



Date: 17th August, 2020

Listing Department,
National Stock Exchange Limited
Exchange Plaza, C-1 Block-G
Bandra Kundra Complex,
Bandra (E), Mumbai - 400 051

Corporate Office :
406, Silver Oaks Comm. Complex,
Opp. Arun Society, Paldi,
Ahmedabad-380 007. Gujarat, India.
Phone : 079-26584655
Fax : 079-26588054
CIN No. : L24231GJ2004PLC043861
E-mail : info@sakarhealthcare.com
Web : www.sakarhealthcare.com

SYMBOL: SAKAR

Dear Sir;

Sub: Submission of Notice of 16th Annual General Meeting and Annual Report 2019-20

Pursuant to Regulation 30 and 34(1)(a) of SEBI (LODR) Regulations, 2015, we are enclosing herewith:

1. Notice of 16th Annual General Meeting of the members of the Company.
2. Annual Report 2019-20.

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully,
for SAKAR HEALTHCARE LIMITED


SANJAY SHAH
MANAGING DIRECTOR
DIN: 01515296



Encl: As above.



ANNUAL REPORT 2019-20



Sakar Healthcare Ltd.

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

Sakar Healthcare Limited

[CIN: L24231GJ2004PLC043861]

16TH ANNUAL REPORT 2019-20

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

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 16TH ANNUAL GENERAL MEETING OF THE MEMBERS OF **SAKAR HEALTHCARE LIMITED** WILL BE HELD ON THURSDAY, THE 24TH SEPTEMBER, 2020 AT 2.00 P.M. IST THROUGH VIDEO CONFERENCING ("VC") /OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020, 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 interms 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 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, M/s. A.L. Thakkar & Co., Chartered Accountants, Ahmedabad be and are hereby appointed as Statutory Auditors of the Company to hold office for 2 years from the conclusion of this 16th Annual General Meeting (AGM) till the conclusion of the 18th AGM of the Company to be held in the year 2022, at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable law, the remuneration of Rs.50,000/- (Rupees Fifty Thousands only) plus GST & out-of-pocket expenses, if any, payable to M/s Dalwadi & Associates, Cost Accountants, Ahmedabad (Firm Registration No. 000338), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost accounting records of the Company for the financial year 2020-21, be and is hereby ratified and confirmed."

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

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') as amended from time to time, Mr. Shailesh B. Patel (DIN – 01835567), whose term as an Independent Director of the Company expires on the conclusion of this 16th Annual General Meeting and who has consented to act as an Independent Director of the Company and who has submitted his declarations that he meets the criteria of independence as specified for Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom a notice in writing pursuant to Section 160 (1) of the Companies Act, 2013 has been received from a member signifying his intention to propose his candidature for the office of the Director of Company, be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of 5 years from the conclusion of this 16th Annual General Meeting up to the conclusion of the 21st Annual General Meeting to be held in the calendar year 2025 and he will not be liable to retire by rotation."

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

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') as amended from time to time, Mr. Prashant C. Srivastav (DIN – 02257146), whose term as an Independent Director of the Company expires on the conclusion of

Sakar Healthcare Limited

this 16th Annual General Meeting and who has consented to act as an Independent Director of the Company and who has submitted his declarations that he meets the criteria of independence as specified for Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom a notice in writing pursuant to Section 160 (1) of the Companies Act, 2013 has been received from a member signifying his intention to propose his candidature for the office of the Director of Company, be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of 5 years from the conclusion of this 16th Annual General Meeting up to the conclusion of the 21st Annual General Meeting to be held in the calendar year 2025 and he will not be liable to retire by rotation."

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

Registered Office :

Block No. 10/13, Village: Changodar,
Sarkhej- Bavla Highway,
Tal: Sanand, Dist: Ahmedabad -382 213
Date : 25th July, 2020

By Order of the Board,

Hema Advani
Company Secretary & Compliance Officer

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the Notice is annexed hereto.
2. In view of the continuing COVID-19 pandemic, the 16th AGM will be held on Thursday, 24th September, 2020 at 2.00 p.m. through Video Conferencing (VC)/Other Audio Visual Means (OAVM), in compliance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular no. 14/2020, dated 8th April, 2020, MCA General Circular no. 17/2020, dated 13th April, 2020; MCA General Circular No. 20/2020 dated 5th May, 2020 and MCA General Circular No. 22/2020 dated 15th June, 2020 and in compliance with the provisions of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The deemed venue for the 16th AGM shall be the Registered Office of the Company. **Annual Report will not be sent in physical form.**
3. In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a pre-requisite and since this AGM is being held through VC / OAVM, pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. Hence, Members have to attend and participate in the ensuing AGM through VC/OAVM. **Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.** However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company on their email id cs@sakarhealthcare.com, a certified copy of the Board Resolution/authorization letter authorising their representative to attend and vote on their behalf at the Meeting and through E-voting.
5. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website www.sakarhealthcare.com, website of stock exchanges i.e. National Stock Exchange of India Limited at www.nseindia.com that of Central Depository Services (India) Limited ("CDSL"), www.evotingindia.com.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**
 - (i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to RTA Email id: ahmedabad@linkintime.co.in.
 - (ii) For Demat shareholders -, Members holding Shares in Demat mode can get their E-mail IDs registered with their respective DPs or by E-mail to ahmedabad@linkintime.co.in.
 - (iii) The RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice under Note No. 28.
10. As the Annual General Meeting of the Company is held through Video Conferencing/OAVM, we therefore request the members to submit questions in advance relating to the business specified in this Notice of AGM on the email ID cs@sakarhealthcare.com.
11. The Register of Members and Share Transfer Books will remain closed from **18th September, 2020 to 24th September, 2020** (both days inclusive) for the purpose of Annual General Meeting (AGM).
12. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc., to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA). Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
13. Pursuant to the requirement of Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India, the brief profile/particulars of the Directors of the Company seeking their appointment or re-appointment at the Annual General Meeting (AGM) are stated at the end of the Explanatory Statement annexed hereto.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
15. 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.
16. The Shareholders holding Shares in Physical form are advised to get their shares dematerialised as no physical shares can be traded in the Stock Exchanges in terms of SEBI and Stock Exchange guidelines.
17. This is to bring to the notice of the Shareholders that as per SEBI Notification, the request for effecting transfer of securities held in Physical form (except in case of transmission or transposition) would not be entertained and shall not be processed by the Company/ RTA of the Company w.e.f. 1st April, 2019. Hence, Shareholders are advised to get their physical shares dematerialized.
18. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
19. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and Relevant documents referred to in this Notice of AGM and explanatory statement on the date of AGM in electronic mode can send an email to cs@sakarhealthcare.com.
20. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 27 & 29.
21. Members of the Company holding shares either in physical form or in Dematerialised form as on Benpos date i.e. 7th August, 2020 will receive Annual Report for the financial year 2019-20 through electronic mode only.
22. Members are requested to notify any changes in their address to the Company's Registrar & Share Transfer Agent, Link Intime India Pvt. Ltd. 506-508, Amarnath Business Centre-1(ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006 Email id: ahmedabad@linkintime.co.in.
23. Members are requested to quote their Folio No. or DP ID/ Client ID, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Registrar and Share Transfer Agent.
24. To support the "Green Initiative", Members who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar & Share Transfer Agents of the Company for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

VOTING THROUGH ELECTRONIC MEANS

25. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business set out in the Notice above may be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
26. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

27. THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The remote e-voting period begins on **at 9.00 a.m. on 21st September, 2020 and ends at 5:00 p.m. on 23rd September, 2020**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **17th September, 2020** may cast their vote electronically (i.e. by remote e-voting). The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now, fill up the following details in the appropriate boxes:

User ID	a. For CDSL: 16 digits Beneficiary ID b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID c. Members holding shares in Physical Form should enter Folio Number registered with the Company
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- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

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

- (xii) Click on the EVSN for SAKAR HEALTHCARE LIMITED.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also use Mobile app - "m - Voting" for e voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s). Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) Note for Non – Individual Members and Custodians:
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@sakarhealthcare.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

- (i) Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- (ii) Members/Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (iii) Members who are desirous of attending the AGM through VC/OAVM and whose email IDs are not registered with the RTA of the Company/DP, may get their email IDs registered as per the instructions provided in point No. 8 of this Notice.
- (iv) Members may attend the AGM, by following the invitation link sent to their registered email ID. Members will be able to locate Meeting ID / Password / and JOIN MEETING tab. By Clicking on JOIN MEETING they will be redirected to Meeting Room via browser or by running Temporary Application. In order to join the Meeting, follow the step and provide the required details (mentioned above – Meeting Id/Password/Email Address) and Join the Meeting.
- (v) Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

Sakar Healthcare Limited

- (vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vii) Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@sakarhealthcare.com. These queries will be replied by the Company suitably by email.
- (viii) Those members/shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

29. INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) Only those members/shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iii) If any Votes are cast by the members/shareholders through the e-voting available during the AGM and if the same members/shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such members/shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- (iv) Members/Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM. In case any Member who had voted through Remote E-voting, casts his vote again at the E- Voting provided during the AGM, then the Votes cast during the AGM through E-voting shall be considered as Invalid.

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

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

- 30. Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad has been appointed as the Scrutinizer to scrutinize the remote e-voting & e-voting process in a fair and transparent manner.
- 31. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to the Stock Exchange viz. National Stock Exchange of India Limited.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS MENTIONED IN THE NOTICE OF 16TH ANNUAL GENERAL MEETING DATED 25TH JULY, 2020.****In respect of Item No. 4:**

The Board of Directors of the Company, on the recommendation of the Audit Committee, appointed that M/s. Dalwadi & Associates, Cost Accountants, Ahmedabad (Firm Registration No. 000338), as Cost Auditors for the financial year 20-21.

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

The Board considers the remuneration payable to the cost auditors as fair and recommends the resolution contained in item no. 4 of the notice for approval of the members.

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

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

In respect of Item No. 5 and 6:

Mr. Shailesh B. Patel and Mr. Prashant C. Srivastav were appointed as Independent Directors of the Company for a term of 5 consecutive years w.e.f. 1st April, 2015 upto conclusion of the 16th Annual General Meeting of the Company and they were not liable to retire by rotation. Hence, their appointment is due to expire at the conclusion of this 16th Annual General Meeting of the members of the Company.

Pursuant to the provisions of section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment for second term on passing of a Special Resolution by the Company.

The Company has received a notice in writing from Member of the Company under section 160(1) of the Companies Act, 2013 proposing the candidature of Mr. Shailesh B. Patel and Mr. Prashant C. Srivastav for the office of Independent Directors of the Company.

In the opinion of the Board, Mr. Shailesh B. Patel and Mr. Prashant C. Srivastav fulfill the conditions of their appointment as Independent Directors of the Company as per the applicable provisions specified in the Companies Act, 2013 and SEBI - Listing Regulations for appointment as Independent Director and are independent of the management of the Company.

Details of Mr. Shailesh B. Patel and Mr. Prashant C. Srivastav are provided in the "Annexure" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

In view of above and also considering the recommendation of Nomination and Remuneration Committee of the Company for re-appointment of Mr. Shailesh B. Patel and Mr. Prashant C. Srivastav as Independent Directors of the Company for a further consecutive second term of five years (viz. from the conclusion of this 16th Annual General Meeting up to the conclusion of the 21st Annual General Meeting to be held in the calendar year 2025), on the basis of their skills, performance evaluation, extensive and enriched experience in diverse areas and suitability to the Company as well as fulfilling the criteria of their independence under Section 149(6) of Companies Act, 2013 read with Schedule IV thereto and Regulation 16(1) (b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the said resolutions at item Nos. 5 and 6 are being recommended by the Board of Directors to the members of the Company for their consideration and accord approval thereto by way of Special Resolutions.

Mr. Shailesh B. Patel and Mr. Prashant C. Srivastav, respectively, are concerned or interested in the Resolutions mentioned at Item Nos. 5 and 6 of the Notice relating to their own re-appointment. Other than these Directors, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolutions mentioned at Item Nos. 5 and 6 of the Notice.

Registered Office :

Block No. 10/13, Village: Changodar,
Sarkhej- Bavlā Highway,
Tal: Sanand, Dist: Ahmedabad -382 213
Date : 25th July, 2020

By Order of the Board,

Hema Advani
Company Secretary & Compliance Officer

Sakar Healthcare Limited

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

Name of Directors	Mr. Aarsh Shah	Mr. Shailesh B. Patel	Mr. Prashant C. Srivastav
Age (in years)	29	59	41
Date of Birth	16-02-1991	12-04-1961	31-03-1979
Date of Appointment	01-06-2012	01-06-2015	01-04-2015
Qualifications	MBA	Electrical Engineering	CA
Experience / Expertise	Experience of more than 8 years in the field of production, sales & marketing of pharmaceutical products.	Experience of more than 25 years in business and a maestro in handling existing and new clients, meeting specifications and developing new business.	Experience of more than 2 decades in the field of Accounting, Taxation and Finance
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	N.A	N.A	N.A
Remuneration last drawn by such person, if any.	Refer to report on Corporate Governance and Form No. MGT-9 (Extract of Annual Return)		
Shareholding in the Company	13,07,500 Equity Shares	N.A	N.A
Relationship with other Directors, Manager and other KMP of the Company	Related to Mr. Sanjay S. Shah and Ms. Rita S. Shah	N.A	N.A
Number of Meetings of the Board attended during the year	14	14	14
List of other Companies in which Directorships held	-	-	1. Arihant Institute Limited
List of Private Limited Companies in which Directorships held	-	1. U D Patel and Company Private Limited	-
Chairman/Member of the Committees of Directors of other Companies	-	-	Arihant Institute Limited 1. Chairman of Audit Committee 2. Chairman of Nomination & Remuneration Committee 3. Member of Stakeholder Relationship Committee
Justification for choosing the appointee for appointment as Independent Directors	N.A.	On the basis of their skills, performance evaluation, extensive and enriched experience in diverse areas and suitability to the Company	

DIRECTORS' REPORT

The Members,
Sakar Healthcare Limited,

Your Directors have pleasure in presenting the 16TH ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2019-20 ended 31st March, 2020.

