

# Sakar Healthcare Limited

14<sup>TH</sup>  
ANNUAL REPORT  
2017-18

[CIN: L24231GJ2004PLC043861]



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# Sakar Healthcare Limited

[CIN: L24231GJ2004PLC043861]

## 14<sup>TH</sup> ANNUAL REPORT 2017-18

<b>BOARD OF DIRECTORS</b>	<b>: Mr. Sanjay S. Shah</b> <b>Mr. Aarsh S. Shah</b> <b>Ms. Rita S. Shah</b> <b>Mr. Prashant C. Srivastav</b> <b>Mr. Hardik P. Mehta</b> <b>Mr. Shailesh B. Patel</b>	Chairman & Managing Director Joint Managing Director Whole Time Director Independent Director Independent Director Independent Director
<b>MANAGEMENT TEAM</b>	<b>: Mr. Jhonny G. Kudilil</b> <b>Ms. Hema L. Advani</b>	Chief Finance Officer Company Secretary
<b>REGISTERED OFFICE &amp; FACTORY</b>	<b>:</b>	Block No. 10/13, Village: Changodar, Sarkhej- Bavla Highway, Tal: Sanand, Dist: Ahmedabad -382 213
<b>AUDITORS</b>	<b>: M/s. A. L. Thakkar &amp; Co.,</b> Chartered Accountants, Ahmedabad.	
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	<b>:</b>	Link Intime India Private Limited 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ahmedabad - 380 006 Tel.: 079 - 26465179 Email: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>
<b>WEBSITE</b>	<b>:</b>	<a href="http://www.sakarhealthcare.com">www.sakarhealthcare.com</a>

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**NOTICE**

**NOTICE** is hereby given that the **14<sup>TH</sup> ANNUAL GENERAL MEETING** of the Shareholders of SAKAR HEALTHCARE LIMITED will be held as under:

Date : 20<sup>th</sup> September, 2018

Day : Thursday

Time : 2.00 p.m.

Place : The Registered Office of the Company at:  
Block No. 10/13, Village: Changodar, Sarkhej- Bavla Highway,  
Tal: Sanand, Dist: Ahmedabad -382 213

to transact the following business :

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018, 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 reappointment.
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 other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, and pursuant to the resolution passed by the members at the Annual General Meeting (AGM) held on 30<sup>th</sup> September, 2015, the appointment of M/s. A. L. Thakkar & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 120116W) as Statutory Auditors of the Company to hold office for a period of 5 years i.e. till the conclusion of the AGM to be held in the year 2020 be and is now hereby ratified for the financial year 2018-19 with no further need for ratification of their remaining term as Statutory Auditors of the Company at such remuneration as shall be fixed by the Board of Directors of the Company in consultation with them.”

**SPECIAL BUSINESS:**

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

“RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with applicable provisions of Companies (Meetings of Board and its powers) Rules, 2014, as amended from time to time (including any other applicable rules and regulations framed under the Companies Act, 2013), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called ‘the Board’ which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) to make investment or to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate whether Indian or overseas, to give loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with any loan taken by any other body corporate or person, as may be required from time to time, exceeding 60% of the paid up Share Capital and Free Reserves and Securities Premium of the Company or 100% of Free Reserves and Securities Premium of the Company, whichever is more, as the Board of Directors may think fit, in one or more tranches, not exceeding Rs. 30 Crores (Rupees Thirty Crores) only over and above the limits prescribed under the above referred Section or any other provisions of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions and steps in respect of the above investment/loan/guarantee/security including the timing, amount and other terms and conditions of said act and varying the same either in part or in full as it may deem appropriate, and to do and perform all such acts, deeds, matters and things as may deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard including power to sub-delegate in order to give effect to the aforesaid resolution.”

**Registered Office :**

Block No. 10/13, Village: Changodar,  
Sarkhej- Bavla Highway,  
Tal: Sanand, Dist: Ahmedabad -382 213  
Date : 20<sup>th</sup> July, 2018

**By Order of the Board,**

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

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the Notice is annexed hereto.
2. The Register of Members and Share Transfer Books will remain closed from **7<sup>th</sup> September, 2018 to 20<sup>th</sup> September, 2018** (both days inclusive) for the purpose of Annual General Meeting (AGM).
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER SHAREHOLDER.

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

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

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES MENTIONED IN THE NOTICE OF 14<sup>TH</sup> ANNUAL GENERAL MEETING DATED 20<sup>TH</sup> SEPTEMBER, 2018.**

**In respect of Item No. 4:**

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can:

- make loan(s) and/or
- give guarantees or provide security (ies) in connection with loan(s) taken by any other body corporate or person and
- make investments in shares, debentures and/or any other securities of any other body Corporates,

beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if Special Resolution is passed by the members/ shareholders of the Company.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for making further investment(s)/giving loan/providing guarantee/ security from time to time, in one or more tranches, up to the maximum limit of Rs.30 Crores (Rupees Thirty Crores) only over and above the limits prescribed under the said section.

None of the Directors, Key Managerial Personnel (KMP) of the Company or any relatives of such Director or KMPs are in any way concerned or interested or deemed to be concern or interested, financially or otherwise, in the proposed resolution.

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

**Registered Office :**

Block No. 10/13, Village: Changodar,  
Sarkhej- Bavla Highway,  
Tal: Sanand, Dist: Ahmedabad -382 213  
Date : 20<sup>th</sup> July, 2018

**By Order of the Board,**

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

## DIRECTORS' REPORT

The Members,  
Sakar Healthcare Limited,

Your Directors have pleasure in presenting the 14<sup>TH</sup> ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2017-18 ended 31<sup>st</sup> March, 2018.

### 1. FINANCIAL RESULTS AND OPERATIONS:

(Rs. in lakh)

Particulars	2017-18	2016-17
Sales and other Income	5360.90	4490.49
Profit before Interest and Depreciation	1312.01	1089.76
Less: Interest	258.51	268.53
Profit before Depreciation	1053.50	821.23
Less: Depreciation	440.92	338.94
Less: Exceptional Item	1.66	0.17
Profit before Taxation	610.92	482.12
Less: Provision for Taxation - Current	150.00	80.00
Less: Provision for Taxation - Deferred	52.79	55.85
Less: Provision for Taxation - Previous year	26.66	8.44
Profit for the year	381.47	337.83
Add: Balance Brought Forward	1109.79	958.23
Less : Utilisation of Revenue Reserve for DTL	-	186.27
Balance carried to Balance Sheet	1491.26	1109.79

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1<sup>st</sup> April, 2018 and date of this report.

During the year under review, the Company achieved turnover of Rs. 5360.90 lakh compared to Rs. 4490.49 lakh during 2016-17. The Company earned profit before interest, depreciation and tax of Rs. 1312.01 lakh during 2017-18 compared to Rs. 1089.76 lakh during 2016-17. After providing for interest, depreciation and taxes, the net profit for the year under review stood at Rs. 381.47 lakh as compared to Rs. 337.83 lakh during 2016-17. The EPS for the year under review stood at Rs. 3.12 compared to Rs. 3.08 for the year 2016-17.

### 2. DIVIDEND:

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

### 3. LISTING:

The Equity Shares of the Company are listed on SME Emerge Platform of National Stock Exchange of India Limited w.e.f. 14<sup>th</sup> October, 2016. As per the prevailing Migration Policy from SME Platform to NSE Main Board, the Company should have been listed on SME Platform for a period of atleast 2 years. This would be subject to the approval of the Shareholders by way of Postal Ballot. The Company would approach NSE and Shareholders for Migration at appropriate time.

The Company is regular in payment of Annual Listing Fees. The Company has paid Listing fees up to the year 2018-19.

### 4. INCREASE IN AUTHORISED SHARE CAPITAL:

The Authorised Equity Share Capital of the Company has been increased from Rs. 12.00 crores to Rs. 15.00 crores divided into 1,50,00,000 Equity Shares of Rs.10/- each upon passing of resolution in the Extra Ordinary General Meeting held on 31<sup>st</sup> August, 2017.

### 5. ALLOTMENT OF 12,50,000 EQUITY SHARES OF RS. 10/- EACH UPON CONVERSION OF UNSECURED LOAN INTO EQUITY SHARES OF THE COMPANY:

The Company, after complying necessary provisions under the Companies Act, 2013, SEBI & Listing Regulations

and obtaining necessary approvals of Shareholders, has allotted 12,50,000 Equity Shares of Rs. 10/- each at a premium of Rs. 50/- per Equity Share to Promoters on 4<sup>th</sup> November, 2017 upon conversion of unsecured Loan of Rs. 7.50 Crores into Equity Shares of the Company.

**6. CHANGE IN THE LANDMARK LOCATION OF THE REGISTERED OFFICE OF THE COMPANY:**

The Company, with a view to reflect the exact location of the Company, modified the particulars of the address of the Registered Office of the Company by deleting the words 'Near M. N. Desai Petrol Pump' w.e.f. 9<sup>th</sup> December, 2017.

