

### Note – 1

#### Significant Accounting Policies & Notes on Accounts:

##### I) Significant Accounting Policies:

###### A) Basis of Preparation of Financial Statements

###### (i) Historical Cost Basis:

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

###### (ii) Use of Estimates:

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

###### B) Revenue Recognition:

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

###### C) Fixed Assets and Depreciation:

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

###### D) Valuation of Investment

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

###### E) Employees Benefits:

###### (i) Gratuity

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

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

**F) Foreign currency transaction:**

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

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

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

**H) Accounting for Taxes of Income:****i) Current Tax**

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

**ii) Deferred tax**

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

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

**I) Valuation of Inventories**

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

**J) Borrowing Costs**

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

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

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

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

### L) Research and Development Expenditure

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

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

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

### N) Earnings Per Share

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

### O) General:

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

## II) Notes on Accounts :

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

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

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

### (a) Contingent Liabilities

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

8) Share Capital :

(Amount in Rs.)

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

9) Related Party Disclosures :

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

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

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

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

2. Transaction during the year with related parties

- a. Unsecured Loan:  
Balance as at 31.03.2018      Rs. 515.23 Lakh

9) **Employee benefit plans**

**a) Defined Benefit Plans**

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

**I. Expenses recognized during the year**

(Rs. in Lakh)

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

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(Rs. in Lakh)

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

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Particulars	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)
<b>NOTE 2 - SHARE CAPITAL</b>		
<b>Authorised</b>		
150,00,000 Equity Shares of Rs.10/- each	<b>150,00,000</b>	<b>120,00,000</b>
<b>Issued, subscribed &amp; paid up</b>		
109,61,000 Equity Shares of Rs.10/- each fully paid up	109,610,000	80,000,000
12,50,000 Equity Shares of Rs.10/- each fully paid up	12,500,000	29,610,000
<b>Total</b>	<b>122,110,000</b>	<b>109,610,000</b>

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

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

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

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

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

### NOTE 4 : MONEY RECEIVED AGAINST SHARE WARRANTS

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

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

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

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Particulars	As at 31/03/2018 Amount (Rs.)	As at 31/03/2017 Amount (Rs.)								
<b>NOTE 6 : LONG TERM BORROWING</b>										
<b>SECURED</b>										
Term Loan From Schedule bank	46,904,612	80,975,935								
(A)	<b>46,904,612</b>	<b>80,975,935</b>								
<b>UNSECURED</b>										
Unsecured Loan	51,523,214	78,091,383								
(B)	<b>51,523,214</b>	<b>78,091,383</b>								
(A+B)	<b>98,427,826</b>	<b>159,067,318</b>								
<b>NOTE 7 : SHORT-TERM BORROWINGS</b>										
<b>SECURED</b>										
Working Capital Loan From Bank	13,692,648	53,204,911								
	<b>13,692,648</b>	<b>53,204,911</b>								
<b>NOTE 8 : TRADE PAYABLES</b>										
Creditors for Goods	39,946,170	11,825,870								
Creditors for Capital Goods and others	4,126,905	19,208,106								
	<b>44,073,075</b>	<b>31,033,976</b>								
<b>NOTE 9 : OTHER CURRENT LIABILITIES</b>										
Secured Loan Repayable within Twelve Months	33,338,916	32,393,316								
Advance from Customers	663,150	1,178,687								
For other liabilities	24,366,869	6,050,390								
	<b>58,368,935</b>	<b>39,622,393</b>								
<b>NOTE 10 : SHORT-TERM PROVISIONS</b>										
Provision for										
Gratuity	1,458,665	1,387,435								
Income Tax (Net of Advance Tax)	10,283,122	2,040,263								
	<b>11,741,787</b>	<b>3,427,698</b>								
<b>NOTE 11 : FIXED ASSETS</b>										
DESCRIPTION of ASSETS	GROSS BLOCK			DEPRECIATION/AMORTIZATION				NET BLOCK		
	Balance as on 1.4.17	Addition Before Six Month Year	Deduction After Six Month	Balance as on 31.03.18	up to 01.04.17	Provided During 31.03.18	Deduction During the year	Up To 31.03.18	As At 31.03.18	As at 31.03.17
<b>Tangible Assets</b>										
Air Conditioner	6,396,227	113,398	122,088	6,631,713	1,654,272	415,923	-	2,070,195	4,561,517	4,741,955
Boiler	1,903,110	-	-	1,903,110	859,219	90,398	-	949,617	953,493	1,043,891
Computer	7,876,362	242,932	662,048	8,781,342	6,878,316	1,179,818	-	8,058,134	723,208	998,046
D.G.Set	3,963,649	-	-	3,963,649	1,683,054	188,273	-	1,871,327	2,092,322	2,280,595
Cycle	2,132	-	-	2,132	2,132	-	-	2,132	-	-
Electric Installation	28,219,479	300,524	6,589,698	35,109,701	14,357,596	3,022,411	-	17,380,007	17,729,694	13,861,883
Factory Building	117,544,569	3,337,922	11,483,333	132,365,824	26,808,450	4,013,986	-	30,822,436	101,543,388	90,736,119
Factory Land & Development	5,548,390	-	11,800,000	17,348,390	-	-	-	-	17,348,390	5,548,390
Furniture	23,800,443	1,279,874	958,989	26,039,306	6,615,407	2,428,182	-	9,043,589	16,995,717	17,185,036
Other Equipment	17,277,708	635,961	993,129	18,906,798	2,589,253	874,486	-	3,463,739	15,443,058	14,688,455
Telephone Instruments	341,102	-	28,774	369,876	95,033	33,771	-	128,804	241,072	246,069
Laboratory Instruments	34,041,634	6,102,223	138,800	40,282,657	8,038,325	3,820,259	-	11,858,584	28,424,073	26,003,309
Plant & Machinery	409,008,499	12,350,183	1,641,480	423,000,162	113,748,532	20,053,523	-	133,802,055	289,198,107	295,259,967
Scale	214,157	-	-	214,157	78,291	10,172	-	88,463	125,694	135,866
Vehicle	18,303,506	-	-	18,303,506	3,536,592	2,174,457	-	5,711,049	12,592,457	14,766,914
Trolley	2,164,138	-	-	2,164,138	381,636	102,797	-	484,433	1,679,705	1,782,502
<b>Intangible Assets</b>										
Intangible Assets	-	6,572,965	22,743,259	29,316,224	-	5,683,053	-	5,683,053	23,633,171	-
<b>Total</b>	<b>676,605,105</b>	<b>30,935,982</b>	<b>57,161,598</b>	<b>764,702,684</b>	<b>187,326,108</b>	<b>44,091,509</b>	<b>-</b>	<b>231,417,617</b>	<b>533,285,067</b>	<b>489,278,997</b>
<b>Previous year</b>	<b>525,927,133</b>	<b>26,297,962</b>	<b>124,380,010</b>	<b>676,605,105</b>	<b>153,431,684</b>	<b>33,894,424</b>	<b>-</b>	<b>187,326,108</b>	<b>489,278,997</b>	<b>372,495,449</b>