1. FINANCIAL RESULTS AND OPERATIONS:

(Rs. in lakh)

Particulars	2019-20	2018-19
Sales and other Income	8499.71	6893.04
Profit before Interest and Depreciation	2155.93	1753.98
Less: Interest	225.26	226.55
Profit before Depreciation	1930.67	1527.42
Less: Depreciation	707.98	603.97
Less: Exceptional Item	-	-
Profit before Taxation	1222.69	923.45
Less: Provision for Taxation - Current	251.00	250.00
Less/ (Add): Provision for Taxation - Deferred	(2.74)	(5.24)
Less: Provision for Taxation - Previous year	12.15	9.41
Profit for the year	962.28	669.28

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1st April, 2020 and date of this report.

During the year under review, the Company achieved turnover of Rs.8499.71 lakh compared to Rs. 6893.04 lakh during 2018-19. The Company earned profit before interest, depreciation and tax of Rs. 2155.93 lakh during 2019-20 compared to Rs. 1753.98 lakh during 2018-19. After providing for interest, depreciation and taxes, the net profit for the year under review stood at Rs. 962.28 lakh as compared to Rs. 669.28 lakh during 2018-19.

2. DIVIDEND:

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

3. AWARDS AND RECOGNITIONS:

- 3.1 Winner of Best Pharmaceutical Products Manufacturer – 2020, India, by AI Global, Staffordshire, UK and awarded with Certificate and a Bespoke Crystal Trophy.
- 3.2 The Company has been honoured under BS 10 Leading Players in Healthcare Industry, 2019 by Business Sight Magazine.

4. MIGRATION OF LISTING / TRADING OF EQUITY SHARES AT NATIONAL STOCK EXCHANGE (CAPITAL MARKET SEGMENT – MAIN BOARD):

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

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

The Company is regular in payment of Annual Listing Fees. The Company has paid Listing fees up to the year 2020-21.

5. SAKAR ONCOLOGY PRIVATE LIMITED:

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

6. COVID-19 PANDEMIC:

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

7. SHARE CAPITAL:

The paid up Share Capital of the Company as on 31st March, 2020 was Rs. 14.96 Crore. As on 31st March, 2020, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity and none of the Directors of the Company hold any convertible instruments.

8. RESERVES:

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

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 Based on the recommendations of the Nomination and Remuneration Committee, it is proposed to re-appoint Mr. Shailesh B. Patel and Mr. Prashant C. Srivastav as Independent Directors of the Company for a second consecutive term of 5 years from the conclusion of this 16th AGM up to the conclusion of the 21st AGM respectively and they will not be liable to retire by rotation.

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

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

10.6 Formal Annual Evaluation:

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

10.7 DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31st March, 2020 being end of the financial year 2019-20 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 2019-20	% increase over last year	Parameters	Median of Employees Remuneration	Ratio	Commission received from Holding/ Subsidiary
1	Sanjay S. Shah Managing Director	22.75	3.64	Higher responsibility and time involvement	360000	15.82 times	-
2	Rita S. Shah Executive Director	6.50	-	N.A.	360000	55.38 times	-
3	Aarsh S. Shah Joint Managing Director	22.75	3.88	Higher responsibility and time involvement	360000	15.82 times	-

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

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

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	3.64
2.	Rita S. Shah	Wholetime Director	-
3.	Aarsh S. Shah	Joint Managing Director	3.88
4.	Jhonny G. Kudilil	CFO	3.93
5.	Hema Advani	Company Secretary	30.57

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 relationship between average increase in remuneration and Company's performance is as The number of Employees of the Company is 243 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:

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

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**. The same is also available on the Company's website at www.sakarhealthcare.com.

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. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

Some of the core areas identified by the Committee are Education, Health, Environment, women empowerment, Animal Welfare, Hunger etc. The Company spent Rs. 14.00 lakh towards CSR for the year 2019-20.

22.1 ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY:

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

23. GENERAL:

23.1 AUDITORS:

STATUTORY AUDITORS:

The present Auditors of the Company, M/s. A. L. Thakkar & Co., Chartered Accountants, Ahmedabad, will retire at the ensuing 16th Annual General Meeting.

In terms of Section 139 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, M/s. A. L. Thakkar & Co., Chartered Accountants, Ahmedabad can be appointed as Auditors of the Company for a further period of 2 years. The Board of Directors has recommended the appointment of M/s. A. L. Thakkar & Co., Chartered Accountants, Ahmedabad as Statutory Auditors of the Company for the Financial years 2020-21 & 2021-22 to hold office from the conclusion of the ensuing 16th AGM till the conclusion of 18th AGM on remuneration to be decided by the Board or Committee thereof.

The Company has obtained consent from M/s. A. L. Thakkar & Co., Chartered Accountants, Ahmedabad, to the effect that their appointment as Statutory Auditors of the Company for period of 2 years for Financial years 2020-21 & 2021-22, if made, will be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013.

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

COST AUDITORS:

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

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s. Dalwadi & Associates, Cost Accountants, (Firm Registration Number 000338) as Cost Auditor to audit the cost accounts of the Company for the financial year 2020-21.

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

23.2 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.

23.3 DEPOSITS:

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

23.4 RISK MANAGEMENT POLICY:

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

23.5 SUBSIDIARIES/ ASSOCIATES/ JVS:

The Company does not have any Associate / JVs.

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

23.6 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.

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

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

23.8 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.

Sakar Healthcare Limited

23.9 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.

23.10 GRATUITY:

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

23.11 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.

23.12 SECRETARIAL STANDARDS:

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

24. DISCLOSURE OF ACCOUNTING TREATMENT:

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

25. DISCLOSURES:

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

26. FINANCE:

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

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

27. ACKNOWLEDGEMENT:

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

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

Registered Office
Block No. 10/13, Village: Changodar,
Sarkhej- Bavla Highway,
Tal: Sanand, Dist: Ahmedabad -382 213
Date : 25th July, 2020

For and on behalf of the Board,

Sanjay S. Shah	Aarsh S. Shah
Chairman & Managing Director	Jt. Managing Director
DIN:01515296	DIN: 05294294

FORM-A

Disclosure of particulars with respect to Conservation of Energy

(A) CONSERVATION OF ENERGY:			
Steps taken or impact on conservation of energy		In line with the Company's commitment towards conservation of energy, all units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption	
Steps taken by the Company for utilizing alternate sources of energy		Company has solar plant installed as alternate source of renewable energy to meet some portion of requirement of power which takes care of upto 30% of the total power requirement of the manufacturing plant.	
Capital investment on energy conservation equipments		The Company has installed roof top solar power generation System of 425 KVA within its manufacturing facilities.	
(B) TECHNOLOGY ABSORPTION:			
Efforts made in Research and Development and Technology Absorption prescribed in the Rules is as under:			
1.	Research & Development (R & D)		
	(a)	Specific areas in which R&D carried out by the Company.	: R&D is through developing and diversification of products by developing better drug delivery methods.
	(b)	Benefits derived as a result of the above R&D	: More products added to the list of products with improved drug delivery have been to cater to exports markets.
	(c)	Future plan of action	: Improved process development for the products through effective process & quality control.
	(d)	Expenditure on R&D	: During the year under review Rs. 336.55 Lakh has been incurred towards Research and Development.
2.	Technology absorption, adoption and innovation: The Company does not envisage any technology absorption.		
(C) FOREIGN EXCHANGE EARNINGS & OUTGO:			
		(Rs. in Lakh)	
Particulars		2019-20	2018-19
Total Foreign exchange earnings		4863.72	3384.30
Total Foreign Exchange used		69.19	95.14

Registered Office
Block No. 10/13, Village: Changodar,
Sarkhej- Bavla Highway,
Tal: Sanand, Dist: Ahmedabad -382 213
Date : 25th July, 2020

For and on behalf of the Board,

Sanjay S. Shah
Chairman & Managing Director
DIN:01515296

Aarsh S. Shah
Jt. Managing Director
DIN: 05294294

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The Directors, hereunder, present the Company's Report on Corporate Governance for the year ended 31st March, 2020 & as on date.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

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

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors as on 31st March, 2020 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 2019-20	Attendance at AGM held on 18-09-2019 Yes(Y)/No(N)
			Member	Chairman		
Mr. Sanjay S. Shah	Chairman & Managing Director	2	2	-	14	Y
Mr. Aarsh S. Shah	Joint Managing Director	-	-	-	14	Y
Ms. Rita S. Shah	Whole Time Director	2	1	-	14	Y
Mr. Shailesh Patel	Non-Executive Independent	-	-	-	14	N
Mr. Prashant Srivastav	Non-Executive Independent	1	1	1	14	Y
Mr. Hardik Mehta	Non-Executive Independent	-	-	-	14	N

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

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

(b) Directorship in Listed Entities other than Sakar Healthcare Limited and the category of directorship as on 31st March, 2020, is as follows:

Name of Director	Name of listed Company	Category of Directorship
Mr. Sanjay S. Shah	Bisil Plast Limited	Managing Director
Mr. Aarsh S. Shah	-	-
Ms. Rita S. Shah	Bisil Plast Limited	Director
Mr. Shailesh Patel	-	-
Mr. Prashant Srivastav	Arihant Institutes Limited	Non-Executive Independent Director
Mr. Hardik Mehta	-	-

(c) Relationships between directors inter-se:

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

d) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors for a period from 1st April, 2019 to 31st March, 2020 were held 14 times on 01-04-2019, 20-04-2019, 17-05-2019, 18-07-2019, 13-09-2019, 25-09-2019, 14-11-2019, 23-12-2019, 30-12-2019, 27-01-2020, 12-02-2020, 14-02-2020, 16-03-2020 and 21-03-2020.

e) Shareholding of Non- Executive Directors as on 31st March, 2020:

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

f) Familiarisation Program for Independent Directors:

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

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

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

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

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

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

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

h) In accordance with para C of Schedule V of the Listing Regulations, the Board of Directors of the Company hereby confirms that the Independent Directors of the Company fulfill the conditions specified in the Regulations and are independent of the management.**i) None of the Independent Directors of the Company resigned during the financial year and hence no disclosure is required with respect to Clause 2(j) of para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Sakar Healthcare Limited

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 2019-20
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.	6 of 6
Mr. Shailesh Patel			6 of 6
Mr. Sanjay S. Shah			6 of 6

The Audit Committee met 6 times during the Financial Year 2019-20. The maximum gap between two meetings was not more than 120 days. The Committee met on 20-04-2019; 17-05-2019; 30-08-2019; 13-09-2019; 14-11-2019 and on 14-02-2020. The necessary quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

4. NOMINATION & REMUNERATION COMMITTEE:

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

Name of the Directors	Functions of the Committee	No. of meetings Attended during 2019-20
Mr. Shailesh Patel, Chairman	All members are Non executive.	During the year under review, meeting of Nomination & Remuneration Committee was held on 14-11-2019. All the members were present. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.
Mr. Hardik Mehta	The Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.	
Mr. Prashant Srivastav		

Terms of reference and Nomination & Remuneration Policy:

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

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

Performance Evaluation Criteria for Independent Directors:

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

5. REMUNERATION OF DIRECTORS:

- Mr. Sanjay S. Shah, Managing Director was paid Rs. 22.75 Lakh as managerial remuneration during the financial year 2019-20.
- Mr. Aarsh S. Shah, Joint Managing Director was paid Rs. 22.75 Lakh as managerial remuneration during the financial year 2019-20.
- Ms. Rita S. Shah, Whole Time Director was paid Rs. Rs. 6.50 Lakh as managerial remuneration during the financial year 2019-20.
- The Directors were not paid any Sitting Fees during the financial year 2019-20.
- No Commission or Stock Option has been offered to the Directors.
- The terms of appointment of Managing Director / Whole-time Director are governed by the resolutions of the members and applicable rules of the Company. None of the Directors are entitled to severance fees.
- Commission based on performance criteria, if any, as approved by the Board and subject to maximum limit specified in the Act.

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 31st March, 2020.

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 31st March, 2020.