The address of the Registered Office of the Company be now read as under:

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

**7. ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY:**

The Company through its Extra Ordinary General Meeting held on 20<sup>th</sup> March, 2018 has altered the Articles of Association of the Company by inserting a specific Article empowering the Company to issue Equity Warrants.

**8. ALLOTMENT OF 27,50,000 EQUITY WARRANTS OF RS. 10/- EACH CONVERTIBLE INTO 27,50,000 EQUITY SHARES OF RS. 10/- EACH TO PROMOTER & NON - PROMOTER ON PREFERENTIAL BASIS:**

The Company, upon receiving necessary approval of Shareholders in the Extra Ordinary General Meeting held on 20<sup>th</sup> March, 2018, allotted 27,50,000 Equity Warrants of Rs. 10/- each on 28<sup>th</sup> March, 2018 (convertible into 27,50,000 Equity Shares) for cash at premium of Rs. 55/- per Equity Warrant i.e. totalling to Rs. 65/- per Equity Warrant aggregating to Rs. 17.88 Crores to Promoters & Non-Promoter of the Company on Preferential basis in accordance with the provisions of the Companies Act, 2013 and SEBI Regulations.

**9. DEMATERIALISATION OF EQUITY SHARES:**

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

**10. DIRECTORS & KEY MANAGERIAL PERSONNEL:**

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

10.2 The Board of Directors duly met 8 times during the financial year under review.

10.3 The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their independence laid down in Section 149(6) of the Act.

10.4 Formal Annual Evaluation:

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

10.5 DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31<sup>st</sup> March, 2018 being end of the financial year 2017-18 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.



**11. 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.

**12. MANAGERIAL REMUNERATION:**

Sr. No.	Name of the Director & Designation	Remuneration for the year 2017-18	% increase over last year	Parameters	Median of Employees Remuneration	Ratio	Commission received from Holding/ Subsidiary
1	Sanjay S. Shah Managing Director	1235000	-	Higher responsibility and time involvement	259200	20.99 times	-
2	Rita S. Shah Executive Director	650000	-		259200	39.88 times	-
3	Aarsh S. Shah Joint Managing Director	1170000	-		259200	22.15 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.

**13. KEY MANAGERIAL PERSONNEL:****13.1 % INCREASE IN REMUNERATION OF DIRECTORS AND KMP:**

Sr. No.	Name of the Director & KMP	Designation	Percentage (%) Increase (If any)
1.	Sanjay S. Shah	Managing Director	-
2.	Ritaben S. Shah	Wholtime Director	-
3.	Aarsh S. Shah	Joint Managing Director	-
4.	Jhonny G. Kudilil	CFO	13.13
5.	Pratixa Seju (upto 21-02-2018)	Company Secretary	-
6.	Hema Advani (from 21-02-2018)	Company Secretary	-

**13.2 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.

**14. PERSONNEL AND H. R. D.:****14.1 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 239. 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.

**14.2 PARTICULARS OF EMPLOYEES:**

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

### 15. 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.

### 16. 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.

### 17. 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**.

### 18. CORPORATE GOVERNANCE AND MDA:

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**.

### 19. SECRETARIAL AUDIT REPORT:

Your Company has obtained Secretarial Audit Report as required under Section 204(1) of the Companies Act, 2013 from M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad. The said Report is attached with this Report as **Annexure – C**.

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

### 20. EXTRACT OF ANNUAL RETURN:

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

### 21. AUDIT COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

### 22. GENERAL:

#### 22.1 STATUTORY AUDITORS:

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

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

#### 22.2 INSURANCE:

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

#### 22.3 DEPOSITS:

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

#### 22.4 RISKS MANAGEMENT POLICY:

The Company has a risk management policy, which from time to time, is reviewed by the Audit Committee of Directors as well as by the Board of Directors. The Policy is reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The Policy is designed to provide

the categorization of risk into threat and its cause, impact, treatment and control measures. As part of the Risk Management policy, the relevant parameters for protection of environment, safety of operations and health of people at work are monitored regularly with reference to statutory regulations and guidelines defined by the Company.

**22.5 SUBSIDIARIES/ ASSOCIATES/ JVS:**

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

**22.6 CODE OF CONDUCT:**

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

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

There 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.

**22.8 ENVIRONMENT AND SAFETY:**

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

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

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

**22.10 GRATUITY:**

The Company has 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.

**22.11 INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:**

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

**23. 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.

**24. 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.

**25. FINANCE:**

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

25.2 The Company's Income tax Assessment has been completed upto the Assessment Year 2016-17.

**26. ACKNOWLEDGEMENT:**

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

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

Registered Office  
Block No. 10/13, Village: Changodar,  
Sarkhej- Bavla Highway,  
Tal: Sanand, Dist: Ahmedabad -382 213  
Date : 20<sup>th</sup> July, 2018

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

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

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

## FORM-A

Disclosure of particulars with respect to Conservation of Energy

(A) CONSERVATION OF ENERGY:			
	Steps taken or impact on conservation of energy		In line with the Company's commitment towards conservation of energy, all units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption.
	Steps taken by the Company for utilizing alternate sources of energy		-
	Capital investment on energy conservation equipments		N.A.
(B) TECHNOLOGY ABSORPTION:			
Efforts made in Research and Development and Technology Absorption prescribed in the Rules is as under:			
1.	Research & Development (R & D)		
	(a)	Specific areas in which R&D carried out by the Company.	: R&D is through for developing and diversification of more products as well as for exploring more export markets.
	(b)	Benefits derived as a result of the above R&D	: More products added to the list of products as well was captured more export markets.
	(c)	Future plan of action	: To maintain improved quality of products through quality control.
	(d)	Expenditure on R&D	: Not Substantial.
2.	Technology absorption, adoption and innovation: The Company does not envisage any technology absorption.		
(C) FOREIGN EXCHANGE EARNINGS & OUTGO:			
		(Rs. in Lakh)	
Particulars		2017-18	2016-17
Total Foreign exchange earnings		2474.97	1777.20
Total Foreign Exchange used		55.55	117.01

Registered Office  
Block No. 10/13, Village: Changodar,  
Sarkhej- Bavla Highway,  
Tal: Sanand, Dist: Ahmedabad -382 213  
Date : 20<sup>th</sup> July, 2018

For and on behalf of the Board,

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

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

## VOLUNTARY REPORT ON CORPORATE GOVERNANCE

## INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The Directors, hereunder, present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2018 & as on date.

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

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

## 2. BOARD OF DIRECTORS:

a) Composition and Category of Directors as on 31<sup>st</sup> March, 2018 and on the date of report is:

Name of Directors	Category of Directorship	No. of other Directorships @	No. of Committee position in other Companies**		No. of Board Meetings attended during 2017-18	Attendance at AGM. held on 20-09-2017 Yes(Y)/No(N)
			Member	Chairman		
Mr. Sanjay S. Shah	Chairman & Managing Director	2	2	-	8	Y
Mr. Aarsh S. Shah	Joint Managing Director	-	-	-	8	Y
Ms. Rita S. Shah	Whole Time Director	2	-	-	8	Y
Mr. Shailesh Patel	Non-Executive Independent	-	-	-	8	N
Mr. Prashant Srivastav	Non-Executive Independent	1	1	1	8	Y
Mr. Hardik Mehta	Non-Executive Independent	-	-	-	8	N

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

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

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

## (b) Details of the Directors seeking Appointment / Re-appointment in forthcoming Annual General Meeting:

Name of Director	Mr. Aarsh S. Shah
Date of Birth	16-02-1991
Date of Appointment	01-06-2012
Qualifications	Masters in Business Administration
Expertise in specific functional areas	Production, Sales and Marketing
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 our Company	Member - Stakeholders' Relationship Committee
Chairman/Member of the Committees of Directors of other Companies	-
Shareholding in the Company	13,07,500 Equity Shares

## Sakar Healthcare Limited

### c) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors for a period from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018 were held 8 times on 30-05-2017, 20-07-2017, 31-07-2017, 04-11-2017, 14-11-2017, 09-12-2017, 21-02-2018 and 28-03-2018.

