1 | Adoption of the Audited Financial Statements of the Company for the financial year ended 31 st March, 2016, the reports of the Board of Directors and Auditors thereon |
| 2 | Re-Appointment of Mr. Aarsh S. Shah, liable to retire by rotation and being eligible, offers himself for re-appointment |
| 3 | Ratification for appointment of Statutory Auditors of the Company |
| Special Business | |
| 4 | Appointment of Mr. Hardik P. Mehta as an Independent Director of the Company |

Signed this day of 2016

Signature of Shareholder

| |
|-----------------------------------|
| 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.