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
2016-2017	20-09-2017	02.00 p.m.	Block No. 10/13, Nr. N. M. Desai Petrol Pump, Sarkhej-Bavla Road, Village: Changodar, Tal: Sanand, Dist: Ahmedabad – 382 213 Special Resolution: Authority to Link Intime India Private Limited (RTA) for maintaining Register of Members together with the Index of Members of the Company and copies of Annual Returns.
2017-2018	20-09-2018	02.00 p.m.	Block No. 10/13, Nr. N. M. Desai Petrol Pump, Sarkhej-Bavla Road, Village: Changodar, Tal: Sanand, Dist: Ahmedabad – 382 213 Special Resolution: Authority to Board of Directors of the Company to invest under Section 186 of the Companies Act, 2013.
18-09-2019	18-09-2019	02.00 p.m.	Block No. 10/13, Nr. N. M. Desai Petrol Pump, Sarkhej-Bavla Road, Village: Changodar, Tal: Sanand, Dist: Ahmedabad – 382 213 Special Resolution: 1. Re-appointment Mr. Sanjay S. Shah as Managing Director of the Company for a period of 3 years 2. Re-appointment Mr. Aarsh S. Shah as Joint Managing Director of the Company for a period of 3 years 3. Re-appointment Ms. Rita S. Shah as Whole Time Director of the Company for a period of 3 years

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 2019-20.

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.

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.

Sakar Healthcare Limited

During the year ended on 31st March, 2020, the Company's official investor presentations which are sent to the Stock Exchange are also made available on Company's website.

10. GENERAL SHAREHOLDERS' INFORMATION:

- | | | | | | | | | | | | |
|------------------------|---|---|--|-----------------------|----------------------|---------------------|----------------------------------|---------------------|-----------------------|------------------------|---|
| a) | Registered Office | : | Block No. 10/13, Village: Changodar,
Sarkhej-Bavla Highway, Tal: Sanand,
Dist: Ahmedabad – 382 213 | | | | | | | | |
| b) | Annual General Meeting | : | <table border="0"> <tr> <td>Day</td> <td>Thursday</td> </tr> <tr> <td>Date</td> <td>24th September, 2020</td> </tr> <tr> <td>Time</td> <td>2.00 p.m.</td> </tr> <tr> <td>Venue</td> <td>Through Video Conferencing (VC) /
Other Audio Visual Means (OAVM)
*Pursuant to MCA / SEBI Circulars.
For details please refer to the Notice to
the AGM.</td> </tr> </table> | Day | Thursday | Date | 24 th September, 2020 | Time | 2.00 p.m. | Venue | Through Video Conferencing (VC) /
Other Audio Visual Means (OAVM)
*Pursuant to MCA / SEBI Circulars.
For details please refer to the Notice to
the AGM. |
| Day | Thursday | | | | | | | | | | |
| Date | 24 th September, 2020 | | | | | | | | | | |
| Time | 2.00 p.m. | | | | | | | | | | |
| Venue | Through Video Conferencing (VC) /
Other Audio Visual Means (OAVM)
*Pursuant to MCA / SEBI Circulars.
For details please refer to the Notice to
the AGM. | | | | | | | | | | |
| c) | Financial Year | : | 1 st April, 2019 to 31 st March, 2020 | | | | | | | | |
| d) | Financial Calendar | : | <table border="0"> <tr> <td>1st Quarter Results</td> <td>Mid - August, 2020</td> </tr> <tr> <td>Half yearly Results</td> <td>Mid - November, 2020</td> </tr> <tr> <td>3rd Quarter Results</td> <td>Mid - February, 2021.</td> </tr> <tr> <td>Audited yearly Results</td> <td>End - May, 2021.</td> </tr> </table> | 1st Quarter Results | Mid - August, 2020 | Half yearly Results | Mid - November, 2020 | 3rd Quarter Results | Mid - February, 2021. | Audited yearly Results | End - May, 2021. |
| 1st Quarter Results | Mid - August, 2020 | | | | | | | | | | |
| Half yearly Results | Mid - November, 2020 | | | | | | | | | | |
| 3rd Quarter Results | Mid - February, 2021. | | | | | | | | | | |
| Audited yearly Results | End - May, 2021. | | | | | | | | | | |
| e) | Book Closure | : | From : Friday, the 18 th September, 2020
To : Thursday, the 24 th September, 2020
(Both days inclusive) | | | | | | | | |
| f) | Dividend Payment Date | : | N.A. | | | | | | | | |
| g) | Listing of Shares on Stock Exchanges | : | National Stock Exchange of India Limited-
Main Board
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 001.
The Company has paid the annual listing fees for the
financial year 2020-21 to the Stock Exchange. | | | | | | | | |
| h) | Stock Exchange Code | : | <table border="0"> <tr> <td>Stock Exchange</td> <td>Code / Symbol</td> </tr> <tr> <td>NSE Symbol</td> <td>SAKAR</td> </tr> </table> | Stock Exchange | Code / Symbol | NSE Symbol | SAKAR | | | | |
| Stock Exchange | Code / Symbol | | | | | | | | | | |
| NSE Symbol | SAKAR | | | | | | | | | | |
| i) | Registrar and Share Transfer Agents | : | Registrars and Share Transfer Agents (RTA) for both
Physical and Demat Segment of Equity Shares of the
Company:
Link Intime India Pvt. Ltd.
506-508, Amarnath Business Centre-1 (ABC-1),
Besides Gala Business Centre,
Near St. Xavier's College Corner,
Off C. G. Road, Ellisbridge, Ahmedabad – 380 006
Email id: ahmedabad@linkintime.co.in | | | | | | | | |
| j) | Share Transfer System | : | Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/
2018/24 dated 8 th June, 2018, SEBI has amended
Regulation 40 of the Listing regulations effective from
1 st April, 2019, which deals with transfer or transmission
or transposition of securities. According to this
amendment, the requests for effecting the transfer of
listed securities shall not be processed unless the
securities are held in dematerialised form with a
Depository. Therefore, for effecting any transfer, the
securities shall mandatorily be required to be in Demat
form. However, the transfer deed(s) lodged prior to
the 1 st April, 2019, deadline and returned due to
deficiency in the document, may be re-lodged for
transfer even after the deadline of 1 st April 2019 with
the Registrar and Share transfer Agents of the
Company. Hence, Shareholders are advised to get
their shares dematerialized. | | | | | | | | |

In case of Shares in electronic form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.

k) Stock Price Data:

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

Month	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
April, 2019	72.00	52.00	4,47,006
May, 2019	66.40	52.85	53,782
June, 2019	64.05	44.25	1,44,250
July, 2019	60.95	54.15	87,653
August, 2019	59.45	46.55	1,68,545
September, 2019	54.45	44.00	4,04,840
October, 2019	53.40	44.10	3,08,915
November, 2019	55.00	46.65	2,31,142
December, 2019	69.00	50.40	2,04,470
January, 2020	69.80	58.15	98,320
February, 2020	65.90	57.40	74,250
March, 2020	62.70	46.95	78,732

l) Distribution of Shareholding as on 31st March, 2020:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 500	346	64.07	6950	0.05
501 to 1000	8	1.48	7192	0.05
1001 to 2000	11	2.04	16075	0.11
2001 to 3000	88	16.30	254627	1.70
3001 to 4000	5	0.93	17110	0.11
4001 to 5000	2	0.37	10000	0.07
5001 to 10000	44	8.15	297218	1.99
10001 & Above	36	6.66	14351828	95.92
Grand Total	540	100.00	14961000	100.00

m) Category of Shareholders:

Category	As on 31-03-2020	
	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	10904043	72.88
Financial Institutions/ Banks	-	-
Mutual Fund	-	-
Domestic Companies	2101111	14.04
Indian Public	1952484	13.05
NRIs & CM	3362	0.03
Foreign Corporate	-	-
Grand Total	14961000	100.00

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

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

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

- p) Commodity Price Risks and Commodity Hedging Activities:

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

- q) Plant Location:

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

- r) Address for Correspondence:

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

Link Intime India Pvt. Ltd.

5th Floor, 506 to 508, Amarnath Business Centre – 1 (ABC-1),

Beside Gala Business Centre,

Nr. St. Xavier's College Corner,

Off C. G. Road, Navrangpura,

Ahmedabad -380 006

Tel.: (079) 2646 5179

Email: ahmedabad@linkintime.co.in

Compliance Officer : Ms. Hema Advani, Company Secretary

- s) CREDIT RATINGS:

The Company has been rated as BBB (Stable) - by M/s ICRA Limited Ratings assigned on January 30, 2020.

11. MANAGEMENT DISCUSSION AND ANALYSIS:

a. Industry Structure and Developments:

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

b. Opportunities and Threats (SWOT Analysis):

STRENGTHS:

Experienced Management Team (Collective Domain Experience):

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

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

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

✍ **Modernized Technology (Lyophiliser):**

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

✍ **Wide Therapeutic Segment (22 Categories):**

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

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

Over a period of time, our Company has developed relationships including customers from leading Indian as well as multinational pharmaceutical companies. Our top five customers who have remained with us for over 5 years have accounted for 32.51% of our Company's net sales for the year ended March 31, 2020. These relationships have been further strengthened on account of recurring business from such existing customers. We believe our operating experience and relationship with our customers has helped us in getting further orders and move higher in the value chain with improvement in our results of operations.

✍ **Accreditation & World Wide Recognition:**

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

WEAKNESS:

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

OPPORTUNITIES:

✍ **Migration to the Main Board:**

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

✍ **DSIR Approval:**

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

✍ **Expansion to Oncology:**

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

THREATS:

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

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

c. Segment wise Performance:

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

d. Recent Trend and Future Outlook:

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

e. Risks and Concerns:

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

f. Internal Control Systems and their Adequacy:

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

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2019-20 will be described in the Directors' Report.

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

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

i. Key Financial Ratios:

Key Ratios	FY 2019-20	FY 2018-19	Change %	Explanation, if required
Debtors Turnover (days)	36 Days	51 Days	(29.41%)	The average receivable recovery days have been reduced by 15 days.
Inventory Turnover	93 Days	71 Days	30.99%	The average inventory holding period has increased by 22 days.
Interest Coverage Ratio	6.43	5.08	26.57%	The profit available to serve the interest payment has improved by 26.57% due to decrease in external borrowings from financial institutions and increase in profitability.
Current Ratio	1.52	1.44	(5.56%)	The current ratio has reduced compared to previous year due to increase in advances paid in respect of expansion of commercial operations.
Debt Equity Ratio	0.42	0.36	16.67%	The debt-equity ratio has increased due to decrease in external borrowings from financial institutions.
Operating Profit Margin (%)	17.45%	16.85%	3.56%	The operating profit has improved compared to previous year by 3.56%.
Net Profit Margin (%)	11.60%	9.81%	18.25%	The net-profit has improved compared to previous year by 18.25%
Return on Networth	11.83%	9.33%	26.80%	The return on net-worth has improved compared to previous year by 26.80%

j. Cautionary Statement:

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

12. DISCLOSURES:

- a. The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- b. There has neither been any non compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.
- c. The Company has implemented Vigil Mechanism and Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee.
- d. The Company is in compliance with all mandatory requirements under Listing Regulations. Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time to time.
- e. The policy on related party transactions is disclosed on the Company's website viz.sakarhealthcare.com
- f. Disclosure of Accounting Treatment:

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

Upto 31st March, 2019, the Company prepared its financial statements in accordance with the requirements of previous GAAP, Which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These are company's first Ind AS financial statements with transition as 1st April, 2018. In accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standard", the Company has presented a reconciliation of shareholders' fund at 31st March, 2019 and 1st April, 2018, from the presentation of financial statements under previous GAAP to Ind AS.

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

Accounting policies have been consistently applied except where newly-issued accounting standard is initially adopted for a revision and existing accounting standard requires a change in accounting policy thereto in use.

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

- g. The Company has not raised any funds via Qualified Institutions Placement (QIP) or any such other means during the financial year 2019-20.
- h. A Certificate from M/s. Kashyap R. Mehta & Associates, Practicing Company Secretaries to the effect that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been attached as **Annexure –F**.
- i. During the financial year, the Board of Directors of the Company has not rejected any recommendation of any committee of the Board which was mandatorily required under the Companies Act, 2013 or the Listing Regulations.
- j. The details of total fees for all services paid by the Company to the statutory auditor of the Company viz. M/s. A. L. Thakkar & Co., and all entities in the network firm/network entity of which the statutory auditor is a part are as follows:

(In Lakh)

Type of fee	2019-20	2018-19
Audit Fees	1.00	0.89
Other fees (specify)	-	-
Other fees (specify)	-	-

Sakar Healthcare Limited

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

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

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:

- The quarterly/half yearly results are not sent to the shareholders. However, the same are published in the newspapers and also posted on the Company's website.
- The Company's financial statements for the financial year 2019-20 do not contain any audit qualification.
- The internal auditors report to the Audit Committee.

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

Registered Office
Block No. 10/13, Village: Changodar,
Sarkhej- Bavla Highway,
Tal: Sanand, Dist: Ahmedabad -382 213
Date : 25th July, 2020

For and on behalf of the Board,

Sanjay S. Shah
Chairman & Managing Director
DIN: 01515296

Aarsh S. Shah
Jt. Managing Director
DIN:05294294

DECLARATION

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31st March, 2020.

For and on behalf of the Board

Date : 25th July, 2020
Place : Ahmedabad

Sanjay S. Shah **Jhonny G. Kudilil**
Chairman & Managing Director **CFO**

CERTIFICATE

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

We have examined the compliance of conditions of Corporate Governance by Sakar Healthcare Limited, for the year ended on 31st March, 2020 and also up to the date of this report as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) / Listing Agreement (LA).