### d) Shareholding of Non- Executive Directors as on 31<sup>st</sup> March, 2018:

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

### e) Familiarisation Program for Independent Directors:

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

## 3. AUDIT COMMITTEE:

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

Name of the Directors	Expertise	Terms of reference & functions of the Committee	No. of Meetings Attended during 2017-18
Mr. Prashant Srivastav, Chairman	Majority members are Non executive. Chairman is Independent Director and majority is independent. One member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Regulations prescribed by SEBI which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	4 of 4
Mr. Shailesh Patel			4 of 4
Mr. Sanjay S. Shah			4 of 4

The Audit Committee met 4 times during the Financial Year 2017-18. The maximum gap between two meetings was not more than 120 days. The Committee met on 30-05-2017; 30-08-2017; 14-11-2017; 21-02-2018. The necessary quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

## 4. NOMINATION & REMUNERATION COMMITTEE:

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

Name of the Directors	Functions of the Committee	No. of meetings Attendance during 2017-18
Mr. Shailesh Patel, Chairman	All members are Non executive. The Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.	During the year under review, meeting of Nomination & Remuneration Committee was held on 21-02-2018.
Mr. Hardik Mehta		
Mr. Prashant Srivastav		

### Terms of reference and Nomination & Remuneration Policy:

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

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

### Performance Evaluation Criteria for Independent Directors:

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

**5. REMUNERATION OF DIRECTORS:**

1. Mr. Sanjay S. Shah, Managing Director was paid Rs. 12.35 Lakh as managerial remuneration during the financial year 2017-18.
2. Mr. Aarsh S. Shah, Joint Managing Director was paid Rs. 11.70 Lakh as managerial remuneration during the financial year 2017-18.
3. Ms. Rita S. Shah, Whole Time Director was paid Rs. 6.50 Lakh as managerial remuneration during the financial year 2017-18.
4. The Directors were not paid any Sitting Fees during the financial year 2017-18.
5. No Commission or Stock Option has been offered to the Directors.
6. The terms of appointment of Managing Director / Whole-time Director are governed by the resolutions of the members and applicable rules of the Company. None of the Directors are entitled to severance fees.
7. Commission based on performance criteria, if any, as approved by the Board and subject to maximum limit specified in the Act.
8. The Nomination and Remuneration Policy of the Company is given in Directors' Report which specifies the criteria of making payments to Non Executive Directors.
9. Service contract and notice period are as per the terms and conditions mentioned in their Letter of Appointments.
10. There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors except those disclosed in the financial statements for the financial year ended on 31<sup>st</sup> March, 2018.

**7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

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

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

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

The Company had not received any complaints during the year and thus, there is no complaint pending as on date. There was no valid request for transfer of shares pending as on 31<sup>st</sup> March, 2018.

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

**8. GENERAL BODY MEETINGS:**

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

Financial Year	Date	Time	Venue
2014-2015	30-09-2015	12.00 noon	Block No. 10-13, Nr. N. M. Desai Petrol Pump, Sarkhej-Bavla Road, Village: Changodar, Dist: Ahmedabad – 382 213 <b>No Special Resolution was passed.</b>
2015-2016	30-09-2016	12.00 noon	Block No. 10-13, Nr. N. M. Desai Petrol Pump, Sarkhej-Bavla Road, Village: Changodar, Dist: Ahmedabad – 382 213 <b>No Special Resolution was passed.</b>
2016-2017	20-09-2017	02.00 p.m.	Block No. 10-13, Nr. N. M. Desai Petrol Pump, Sarkhej-Bavla Road, Village: Changodar, Dist: Ahmedabad – 382 213 <b>Special Resolution:</b> Authority to Link Intime India Private Limited (RTA) for maintaining Register of Members together with the Index of Members of the Company and copies of Annual Returns.

## Sakar Healthcare Limited

Extra Ordinary General Meeting of the members of the Company was held on 31<sup>st</sup> August, 2017 in which one Ordinary Resolution was passed for increase in Authorised Share Capital and one Special Resolution was passed for Conversion of Unsecured Loan into Equity Shares of the Company.

Another Extra Ordinary General Meeting of the members of the Company was held on 20<sup>th</sup> March, 2018 in which two Special Resolutions were passed for Alteration of Articles of Association of the Company and Issue of Equity Warrants convertible into Equity Shares of the Company.

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 2017-18.

### 9. MEANS OF COMMUNICATIONS:

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

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

During the year ended on 31<sup>st</sup> March, 2018, no presentations were made to Institutional Investors or analyst or any other enterprise.

### 10. GENERAL SHAREHOLDERS' INFORMATION:

- |   |   |   |
|---|---|---|
| a) Registered Office                    | : | Block No. 10/13, Village: Changodar, Sarkhej-Bavla Highway, Tal: Sanand, Dist: Ahmedabad – 382 213  |
| b) Annual General Meeting               | : | Day Thursday<br>Date 20 <sup>th</sup> September, 2018<br>Time 2.00 p.m.<br>Venue Block No. 10/13, Village: Changodar, Sarkhej-Bavla Highway, Tal: Sanand, Dist: Ahmedabad – 382 213   |
| c) Financial Calendar                   | : | Half Yearly Results : Mid - November, 2018.<br>Audited yearly Results:End May, 2019.  |
| d) Book Closure                         | : | <b>From</b> : Friday, the 7 <sup>th</sup> September, 2018<br><b>To</b> : Thursday, the 20 <sup>th</sup> September, 2018<br>(Both days inclusive)  |
| e) Dividend Payment Date                | : | N.A.  |
| f) Listing of Shares on Stock Exchanges | : | <b>National Stock Exchange of India Limited-SME Emerge</b><br>Bandra Kurla Complex, Bandra (East), Mumbai – 400 001.<br>The Company has paid the annual listing fees for the financial year 2018-19 to the Stock Exchange.  |
| g) Stock Exchange Code                  | : | <b>Stock Exchange Code / Symbol</b><br>NSE Symbol SAKAR   |
| h) Registrar and Share Transfer Agents  | : | Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company:<br>Link Intime India Pvt. Ltd.<br>506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ellisbridge, Ahmedabad – 380 006<br>Email id: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a> |
| i) Share Transfer System                | : | The transfers of Shares are processed by NSDL/ CDSL through the respective Depository Participants or through Link Intime India Pvt. Ltd. (RTA)   |



## j) Stock Price Data:

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

Month	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
April, 2017	60.25	54.75	45,000
May, 2017	59.80	52.05	54,000
June, 2017	58.00	49.20	33,000
July, 2017	57.90	51.00	1,11,000
August, 2017	57.00	49.00	39,000
September, 2017	58.10	49.00	24,000
October, 2017	60.50	50.90	3,48,000
November, 2017	77.90	59.90	4,29,000
December, 2017	68.00	61.40	66,000
January, 2018	73.50	57.10	11,70,000
February, 2018	74.00	52.05	14,46,000
March, 2018	67.80	56.00	2,31,000

k) Distribution of Shareholding as on 31<sup>st</sup> March, 2018:

The Shares of the Company are held in Lot Size of 3,000 Shares.

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
3000	110	52	330000	3
6000	43	20	258000	2
9000	17	8	153000	1
Above 9000	41	20	11470000	94
<b>Grand Total</b>	<b>211</b>	<b>100</b>	<b>12211000</b>	<b>100</b>

l) Category of Shareholders as on 31<sup>st</sup> March, 2018:

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	8770000	71.82
Financial Institutions/ Banks	-	-
Mutual Fund	-	-
Domestic Companies	1567000	12.83
Indian Public	1841000	15.08
NRIs & CM	33000	0.27
Foreign Corporate	-	-
<b>Grand Total</b>	<b>12211000</b>	<b>100.00</b>

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

The Company has allotted 27,50,000 Equity Warrants of Rs. 10/- each at premium of Rs. 55/- per Equity Warrant on 28<sup>th</sup> March, 2018 to Promoter and Non-Promoter of the Company on Preferential Basis after complying provisions and guidelines under the Companies Act, 2013, SEBI & Listing Agreement. The said 27,50,000 Equity Warrants are convertible in to 27,50,000 Equity Shares within 18 months of from the date of allotment of Equity Warrants.

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

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

o) **Commodity Price Risks and Commodity Hedging Activities:**

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

p) **Plant Location:**

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

q) **Address for Correspondence:**

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

Link Intime India Pvt. Ltd.

5<sup>th</sup> Floor, 506 to 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre,

Nr. St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad -380 006

Tel.: (079) 2646 5179 Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

Compliance Officer : Ms. Hema Advani, Company Secretary

### 11. **MANAGEMENT DISCUSSION AND ANALYSIS:**

a. **Industry Structure and Developments:**

The Indian Pharmaceutical Industry is 3<sup>rd</sup> Largest in volume and 13<sup>th</sup> Largest in terms of value in the world and is expected to grow at a CAGR of 15.92%, according to a recent report by the Indian Brand Equity Foundation (IBEF) by 2020. Branded Generics are expected to continue their dominance in the Indian Market, considering the various therapeutic categories they cover and the increase in population.

b. **Opportunities and Threats:**

Our competitive strengths include robust manufacturing unit for sterile injections (SVP), antibiotics (tablet, capsule, dry powder, dry syrup, dry powder injections), oral liquid; equipped with technologically advanced equipments like lyophiliser. All these installed equipments are from renowned companies of Germany, Switzerland, Italy, China; which facilitate manufacturing diverse product portfolio including 150 formulations covering 22 therapeutic categories. The manufacturing unit has been accredited by regulatory authorities of 13 countries, which supports extended accessibility to export products to more overseas countries. The business model includes international marketing to over 50 countries of Africa, South East Asia, Latin America, Asia and CIS; with 202 registered Sakar brands, operating through 61 distribution channel partners, as well as contract manufacturing top-rated high-moving brands for Indian and multi-national pharmaceutical companies. This setup is ably run by talented professionals with years of expertise in the industry, under proper guidance from the top management.