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Particulars	As at 31/03/2018 Amount (Rs.)	As at 31/03/2017 Amount (Rs.)
<b>NOTE 12 : LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Deposit (Gujarat Electric Board)	2,502,818	2,810,721
Deposit (Gas)	16,700	15,000
Saurashtra Enviro Projects Pvt. Ltd. Deposit	28,450	28,450
Investment (Sakar-Kenya)	971,196	-
National Stock Exchange Deposit	-	1,480,000
	<b><u>3,519,164</u></b>	<b><u>4,334,171</u></b>
<b>NOTE 13 : INVENTORIES</b>		
(As taken, Valued & Certified by the Management)		
Raw Material/Packing Material / Stores & Consumables	10,777,019	33,119,709
Finished Goods / Stock in Process	28,535,765	36,455,514
	<b><u>39,312,784</u></b>	<b><u>69,575,223</u></b>
<b>NOTE 14 : TRADE RECEIVABLES</b>		
Debtors outstanding for more than six months		
Unsecured Considered good	-	-
Other Debts		
Unsecured Considered good	108,193,205	53,451,298
	<b><u>108,193,205</u></b>	<b><u>53,451,298</u></b>
<b>NOTE 15 : CASH &amp; BANK BALANCES</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash on Hand		
Cash on Hand	1,402,692	525,224
Balances with Banks		
In Bank Accounts	2,220,398	3,993,268
	<b><u>3,623,090</u></b>	<b><u>4,518,492</u></b>
<b>NOTE 16 : SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured Considered Good)		
Excise Modvate A/c (CGST)	32785835	19120490
Excise PLA A/c	-	3283910
MAT Credit Receivable	13540349	14061839
Advances Recoverable in cash or kind	1154850	637550
Advance Payment For Materials & Capital Goods	43459587	31338434
VAT Credit (SGST)	10071308	12961573
IGST Receivable	13650233	-
VAT Receivable	5405667	-
Prepaid Expenses	879102	946751
	<b><u>120,946,931</u></b>	<b><u>82,350,547</u></b>
<b>NOTE 17 : OTHER CURRENT ASSETS</b>		
Authorised Capital Increase ROC Fees	225029	-
Issue Expenses to the Extent not written off	1892022	2365027
	<b><u>2117051</u></b>	<b><u>2365027</u></b>



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

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

## Sakar Healthcare Limited

### NOTE 27 :

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

### NOTE 28 : ACTIVITY IN FOREIGN CURRENCY

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

### NOTE 29 :

#### Related Party Disclosures

(Rs. in Lakh)

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

### NOTE 30 :

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

### NOTE 31 :

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

As per our Audit Report of even date

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

Chartered Accountants

FRN: 120116W

**Sanjiv Shah**

Partner

Membership No. : 42264

Place : Ahmedabad

Date : 30.05.2018

**For and on behalf of the Board**

**Sanjay S. Shah**

Chairman & Managing Director

**Jhonny G. Kudilil**

CFO

Place : Ahmedabad

Date : 30.05.2018

**Rita S. Shah**

Whole Time Director

**Hema Advani**

Company Secretary