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

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

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

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

Place : Ahmedabad
Date : 25th July, 2020

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

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

[#] appointed as Independent Director of the Company for period of 5 consecutive years w.e.f. 04-04-2015

^{*} appointed as Independent Director of the Company for period of 5 consecutive years w.e.f. 30-09-2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Place : Ahmedabad
Date : 25th July, 2020**

**KASHYAP R. MEHTA
PROPRIETOR
FCS: 1821
COP-2052 PR-583/2019
UDIN: F001821B000503212**

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

[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 **whether electronically or otherwise** during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable during the audit period)
 - (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:

- (i) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India

Sakar Healthcare Limited

- (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 & Key Managerial Personnel 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:

- (i) Duly passed a Special Resolution pursuant to the provisions of Sections 188, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and other applicable laws at the 15th Annual General Meeting held on 18th September, 2019 for re-appointment Mr. Sanjay S. Shah as Managing Director of the Company for a period of 3 years with effect from 1st December, 2018.
- (ii) Duly passed a Special Resolution pursuant to the provisions of Sections 188, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and other applicable laws at the 15th Annual General Meeting held on 18th September, 2019 for re-appointment Mr. Aarsh S. Shah as Joint Managing Director of the Company for a period of 3 years with effect from 1st December, 2018.
- (iii) Duly passed a Special Resolution pursuant to the provisions of Sections 188, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and other applicable laws at the 15th Annual General Meeting held on 18th September, 2019 for re-appointment Ms. Rita S. Shah as Whole Time Director of the Company for a period of 3 years with effect from 1st December, 2018.

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

We further report that during the audit period the Company has incorporated a Wholly Owned Subsidiary (WOS) of the Company in the name of 'Sakar Oncology Private Limited' registered with the Registrar of Companies, Gujarat vide certificate of Incorporation dated 29th March, 2020

FOR KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES

KASHYAP R. MEHTA
PROPRIETOR

FRN: S2011GJ166500

FCS: 1821 COP-2052 PR-583/2019

UDIN : F001821B000503245

Place : Ahmedabad
Date : 25th July, 2020

Disclaimer: Due to restricted movement amid COVID-19 pandemic, we have conducted the assignment by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to Financial Year 2019-20. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time due to COVID-19 or still there is time line to comply with such compliances.

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

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

Place : Ahmedabad
Date : 25th July, 2020

FRN: S2011GJ166500
FCS: 1821 COP-2052 PR-583/2019
UDIN : F001821B000503245

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH, 2020

[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: info@sakarhealthcare.com
(6)	Whether Listed Company	Yes Listed on National Stock Exchange of India Limited - Main Board NSE Symbol – SAKAR
(7)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime (India) Private Limited 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ahmedabad 380006 Tel no : (079) 2646 5179 Fax : (079) 2646 5179 Email Address : ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name and Address of Company	CIN	Holding/ Subsidiary / Joint Ventures/ Associate	% of shares held	Applicable Section
1	Sakar Oncology Private Limited Block No. 10-13, Village- Changodar Sarkhej-Bavla Highway Tal- Sanand, Ahmedabad – 382213	U24297GJ2020PTC113326	Wholly Owned Subsidiary	100%	2(87)(ii)

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

Category of Shareholders	No. of Shares held as on 1 st April, 2019				No. of Shares held as on 31 st March, 2020				% Change during 2019-20
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	10770000	-	10770000	71.99	10904043	-	10904043	72.88	0.89
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	10770000	-	10770000	71.99	10904043	-	10904043	72.88	0.89

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) VCF	-	-	-	-	-	-	-	-	-
f) Ins. Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2362000	-	2362000	15.79	2101111	-	2101111	14.04	(1.75)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individuals holding < = Rs.1,00,000	677000	-	677000	4.52	677000	-	522509	3.49	(1.03)
ii) Individuals holding > Rs. 1,00,000	921000	-	921000	6.16	1385787	-	1385787	9.26	3.10
c) Others (specify)									
NRIs	-	-	-	-	300	-	300	0.00	-
OCB	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	114000	-	114000	0.76	3062	-	3062	0.02	(0.74)
HUF	117000	-	117000	0.78	44188	-	44188	0.30	(0.48)
Trust	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	4191000	-	4191000	28.01	4056957	-	4056957	27.12	(0.89)
Total Public Shareholding (B)=(B)(1)+(B)(2)	4191000	-	4191000	28.01	4056957	-	4056957	27.12	(0.89)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	14961000	-	14961000	100.00	14961000	-	14961000	100.00	-

Sakar Healthcare Limited

ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding as on 01-04-2019			Shareholding as on 31-03-2020			% 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	91,17,500	60.94	-	92,51,543	61.84	-	0.90
2	Aarsh Shah	13,07,500	8.74	-	13,07,500	8.74	-	-
3	Rita S. Shah	2,45,000	1.64	-	2,45,000	1.64	-	-
4	Ayushi S. Shah*	1,00,000	0.67	-	1,00,000	0.67	-	-
	TOTAL	1,07,70,000	71.99	-	10904043	72.88	-	0.90

* 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 01-04-2019		Changes during the Year	Shareholding as on 31-03-2020	
		No. of shares	% of total shares		No. of shares	% of total shares
1	Sanjay S. Shah	91,17,500	60.94	1,34,043	92,51,543	61.84

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 01-04-2019		Changes during the Year (increase/ (decrease) due to transfer of Shares)	Shareholding as on 31-03-2020	
		No. of shares	% of total shares		No. of shares	% of total shares
1	Affilado Education System LLP	1188000	7.94	-	1188000	7.94
2	Karvy Stock Broking Ltd (BSE)	455000	3.04	(446900)	8100	0.05
3	Ayan Shirishbhai Shah	429000	2.87	-	429000	2.87
4	Phantom Online Services LLP	50000	0.33	463692	513692	3.43
5	Airmax (Gujarat) Private Limited	217000	1.45	-	217000	1.45
6	Subhash Rathod	144000	0.96	284272	428272	2.86
7	Arcadia Share & Stock Brokers Pvt. Ltd.	78000	0.52	(78000)	-	-
8	Ankita Bagri	51000	0.34	(3000)	48000	0.32
9	Mansi Soni	39000	0.26	-	39000	0.26
10	Karvy Stock Broking Limited – NSE CM	46000	0.31	(29715)	16285	0.11

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding, if any, of each Directors and each Key Managerial Personnel	Shareholding as on 01-04-2019		Changes during the Year (No. of Shares)	Shareholding as on 31-03-2020	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Sanjay S. Shah	91,17,500	60.94	1,34,043	92,51,543	61.84
2.	Rita S. Shah	2,45,000	1.64	-	2,45,000	1.64
3	Aarsh Shah	13,07,500	8.74	-	13,07,500	8.74
4	Johnny George	11,000	0.07	-	11,000	0.07
	TOTAL	10681000	71.39	-	10815043	72.29

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 01-04-2019				
	i) Principal Amount	7,47,29,433	3,64,26,634	-	11,11,56,067
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	7,47,29,433	3,64,26,634	-	11,11,56,067
B.	Change in Indebtedness during 2019-20	5,54,08,447	4,09,225	-	5,58,17,672
C.	Indebtedness as on 31-03-2020				
	i) Principal Amount	13,01,37,880	3,68,35,859	-	16,69,73,739
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	13,01,37,880	3,68,35,859	-	16,69,73,739

Sakar Healthcare Limited

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		
		Sanjay S. Shah - Managing Director	Rita S. Shah – Executive Director	Aarsh S. Shah- Jt. Managing Director
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 22.75	Rs. 6.50	Rs. 22.75
	(b) Value of perquisites u/s 17(2)Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, Please specify	-	-	-
	Total (A)	Rs. 22.75	Rs. 6.50	Rs. 22.75
	Ceiling as per the Companies Act	Rs. 168 Lakh	Rs. 168 Lakh	Rs. 168 Lakh

B. Remuneration to other Directors:

No Disclosure is required as there is no remuneration paid.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Ms. Hema L. Advani – Company Secretary	Mr. Johnny G. Kudilil– CFO	Ms. Ayushi Shah - Administrative Executive	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 3.46	Rs. 5.82	Rs. 5.20	Rs. 14.48
	(b) Value of perquisites u/s 17(2)Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
5.	Others, Please specify	-	-	-	-
	Total	Rs. 3.46	Rs. 5.82	Rs. 5.20	Rs. 14.48

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Registered Office
Block No. 10/13, Village: Changodar,
Sarkhej- Bavla Highway,
Tal: Sanand, Dist: Ahmedabad -382 213
Date : 25th July, 2020

For and on behalf of the Board,

Sanjay S. Shah
Chairman & Managing Director
DIN: 01515296

Aarsh S. Shah
Jt. Managing Director
DIN:05294294

ANNUAL REPORT ON CSR ACTIVITIES

Sr. No.	Particulars				Description			
1	Brief outline of the Company's Corporate Social Responsibility (CSR) Policy, including overview of projects and/ or programs proposed to be taken and a reference to the web link to the CSR Policy and projects and/ or programs				In compliance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the Company has framed a CSR Policy.On recommendation of CSR Committee, the Board of Directors approved the CSR spending on sectors like Education & Promoting healthcare.www.sakarhealthcare.com			
2	Composition of the CSR Committee				1. Mr. Sanjay S. Shah - Chairman 2. Mr. Aarsh S. Shah - Member 3. Mr. Prashant C. Srivastav - Member			
3	Average Net Profit of the Company for the last three financial years				Rs. 688.32 Lakh			
4	Prescribed CSR Expenditure (two percent of the amount as in item No. 3)				Rs. 13.77 Lakh			
5(a)	Details of CSR spent during the financial year 2019-20:				Total amount spent for the financial year:Rs. 14.00 Lakh			
5(b)	Amount unspent :				NIL / Not applicable			
5(c)	Manner in which the amount spent during the financial year ended on 31 st March, 2020 is detailed below:							
	Sr. No	CSR Project / Activity identified	Sector in which the Project is covered	Location	Amount outlay (budget) project/ programs wise (Rs.)	Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on projects or programs (2) Overheads: (Rs.)	Cumulative expenditure up to the reporting period (Rs.)	Amount spent: Direct /through implementing agency
	1	Aadhar Foundation	Education & Health Care	Ahmedabad	Rs. 14.00 Lakh	Rs. 14.00 Lakh	Rs. 14.00 Lakh	Through Implementation Agency
6	In case the Company fails to spend the 2% of the Average Net Profit, the reasons for not spending the amount shall be stated in the Board report				Not applicable			
7	We hereby confirm that the CSR policy as approved by the Board has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with the CSR objectives							

Registered Office
Block No. 10/13, Village: Changodar,
Sarkhej- Bavla Highway,
Tal: Sanand, Dist: Ahmedabad -382 213
Date : 25th July, 2020

For and on behalf of the Board,

Sanjay S. Shah
Chairman & Managing Director
DIN:01515296

Aarsh S. Shah
Jt. Managing Director
DIN: 05294294

FORM AOC-I

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

PART “A”: SUBSIDIARIES

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

Sr.No.	Particulars	Details
1.	Name of the subsidiary	Sakar Oncology Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	29 th March, 2020 to 31 st March, 2021
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share Capital	Rs. 1,00,000/-
5.	Reserves & surplus	Nil
6.	Total assets	Nil
7.	Total Liabilities	Nil
8.	Investments	Nil
9.	Turnover	Nil
10.	Loss before taxation	Nil
11.	Provision for taxation	Nil
12.	Loss after taxation	Nil
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

Note: Sakar Oncology Private Limited has recently initiated its operations.

PART “B”: ASSOCIATES AND JOINT VENTURES

The Company does not have any Associate companies/ JVs.

Registered Office
Block No. 10/13, Village: Changodar,
Sarkhej- Bavla Highway,
Tal: Sanand, Dist: Ahmedabad -382 213
Date : 25th July, 2020

For and on behalf of the Board,

Sanjay S. Shah
Chairman & Managing Director
DIN:01515296

Aarsh S. Shah
Jt. Managing Director
DIN: 05294294

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
SAKAR HEALTHCARE LIMITED

Report on the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **SAKAR HEALTHCARE LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and cash flows for the year ended on that date.

Basis for opinion

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

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

Key audit matters

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

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

Information Other than the Standalone financial statements and Auditor's Report Thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone financial statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Sakar Healthcare Limited

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

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As inform to us the Company does not have any pending litigations which would impact its financial statement.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sanjiv V Shah
 Partner

Place : Ahmedabad
 Date : 25.06.2020

Membership number: 042264
 UDIN : 20042264AAAACN6305

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2020, 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.