The organisation constantly evaluates the probable threats due to changes in the regulatory norms, both in domestic and international arena, as well as the effects of restructuring of pricing regimen at any point of time. Both these factors can adversely affect the business revenue, in addition to declining phase of any product in its life-cycle and hence the product basket has been made flexible across countries with multiple brands to nullify such effects, at any point of time.

c. **Segment wise Performance:**

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

d. **Recent Trend and Future Outlook:**

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

e. **Risks and Concerns:**

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

**f. Internal Control Systems and their Adequacy:**

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

**g. Financial Performance with respect to Operational Performance:**

The financial performance of the Company for the year 2017-18 will be described in the Directors' Report.

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

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

**i. Cautionary Statement:**

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

**12. DISCLOSURES:**

- a. The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- b. There has neither been any non compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.
- c. The Company has implemented Vigil Mechanism and Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee.

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.

- d. The policy on related party transactions is disclosed on the Company's website viz. [sakarhealthcare.com](http://sakarhealthcare.com)

**13. DETAILS OF NON COMPLIANCE CORPORATE GOVERNANCE REQUIREMENT:**

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

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

- i. The half yearly results are not sent to the shareholders. However, the same are published in the newspapers and also posted on the Company's website.
- ii. The Company's financial statements for the financial year 2017-18 do not contain any audit qualification.
- iii. The internal auditors report to the Audit Committee.

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

Registered Office  
Block No. 10/13, Village: Changodar,  
Sarkhej- Bavla Highway,  
Tal: Sanand, Dist: Ahmedabad -382 213  
Date : 20<sup>th</sup> July, 2018

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

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

**DECLARATION**

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31<sup>st</sup> March, 2018.

**For Sakar Healthcare Limited**

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

**Jhonny G. Kudlil**  
**CFO**

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**CERTIFICATE**

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

We have examined the compliance of conditions of Corporate Governance by Sakar Healthcare Limited, for the year ended on 31<sup>st</sup> March, 2018 and also up to the date of this report as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) / Listing Agreement (LA).

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 & Part E of Schedule II of LODR.

As per representation received from the Registrars of the Company, we state that as per records maintained by the Stakeholders' Relationship Committee, no investor grievance remaining unattended/ pending for more than 30 days.

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

**For KASHYAP R. MEHTA & ASSOCIATES**  
Company Secretaries

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

Place : Ahmedabad  
Date : 20<sup>th</sup> July, 2018

## FORM NO. MR-3

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018**

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sakar Healthcare Limited** [CIN: L24231GJ2004PLC043861] ('hereinafter called the Company') having Registered Office at Block No.10-13, Village: Changodar, Sarkhej-Bavla Highway, Tal: Sanand, Dist: Ahmedabad – 382 213, Gujarat. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

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

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

## Sakar Healthcare Limited

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

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

We further report that:

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

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

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

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

We further report that during the audit period the Company has:

- a. Duly passed Special Resolution under Section 42, section 62(1)(c) and other applicable provisions of the Companies Act, 2013 at the Extra Ordinary General Meeting held on 31<sup>st</sup> August, 2017 for Conversion of Unsecured Loan of Rs. 7,50,00,000/- of one of the Promoter of the Company into 12,50,000 Equity Shares of the Company.
- b. Duly passed Special Resolution under Section 94 of the Companies Act, 2013 at the Annual General Meeting held on 20<sup>th</sup> September, 2017 authorising M/s. Link Intime India Private Limited for maintaining register of members together with the index of members of the Company and copies of Annual Return.
- c. Duly passed Special Resolution under Section 14 of the Companies Act, 2013 and rules framed there under at the Extra Ordinary General Meeting held on 20<sup>th</sup> March, 2018 for alteration of the Articles of Association of the Company for inserting a specific Article empowering the Company to Issue Equity Warrants.
- d. Duly passed Special Resolution under Section 62(1)(c) read with Section 23 & 42 and all other applicable provisions, if any, of the Companies Act, 2013 at the Extra Ordinary General Meeting held on 20<sup>th</sup> March, 2018 for issue 27,50,000 Equity Warrants of Rs. 10/- each at a premium of Rs. 55/- per Equity Warrant (convertible into Equal No. of Equity Shares) to Promoter & Non-promoter on Preferential Basis.

We further report that the Board of Directors of the Company in their meeting held on 4<sup>th</sup> November, 2017 has allotted 12,50,000 Equity Shares of Rs. 10/- each upon conversion of Unsecured Loan of Rs. 7,50,00,000 into Equity Shares of the Company to one of the Promoters of the Company.

We further report that the Board of Directors in their meeting held on 9<sup>th</sup> December, 2017, with a view to reflect the exact location of the Company, has modified the particulars of the address of the Registered Office of the Company by deleting the words 'Near M. N. Desai Petrol Pump' w.e.f. 9<sup>th</sup> December, 2017.

The address of the Registered Office of the Company be now read as under:

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

We further report that the Board of Directors of the Company in their meeting held on 28<sup>th</sup> March, 2018 has allotted 27,50,000 Equity Warrants of Rs. 10/- each (convertible into Equal No. of Equity Shares) for cash at a premium of Rs. 55/- per Equity Warrant to Promoters & Non Promoters of the Company in accordance with the provisions of Companies Act, 2013 SEBI Regulations.

**For KASHYAP R. MEHTA & ASSOCIATES**  
Company Secretaries

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

Place : Ahmedabad  
Date : 20<sup>th</sup> July, 2018

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

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

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

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

**For KASHYAP R. MEHTA & ASSOCIATES**

Company Secretaries

**KASHYAP R. MEHTA**

Proprietor

FCS: 1821

C.O.P. No. 2052

FRN: S2011GJ166500

Place : Ahmedabad  
Date : 20<sup>th</sup> July, 2018

**Form No. MGT – 9**
**EXTRACT OF ANNUAL RETURN AS ON 31<sup>ST</sup> MARCH, 2018**

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

**I. REGISTRATION AND OTHER DETAILS:**

(1)	CIN	L24231GJ2004PLC043861
(2)	Registration Date	26-03-2004
(3)	Name of the Company	Sakar Healthcare Limited
(4)	Category / Sub-Category of the Company	Public Company limited by Shares
(5)	Address of the registered Office and Contact Details	Block No. 10/13, Village: Changodar, Sarkhej- Bavla Highway, Tal: Sanand, Dist: Ahmedabad -382 213 Email id: <a href="mailto:info@sakarhealthcare.com">info@sakarhealthcare.com</a>
(6)	Whether Listed Company	Yes Listed on National Stock Exchange of India Limited - SME Platform (NSE EMERGE) NSE Symbol – SAKAR
(7)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ahmedabad 380 006 Tel no : (079) 2646 5179 Fax : (079) 2646 5179 Email Address : <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>

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

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

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

The Company has no Holding/ Subsidiary/ Associate Company.

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

Category of Shareholders	No. of Shares held as on 1 <sup>st</sup> April, 2017				No. of Shares held as on 31 <sup>st</sup> March, 2018				%
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Change during 2017-18
A. Promoters									
(1) Indian									
a) Individual/ HUF	7520000	-	7520000	68.61	8770000	-	8770000	71.82	3.21
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	7520000	-	7520000	68.61	8770000	-	8770000	71.82	3.21



<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) VCF	-	-	-	-	-	-	-	-	-
f) Ins. Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2077000	-	2077000	18.95	1567000	-	1567000	12.83	(6.12)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individuals holding < = Rs.1,00,000	477000	-	477000	4.35	608987	-	608987	4.99	0.64
ii) Individuals holding > Rs. 1,00,000	638000	-	638000	5.82	1040000	-	1040000	8.52	2.70
c) Others (specify)									
NRIs	-	-	-	-	-	-	-	-	-
OCB	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	39000	-	39000	0.35	33013	-	33013	0.27	(0.08)
HUF	210000	-	210000	1.92	192000	-	192000	1.57	(0.35)
Trust	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>3441000</b>	<b>-</b>	<b>3441000</b>	<b>31.39</b>	<b>3441000</b>	<b>-</b>	<b>3441000</b>	<b>28.18</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>3441000</b>	<b>-</b>	<b>3441000</b>	<b>31.39</b>	<b>3441000</b>	<b>-</b>	<b>3441000</b>	<b>28.18</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>10961000</b>	<b>-</b>	<b>10961000</b>	<b>100.00</b>	<b>12211000</b>	<b>-</b>	<b>12211000</b>	<b>100.00</b>	<b>-</b>