Sakar Healthcare Limited

- (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- (ix) In our opinion and according to the information and explanations given to us, the Company has applied moneys raised by way of initial public offer and the term loans for the purposes for which these were raised.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given 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 standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not offer any private placement of shares during the year under review.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Sanjiv V Shah

Partner

Membership number: 042264

UDIN : 20042264AAAACN6305

Place : Ahmedabad

Date : 25.06.2020

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

We have audited the internal financial controls over financial reporting of **SAKAR HEALTHCARE LIMITED** ("the Company") as of 31st March 2020 in conjunction with our audit of the standalone 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone 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 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sanjiv V Shah

Partner

Place : Ahmedabad

Date : 25.06.2020

Membership number: 042264
UDIN : 20042264AAAACN6305

Sakar Healthcare Limited
BALANCE SHEET AS ON 31ST MARCH, 2020

Particulars	Notes	Amount (Rs.)		
		As at 31 March 2020	As at 31 31 March 2019	As at 01 April 2018
Assets				
Non-current assets				
Property, plant and equipment	4	62,40,75,328	58,15,80,696	50,96,51,897
Capital Work in Progress		13,09,52,537	8,65,94,000	-
Intangible assets	5	3,28,00,338	5,37,86,481	2,36,33,171
Non-current Investments	6	1,00,000	-	-
Financial assets				
- Loans and Advances	7	80,80,177	25,44,602	25,47,968
Other non-current assets	8	13,87,02,130	4,87,53,859	4,34,59,587
Total non-current assets		93,47,10,510	77,32,59,638	57,92,92,623
Current assets				
Inventories	9	10,93,33,243	6,85,63,203	3,93,12,784
Financial assets				
- Trade receivables	10	8,23,39,951	9,50,30,235	10,81,16,489
- Cash and cash equivalents	11	29,59,481	36,67,973	36,23,090
- Loans and Advances	12	7,57,351	-	-
Other current assets	13	2,11,32,571	3,33,19,441	6,49,18,191
Total current assets		21,65,22,597	20,05,80,852	21,59,70,554
Total assets		1,15,12,33,107	97,38,40,490	79,52,63,177
Equity and liabilities				
Equity				
Equity share capital	14	14,96,10,000	14,96,10,000	12,21,10,000
Other equity	15	66,35,86,560	56,77,35,100	39,79,71,220
Total equity		81,31,96,560	71,73,45,100	52,00,81,220
Liabilities				
Non-current liabilities				
Financial liabilities				
- Borrowings	16	12,47,21,461	5,21,49,654	8,78,56,481
Deferred Tax Liabilities	17	6,39,58,337	6,07,81,394	5,94,49,031
Provisions	18	69,76,412	47,18,259	14,58,665
Total non-current liabilities		19,56,56,210	11,76,49,307	14,87,64,177
Current liabilities				
Financial liabilities				
- Borrowings	19	2,26,31,525	2,73,33,097	1,36,92,648
- Trade Payables	20	5,44,05,966	3,98,94,563	4,40,73,075
- Other financial liabilities	21	1,96,20,753	3,16,73,316	3,33,38,916
Other current liabilities	22	3,01,73,458	1,95,36,491	2,50,30,019
Current-tax liabilities	23	1,55,48,635	2,04,08,616	1,02,83,122
Total current liabilities		14,23,80,337	13,88,46,083	12,64,17,780
Total liabilities		33,80,36,547	25,64,95,390	27,51,81,957
Total equity and liabilities		1,15,12,33,107	97,38,40,490	79,52,63,177

Summary of significant accounting policies

The accompanying notes form an integral part of these financials statements

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

Sanjiv Shah
Partner
Membership No. : 42264

Place : Ahmedabad
Date : 25th June, 2020

For and on behalf of the Board

Sanjay S. Shah
Managing Director
DIN: 1515296

Jhonny G. Kudilil
Chief Financial Officer

Rita S. Shah
Whole Time Director
DIN: 1515340

Hema Advani
Company Secretary

Place : Ahmedabad
Date : 25th June, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Notes	Amount (Rs.)	
		For the year ended 31st March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	24	82,98,02,396	68,24,93,490
Other income	25	2,01,68,433	68,10,592
Total income		84,99,70,829	68,93,04,082
Expenses			
Cost of materials and services	26	42,89,75,977	35,29,53,046
Changes in inventories of finished goods and work-in-progress	27	15,07,247	11,10,303
Employee benefits expense	28	12,12,92,072	8,95,30,161
Finance costs	29	2,25,25,946	2,26,55,425
Depreciation and amortization expense	30	7,07,98,059	6,03,97,282
Other expenses	31	8,26,02,445	7,03,12,791
Total expenses		72,77,01,746	59,69,59,008
Profit before tax		12,22,69,083	9,23,45,074
Tax expense:	32		
Current tax		2,51,00,000	2,50,00,000
Tax of earlier periods		12,14,549	9,41,177
Deferred tax		(2,73,918)	(5,24,303)
Less: MAT credit entitlement		-	-
Income tax expense		2,60,40,631	2,54,16,874
Profit for the year		9,62,28,452	6,69,28,200
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on defined benefit plans		(5,82,921)	(22,13,958)
Income tax related to item that will not be reclassified to profit and loss		1,62,169	6,15,923
Net other comprehensive (expense) not to be reclassified to profit or loss in subsequent periods		(4,20,752)	(15,98,035)
Total comprehensive income for the year		9,58,07,700	6,53,30,165

The accompanying notes form an integral part of these financials statements

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

Sanjiv Shah
Partner
Membership No. : 42264

Place : Ahmedabad
Date : 25th June, 2020

For and on behalf of the Board

Sanjay S. Shah
Managing Director
DIN: 1515296

Jhonny G. Kudilil
Chief Financial Officer

Place : Ahmedabad
Date : 25th June, 2020

Rita S. Shah
Whole Time Director
DIN: 1515340

Hema Advani
Company Secretary

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2020

Particulars	Amount (Rs.)	
	For year ended on 31st March 2020	For year ended on 31 March 2019
Profit before Taxes	12,22,69,083	9,23,45,074
Adjustments:		
Depreciation	7,07,98,059	6,03,97,282
Interest Expense	2,10,51,984	2,05,01,226
Changes in Working Capital		
Inventories	(4,07,70,040)	(2,92,50,419)
Financial assets		
- Trade receivables	1,26,90,284	1,30,86,254
- Loans and Advances	(7,57,351)	-
Other current assets	1,21,86,870	3,15,98,750
Financial assets		
- Loans and Advances	(55,35,575)	3,366
Other non-current assets	(8,99,48,271)	(52,94,272)
Financial liabilities		
- Borrowings		
- Trade Payables	1,45,11,403	(41,78,512)
- Other financial liabilities	-	-
Other current liabilities	1,06,36,967	(54,93,528)
Provisions	18,37,401	16,61,559
Cashflow from Operating Activity before Taxes	12,89,70,814	17,53,76,780
Net Tax Paid	(2,77,23,669)	(1,39,59,017)
Net Cashflow from Operating Activity	10,12,47,145	16,14,17,763
Cashflow from Investing Activity		
Purchase of Property, Plant & Equipments	(13,31,06,416)	(20,14,34,930)
Purchase of Intangible Assets	(35,58,669)	(4,76,38,461)
Investment in Subsidiary	(1,00,000)	
Net Cashflow from Investing Activity	(13,67,65,085)	(24,90,73,391)
Cashflow from Financing Activity		
Proceeds from issue of shares	43,760	13,19,33,715
Proceeds / (Repayment) of Borrowings	5,20,99,265	(2,79,25,535)
Interest Paid	(1,73,33,577)	(1,63,07,669)
Net Cashflow from Financing Activity	3,48,09,448	8,77,00,511
Net Cash Inflow / (Outflow)	(7,08,492)	44,883
Opening Cash and Cash Equivalent	36,67,973	36,23,090
Closing Cash and Cash Equivalent	29,59,481	36,67,973

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

(2) Disclosure required under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is presented in note - 42

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

Sanjiv Shah
Partner
Membership No. : 42264

Place : Ahmedabad
Date : 25th June, 2020

For and on behalf of the Board

Sanjay S. Shah
Managing Director
DIN: 1515296

Jhonny G. Kudilil
Chief Financial Officer

Place : Ahmedabad
Date : 25th June, 2020

Rita S. Shah
Whole Time Director
DIN: 1515340

Hema Advani
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020**A. Equity share capital**

(Amount in Rs.)

Equity shares of Rs. 10/- each issued, subscribed and fully paid up	Number of shares	Amount
As at 31 March 2018	1,22,11,000	12,21,10,000
Issue/(reduction), if any during the year	27,50,000	2,75,00,000
As at 31 March 2019	1,49,61,000	14,96,10,000
Issue/(reduction), if any during the year	-	-
As at 31 March 2020	1,49,61,000	14,96,10,000

B. Other equity

(Amount in Rs.)

Particulars	Retained earnings	General reserve	Other comprehensive income Re-measurement of defined benefit plan	Securities Premium Reserve	Total
As on 01 April, 2018	14,69,32,704	4,67,50,000	-	-	19,36,82,704
Profit for the year	6,69,28,200	-	-	-	6,69,28,200
Movement for the year	-	-	(15,98,035)	15,12,50,000	14,96,51,965
As on 31 March, 2019	21,38,60,904	4,67,50,000	(15,98,035)	15,12,50,000	41,02,62,869
Profit for the year	9,62,28,452	-	-	-	9,62,28,452
Movement for the year	-	-	(4,20,752)	43,760	(3,76,992)
As on 31 March, 2020	31,00,89,356	4,67,50,000	(20,18,787)	15,12,93,760	50,61,14,329

The accompanying notes form an integral part of these financials statements

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

Sanjiv Shah
Partner
Membership No. : 42264

Place : Ahmedabad
Date : 25th June, 2020

For and on behalf of the Board

Sanjay S. Shah
Managing Director
DIN: 1515296

Jhonny G. Kudilil
Chief Financial Officer

Place : Ahmedabad
Date : 25th June, 2020

Rita S. Shah
Whole Time Director
DIN: 1515340

Hema Advani
Company Secretary

Sakar Healthcare Limited

Significant Accounting Policies:

1 Corporate Information

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

2.1 Basis of Preparation of Financial Statements

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

Upto 31st March, 2019, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the companies (Accounting Standards) Rules, 2006. These are company's first Ind AS financial statements with transition date as 1st April, 2018. In accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standard", the Company has presented a reconciliation of shareholders' fund at 31st March, 2019 and 1st April, 2018, from the presentation of financial statements under previous GAAP to Ind AS.

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

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

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

2.2 Significant accounting estimates and assumptions

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

Estimates and assumptions

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

The significant estimates and judgments are listed below:

- (i) Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.
- (ii) Judgments by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.
- (iii) Significant judgment is required in assessing at each reporting date whether there is indication that a financial asset may be impaired.
- (iv) The impairment provision for financial assets are based on the assumptions about risk of default and expected loss rates. The company uses judgments in making the assumptions and selecting the inputs to the impairment calculations, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.
- (v) Significant judgment is required in assessing at each reporting date whether there is indication that a non-financial asset may be impaired.
- (vi) Significant judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

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

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

2.3 Summary of significant accounting policies

a) Current versus non-current classification

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

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

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b) Inventories

Stores and Spares:

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

c) Cash and cash equivalents

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

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

d) Property, plant and equipment (PPE)

Property, plant and equipment (including capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, directly and indirectly attributable costs arising directly from the development of the asset / project to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the

company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

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

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

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

e) Revenue recognition

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

Sale of products and services

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

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

Sales Returns

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

Interest income

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

Government Grants

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

f) Foreign Currency

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

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

g) Retirement and other employee benefits

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

h) Provident fund

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

i) Gratuity fund

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

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

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

- > Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- > Net interest expense or income.

j) Compensated absences

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

k) Borrowing costs

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

l) Segment reporting

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

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

m) Related party transactions

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

n) Earnings per share

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

o) Taxes

Tax expense comprises of current and deferred tax.

i) Current income tax

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

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

ii) Deferred tax

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

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

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

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

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

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

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

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

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

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

p) Impairment of non-financial assets

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

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

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

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

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

q) Provisions, contingent liabilities and contingent assets

General

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

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

Contingent liabilities and contingent assets

Contingent liabilities is disclosed in the case of :

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

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

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

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

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

Expenditure

Expenditures are accounted net of taxes recoverable, wherever applicable.

r) Fair value measurement

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

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

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

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

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

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

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

- > Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities .
- > Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- > Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

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

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

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

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

s) Financial instruments

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

(A) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- > Debt instruments at amortised cost.
- > Debt instruments at fair value through other comprehensive income (FVTOCI).
- > Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
- > Equity instruments measured at fair value through other comprehensive income (FVTOCI).

i) Debt instruments at amortised cost

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

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

ii) Debt instrument at FVTOCI

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

iii) Debt instrument at FVTPL

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

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

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

(B) Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present

in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances.
- b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI).
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

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

- > Trade receivables or contract revenue receivables; and
- > All lease receivables resulting from transactions within the scope of Ind AS 17.

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

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

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

Financial liabilities**Initial recognition and measurement**

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

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

Subsequent Measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

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

Derecognition

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

Reclassification of financial instruments

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

Offsetting financial assets and financial liabilities

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

t) Leases

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

Right-of-use assets

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

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

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

3. First Time Adoption of Ind AS

These financial statements of Sakar Healthcare Limited for the year ended March 31, 2020 have been prepared in accordance with Ind AS. This is Company's first set of financial statements in accordance with Ind AS. For the purposes of transition to Ind AS, the company has followed the guidance prescribed under Ind AS 101- First Time adoption of Indian Accounting Standard, with April 1, 2018 as the transition date and IGAAP as previous GAAP.

The transition to Ind AS has resulted in the changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies in note 2 have been applied in preparing the financial statements for the year ended on March 31, 2020 and the comparative. An explanation of how the previous GAAP to Ind AS has affected the company's Financial statements is set below. Further, Exemption on first time adoption of Ind AS availed in accordance with Ind AS have been set out hereunder:

Options availed on the first time adoption of Ind AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following Ind AS 101 exemptions from the transition date i.e. April 01, 2018 :

- The Company has elected to avail exemption under Ind AS 101 to use Indian GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment and intangible assets as per the statement of financial position prepared in accordance with previous GAAP.
- The Company has elected to measure investments in subsidiaries, associates and jointly controlled entities as per the statement of financial position prepared in accordance with previous GAAP as deemed cost at the date of transition as per exemption available under Ind AS 101.
- The estimates at April 01, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

The Company has prepared a reconciliation of the amounts of net profit as reported under the Previous GAAP to those computed as per Ind AS and the same is given in note below. The Company has also prepared a reconciliation of the amounts of total equity as reported under the Previous GAAP to those computed as per Ind AS and the same is given below.

3.1 Reconciliation of equity as on 31 March 2019 and 31 March 2018

Particulars	As at 31 March 2019			As at 1 April 2018		
	IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
Assets						
Non-current assets						
Property, plant and equipment	58,15,80,696	-	58,15,80,696	50,96,51,897	-	50,96,51,897
Capital Work in Progress	8,65,94,000	-	8,65,94,000	-	-	-
Other intangible assets	5,37,86,481	-	5,37,86,481	2,36,33,171	-	2,36,33,171
Financial assets						
Loans	40,66,303	(15,21,701)	25,44,602	35,19,164	(9,71,196)	25,47,968
Other non-current assets	-	4,87,53,859	4,87,53,859	-	4,34,59,587	4,34,59,587
	72,60,27,480	4,72,32,158	77,32,59,638	53,68,04,232	4,24,88,391	57,92,92,623
Current assets						
Inventories	6,85,63,203	-	6,85,63,203	3,93,12,784	-	3,93,12,784
Financial assets						
Trade receivables	9,50,97,665	(67,430)	9,50,30,235	10,81,93,205	(76,716)	10,81,16,489
Cash and cash equivalents	36,67,973	-	36,67,973	36,23,090	-	36,23,090
Loans	9,16,19,359	(9,16,19,359)	-	12,09,46,931	(12,09,46,931)	-
Other current assets	18,73,107	3,14,46,334	3,33,19,441	21,17,051	6,28,01,140	6,49,18,191
	26,08,21,307	(6,02,40,455)	20,05,80,852	27,41,93,061	(5,82,22,507)	21,59,70,554
Total assets	98,68,48,787	(1,30,08,297)	97,38,40,490	81,09,97,293	(1,57,34,116)	79,52,63,177
Equity and liabilities						
Equity						
Equity share capital	14,96,10,000	-	14,96,10,000	12,21,10,000	-	12,21,10,000
Money received against Share Warrant	-	-	-	4,67,50,000	(4,67,50,000)	-
Other equity	56,74,26,921	3,08,179	56,77,35,100	34,60,66,471	5,19,04,749	39,79,71,220
Total equity	71,70,36,921	3,08,179	71,73,45,100	51,49,26,471	51,54,749	52,00,81,220
Liabilities						

Sakar Healthcare Limited

Particulars	Amount (Rs.)					
	As at 31 March 2019			As at 1 April 2018		
	IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
Non-current liabilities						
Financial liabilities						
Borrowings	5,85,27,443	(63,77,789)	5,21,49,654	9,84,27,826	(1,05,71,345)	8,78,56,481
Deferred Tax Liabilities (net)	7,09,08,445	(1,01,27,051)	6,07,81,394	6,97,66,551	(1,03,17,520)	5,94,49,031
Provisions	-	47,18,259	47,18,259	-	14,58,665	14,58,665
	12,94,35,888	(1,17,86,581)	11,76,49,307	16,81,94,377	(1,94,30,200)	14,87,64,177
Current liabilities						
Financial liabilities						
Borrowings	2,73,33,097	-	2,73,33,097	1,36,92,648	-	1,36,92,648
Trade payables	3,98,94,563	-	3,98,94,563	4,40,73,075	-	4,40,73,075
Other financial liabilities	-	3,16,73,316	3,16,73,316	-	3,33,38,916	3,33,38,916
Other current liabilities	5,12,09,807	(3,16,73,316)	1,95,36,491	5,83,68,935	(3,33,38,916)	2,50,30,019
Provisions	15,29,895	(15,29,895)	-	14,58,665	(14,58,665)	-
Income-tax liabilities (net)	2,04,08,616	-	2,04,08,616	1,02,83,122	-	1,02,83,122
	14,03,75,978	(15,29,895)	13,88,46,083	12,78,76,445	(14,58,665)	12,64,17,780
Total liabilities	26,98,11,866	(1,33,16,476)	25,64,95,390	29,60,70,822	(2,08,88,865)	27,51,81,957
Total equity and liabilities	98,68,48,787	(1,30,08,297)	97,38,40,490	81,09,97,293	(1,57,34,116)	79,52,63,177

3.2 Reconciliation of Statement of Profit and Loss for the year ended 31 March 2019

Particulars	Amount (Rs.)		
	IGAAP	Adjustments	Ind AS
Income			
Revenue from operations	68,24,93,490	-	68,24,93,490
Other income	68,01,306	9,286	68,10,592
Total income	68,92,94,796	9,286	68,93,04,082
Expenses			
Cost of materials and services	35,29,53,046	-	35,29,53,046
Changes in inventories of finished goods and stock in trade	11,10,303	-	11,10,303
Employee benefits expense	8,85,55,755	9,74,406	8,95,30,161
Finance costs	1,84,61,868	41,93,557	2,26,55,425
Depreciation and amortization expense	6,03,97,282	-	6,03,97,282
Other expenses	7,05,56,735	(2,43,944)	7,03,12,791
Total expenses	59,20,34,989	49,24,019	59,69,59,008
Profit/(loss) before tax	9,72,59,807	(49,14,733)	9,23,45,074
Tax expense:			
Current tax	2,50,00,000	-	2,50,00,000
Tax of earlier periods	9,41,177	-	9,41,177
Deferred tax	11,41,895	(16,66,198)	(5,24,303)
Less: MAT credit entitlement	-	-	-
Income tax expense	2,70,83,072	(16,66,198)	2,54,16,874
Profit/(loss) for the year	7,01,76,735	(32,48,535)	6,69,28,200
Other comprehensive income ('OCI')			
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement losses on defined benefit plans	-	(22,13,958)	(22,13,958)
Income tax effect	-	6,15,923	6,15,923
Net other comprehensive expense not to be reclassified to profit or loss in subsequent periods	-	(15,98,035)	(15,98,035)
Other comprehensive expense for the year	-	(15,98,035)	(15,98,035)
Total comprehensive income for the year	7,01,76,735	(48,46,570)	6,53,30,165

3.3 Statement of reconciliation of other equity

Particulars	Amount (Rs.)	
	As at 31 March 2019	As at 1 April 2018
Other equity as per IGAAP	56,74,26,921	34,60,66,471
Adjustment for expenses relating to issue of shares	-	-
Fair value adjustment of interest free unsecured loan	26,50,893	53,34,839
Expected Credit Loss	(67,382)	(76,661)
Other adjustments	(22,75,332)	4,66,46,571
Deferred tax impact	-	-
Net increase/(decrease)	3,08,179	5,19,04,749
Other equity as per Ind AS	56,77,35,100	39,79,71,220

3.4 Notes to reconciliation between Indian GAAP and Ind AS**a) Measurement of financial assets and financial liabilities at amortised cost**

Under Indian GAAP, all financial assets and financial liabilities were carried at cost. Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. In applying the effective interest method, an entity identifies fees that are an integral part of the effective interest rate of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability. For certain financial liabilities, the fair value of the financial liability at the date of transition to Ind AS has been considered as the new amortised cost of that financial liability at the date of transition to Ind AS.

b) Deferred tax

Under Indian GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

c) Statement of Cash Flows

The transition from Indian GAAP to Ind AS does not have material impact on the statement of cash flows.

d) Remeasurements of post - employment benefits obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of Statement of Profit and Loss. Under Indian GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year. As a result of this change, the profit for the year ended March 31, 2019 has increased by Rs. 22,13,928. There is no impact on total equity.

e) Retained earnings

Retained earnings as at 1st April, 2018 have been adjusted consequent to the above Ind AS transition adjustments.

f) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit and loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans and foreign exchange gains/ losses on translation of foreign operations.

The concept of other comprehensive income did not exist under Indian GAAP.

g) Minimum alternative tax

Ind AS 12 requires classification of MAT credit as deferred tax asset. Accordingly, the Company has reclassified MAT credit from loans and advances to deferred tax asset on each reporting date. There is no impact on the total equity or profit as a result of this adjustment.

h) Expected credit loss

Under Indian GAAP, provision for doubtful debts was recognised based on the estimates of the outcome and of the financial effect of contingencies determined by the management of the Company. This judgement was based on consideration of information available up to the date on which the financial statements were approved and included a review of events occurring after the balance sheet date.

Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortised cost. Expected loss on individually significant receivables is assessed when they are past due and based on company's historical counterparty default rates and forecast of macro-economic factors. Other receivables have been segmented by reference to the industry of the counterparty and other shared credit risk characteristics to evaluate the expected credit loss. The expected credit loss estimate is then based on recent historical counterparty default rates for each identified segment.

Note 4 - Property, plant and equipment

(Amount in Rs.)																
	Air Conditioner	Boiler	Computer	D.G. Set	Electrical Installation	Factory Building	Factory Land and Development	Furniture	Other Equipment	Telephone Instruments	Laboratory Equipments	Plants & Machinery	Scale	Vehicles	Trolley	Total
Deemed cost																
As at 1 April 2018	45,61,518	9,53,493	7,23,208	20,92,322	1,77,29,694	10,15,43,388	1,73,48,390	1,69,95,717	1,54,43,059	2,41,072	2,84,24,073	28,91,98,107	1,25,694	1,25,92,457	16,79,705	50,96,51,897
Additions	2,27,094	-	6,99,551	-	5,73,807	4,04,68,825	-	9,40,967	48,24,185	-	1,50,54,335	4,08,69,782	-	1,11,82,384	-	11,48,40,930
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	47,88,612	9,53,493	14,22,759	20,92,322	1,83,03,501	14,20,12,213	1,73,48,390	1,79,36,684	2,02,67,244	2,41,072	4,34,78,408	33,00,67,889	1,25,694	2,37,74,841	16,79,705	62,44,92,827
Additions	2,08,615	-	8,45,036	-	6,86,783	-	3,60,08,118	8,48,479	17,24,323	1,47,450	1,87,63,152	2,47,12,544	-	48,03,379	-	8,87,47,879
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2020	49,97,227	9,53,493	22,67,795	20,92,322	1,89,90,284	14,20,12,213	5,33,56,508	1,87,85,163	2,19,91,567	3,88,522	6,22,41,560	35,47,80,433	1,25,694	2,85,78,220	16,79,705	71,32,40,706
Accumulated Depreciation																
As at 1 April 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	4,31,735	90,398	8,89,650	1,88,273	33,89,933	42,21,935	-	25,39,487	11,04,547	35,138	47,53,802	2,17,22,119	10,172	34,32,145	1,02,797	4,29,12,131
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	4,31,735	90,398	8,89,650	1,88,273	33,89,933	42,21,935	-	25,39,487	11,04,547	35,138	47,53,802	2,17,22,119	10,172	34,32,145	1,02,797	4,29,12,131
Additions	4,42,676	90,398	2,24,266	1,88,273	33,90,112	54,78,858	-	25,63,126	11,72,744	39,907	63,10,765	2,26,33,487	10,172	36,05,663	1,02,797	4,62,53,247
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2020	8,74,411	1,80,795	11,13,916	3,76,547	67,80,046	97,00,793	-	51,02,613	22,77,292	75,046	1,10,64,567	4,43,55,606	20,345	70,37,808	2,05,593	8,91,65,378
Net block																
As at 31 March 2020	41,22,816	7,72,698	11,53,879	17,15,775	1,22,10,238	13,23,11,420	5,33,56,508	1,36,82,550	1,97,14,275	3,13,476	5,11,76,993	31,04,24,827	1,05,349	2,15,40,412	14,74,112	62,40,75,328
As at 31 March 2019	43,56,877	8,63,095	5,33,109	19,04,049	1,49,13,568	13,77,90,278	1,73,48,390	1,53,97,197	1,91,62,697	2,05,934	3,87,24,606	30,83,45,770	1,15,522	2,03,42,696	15,76,908	58,15,80,696
As at 1 April 2018	45,61,518	9,53,493	7,23,208	20,92,322	1,77,29,694	10,15,43,388	1,73,48,390	1,69,95,717	1,54,43,059	2,41,072	2,84,24,073	28,91,98,107	1,25,694	1,25,92,457	16,79,705	50,96,51,897

Notes to standalone financials statements for the year ended 31 March 2020**Note 5 - Other intangible assets**

	Other Intangibles	Total
Deemed Cost		
As at 1 April 2018	2,36,33,171	2,36,33,171
Additions	4,76,38,461	4,76,38,461
Deductions	-	-
Adjustments	-	-
As at 31 March 2019	7,12,71,632	7,12,71,632
Additions	35,58,669	35,58,669
Deductions	-	-
	7,48,30,301	7,48,30,301
Accumulated Depreciation/ Amortization		
As at 1 April 2018	-	-
Depreciation for the year	1,74,85,151	1,74,85,151
Deductions	-	-
Adjustments*	-	-
As at 31 March 2019	1,74,85,151	1,74,85,151
Additions	2,45,44,812	2,45,44,812
Deductions	-	-
As at 31st March 2020	4,20,29,963	4,20,29,963
Net Block		
As at 31 March 2020	3,28,00,338	3,28,00,338
As at 31 March 2019	5,37,86,481	5,37,86,481
As at 1 April 2018	2,36,33,171	2,36,33,171