## Sakar Healthcare Limited

### ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding as on 01-04-2017			Shareholding as on 31-03-2018			% 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	58,67,500	53.53	-	71,17,500	58.29	-	4.76
2	Aarsh Shah	13,07,500	11.93	-	13,07,500	10.71	-	(1.22)
3	Rita S. Shah	2,45,000	2.24	-	2,45,000	2.01	-	(0.23)
4	Ayushi S. Shah*	1,00,000	0.91	-	1,00,000	0.82	-	(0.09)
	<b>TOTAL</b>	<b>75,20,000</b>	<b>68.61</b>	<b>-</b>	<b>87,70,000</b>	<b>71.83</b>	<b>-</b>	<b>3.22</b>

\* Relative of Promoter

### iii) Change in Promoters' Shareholding:

Sr. No.	For Each of the Promoter and Promoter Group having change during the year	Shareholding as on 01-04-2017		Changes during the Year	Shareholding as on 31-03-2018	
		No. of shares	% of total shares		No. of shares	% of total shares
1	Sanjay S. Shah	58,67,500	53.53	12,50,000	71,17,500	58.29

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

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding as on 01-04-2017		Changes during the Year (increase/ (decrease) due to transfer) of Shares)	Shareholding as on 31-03-2018	
		No. of shares	% of total shares		No. of shares	% of total shares
1	Phantom Online Services LLP	4,53,000	4.13	(372000)	81,000	0.66
2	Affilado Education System LLP	4,32,000	3.94	6000	4,38,000	3.59
3	Airmax (Gujarat) Private Limited	4,00,000	3.65	(183000)	2,17,000	1.78
4	Edelcap Securities Limited	3,06,000	2.79	(306000)	-	-
5	Ayan Shirishbhai Shah	2,19,000	2.00	210000	4,29,000	3.51
6	Ecap Equities Limited	2,07,000	1.89	(150000)	1,92,000	1.57
7	BCB Brokerage Private Limited	1,50,000	1.37	(150000)	-	-
8	Fineotex Chemical Limited	51,000	0.47	(36000)	15,000	0.12
9	Aashmalji Siremalji Mehta (HUF)	36,000	0.33	-	36,000	0.29
10	Jayesh Ashmalji Mehta (HUF)	36,000	0.33	-	36,000	0.29
	<b>TOTAL</b>	<b>22,90,000</b>	<b>20.90</b>	<b>-</b>	<b>14,44,000</b>	<b>11.81</b>

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

Sr. No.	Shareholding, if any, of each Directors and each Key Managerial Personnel	Shareholding as on 01-04-2017		Changes during the Year (No. of Shares)	Shareholding as on 31-03-2018	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Sanjay S. Shah	58,67,500	53.53	12,50,000	71,17,500	58.29
2.	Rita S. Shah	2,45,000	2.24	-	2,45,000	2.01
3	Aarsh Shah	13,07,500	11.93	-	13,07,500	10.71
4	Johnny George	20,000	0.18	-	20,000	0.16
	<b>TOTAL</b>	<b>7440000</b>	<b>67.88</b>	<b>-</b>	<b>8690000</b>	<b>71.17</b>

## V. INDEBTEDNESS

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

(Amt. in Rs.)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A.	Indebtedness as on 01-04-2017				
	i) Principal Amount	16,65,74,162	7,80,91,383	-	24,46,65,545
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>16,65,74,162</b>	<b>7,80,91,383</b>	<b>-</b>	<b>24,46,65,545</b>
B.	Change in Indebtedness during 2017-18	7,26,37,986	2,65,68,169	-	9,92,06,155
C.	Indebtedness as on 31-03-2018				
	i) Principal Amount	9,39,36,176	5,15,23,214	-	14,54,59,390
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>9,39,36,176</b>	<b>5,15,23,214</b>	<b>-</b>	<b>14,54,59,390</b>

## Sakar Healthcare Limited

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

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

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

#### B. Remuneration to other Directors:

No Disclosure is required as there is no remuneration paid.

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Ms. Pratixa S. Seju - Company Secretary*	Ms. Hema L. Advani – Company Secretary**	Mr. Johnny G. Kudilil– CFO	Ms. Ayushi Shah - Administrative Executive	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,21,000/-	20,000/-	4,95,000/-	5,20,000/-	12,56,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2.	Stock Option	-	-	-	-	
3.	Sweat Equity	-	-	-	-	
4.	Commission	-	-	-	-	
5.	Others, Please specify	-	-	-	-	
	<b>Total</b>	<b>2,21,000/-</b>	<b>20,000/-</b>	<b>4,95,000/-</b>	<b>5,20,000/-</b>	<b>12,56,000/-</b>

\* Resigned w.e.f. 21<sup>st</sup> February, 2018

\*\* Appointed w.e.f. 21<sup>st</sup> February, 2018

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

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

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of **SAKAR HEALTHCARE LIMITED** ('the Company'), which comprise the balance sheet as at 31 March 2018, 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 2018 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

## Sakar Healthcare Limited

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- (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 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 : 30.05.2018

### ANNEXURE - A

#### ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

**The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2018, 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 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The company has not taken any loan either from financial institutions or from the Government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company has applied moneys raised by way of initial public offer and the term loans for the purposes for which these were raised.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made private placement of shares during the year under review. In respect of the above issue details are given in Note No. 8.
- (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

Place : Ahmedabad  
Date : 30.05.2018

Membership number: 042264

**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 2018 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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Ahmedabad  
Date : 30.05.2018

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

**Sakar Healthcare Limited**
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018**

Particulars	Note No.	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
<b>A EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share capital	2	122,110,000	109,610,000
(b) Reserves and surplus	3	346,066,471	245,419,728
(c) Money received against share warrants	4	46,750,000	-
		514,926,471	355,029,728
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	5	69,766,550	64,487,731
(b) Long Term Borrowing	6	98,427,826	159,067,318
		168,194,376	223,555,049
(3) Current Liabilities			
(a) Short-Term Borrowings	7	13,692,648	53,204,911
(b) Trade Payables	8	44,073,075	31,033,976
(c) Other Current Liabilities	9	58,368,935	39,622,393
(d) Short-Term Provisions	10	11,741,787	3,427,698
		127,876,445	127,288,978
<b>TOTAL</b>		<b>810,997,292</b>	<b>705,873,755</b>
<b>B ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets			
(a) Tangible Assets	11	533,285,067	489,278,997
		533,285,067	489,278,997
(b) Long-Term Loans and Advances	12	3,519,164	4,334,171
		536,804,231	493,613,168
(2) Current Assets			
(a) Inventories	13	39,312,784	69,575,223
(b) Trade Receivables	14	108,193,205	53,451,298
(c) Cash and Bank Balances	15	3,623,090	4,518,492
(d) Short-Term Loans and Advances	16	120,946,931	82,350,547
(e) Other Current Assets	17	2,117,051	2,365,027
		274,193,061	212,260,587
<b>TOTAL</b>		<b>810,997,292</b>	<b>705,873,755</b>
<b>Significant Accounting Policies</b>	1		

The accompanying notes are an integral part of the Financial Statements

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

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

Place : Ahmedabad  
Date : 30.05.2018

**For and on behalf of the Board**

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

**Jhonny G. Kudilil**  
CFO

**Rita S. Shah**  
Whole Time Director

**Hema Advani**  
Company Secretary

Place : Ahmedabad  
Date : 30.05.2018

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

Particulars	Note No.	Year ended 31/03/2018 Amount (Rs.)	Year ended 31/03/2017 Amount (Rs.)
I Revenue from Operations	18	530,765,323	441,708,350
II Other Income	19	5,324,595	7,340,962
III <b>Total Revenue ( I + II )</b>		<b>536,089,918</b>	<b>449,049,312</b>
IV <b>Expenses:</b>			
Cost of Material Consumed	20	272,073,413	228,195,143
Changes in Inventories of Finished Goods, Work- in-Progress and Stock-in-Trade	21	7,919,749	(5,344,209)
Employee Benefit Expense	22	68,300,975	59,456,689
Finance Costs	23	25,851,419	26,852,601
Depreciation and Amortization Expense	11	44,091,509	33,894,424
Other Expenses	24	56,594,719	57,765,660
<b>Total Expenses</b>		<b>474,831,784</b>	<b>400,820,308</b>
V Profit before Prior Period Items and Tax (III – IV)		61,258,134	48,229,004
VI Prior Period Items	25	166,525	17,743
VII <b>Profit before Tax (V – VI)</b>		<b>61,091,609</b>	<b>48,211,261</b>
VIII Tax Expense:			
(1) Current Tax		15,000,000	8,000,000
(2) Deferred Tax		5,278,819	5,584,639
(3) Previous Year Tax		2,666,047	843,713
IX <b>Profit / (Loss) for the period (VIII - IX)</b>		<b>38,146,743</b>	<b>33,782,909</b>
X Earnings per equity share of face value of Rs. 10/- each :			
(1) Basic	26	3.12	3.08
(2) Diluted	26	2.55	3.08
<b>Significant Accounting Policies</b>	1		