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019	As at 1st April 2018
6 Investments			
<u>Non - Current</u>			
Investments in Subsidiary (at Cost)			
Sakar Oncology Private Limited	1,00,000	-	-
	1,00,000	-	-
7 Loans and Advances			
<u>Non - Current</u>			
Deposits	80,80,177	25,44,602	25,47,968
	80,80,177	25,44,602	25,47,968
8 Other assets			
Capital advances	13,87,02,130	4,87,53,859	4,34,59,587
	13,87,02,130	4,87,53,859	4,34,59,587
9 Inventories*			
Raw material and components:			
Raw Material/Packing Material / Stores & Consumables	8,34,15,028	4,11,37,741	1,07,77,019
Finished Goods / Stock in Process	2,59,18,215	2,74,25,462	2,85,35,765
	10,93,33,243	6,85,63,203	3,93,12,784

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

Sakar Healthcare Limited

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019	As at 1st April 2018
10 Trade receivables			
(Unsecured, considered good unless otherwise stated)			
Trade receivables	8,23,39,951	9,50,30,235	10,81,16,489
from others	8,23,39,951	9,50,30,235	10,81,16,489
Break up for security details			
Unsecured, considered good	8,23,98,335	9,50,97,617	10,81,93,150
Unsecured, considered doubtful	-	-	-
Provision for doubtful debts	(58,384)	(67,382)	(76,661)
	8,23,39,951	9,50,30,235	10,81,16,489
11 Cash and cash equivalents*			
Balances with banks:			
Balance in current account	22,27,498	23,79,442	22,20,398
Cash on hand	7,31,983	12,88,531	14,02,692
	29,59,481	36,67,973	36,23,090
*There are no repatriation restriction with regard to cash and cash equivalents as at the end of the reporting period and prior period			
12 Loans & Advances			
Loan to Related Party	7,57,351	-	-
	7,57,351	-	-
13 Other current assets			
Balance with government authorities	1,91,28,686	3,05,84,318	6,19,13,043
Advances against goods and services	12,48,877	5,08,000	11,54,850
Prepaid Expenses	7,55,008	7,05,422	8,79,102
Other Advances	-	15,21,701	9,71,196
	2,11,32,571	3,33,19,441	6,49,18,191
14 Share capital			
A) Authorized, issued, subscribed and paid up share capital			
Authorised			
15,000,000 equity shares of Rs. 10 each	15,00,00,000	15,00,00,000	15,00,00,000
(31 March 2019 15,000,000 equity shares and			
1st April 2018 15,000,000 equity shares)	15,00,00,000	15,00,00,000	15,00,00,000
Issued, subscribed and fully paid up shares			
14,961,000 equity shares of Rs. 10 each	14,96,10,000	14,96,10,000	12,21,10,000
(31 March 2019 14,961,000 equity shares and			
1st April 2018 12,211,000 equity shares)	14,96,10,000	14,96,10,000	12,21,10,000

Notes:

(a) Reconciliation of the number of the shares outstanding as the beginning and end of the year:

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,49,61,000	14,96,10,000	1,22,11,000	12,21,10,000
Movement during the year	-	-	27,50,000	2,75,00,000
At the end of the year	1,49,61,000	14,96,10,000	1,49,61,000	14,96,10,000

(b) Terms/rights attached to equity shares:

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

The Company did not declare any dividend on equity shares for the year ended 31 March 2020 and 31 March 2019. The dividend if proposed by the Board of Directors, is subject to the approval of shareholders in the Annual General Meeting, except interim dividend.

(c) Details of shareholder holding more than 5% shares in the Company**Equity shares of Rs. 10 each fully paid**

		As at 31 March 2020	As at 31 March 2019	As at 1st April 2018
Sanjay S. Shah	Number of Shares	92,51,543	91,17,500	71,17,500
	% Holding	61.84%	60.94%	58.29%
Aarsh Shah	Number of Shares	13,07,500	13,07,500	13,07,500
	% Holding	8.74%	8.74%	10.71%

(d) Shares reserved for issue under option

The Company has not reserved any shares for issuance under options

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

The Company has neither issued any bonus shares, shares for consideration other than cash nor has there been any buyback of shares in the current year and preceding five years from 31 March 2020.

(Amount in Rs.)

		As at 31 March 2020	As at 31 March 2019	As at 1st April 2018
15 Other equity				
(i) Retained earnings				
Opening balance		21,37,94,619	14,69,32,704	11,09,79,728
Add: Profits for the year		9,62,28,452	6,69,28,200	3,81,46,743
Less: other adjustments		-	66,285	21,93,767
Closing balance		31,00,23,071	21,37,94,619	14,69,32,704
(ii) Money received against share warrant				
Opening balance		-	4,67,50,000	-
Movement for the year		-	(4,67,50,000)	4,67,50,000
Closing balance		-	-	4,67,50,000
(iii) Other comprehensive income, net of tax				
Opening balance		(15,98,035)	-	-
Movement for the year		(4,20,752)	(15,98,035)	-
Closing balance		(20,18,787)	(15,98,035)	-
(iv) Securities Premium reserve				
Opening balance		34,81,90,000	19,69,40,000	19,69,40,000
Movement for the year		43,760	15,12,50,000	-
Closing balance		34,82,33,760	34,81,90,000	19,69,40,000
(v) Deemed Equity Contribution				
Opening balance		73,48,516	73,48,516	73,48,516
Movement for the year		-	-	-
Closing balance		73,48,516	73,48,516	73,48,516
Total		66,35,86,560	56,77,35,100	39,79,71,220

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(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019	As at 1st April 2018
16 Borrowings			
Non-current borrowings			
Secured term loans from Scheduled Banks and Financial Institutions	8,78,85,602	1,57,23,020	4,69,04,612
Unsecured Loan	3,68,35,859	3,64,26,634	4,09,51,869
	12,47,21,461	5,21,49,654	8,78,56,481
Notes:			
1. Loan from Clix Finance India Private Limited is repayable in 48 equated monthly installments amounting to INR 13,41,375/- beginning from October, 2019.			
2. Term Loan from the State Bank of India carries interest rate of 9.15% p.a. The repayment of the loan will begin after the 18 months from the date of inception of loan.			
17 Deferred tax liabilities (net)			
Deferred tax liabilities			
Difference between WDV as per books and Income-tax	7,09,48,573	7,09,08,445	6,97,66,550
Other Equity	19,59,899	18,27,712	32,22,830
	7,29,08,472	7,27,36,157	7,29,89,380
Deferred tax assets			
Less: Gratuity	(14,95,405)	(8,87,003)	-
Less: MAT credit entitlement	(74,54,730)	(1,10,67,760)	(1,35,40,349)
	(89,50,135)	(1,19,54,763)	(1,35,40,349)
	6,39,58,337	6,07,81,394	5,94,49,031
18 Provisions			
Provision for gratuity	69,76,412	47,18,259	14,58,665
	69,76,412	47,18,259	14,58,665
19 Borrowings			
Current borrowings			
Working capital Loan from bank	2,26,31,525	2,73,33,097	1,36,92,648
	2,26,31,525	2,73,33,097	1,36,92,648
20 Trade payables			
Creditors for Goods	4,60,00,905	3,48,07,384	3,99,46,170
Creditors for Capital Goods and others	84,05,061	50,87,179	41,26,905
	5,44,05,966	3,98,94,563	4,40,73,075
21 Other financial liabilities			
Current maturities of long term borrowings	1,96,20,753	3,16,73,316	3,33,38,916
	1,96,20,753	3,16,73,316	3,33,38,916
22 Other current liabilities			
Advance from Customers	97,69,392	22,87,185	6,63,150
For other liabilities	2,04,04,066	1,72,49,306	2,43,66,869
	3,01,73,458	1,95,36,491	2,50,30,019
23 Income-tax liabilities			
Income tax provision (net of advance taxes)	1,55,48,635	2,04,08,616	1,02,83,122
	1,55,48,635	2,04,08,616	1,02,83,122

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Particulars	Amount (Rs.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
24 Revenue from operations		
Sale of products and services		
Domestic Sales	25,88,25,797	32,43,87,944
Export Sales	57,09,76,599	35,81,05,546
	82,98,02,396	68,24,93,490
25 Other income		
Interest Income	1,44,590	2,01,191
Export Incentive	93,42,123	56,08,650
Dossier Charges	17,19,744	-
Documentation Charges	2,30,556	-
Rent Income	51,000	-
Exchange Rate Flucutation	86,71,415	9,91,465
Excess Provision Written Back	9,005	9,286
	2,01,68,433	68,10,592
26 Cost of material and services		
Opening stock of raw material and components	4,11,37,741	1,07,77,019
Add : Purchases during the year	47,12,53,264	38,33,13,768
Inventory at the end of the year	8,34,15,028	4,11,37,741
Cost of material consumed	42,89,75,977	35,29,53,046
Cost of materials and services	42,89,75,977	35,29,53,046
27 Changes in inventories of finished goods and work-in-progress		
Opening Stock of Finished Goods / Stock in Process	2,74,25,462	2,85,35,765
'Less: Closing Stock of Finished Goods / Stock in Process	2,59,18,215	2,74,25,462
Changes in inventories of finished goods and work in progress	15,07,247	11,10,303
28 Employee benefits expense		
Salaries and Wages	11,22,13,341	8,16,14,864
Directors Remuneration	52,00,000	50,35,000
Contribution to Provident and Other Funds	10,30,523	8,57,453
Contribution to ESIC	1,02,841	1,83,576
Provision for Gratuity	16,75,232	10,45,636
Staff Welfare Expenses	10,70,135	7,93,632
	12,12,92,072	8,95,30,161
29 Finance costs		
Bank Charges	14,73,962	21,54,199
Bank Interest	1,73,33,577	1,63,07,669
Interest on Unsecured Loan	37,18,407	41,93,557
	2,25,25,946	2,26,55,425
30 Depreciation and amortization expenses		
Depreciation of property, plant and equipment	4,62,53,247	4,29,12,131
Amortization of intangible assets	2,45,44,812	1,74,85,151
	7,07,98,059	6,03,97,282

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Particulars	Amount (Rs.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
31 Other expenses		
Advertisement Expenses	24,780	45,438
Audit Fees	1,00,000	88,500
Business Development Expenses	12,62,602	14,50,092
Courier & Postage Expenses	4,23,880	8,04,985
Electrical Expenses	14,65,681	10,14,582
Export Expenses	93,50,847	91,53,371
Factory / General Expenses	9,18,420	11,56,812
Food & Refreshment Expenses	14,54,560	13,59,535
Hygienic Maintenance Expenses	7,34,610	6,06,689
GPCB Fees (for Oncology)	75,000	-
Insurance Expenses	3,94,580	6,61,571
ISO Certificate Charges	26,000	-
Demat and Stock Exchange fees	4,88,528	-
Licence Charges	66,156	2,18,776
Loading & Unloading Charges	4,990	67
Membership Fees Expenses	87,389	69,045
Packing Expenses	10,57,054	27,04,944
Power & Fuel Expenses	2,88,46,330	2,92,34,493
Professional Fees Expenses	48,19,129	35,62,521
Professional Tax Expenses	2,400	2,400
Property Tax Expenses	44,674	31,037
Repairs & Maintenance		
Machinery	8,24,370	55,030
Factory Building	23,09,016	4,37,526
Computer	97,184	2,07,760
Other	28,75,187	10,21,254
GMP Registration Charges	6,82,365	6,09,906
Product Registration Expenses	33,96,215	12,86,865
Stationery Expenses	12,24,006	13,02,244
Stores & Spares / Consumable Expenses	38,27,671	28,79,222
TDS Interest Expenses	65,825	48,980
Telephone / Mobile / Internet Expenses	3,26,900	4,90,621
Testing & Analysis / Laboratory Expenses	35,68,123	6,04,620
Travelling & Conveyance Expenses	50,45,262	39,36,649
Vatav & Kasar A/c	1,39,433	4,35,047
Vat Expenses	-	1,99,301
Security Expenses	4,97,904	5,11,500
Material Stores&consumable	8,74,652	12,43,181
Power & Fuel Expenses	27,98,042	20,37,973
Repairs & Maintenance	63,320	25,000
Hygienic Maintenance Expenses	55,834	33,517
Testing Expense	10,00,103	84,000
Membership Fees & Seminar Exp. (R&D)	4,77,999	-
Material Stores&consumable	-	2,640
Power & Fuel Expenses	-	22,334
Vehicle Expenses	3,98,882	4,67,297
Miscellaneous Expenses	4,06,542	1,79,466
	8,26,02,445	7,03,12,791
* Payment to auditor (excluding GST)		
As auditor:		
Audit fee	1,00,000	88,500
Tax audit fees	-	-
	1,00,000	88,500

32 Income Tax

- (a) The major components of income tax expenses for the years ended March 31, 2020 and March 31, 2019

	Amount (Rs.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Statement of profit and loss		
Current income tax:		
Current income tax charge	2,51,00,000	2,50,00,000
Adjustment in respect of current income tax of previous years	12,14,549	9,41,177
Deferred tax:		
Relating to origination and reversal of temporary differences	(2,73,918)	(5,24,303)
Tax (credit) under minimum alternate tax (MAT)		
Income tax expenses reported in statement of profit and loss	2,60,40,631	2,54,16,874
	March 31, 2020 (Amount in Rs.)	March 31, 2019 (Amount in Rs.)

- (b) OCI section

Deferred tax related to items recognised in OCI during the year

Net loss/(gain) on remeasurements of defined benefit plans	1,62,169	6,15,923
Income tax charged to OCI	1,62,169	6,15,923

	Amount (Rs.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
(c) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2020 and March 31, 2019		
Accounting profit before taxation	12,22,69,083	9,23,45,074
Applicable tax rate	27.82%	27.82%
Computed tax expenses	3,40,15,259	2,56,90,400
Tax provision due to difference in MAT rate and normal tax rate		
Temporary differences on which deferred tax not created	5,53,173	(39,30,698)
Non-deductible expenses	1,46,767	5,16,999
Deferred Tax on Actuarial gain transferred to OCI	1,62,169	6,15,923
Adjustment of earlier years	12,14,549	9,41,177
Adjustment for 35D	(95,00,774)	(3,474)
Others	(5,81,560)	15,86,547
Income tax expenses charged to profit and loss	2,60,09,582	2,54,16,874

- (d) Deferred tax relates to following

Particulars	Balance Sheet		Profit and Loss	
	March 31, 2020 (Amount in Rs.)	March 31, 2019 (Amount in Rs.)	March 31, 2020 (Amount in Rs.)	March 31, 2019 (Amount in Rs.)
Temporary difference in value of Property, Plant and Equipment as per books of accounts and tax	7,09,48,573	7,09,08,445	19,16,781	25,77,953
Notional Interest on Unsecured Loan	19,59,899	18,27,712	(10,34,461)	(11,66,647)
Income tax effect on re-measurement gains (losses) on defined benefit plans	(14,95,405)	(8,87,003)	(6,08,402)	(8,87,003)
Deferred tax liabilities	7,14,13,067	7,18,49,154	2,73,918	5,24,303

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Particulars	Amount (Rs.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
(e) Reconciliation of deferred tax liabilities		
Opening balance as at 1st April 2019	7,18,49,154	7,29,89,380
Tax expense during the period recognised in profit and loss	2,73,918	5,24,303
Tax expense during the period recognised in OCI	1,62,169	6,15,923
Closing balance as at 31st March 2020	7,14,13,067	7,18,49,154

33 Fair Value Measurement

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Total
a) The carrying value of financial instruments by categories as of March 31, 2020 is as follows :					
Financial Asset					
Investments	-	-	-	1,00,000	1,00,000
Trade receivables	-	-	-	8,23,39,951	8,23,39,951
Cash and Cash Equivalents	-	-	-	29,59,481	29,59,481
Loans	-	-	-	88,37,528	88,37,528
	-	-	-	9,42,36,960.00	9,42,36,960.00
Financial Liabilities					
Borrowings	-	-	-	14,73,52,986	14,73,52,986
Trade payables	-	-	-	5,44,05,966	5,44,05,966
Other financial liabilities	-	-	-	1,96,20,753	1,96,20,753
	-	-	-	22,13,79,705	22,13,79,705
b) The carrying value of financial instruments by categories as of March 31, 2019 is as follows :					
Financial Asset					
Investments	-	-	-	-	-
Trade receivables	-	-	-	9,50,30,235	9,50,30,235
Cash and Cash Equivalents	-	-	-	36,67,973	36,67,973
Loans	-	-	-	25,44,602	25,44,602
	-	-	-	10,12,42,810	10,12,42,810
Financial Liabilities					
Borrowings	-	-	-	7,94,82,751	7,94,82,751
Trade payables	-	-	-	3,98,94,563	3,98,94,563
Other financial liabilities	-	-	-	3,16,73,316	3,16,73,316
	-	-	-	15,10,50,630	15,10,50,630
c) The carrying value of financial instruments by categories as of April 1, 2018 is as follows :					
Financial Asset					
Investments	-	-	-	-	-
Trade receivables	-	-	-	10,81,16,489	10,81,16,489
Cash and Cash Equivalents	-	-	-	36,23,090	36,23,090
Loans	-	-	-	25,47,968	25,47,968
	-	-	-	11,42,87,547	11,42,87,547
Financial Liabilities					
Borrowings	-	-	-	10,15,49,129	10,15,49,129
Trade payables	-	-	-	4,40,73,075	4,40,73,075
Other financial liabilities	-	-	-	3,33,38,916	3,33,38,916
	-	-	-	17,89,61,120	17,89,61,120

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

34 Financial risk objective and policies

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

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

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

a) Market risk

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

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

i) Interest rate risk

Interest rate sensitivity

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2020 would decrease / increase by Rs. 8,55,843/- (previous year Rs. 5,55,780/-). This is mainly attributable to interest rates on term loans, car loans and working capital loan.

b) Credit risk

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

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

c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Sakar Healthcare Limited

Maturities of financial liability					(Amount in Rs.)
Particulars	On Demand	Within 1 year	Over 1 year within 5 years	Over 5 years	Total
As at March 31, 2020					
Borrowings	-	2,26,31,525	12,47,21,461	-	14,73,52,986
Other financial liabilities	-	1,96,20,753	-	-	1,96,20,753
Trade payables	-	5,44,05,966	-	-	5,44,05,966
	-	9,66,58,243	12,47,21,461	-	22,13,79,704
As at March 31, 2019					
Borrowings	-	2,73,33,097	5,21,49,654	-	7,94,82,751
Other financial liabilities	-	3,16,73,316	-	-	3,16,73,316
Trade payables	-	3,98,94,563	-	-	3,98,94,563
	-	5,90,06,413	5,21,49,654	-	11,11,56,067

35 Earnings per share

	Amount (Rs.)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to equity shareholders of the company	9,62,28,452	6,69,28,200
Weighted average number of equity shares	1,49,61,000	1,35,86,000
Face value per share (in Rs.)	10	10
Basic and Diluted earning per share (in Rs.)	6.43	4.93

36 Capital Commitments

As at 31st March, 2020, the Company does not have anyb outstanding capital commitments.

37 Contingent Liabilities

As at 31st March, 2020, there is no liability of contingent nature which is not provided for. (Previous Year NIL)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
38 Disclosures as required by Ind AS - 19 Employee Benefits		
a) Changes in Present Value of Obligation		
Present value of the obligation at the beginning of the period	47,18,259	14,58,665
Interest cost	3,30,278	1,02,107
Current service cost	13,44,954	9,43,529
Actuarial (gain)/loss	5,82,921	22,13,958
Present value of the obligation at the end of the period	69,76,412	47,18,259
b) Net Asset / (Liability) recognised in Balance Sheet		
Present value of the obligation at the end of the period	69,76,412	47,18,259
Fair value of plan assets at end of period	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	69,76,412	47,18,259
Funded Status - Surplus/ (Deficit)	(69,76,412)	(47,18,259)
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
c) Expense to be recognised in the Statement of Profit and Loss		
Interest cost	3,30,278	1,02,107
Current service cost	13,44,954	9,43,529
Expenses to be recognized in the Statement of Profit & Loss	16,75,232	10,45,636
d) Recognised in Other Comprehensive Income		
Opening Cumulative unrecognized actuarial (gain)/loss	22,13,958	-
Actuarial (gain)/loss - obligation	5,82,921	22,13,958
Total Actuarial (gain)/loss	5,82,921	22,13,958
Carried Forward Cumulative total actuarial (gain)/loss	27,96,879	22,13,958
e) Net Interest Cost		
Interest cost on defined benefit obligation	3,30,278	1,02,107

Net interest cost (Income)	3,30,278	1,02,107
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f) Maturity Profile of the Defined Benefit Obligation

Particulars	Amount
01 Apr 2020 to 31 Mar 2021	3,82,539
01 Apr 2021 to 31 Mar 2022	1,57,912
01 Apr 2022 to 31 Mar 2023	1,64,618
01 Apr 2023 to 31 Mar 2024	4,85,669
01 Apr 2024 to 31 Mar 2025	1,48,887
01 Apr 2025 Onwards	56,36,787

g) Sensitivity Analysis

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

Particulars	Year ended 31st March, 2020
Defined Benefit Obligation (Base)	69,76,412 @ Salary Increase Rate : 6%, and discount rate :7%
Liability with x% increase in Discount Rate	63,89,264; x=1.00% [Change (8)%]
Liability with x% decrease in Discount Rate	76,53,227; x=1.00% [Change 10%]
Liability with x% increase in Salary Growth Rate	76,53,227; x=1.00% [Change 10%]
Liability with x% decrease in Salary Growth Rate	63,78,819; x=1.00% [Change (9)%]
Liability with x% increase in Withdrawal Rate	69,88,266; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	69,58,890; x=1.00% [Change 0%]

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	7.00 % per annum	7.00 % per annum
Salary Growth Rate	6.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2006-08 Ultimate
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
- Principal	Nil	Nil
- Interest	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 a long with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the		

Sakar Healthcare Limited

succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.

Nil

Nil

40 Capital management

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

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

Particulars	As at March 31, 2020	As at March 31, 2019
Total borrowings	16,69,73,739	11,11,56,067
Less: Cash and cash equivalents	29,59,481	36,67,973
Net Debt (A)	16,40,14,258	10,74,88,094
Total Equity (B)	81,31,96,560	71,73,45,100
Total Equity and Net Debt (C = A + B)	97,72,10,818	82,48,33,194
Gearing ratio	16.78%	13.03%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019

41 Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended)

Particulars of Liabilities arising from Financing activity	As at March 31, 2019	Cash flows	Non Cash Changes	As at March 31, 2020
Long term borrowing	4,73,96,336	6,43,04,919	41,94,900.00	10,75,06,355.00
Working Capital Loan	2,73,33,097	(47,01,572)	-	2,26,31,525.00
Unsecured Loan	3,64,26,634	41,27,631	37,18,407.19	3,68,35,858.64
Total	11,11,56,067	6,37,30,978	79,13,307.19	16,69,73,739

42 COVID 19 Impact

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

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

a) List of related parties

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

b) Detail of Related Party Transactions for the year ended March 31, 2020

Category	Name of Related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
Remuneration Paid			
	Sanjay Shah, Director	22,75,000	21,95,000
	Rita Shah, Director	6,50,000	6,50,000
	Aarsh Shah, Director	22,75,000	21,90,000
Salary Paid	Ayushi Shah	5,20,000	5,20,000
Unsecured Loans			
Loan Given	Sakar Oncology Private Limited	7,57,351	-

c) Closing Balances Unsecured Loans

Sanjay Shah, Director	3,68,35,859	3,64,26,634
Sakar Oncology Private Limited	7,57,351	-

Sakar Healthcare Limited

44 Research and Development Expenditure

During the year ended 31st March, 2020, the Company has incurred following expenditure on Research and Development:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue Expenditure (excluding depreciation) included in Statement of Profit and Loss		
Salary & Bonus	1,10,61,948	90,34,378
Material Stores & Consumable	8,74,652	12,43,181
Power & Fuel Expense	27,98,042	20,60,307
Repairs & Maintenance	63,320	25,000
Hygienic Maintenance Expense	55,834	33,517
Testing & Analysis / Laboratory Expense	10,00,103	84,000
Membership Fees & Seminar Expense	4,77,999	-
Total Revenue Expenditure	1,63,31,898	1,24,80,383
Capital Expenditure		
Research & Development Equipments	1,73,23,286	1,32,19,030
Total Capital Expenditure	1,73,23,286	1,32,19,030
Total Research & Development Expenditure	3,36,55,184	2,56,99,413

45 Approval of financial statements

The financial statements were approved for issue by the board of directors on 25th June, 2020.

The accompanying notes form an integral part of financials statements

As per our report of even date
For A.L.Thakkar & Co.
Chartered Accountants
Firm Registration No.: 120116W
Sanjiv Shah
Partner
Membership No. : 42264
Place : Ahmedabad
Date : 25th June, 2020

For and on behalf of the Board

Sanjay S. Shah
Managing Director
DIN: 1515296

Jhonny G. Kudilil
Chief Financial Officer

Place : Ahmedabad
Date : 25th June, 2020

Rita S. Shah
Whole Time Director
DIN: 1515340

Hema Advani
Company Secretary

E-COMMUNICATION REGISTRATION FORM
(Only for members holding shares in physical form)

Date:

To,
Link Intime India Private Limited,
506-508, Amarnath Business Centre-1 (ABC-1),
Besides Gala Business Centre,
Near St. Xavier's College Corner,
Off C. G. Road, Ahmedabad 380 006

UNIT – SAKAR HEALTHCARE LIMITED

Dear Sir,

Sub: Registration of E-mail ID for serving of Notices / Annual Reports through electronic mode by Company

We hereby register our E-mail ID for the purpose of receiving the notices, Annual Reports and other documents / information in electronic mode to be sent by the Company.

Folio No.:	
E-mail ID:	
Name of the First / Sole Shareholder:	
Signature:	

Note: Shareholder(s) are requested to notify the Company as and when there is any change in the e-mail address.

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