The accompanying notes are an intergral part of the Financial Statements

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

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

Place : Ahmedabad  
Date : 30.05.2018

**For and on behalf of the Board**

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

**Jhonny G. Kudilil**  
CFO

**Rita S. Shah**  
Whole Time Director

**Hema Advani**  
Company Secretary

Place : Ahmedabad  
Date : 30.05.2018

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

(Rs. In Lakh)

Particulars	Year ended 31/03/2018	Year ended 31/03/2017
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAX</b>	<b>610.92</b>	<b>286.06</b>
<b>ADJUSTMENTS FOR</b>		
Depreciation	440.92	273.36
Financial Charges	258.51	293.61
Interest Received	53.25	20.64
Dividend Received	-	-
Income Tax	-	-
Deferred Tax Liability	-	-
Preliminary Exp W/o	-	-
(Profit) / Loss On Sale of Fixed Assets	-	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,257.10</b>	<b>832.39</b>
<b>ADJUSTMENTS FOR</b>		
Trade and Other Receivables	547.42	97.13
Inventories	(302.62)	(29.10)
Long Term Loans & Advances	(8.15)	-
Other Non Current Assets		
Short Term Loans & Advances	385.96	(10.81)
Deferred Tax Liabilities	-	-
Other Current Assets, Loans & Advances	(2.48)	-
Long Term Liabilities		
Short Term Borrowing	(395.12)	(205.70)
Long Term Provisions		
Trade Payables	130.39	301.46
Other Current Liabilities	187.47	109.01
Short Term Provisions	82.43	(7.45)
Provision for Employee Benefit	0.71	1.15
<b>CASH GENERATED FROM OPERATIONS</b>	<b>642.85</b>	<b>973.64</b>
Taxes paid [Income Tax]	116.35	55.00
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>526.49</b>	<b>918.64</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	880.98	379.99
Interest Received	53.25	20.64
Dividend Received	-	-
Investment in Equity Shares	-	-
Fixed Deposits with Banks	-	-
Sale/Deduction of Fixed Assets	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(827.73)</b>	<b>(359.35)</b>

**ANNUAL REPORT 2017-18**

(Rs. In Lakh)

Particulars	Year ended 31/03/2018	Year ended 31/03/2017
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Financial Charges Paid	(258.51)	(293.61)
Proceeds from issue of share capital	(434.40)	-
Dividend Distribution Tax Paid	-	-
Increase in Working Capital Loan	-	-
Raising of Long Term & Other Borrowings (net)	<u>(606.39)</u>	<u>(336.08)</u>
NET CASH FROM FINANCING ACTIVITIES	<b>(1,299.31)</b>	<b>(629.69)</b>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	<b>(1,600.55)</b>	<b>(70.40)</b>
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<b>45.18</b>	<b>93.33</b>
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	<b>(1,555.36)</b>	<b>22.93</b>
CASH ON HAND	<b>14.03</b>	<b>5.73</b>
BALANCES WITH SCHEDULE BANK IN CURRENT ACCOUNT	<b>22.20</b>	<b>17.20</b>
CASH & BANK BALANCE AS PER BALANCE SHEET	<b>36.23</b>	<b>22.93</b>

As per our Audit Report of even date

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

Chartered Accountants

FRN: 120116W

**Sanjiv Shah**

Partner

Membership No. : 42264

Place : Ahmedabad

Date : 30.05.2018

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

Chairman &amp; Managing Director

**Jhonny G. Kudilil**

CFO

**Rita S. Shah**

Whole Time Director

**Hema Advani**

Company Secretary

Place : Ahmedabad

Date : 30.05.2018

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

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

**(ii) Use of Estimates:**

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

**B) Revenue Recognition:**

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

**C) Fixed Assets and Depreciation:**

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

**D) Valuation of Investment**

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

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

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

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

**F) Foreign currency transaction:**

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

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

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

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

i) Current Tax

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

ii) Deferred tax

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

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

**I) Valuation of Inventories**

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

**J) Borrowing Costs**

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

## Sakar Healthcare Limited

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

### K) Excise/Custom Duty/GST and Service Tax

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

### L) Research and Development Expenditure

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

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

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

### N) Earnings Per Share

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

### O) General:

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

## II) Notes on Accounts :

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

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

- 5) Pursuant to Accounting Standard - 29. "Provisions, Contingent, Liabilities and Contingent Assets", the disclosure relating to contingent liabilities made in the accounts for the year ended 31st March, 2018 is as follows :

### (a) Contingent Liabilities

(Amount in Rs.)		
Particulars	2018	2017
Claims not acknowledge by the company in respect of :- Income Tax	NIL	NIL
6) Auditors' Remuneration:		
As Audit Fees	75000	86250
As others	—	—
Total	<u>75000</u>	<u>86250</u>
7) Director's Remuneration:		
Sanjay S. Shah	1235000	1235000
Ritaben S Shah	650000	650000
Aarsh S Shah	1170000	1170000



## 8) Share Capital :

(Amount in Rs.)

Particulars	2017-18	2016-17
At the beginning of the year	109610000	80000000
Issued during the year through Private Placement	12500000	29610000
At the end of the year	122110000	109610000

## 9) Related Party Disclosures :

During the year the company entered into transaction with the related parties. Those transactions along with related balances as at 31<sup>st</sup> March, 2018 and for the year then ended are presented in the following table.

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2017-18		2016-17	
				Volume of transaction Rs.in Lakh	Balance at the end of the year Rs.in Lakh	Volume of transaction Rs.in Lakh	Balance at the end of the year Rs.in Lakh
1	Sanjay S. Shah	Managing Director	Remuneration and Perquisites	12.35	-	12.35	-
2	Sanjay S. Shah	Managing Director	Unsecured Loan	-	515.23	-	780.91
3	Rita S. Shah	Executive Director	Remuneration and Perquisites	6.50	-	6.50	-
4	Aarsh S. Shah	Jt. Managing Director	Remuneration and Perquisites	11.70	-	11.70	-
5	Ayushi S. Shah	Administrative Executive	Salary	5.20	-	5.20	-

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

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

2. Transaction during the year with related parties

a. Unsecured Loan:

Balance as at 31.03.2018 Rs. 515.23 Lakh

## 9) Employee benefit plans

## a) Defined Benefit Plans

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

## I. Expenses recognized during the year

(Rs. in Lakh)

Particulars	For the year ended March 31	
	2018	2017
Current service cost	0.53	0.71
Interest Cost	0.08	0.14
Expected return on plan assets	N.A	N.A
Net actuarial losses (gains)	0.11	0.11
<b>Total</b>	<b>0.72</b>	<b>0.96</b>

## Sakar Healthcare Limited

(Rs. in Lakh)

Particulars	For the year ended March 31	
	2018	2017
<b>II. Reconciliation of opening and closing balances of defined benefit obligation</b>		
Defined benefit obligation at beginning of the year	9.46	9.46
Service cost	3.78	3.25
Interest Cost	0.62	0.54
Actuarial losses (gains)	0.73	0.62
Benefits paid	Nil	Nil
Defined benefit obligation at end of the year	<b>14.59</b>	<b>13.87</b>
<b>III. Reconciliation of Opening and Closing balances of fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	N.A	N.A
Expected return on plan assets	N.A	N.A
Actuarial gains and (losses)	N.A	N.A
Contributions by employer	N.A	N.A
Benefits paid	N.A	N.A
Fair value of plan assets at year end	N.A	N.A
<b>IV. Reconciliation of the present value of defined benefit obligation and fair value of planned assets:</b>		
Present value of defined benefit obligations at the end of the year	14.59	13.87
Fair value of plan assets at the end of the year	N.A	N.A
Net liability at the end of year	12.91	13.87
<b>V. Actuarial Assumptions</b>		
Mortality Table (LIC)	2.00 %	2.00 %
Discount Rate (per annum)	7.94 %	7.94 %
Expected Return on plan assets (per annum)	N.A	N.A
Rate of escalation in salary (per annum)	6.00 %	6.00 %
Withdrawal rates	3 %	3 %
Retirement age	58 Years	58 Years
i. The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.		
ii. Expected Rate of Return of Plan Assets: This is based on the expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of obligations.		
iii. Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
<b>VI. Experience History</b>		
Present value of defined benefit obligations at the end of the year	14.59	13.87
Fair value of plan assets at the end of the year		
Net liability at the end of year	14.59	13.87
<b>b) Defined Contribution Plans.</b>		
<b>Contribution of Defined Contribution Plan, recognized as expense for the year as under:</b>		
Employer's Contribution to Provident Fund	7.13	5.09
10) We are unable to categorize the dues to small scale Industries (SSI) separately due to lack of information regarding the status of the creditors for goods outstanding as on the balance sheet date.		

## ANNUAL REPORT 2017-18

Particulars	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)
<b>NOTE 2 - SHARE CAPITAL</b>		
<b>Authorised</b>		
150,00,000 Equity Shares of Rs.10/- each	<b>150,00,000</b>	<b>120,00,000</b>
<b>Issued, subscribed &amp; paid up</b>		
109,61,000 Equity Shares of Rs.10/- each fully paid up	109,61,000	80,00,000
12,50,000 Equity Shares of Rs.10/- each fully paid up	12,50,000	29,61,000
<b>Total</b>	<b>122,11,000</b>	<b>109,61,000</b>

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

The details of shareholder holding more than 5% shares as at March 31, 2018 is set out below :

Name of the shareholder	No. of shares	% held as at March 31, 2018	No. of shares *	% held as at March 31, 2017
SANJAY S. SHAH	7117500	58.29%	5867500	53.53%
AARSH SHAH	1307500	10.71%	1307500	11.93%

The reconciliation of the number of shares outstanding as on March 31, 2018 is set out below:

Particulars	As at 31/03/2018 Amount (Rs.)	As at 31/03/2017 Amount (Rs.)
Number of shares at the beginning	10,961,000	8,000,000
Add: Shares issued during the year	1,250,000	2,961,000
Number of shares at the end	12,211,000	10,961,000
<b>NOTE 3 : RESERVES AND SURPLUS</b>		
<b>Securities Premium Reserve</b>		
Balance at the beginning of the year	134,440,000	16,000,000
Add: Addition during the year (Share Application Money)	62,500,000	118,440,000
Balance at the end of the year	196,940,000	134,440,000
<b>Surplus</b>		
Balance at the beginning of the year	110,979,728	95,823,465
Add: Net profit after tax transferred from Statement of Profit and Loss	38,146,743	33,782,909
Less: Utilisation of Revenue Reserve for DTL	-	(18,626,646)
Amount available for appropriation	149,126,471	110,979,728
Balance at the end of the year	149,126,471	110,979,728
<b>Total</b>	<b>346,066,471</b>	<b>245,419,728</b>

### NOTE 4 : MONEY RECEIVED AGAINST SHARE WARRANTS

Balance at the beginning of the year	-	-
Add: Addition during the year (Warrant Application Money)	46,750,000	-
Balance at the end of the year	46,750,000	-
<b>Total</b>	<b>46,750,000</b>	<b>-</b>

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

Deferred Tax Liability arising on account of timing difference for depreciation		
Difference in Net Block of Asset as per Books and as per Income Tax Act, 1961	215,030,205	198,760,151
<b>Total</b>	<b>215,030,205</b>	<b>198,760,151</b>
<b>Net</b>	<b>215,030,205</b>	<b>198,760,151</b>
Deferred Tax Liability @ 32.445%	69,766,550	64,487,731

## Sakar Healthcare Limited

Particulars	As at 31/03/2017 Amount (Rs.)	As at 31/03/2017 Amount (Rs.)									
<b>NOTE 6 : LONG TERM BORROWING</b>											
<b>SECURED</b>											
Term Loan From Schedule bank	46,904,612	80,975,935									
(A)	<b>46,904,612</b>	<b>80,975,935</b>									
<b>UNSECURED</b>											
Unsecured Loan	51,523,214	78,091,383									
(B)	<b>51,523,214</b>	<b>78,091,383</b>									
(A+B)	<b>98,427,826</b>	<b>159,067,318</b>									
<b>NOTE 7 : SHORT-TERM BORROWINGS</b>											
<b>SECURED</b>											
Working Capital Loan From Bank	13,692,648	53,204,911									
	<b>13,692,648</b>	<b>53,204,911</b>									
<b>NOTE 8 : TRADE PAYABLES</b>											
Creditors for Goods	39,946,170	11,825,870									
Creditors for Capital Goods and others	4,126,905	19,208,106									
	<b>44,073,075</b>	<b>31,033,976</b>									
<b>NOTE 9 : OTHER CURRENT LIABILITIES</b>											
Secured Loan Repayable within Twelve Months	33,338,916	32,393,316									
Advance from Customers	663,150	1,178,687									
For other liabilities	24,366,869	6,050,390									
	<b>58,368,935</b>	<b>39,622,393</b>									
<b>NOTE 10 : SHORT-TERM PROVISIONS</b>											
Provision for											
Gratuity	1,458,665	1,387,435									
Income Tax (Net of Advance Tax)	10,283,122	2,040,263									
	<b>11,741,787</b>	<b>3,427,698</b>									
<b>NOTE 11 : FIXED ASSETS</b>											
DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK		
of ASSETS	Balance as on 1.4.17	Addition Before Six Month Year	Deduction After Six Month	During the year	Balance as on 31.03.18	up to 01.04.17	Provided During the year 31.03.18	Deduction During the year 31.03.18	Up To 31.03.18	As At 31.03.18	As at 31.03.17
<b>Tangible Assets</b>											
Air Conditioner	6,396,227	113,398	122,088	-	6,631,713	1,654,272	415,923	-	2,070,195	4,561,517	4,741,955
Boiler	1,903,110	-	-	-	1,903,110	859,219	90,398	-	949,617	953,493	1,043,891
Computer	7,876,362	242,932	662,048	-	8,781,342	6,878,316	1,179,818	-	8,058,134	723,208	998,046
D.G.Set	3,963,649	-	-	-	3,963,649	1,683,054	188,273	-	1,871,327	2,092,322	2,280,595
Cycle	2,132	-	-	-	2,132	2,132	-	-	2,132	-	-
Electric Installation	28,219,479	300,524	6,589,698	-	35,109,701	14,357,596	3,022,411	-	17,380,007	17,729,694	13,861,883
Factory Building	117,544,569	3,337,922	11,483,333	-	132,365,824	26,808,450	4,013,986	-	30,822,436	101,543,388	90,736,119
Factory Land & Development	5,548,390	-	11,800,000	-	17,348,390	-	-	-	-	17,348,390	5,548,390
Furniture	23,800,443	1,279,874	958,989	-	26,039,306	6,615,407	2,428,182	-	9,043,589	16,995,717	17,185,036
Other Equipment	17,277,708	635,961	993,129	-	18,906,798	2,589,253	874,486	-	3,463,739	15,443,058	14,688,455
Telephone Instruments	341,102	-	28,774	-	369,876	95,033	33,771	-	128,804	241,072	246,069
Laboratory Instruments	34,041,634	6,102,223	138,800	-	40,282,657	8,038,325	3,820,259	-	11,858,584	28,424,073	26,003,309
Plant & Machinery	409,008,499	12,350,183	1,641,480	-	423,000,162	113,748,532	20,053,523	-	133,802,055	289,198,107	295,259,967
Scale	214,157	-	-	-	214,157	78,291	10,172	-	88,463	125,694	135,866
Vehicle	18,303,506	-	-	-	18,303,506	3,536,592	2,174,457	-	5,711,049	12,592,457	14,766,914
Trolly	2,164,138	-	-	-	2,164,138	381,636	102,797	-	484,433	1,679,705	1,782,502
<b>Intangible Assets</b>											
Intangible Assets	-	6,572,965	22,743,259	-	29,316,224	-	5,683,053	-	5,683,053	23,633,171	-
<b>Total</b>	<b>676,605,105</b>	<b>30,935,982</b>	<b>57,161,598</b>	<b>-</b>	<b>764,702,684</b>	<b>187,326,108</b>	<b>44,091,509</b>	<b>-</b>	<b>231,417,617</b>	<b>533,285,067</b>	<b>489,278,997</b>
<b>Previous year</b>	<b>525,927,133</b>	<b>26,297,962</b>	<b>124,380,010</b>	<b>-</b>	<b>676,605,105</b>	<b>153,431,684</b>	<b>33,894,424</b>	<b>-</b>	<b>187,326,108</b>	<b>489,278,997</b>	<b>372,495,444</b>

## ANNUAL REPORT 2017-18

Particulars	As at 31/03/2018 Amount (Rs.)	As at 31/03/2017 Amount (Rs.)
<b>NOTE 12 : LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Deposit (Gujarat Electric Board)	2,502,818	2,810,721
Deposit (Gas)	16,700	15,000
Saurashtra Enviro Projects Pvt. Ltd. Deposit	28,450	28,450
Investment (Sakar-Kenya)	971196	-
National Stock Exchange Deposit	-	1,480,000
	<b>3,519,164</b>	<b>4,334,171</b>
<b>NOTE 13 : INVENTORIES</b>		
(As taken, Valued & Certified by the Management)		
Raw Material/Packing Material / Stores & Consumables	10,777,019	33,119,709
Finished Goods / Stock in Process	28,535,765	36,455,514
	<b>39,312,784</b>	<b>69,575,223</b>
<b>NOTE 14 : TRADE RECEIVABLES</b>		
Debtors outstanding for more than six months		
Unsecured Considered good	-	-
Other Debts		
Unsecured Considered good	108,193,205	53,451,298
	<b>108,193,205</b>	<b>53,451,298</b>
<b>NOTE 15 : CASH &amp; BANK BALANCES</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash on Hand		
Cash on Hand	1,402,692	525,224
Balances with Banks		
In Bank Accounts	2,220,398	3,993,268
	<b>3,623,090</b>	<b>4,518,492</b>
<b>NOTE 16 : SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured Considered Good)		
Excise Modvate A/c (CGST)	32785835	19120490
Excise PLA A/c	-	3283910
MAT Credit Receivable	13540349	14061839
Advances Recoverable in cash or kind	1154850	637550
Advance Payment For Materials & Capital Goods	43459587	31338434
VAT Credit (SGST)	10071308	12961573
IGST Receivable	13650233	-
VAT Receivable	5405667	-
Prepaid Expenses	879102	946751
	<b>120,946,931</b>	<b>82,350,547</b>
<b>NOTE 17 : OTHER CURRENT ASSETS</b>		
Authorised Capital Increase ROC Fees	225029	-
Issue Expenses to the Extent not written off	1892022	2365027
	<b>2117051</b>	<b>2365027</b>

## Sakar Healthcare Limited

Particulars	Year Ended 31/03/2018 Amount (Rs.)	Year Ended 31/03/2017 Amount (Rs.)
<b>NOTE 18 : REVENUE FROM OPERATIONS</b>		
Contract Sales	97,953,295	83,467,020
Direct Sales	432,812,028	358,241,330
	<b>530,765,323</b>	<b>441,708,350</b>
<b>NOTE 19 : OTHER INCOME</b>		
Interest Income	201,191	985,645
Export Incentive	3,403,454	4,831,382
Other Income	-	932,893
Exchange Rate Fluctuation	1,719,950	591,042
	<b>5,324,595</b>	<b>7,340,962</b>
<b>NOTE 20 : COST OF MATERIAL CONSUMED</b>		
(A) Opening Stock of RM/PM & Stores and Consumables	33,119,709	33,359,985
Add: Purchases	249,730,723	227,954,867
Less: Closing Stock of RM/PM & Stores and Consumables	10,777,019	33,119,709
	<b>272,073,413</b>	<b>228,195,143</b>
<b>NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening Stock of Finished Goods / Stock in Process	36,455,514	31,111,305
Less: Closing Stock of Finished Goods / Stock in Process	28,535,765	36,455,514
	<b>7,919,749</b>	<b>(5,344,209)</b>
<b>NOTE 22 : EMPLOYEE BENEFIT EXPENSES</b>		
Salary and Bonus	63,986,905	55,151,175
Director's Remuneration	2,820,000	3,055,000
Contribution to Provident and other funds	713,220	508,585
E.S.I. Expenses	252,100	258,807
Gratuity	71,230	96,321
Staff Welfare Expenses	457,520	386,801
	<b>68,300,975</b>	<b>59,456,689</b>
<b>NOTE 23 : FINANCE COSTS</b>		
Bank Charges	1,376,150	1,981,245
Bank Interest	24,475,268	24,871,356
	<b>25,851,419</b>	<b>26,852,601</b>

# ANNUAL REPORT 2017-18

Particulars	Year Ended 31/03/2018 Amount (Rs.)	Year Ended 31/03/2017 Amount (Rs.)
<b>NOTE 23 : OTHER EXPENSES</b>		
Advertisement Expenses	558,863	381,653
Audit Fees	75,000	86,250
Business Development Exp.	330,137	162,585
Commission Exp.	-	459,379
Courier & Postage Exp.	802,149	700,907
Electrical Exp.	687,352	781,100
Education Cess & S&H Cess	406,630	-
Export Exp.	4,369,318	4,389,869
Factory / General Exp.	877,317	792,788
Food & Refreshment Exp.	993,197	1,578,310
Freight Exp.	1,106,537	492,974
Hygienic Maintenance Exp.	728,490	746,448
Insurance Exp.	636,606	705,597
ISO Certificate Charges	79,750	29,900
Listing and Demat Exp.	231,979	591,257
Legal Exp.	15,000	-
Licence Charges	143,902	213,125
Loading & Unloading Charges	644	-
Membership Fees Exp.	116,461	79,146
Packing Exp.	1,703,051	1,033,359
Power & Fuel Exp.	23,598,435	23,496,514
Professional Fees Exp.	2,163,442	1,269,528
Professional Tax Exp.	2,400	2,400
Property Tax Exp.	65,842	38,958
R.O.C. Expenses	2,656	-
Repairs & Maintenance	-	-
Machinery	611,178	763,483
Factory Building	1,134,258	655,879
Computer	159,805	153,161
Other	1,284,328	729,960
GMP Registration Charges	240,830	3,671,895
Product Registration Exp.	2,454,987	4,517,108
Service Tax Exp.	91,740	161,613
Stationery Exp.	1,131,614	1,299,559
Stores & Spares / Consumable Expenses	2,844,847	2,500,629
TDS Interest Exp.	22,480	7,081
Telephone / Mobile / Internet Exp.	634,562	662,052
Testing & Analysis / Laboratory Exp.	1,446,510	756,998
Travelling & Conveyance Exp.	3,217,136	2,980,859
Vatav & Kasar A/c	181,295	-
Vat Exp.	129,932	1,143
Security Exp.	490,452	411,950
Expenses to the extent written off	423,410	-
Vehicle Exp.	400,197	460,243
	<b>56,594,719</b>	<b>57,765,660</b>
<b>NOTE 25 : PRIOR PERIOD ITEMS</b>		
Prior Period Exp.	166,525	17,743
	<b>166,525</b>	<b>17,743</b>
<b>NOTE 26 : EARNINGS PER SHARE</b>		
Face value of Equity Shares (Rs.)	10	10
Net Profit available for Equity Shareholders	38,146,743	33,782,909
No. of issued / subscribed / paid up Equity Shares	12,211,000	10,961,000
Basic EPS (Rs.)	3.124	3.082
Diluted EPS (Rs.)	2.550	3.082

## Sakar Healthcare Limited

### NOTE 27 :

The revised Schedule VI as notified under the Companies Act, 1956, has become applicable to the Company for presentation of its financial statements for the year ending March 31st, 2018. The adoption of the revised Schedule VI requirements has significantly modified the presentation and disclosures which have been complied with in these financial statements. Previous year figures have been reclassified in accordance with current year requirements.

### NOTE 28 : ACTIVITY IN FOREIGN CURRENCY

Particulars	Amt.(Rs.)
<b>Earnings in Foreign Currency</b>	
Sales	<b>247496643</b>
<b>Expenditure in Foreign Currency</b>	
Product passing Charges	<b>5555316</b>
<b>Net Earnings in foreign currency</b>	<b>241941327</b>

### NOTE 29 :

#### Related Party Disclosures

(Rs. in Lakh)

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	2017-18		2016-17	
				Volume of transaction Rs.in Lacs	Balance at the end of the year Rs.in Lacs	Volume of transaction Rs.in Lacs	Balance at the end of the year Rs.in Lacs
1	Sanjay S. Shah	Managing Director	Remuneration and Perquisites	12.35	-	12.35	-
2	Sanjay S. Shah	Managing Director	Unsecured Loan	-	515.23	-	780.91
3	Rita S. Shah	Executive Director	Remuneration and Perquisites	6.50	-	6.50	-
4	Aarsh S. Shah	Jt. Managing Director	Remuneration and Perquisites	11.70	-	11.70	-
5	Ayushi S. Shah	Administrative Executive	Salary	5.20	-	5.20	-

### NOTE 30 :

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

### NOTE 31 :

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

As per our Audit Report of even date

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

Chartered Accountants

FRN: 120116W

**Sanjiv Shah**

Partner

Membership No. : 42264

Place : Ahmedabad

Date : 30.05.2018

**For and on behalf of the Board**

**Sanjay S. Shah**

Chairman & Managing Director

**Jhonny G. Kudilil**

CFO

Place : Ahmedabad

Date : 30.05.2018

**Rita S. Shah**

Whole Time Director

**Hema Advani**

Company Secretary



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

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

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

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

as my/ our proxy to attend and vote for me as me/us and on my/ our behalf at the 14<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, the 20<sup>th</sup> September, 2018 at 2.00 p.m. at the Registered Office of the Company at Block No. 10/13, Village: Changodar, Sarkhej-Bavla Highway, Tal: Sanand, Dist: Ahmedabad – 382 213 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional	
		For	Against
Ordinary Business			
1	Ordinary Resolution for adoption of the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2018, the reports of the Board of Directors and Auditors thereon.		
2	Ordinary Resolution for re-appointment of Mr. Aarsh S. Shah, liable to retire by rotation and being eligible, offers himself for re-appointment.		
3	Ordinary Resolution for ratification of appointment of Statutory Auditors of the Company		
Special Business			
4	Special Resolution for authorising the Board of Directors under section 186 of the Companies Act, 2013.		

Signed this ..... day of ..... 2018

Signature of Shareholder .....

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

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

## AGM VENUE MAP - 2018





*If undelivered, please return to :*  
**SAKAR HEALTHCARE LIMITED**  
**[CIN: L24231GJ2004PLC043861]**

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